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## Don't Miss What's Inside...

- Meet MAAx—the revolutionary marketing automation and analytics solution from ASTECH INTERMEDIA.
- The introduction of R-Logic's Corey as a Sales Prognosticator
- Circulation Marketing: The New Basics
- Selling Profitable Solo Mail

**PLUS**—An invitation to the 2004 Roundtable on Strategic Marketing coming this August in beautiful Vail, Colorado

# INTERVIEW



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"Changing Your Perspective."

Summer 2004

## Meet MAAx

Meet **MAAx** – the revolutionary marketing automation and analytics solution from ASTECH INTERMEDIA.

Now, we understand that the term "revolutionary" is used way too freely in stuff like this, but if you're not speechless after having a look at the impact it will have on your marketing initiatives, we think you'll describe it the same way. Here's why.

**MAAx** introduces an unsurpassed level of usability while remaining uncompromising on the robust functionality required to drive newspaper marketing applications. In other words, while it delivers all of the features and functionality needed for comprehensive segmentation and campaign management, **MAAx**' extraordinary ease of use will tempt even the folks in the corner office to "get their hands dirty."

combines customer insight and intelligence with the automated delivery of marketing promotions, campaigns and individual interactions. Campaign Planner enables users to easily create and test campaigns, building hierarchical selections based on the optimum target segments as defined by analysis and data mining.

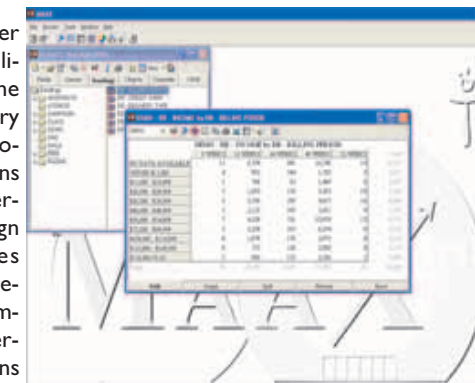
**Mining and modeling made easy.** MAAx Modeler complements the core analysis and visualization functionality by further enriching customer insight through data profiling and predictive modeling. Without the need for statistical expertise, marketers can engage in data mining, automating the discovery of future trends and identifying significant relationships across very large databases in seconds.

**Enhance customer profitability.** MAAx CRM allows users to further manage the interaction with customers and prospects through automated marketing promotions, campaigns and relationship management activity. Marketers may define key performance indicators, marketing rules, scored models and queries that reflect their objectives. Changes in the data will then trigger predefined alerts and actions.

**Benefits to You**  
**Get answers NOW.** MAAx excels in the speed of delivery of analytical results as even complex queries can be answered in train of thought time-scales.

**Improve marketing productivity.** MAAx Campaign Planner

In summary, **MAAx** enables users to turn information into valuable customer insight. From the desktop, using train of



### MAAximizing marketing initiatives...

Doug Karr, Indianapolis Star

"This product has everything we were looking for in a database marketing solution - speed, flexibility, incredible functionality and, especially, ease of use. I been exposed to many marketing technologies, and this is superior in all respects."

thought analysis, clients can develop an in-depth knowledge and understanding of customer needs and preferences, and deliver an improved return on marketing investment.

And one more thing...there's us. At ASTECH INTERMEDIA, we see technology as the means to an end – not the end in itself. The experience and expertise gained in the 12+ years we've dedicated to supporting the data-driven marketing applications of this industry ensure that your investment in marketing automation is a profitable one.

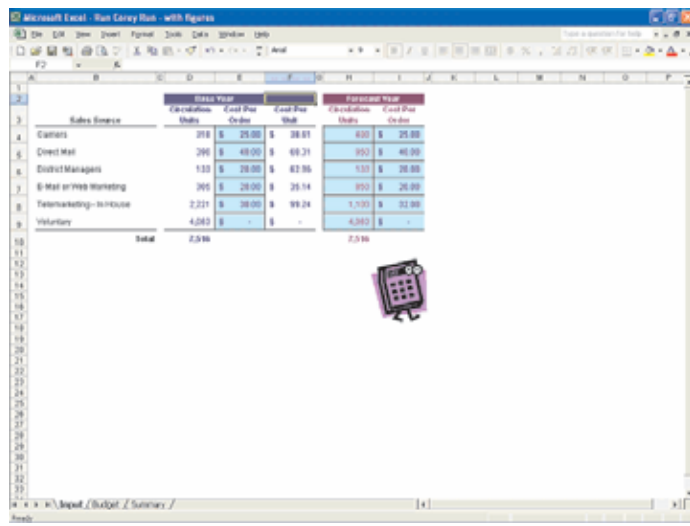
For more information or a demonstration, contact Tom Ratkovich at 303.296.9966 x11 or at [ter@astech-intermedia.com](mailto:ter@astech-intermedia.com).

## R-Logic's Corey Introduced as Sales Prognosticator

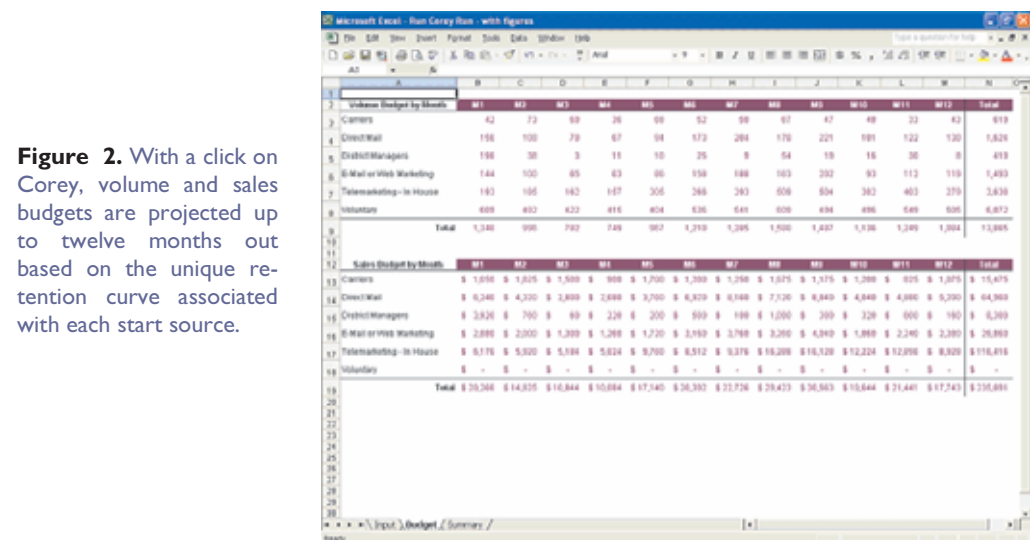
With the release of R-Logic v2.2, more than 130 newspapers now have access to a flexible sales forecasting and budgeting buddy by the name of Corey the Calculator.

Corey allows marketers to leverage all of the knowledge gained through R-Logic's extensive retention reporting to effectively establish parameters for sales budgets up to 12 months out.

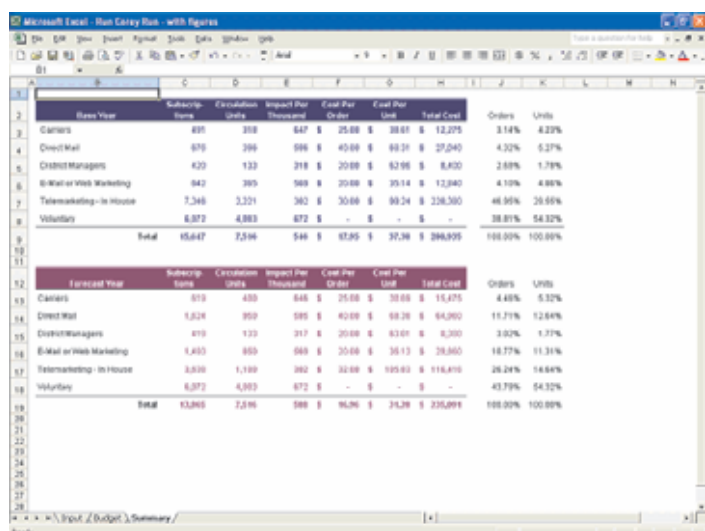
For more information on R-Logic and Corey, please contact Tia Talbert at [tjt@astech-intermedia.com](mailto:tjt@astech-intermedia.com).



**Figure 1.** Using R-Logic's ability to seamlessly and accurately calculate retention, cost per order and cost per unit, users can project the impact on circulation using different budgeting tactics.



**Figure 2.** With a click on Corey, volume and sales budgets are projected out to twelve months out based on the unique retention curve associated with each start source.



**Figure 3.** In this case, by reallocating the sales budget to more productive sources, the total contribution to circulation remains unchanged but the costs have dropped dramatically.

## Selling Profitable Solo Mail

By Jim Hart  
Integrated Advertising Solutions

Most newspaper executives have seen the advertising expenditure information put together by Robert Cohen of McCann-Erickson. It shows ad spending in mail to be about equal to that spent in newspapers. This has prompted many a newspaper to ramp up to pursue these dollars. Over the past 10 years, I've had the privilege to spend some time visiting with most of the newspapers in the U.S. that are pursuing solo mail revenues. From the mid to late 90's, I headed up a group of people that built a department from scratch at one of the larger newspapers in the country.

The vast majority of these efforts share one very disappointing trait. While shared mail has proven to be a very strong arena for both gross and net revenues, solo mail volume is much easier to come by than profit. There are several reasons for this. While less than optimal strategic positioning and poor focus are all too common, the nearly universal challenges lay in the production areas. As an industry, we have spent over 100 years refining the processes involved in producing the ROP and preprint ads that appear in our products. Solo mail departments are faced with producing projects much more complex than an ROP ad. Each element of the project (printing, data, letter shop, etc.) must be managed, and then brought together. In the majority of newspapers, the new solo mail department faces these production challenges alone.

Bidding out printing and letter shop services is not overly difficult. Getting pricing that

allows you to make a profit is one reason for this is that solo mail production is basically a commodity. In most markets of any size, there is an excess of printing and letter shop capacity and all of these vendors are chasing the same accounts we covet. Because of this, many newspapers have found themselves pushing the strength of their data and analytical services as their unique selling proposition. Essentially, the challenges define the strategic positioning of the efforts, rather than the other way around. While this subject could probably fill a book, I'd like to focus on one key decision point.

Newspapers can cost justify building extensive databases, owning powerful analytical tools and hiring talented data analysts. These things are all necessary to keep us at the top of our game in circulation. While the theory of using these things for advertisers is all well and good, the sad truth is that the pool of advertisers that have the transactional detail, sophistication and budget to pursue things at this level would fit on the head of a pin. Even the grocers, who have an incredible amount of information that could be used to transform their business model, have yet to really use it. How many grocer loyalty cards are hanging from your key ring and when was the last time you received an ad based on your purchasing history?

Ideally, these data and human resources at the newspaper would be shared in such a way that the occasional large data-driven advertiser would get exceptional service and value

that they can't get anywhere else. Most of the time, these expensive resources would be focused on maintaining and growing the circulation base.

This is where the decision comes in. Many papers invested in these resources to allow them to pursue the solo mail revenue line. In doing so, they quickly find themselves pursuing all kinds of jobs to make the revenue number promised in the ROI on the capital requests and in the business plan. Just as quickly, the analysts, who are making somewhere between \$40,000 and \$75,000, depending on where you live, are spending most of their day cleaning up small advertisers' customer files and pulling lists for 50, 70 or even 100 relatively small projects every month. Not only is the need for high-level advertiser analytics relatively small, now there is little time to do it. The decision is whether you continue to add relatively high paid analysts to drive the volume of relatively low margin business. Or, do you find another way to handle the data elements of the bulk of the projects.

Fortunately, the data needs of all but the most sophisticated of projects are similar enough to allow them to be automated. ASTECH InterMedia has built an application that allows a newspaper sales rep to handle the data needs of the majority of the projects they will sell, quickly and without the help of an analyst. Target eXpress is a web-based tool that allows the sales rep to upload their advertisers customer file, which is then cleaned and matched to the newspapers demographic database. This produces a profile that shows the advertiser

where their customers are coming from and what they look like.

From here, the rep can identify the number of best prospects within the advertisers' trade area. A list can then be pulled that consists of past customers and/or best prospects. You can even ask for only the non-subscribers from either list, allowing the solo mail project to complement the advertisers' newspaper investment. The resulting list can be sent directly to your letter shop.

Target eXpress can also be used without a customer file to select from any of the demographics the newspaper has in their database. (We find it wise to limit the choices to keep the process manageable.) Newspapers can also load all of their most common solo mail products, from letter and self-mailers to post cards – and the pricing. This would allow a rep to price out a project, create a project form and send the list all in one place.

The ability to drive profitable solo mail revenue demands that you create processes that allow revenue growth to outpace expense growth. Target eXpress works 24/7 and can handle the work of several analysts, allowing your current analysts to focus on the custom work for circulation and the occasional advertiser.

*Jim Hart is President of Integrated Advertising Solutions, a consulting firm that specializes in helping newspapers bring in direct marketing revenues. He can be reached at 623-261-6709, or at [jimhart9@yahoo.com](mailto:jimhart9@yahoo.com).*

## Acxiom Data Quality at a Budget Price

As a service to its clients, ASTECH has long been a provider of household-level demographic and lifestyle data - data that can enhance the effectiveness of targeted marketing activities and new revenue initiatives. To provide this data cost-efficiently, we have typically made significant volume commitments to data vendors such as Acxiom, Equifax

and InfoUSA. The resulting savings have been passed on to our data clients.

Data has become a commodity business. Vendor decisions are often based solely on cost - and vendors always seem willing to undercut a competitor's price. Consequently, ASTECH has de-emphasized its data business for the past two years, choosing not to aggressively market its data products and focusing

instead on marketing and sales automation technology.

Nonetheless, we want to inform you of a recent development that may enable your company to improve the qual-



ity of its data while reducing the overall cost. ASTECH and Acxiom have just completed an agreement that allows us to bring the industry's highest quality household-level demographic and lifestyle data to our clients at a very, very modest cost.

If you currently license such data from any of a number of providers, we encourage you to consider this opportunity

when the time is right. Acxiom is the industry's dominant "multi-source" provider. That is, it sources data from several data companies and uses the optimal source for each particular data element. As a result, its quality and coverage are exceptional. And now the same can be said for its price.

A complete list of the variables now available through this unique arrangement can be viewed at: [astech-intermedia.com/resources/free-downloads](http://astech-intermedia.com/resources/free-downloads).

For more information or to get a proposal for your market - including counts and costs - please contact Patty Nelson at [pcn@astech-intermedia.com](mailto:pcn@astech-intermedia.com).

## Do You i-News?

i-News is ASTECH InterMedia's monthly (or thereabouts) e-newsletter for strategic marketers. Each addition provides timely, relevant information on data-driven marketing applications, new products, legislative issues and marketing strategy... not to mention a blurb or two on the great things our clients are doing.

It's hard to stay on top of all

that is happening in the industry today...so we don't even try. But we do promise to send a few tidbits of useful information your way each month.

To sign up go to [www.astech-intermedia.com](http://www.astech-intermedia.com) and click on the "Subscribe Now" button.



## Circulation Marketing: The New Basics

By Miles E. Groves  
MG Strategic Research, Ltd.

The rules that circulation executives followed before the changes in telemarketing restrictions for quick-fix, price-driven circulation acquisition no longer hold. Consumer marketing supported by research, segmentation strategies, channel diversification, direct marketing, on-the-street crew sales, loyalty programs, campaign management applications, experimentation, experimentation will define executives who will be successful in the new arena of circulation marketing. All of this is supported by enriched local market databases. Newspapers that have already made the marketing investments required to support consumer marketing will not be challenged by the changes in accessibility of the telesales marketing channel. Those who have not made the appropriate marketing investments in tools, processes, and training will be left scrambling to catch up.

It is not just a question of marketing investment. As newspapers take back their customer relationships, an evaluation of the organizational structure is imminent. Many newspapers have outsourced critical elements of the customer relationship or have adopted an organizational structure that inhibits the relationship between the carrier and the newspaper. The newspaper must own its relationship with readers and the organizational structure that serves the reader needs to reflect this focus.

Circulation marketing managers must be skilled in techniques of consumer marketing. Retention math will drive the order source mix as the skills of a mutual fund manager are adopted to identify the optimal blend. Managing the acquisition and retention mix will be vital for a circulation marketing manager's success.

Consumer research is as critical for circulation strategies and tactics as it is for advertising development. Success requires segment-driven programs, products, and pricing strategies move from discussion to action.

- In this evolving world of marketing driven practices, newspapers need to adopt new basics:
- An enriched household marketing database is critical to support circulation marketing, editorial development, and advertising efforts.
- Consumer research designed to support segmentation strategies for acquisition and retention, channel development, advertising support.
- Adoption of data-fusion applications to operationalize market research so that survey research can be leveraged at the household level for circulation, editorial, and advertising development.
- Cross-channel integration of online user information with

local market database to enable automation of retention and acquisition communication efforts with active or potential readers.

**"Those who have not made the appropriate marketing investments in tools, processes, and training will be left scrambling to catch up."**

Market research professionals become key members of the consumer marketing team as their expertise is applied to aid strategy development and solve tactical challenges. They move from advertising presentation support to analytical marketing support.

- Use of business intelligence tools to create critical alerts of service issues, identification of at-risk subscribers, dashboard development, and other metrics to aid the support of the community franchise.
- Campaign management applications to support marketing efforts and experimentation. The complexity of markets requires segmentation strategies and the ongoing measurement of those strategies.
- Evaluation of how departments and processes that support the customer relationship are organized to determine whether manufacturing focused structures are effective in an information oriented consumer marketing environment.
- Application of consumer research to support segment

pricing strategies. It is important to understand the concept of value at the segment level and price is a component of a reader's value perception.

- Use of optimization applications and tools to identify and re-tune the acquisition blend. This brings together the cost and retention in terms of offer and source. The resulting mix is what determines the cost of the next circulation unit.
- Focus on better quality acquisition sources and the application of retention strategies. While this is obvious, the failure of many newspapers that do not have systems to identify retention so that they can understand the true cost of a particular source.

The above points are not meant to be a final list. They are critical to the support of the newspaper community franchise. Marketing and the ancillary tools that support marketing are the basics to the success of "turning the tide" against circulation penetration losses.

Miles Groves is president and media economist for MG Strategic Research, based in Washington DC ([www.mgstrategicresearch.com](http://www.mgstrategicresearch.com)). He may be reached by e-mail at [miles@milesgroves.com](mailto:miles@milesgroves.com) or by telephone at (202) 256-5784.



*ASTECH InterMedia invites your participation in*

**The 12th Annual Roundtable on Strategic Marketing August 22 – 25, 2004**

**The Sonnenalp Resort of Vail Vail, Colorado**

**The Concept**

As the media landscape continues to evolve at a rapid pace, a new business model for the newspaper industry is emerging – a model that leverages the strength of the brand, the consumer and business relationships maintained, and the unique data and distribution assets of the newspaper company.

To stay abreast of this evolution and its implications for your business, you need an environment that nurtures innovative thinking and expertise. The 2004 Roundtable on Strategic Marketing presented by ASTECH InterMedia is just the place.

For each of the past eleven years, media professionals have looked to ASTECH to provide a forum for interactive discussion and debate of industry challenges. Emerging from

these forums is the realization that these challenges are not challenges at all, but opportunities to revitalize and reengineer the industry, ensuring its growth and prosperity for decades to come.

This highly acclaimed event is designed to provide participants with an informal, interactive environment to encourage the enthusiastic exchange of ideas and experiences, and to nurture the development of a peer network of unparalleled value. An experienced international faculty of marketers, technologists and senior executives leads the sessions, but equally significant are the impromptu conversations that take place in the social hours and networking activities.

**Pre-Conference Seminar on Subscriber Retention**

The Summit on Subscriber Retention is intended to provide a forum for the discussion of marketing strategies, tactical initiatives and case studies related to the issue of reader retention.

This session, moderated by ASTECH EVP Rick Matsumoto, will provide participants with tangible, actionable processes to quantify, compare and improve the tenure and profitability of subscriber relationships.

Overall content and participation will be orchestrated by the Retention Marketing Advisory Board ([www.astech-intermedia.com/rmab](http://www.astech-intermedia.com/rmab)).

Date/Time: August 22, 1:00-5:00pm



**The Highlights**

The Roundtable addresses a range of issues related to strategic, data-driven marketing. Among the highlights of this year's event are sessions on:

- Pre-Conference Summit on Subscriber Retention
- Building a Corporate Database Strategy
- Redefining the Subscriber Relationship: A "Membership" Model
- Using Database Modeling to Increase Response and Reduce Costs
- The Who/What/When/Where/Why/How of Solo Direct Mail
- A View on the Future of Marketing Automation
- The Impact of Loyalty Programs on Customer Relationships
- Smart Strategies in Internet Data Usage

**The Faculty**

The prestigious faculty includes:

- Tom Whitfield, Vice President/ Database Marketing, Cox Enterprises
- Dan Schaub, Vice President/ Circulation, Sacramento Bee
- Carrie Hoyer, Director/ Consumer Marketing, Chicago Tribune
- Chris Underhill, Managing Director, smartFOCUS
- John Maher, Vice President/ Marketing, St. Louis Post-Dispatch
- Sara Rosenberg, VP/Consumer Marketing, Miami Herald
- Stuart Graham, Founder, Consumer FIRST
- Ali Rahnema, Vice President/ Marketing, The Globe and Mail
- Laura Inman, Internet Marketing Director, Atlanta Journal-Constitution
- Eric Grilly, President/Interactive Media, MediaNews Group
- John Vickerstaff, Director/ Reader Sales and Service, Vancouver Sun/Province
- Bob Terzotis, Circulation Director, The Jackson (TN) Sun
- Helen Hoffman, Director/ Circulation Sales & Marketing, Louisville Courier-Journal
- Miles Groves, President, MG Strategic Research
- Scott Meador, Director/Target Marketing, San Antonio Express-News
- Melanie Coker, Circulation Sales & Promotions Manager, The Ledger (Lakeland, FL)
- Andrew Kendall, Subscriber Services Manager, Toronto Star
- Joann Larkee, Circulation Sales and Marketing Manager, The Oklahoman
- Joe Leong, Circulation Marketing Manager, The Honolulu Advertiser
- John Hay, President, Links Information Management
- Tony Sollenbarger, Manager/ Print & Distribution, Denver Newspaper Agency
- Jim Hart, President, Integrated Advertising Solutions
- Tom Ratkovich, President, ASTECH InterMedia

**The Setting**

Nestled in the heart of Vail Village approximately 100 miles west of Denver, the Sonnenalp Resort of Vail welcomes visitors with the charm and intimacy of a fine European hotel.

Framed by spectacular 14,000-foot peaks, the Sonnenalp offers world-class services and accommodations. The resort features two restaurants, lounge, full-service European spa, live entertainment, elegant conference facilities and complimentary valet parking.

The Sonnenalp also boasts its own golf course, the Sonnenalp Golf Club, which has recently served as the host site for the Colorado Open.

For more information on the resort, visit [www.sonnenalp.com](http://www.sonnenalp.com).

**The Details**

**Hotel Reservations:** Roundtable participants can make their own hotel reservations by calling (800) 654-8312. Please ask for a full explanation of the ASTECH conference rates that start at \$160.

**Registration:** In order to nurture a casual, interactive atmosphere, participation in the Roundtable is limited to 65 individuals.

**Fees:**  
**Roundtable and Pre-Conference Summit:** \$895 to July 15; \$995 after July 15  
**Roundtable Only (No Pre-Conference Summit):** \$795 to July 15; \$895 after July 15  
**Pre-Conference Summit Only:** \$295

For more information or to register on-line visit [www.astech-intermedia.com/events/roundtable](http://www.astech-intermedia.com/events/roundtable) or call Tom Ratkovich at (303) 296-9966.

**2004 Roundtable on Strategic Marketing Vail, CO**



Enter your information as you would like it to appear on the participant list:

Name	
Title	
Company	
Address	
City, ST, Zip/Country	
Phone/Fax	
E-Mail	

Put an X next to the appropriate registration option (select one):

<input type="checkbox"/>	Roundtable & Pre-Conference Summit, \$995 -Early bird registration fee is \$895 if received by July 15, 2004
<input type="checkbox"/>	Roundtable only, \$895 -Early bird registration fee is \$795 if received by July 15, 2004
<input type="checkbox"/>	Pre-Conference Summit only, \$295 -Sorry, there is no early bird registration fee for the Summit

Put an X next to the appropriate payment option (select one):

<input type="checkbox"/>	A check is enclosed!
<input type="checkbox"/>	Send me an invoice.
<input type="checkbox"/>	Call for my credit card info (VISA or MasterCard only)

If you have any special requests, please note them below:

Request:

Please mail or fax the completed form to the attention of Melissa Lewis. You will receive confirmation within two business days.

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