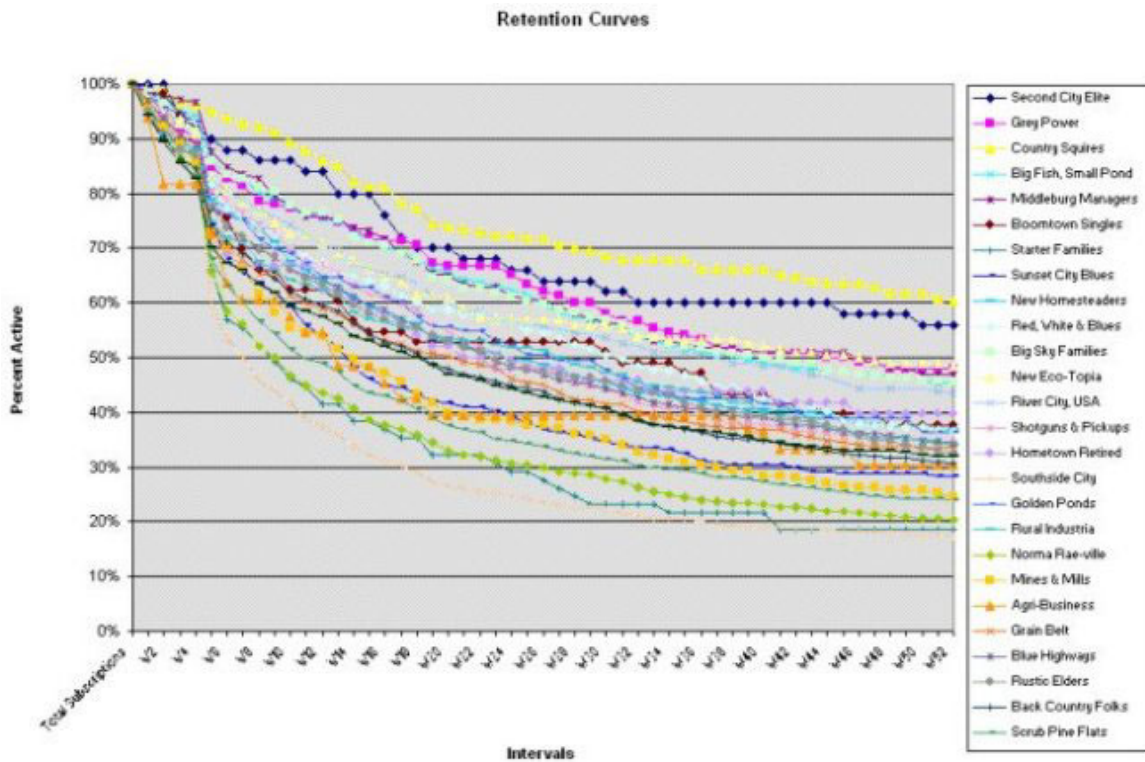


Kicking the Telemarketing Habit

the circulation units previously derived from telemarketing. This knowledge prompted them to research their market and find opportunities to acquire better retaining starts.

Using R-Logic, they determined their best retaining subscriptions by running a variety of reports: frequency of delivery, Prizm clusters, etc., to determine where their efforts would pay off the highest in acquisition campaigns.

Chris Harris, Circulation Analyst, says, "R-Logic lets us know where our retention is coming from. We go from there to pull addresses and contact information for sales campaigns."



Out of all the reports they analyzed, they found the most helpful information in a Prizm cluster report (shown above) that identified which geo-demographic target was best suited for subscribing and staying with the paper. They decided to focus on direct mail and door crews.

Increasing Direct Mail

Working with ASTECH, the Jackson Sun created a direct mail model according to the highest retaining Prizm clusters. An example of the top retainers is shown to the right. This type of analysis made very specific targeting of potential quality subscribers a much more approachable goal.

Retention Rank	Cluster Code	Preferred FOD	Cluster Name	Description	HH Count	Non Subs	% Subs
1	41	7	Big Sky Families	Midscale couples, kids and farmland	3,126	2,844	9.0%
1	42	7	New Eco-Topia	Rural, white/blue collar/farm families	1,932	1,361	29.6%
1	13	7	Grey Power	Affluent retirees	1,129	1,031	8.7%
1	14	7	Country Squires	Elite exurban families	1,073	813	24.2%
1	32	7	Middleburg Managers	Mid-level white collar couples	827	450	45.6%
1	11	7	Second City Elite	Upscale executive families	274	153	44.2%
					8,361	6,652	20.4%

Kicking the Telemarketing Habit

At the time of this writing, October promised to be very telling for The Jackson Sun. It is the first month they really ramped up their direct mail pieces by doing a campaign of 10,000 pieces — their largest to date.

Creating Door Crews

The Jackson Sun also began using door crews as a new channel to alleviate some of the loss due to the absence of telemarketing. So far, they think this is working well for them too. But it's just too early to tell. They update R-Logic weekly to get a better picture of how they are retaining these orders in the short term. And while it's not their top retaining sales channel, these orders are already retaining better than the telemarketing orders from the year before.

ASTECH Assists the Trailblazers

The Jackson Sun is part of a small group of trailblazers making this type of alteration to their sales sources because of the recent, arduous changes in telemarketing. And while we give them kudos for their motivation and efforts, as with all trailblazers, they were faced with some tough decisions. The most difficult pieces for Jackson were to determine how much of an increase they needed in each of their chosen channels and when to implement those increases.

Volume Budget by Month	M10	M11	M12	Total
Carriers	84	57	75	1,082
Direct Mail	127	155	164	2,049
District Managers	18	34	9	471
Door Crews	109	131	140	1,758
Telemarketing - In House	-	-	-	-
Voluntary	498	551	507	6,098
Total	836	928	895	11,458

While they were working to recreate their sales mix, Vladan Stankovic, a member of the corporate IT group at Gannett, owner of the Jackson Sun, created an extension of R-Logic he calls the 'sales calculator' to help Gannett papers get a better idea of how much money they need to put towards their sales goals. ASTECH collaborated with Stankovic to expand his model into a monthly/annual budget maker. To the left is an example of the budget maker report that R-Logic users will soon have access to.

Sales Budget by Month	M10	M11	M12	Total
Carriers	\$ 2,100	\$ 1,425	\$ 1,875	\$ 27,050
Direct Mail	\$ 5,080	\$ 6,200	\$ 6,560	\$ 81,960
District Managers	\$ 360	\$ 680	\$ 180	\$ 9,420
Door Crews	\$ 2,180	\$ 2,620	\$ 2,800	\$ 35,160
Telemarketing - In House	\$ -	\$ -	\$ -	\$ -
Voluntary	\$ -	\$ -	\$ -	\$ -
Total	\$ 9,720	\$ 10,925	\$ 11,415	\$ 153,590

It's a simple process that requires a couple of entries and the click of a button. The result is two pages of valuable sales budgeting information. The first is a budget by volume as well as

sales for each month and a total for the forecasted year. The example in Figure 4 shows the last three months and the total for the year. This chart shows the total number of orders needed by sales channel for each month in order to reach a set goal for the year. It also breaks down the annual sales budget into monthly figures which takes the guess work out of how the budget should be distributed.

So, in this example to get the 836 orders for the 10th month, you would need to spend \$9,720 of your total budget that month. Your total budget for the year would require \$153,590 to obtain 11,458 orders from all of your channels.

Kicking the Telemarketing Habit

The next figure (to the right) is a summary of the current budget and the forecasted budget. This allows for a quick comparison of the two years to ensure that the forecast year truly reflects ideal results.

Base Year	Subscrip- tions	Circulation Units	Impact Per Thousand	Cost Per Order	Cost Per Unit	Total Cost
Carriers	491	318	647	\$ 25.00	\$ 38.61	\$ 12,275
Direct Mail	676	396	586	\$ 40.00	\$ 68.31	\$ 27,040
District Managers	420	133	318	\$ 20.00	\$ 62.96	\$ 8,400
Door Crews	-	-	-	\$ -	\$ -	\$ -
Telemarketing - In House	7,346	2,221	302	\$ 30.00	\$ 99.24	\$ 220,380
Voluntary	6,072	4,083	672	\$ -	\$ -	\$ -
Total	15,005	7,151	545	\$ 17.87	\$ 37.49	\$ 268,095

In this example, The Jackson Sun can see the impact of increasing direct mail and starting door crews. Here it's much more than an educated guess.

Forecast Year	Subscrip- tions	Circulation Units	Impact Per Thousand	Cost Per Order	Cost Per Unit	Total Cost
Carriers	1,082	700	647	\$ 25.00	\$ 38.64	\$ 27,050
Direct Mail	2,049	1,200	586	\$ 40.00	\$ 68.30	\$ 81,960
District Managers	471	150	318	\$ 20.00	\$ 62.80	\$ 9,420
Door Crews	1,758	1,000	569	\$ 20.00	\$ 35.16	\$ 35,160
Telemarketing - In House	-	-	-	\$ -	\$ -	\$ -
Voluntary	6,098	4,100	672	\$ -	\$ -	\$ -
Total	11,458	7,150	633	\$ 13.40	\$ 21.48	\$ 153,590

They can see that their plan to eliminate telemarketing will not hurt them if they can reach sales goals in other channels. In fact, there are

some pretty nice benefits as a result of the elimination. By selling fewer, yet better-retaining subscriptions they will spend less money and get the same amount of circulation units they did in the previous year. They are improving the effectiveness of their sales efforts.

Conclusion

It seems drastic, if not gutsy, to completely cut telemarketing. The reality is that all newspapers will eventually have to make the same choice. Telemarketing, as a sales channel, is destined to play a smaller and smaller role. The good news is that it is possible to be successful without telemarketing. The Jackson Sun is proof. It just requires savvy marketing, skillful budget planning — and a dash of ASTECH!

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