Inland Press Association's
Publisher Benchmarks
Ohio Newspaper Association

Mather Economics LLC
September 29, 2014
mather:

# Mather Economics Overview 

## Mather Economics - Firm Overview

- Founded In 2002; leading practices in applied microeconomics
- Extensive experience in price optimization for subscription services
- Pricing strategy \& analytics: Market based pricing process
- Customer profitability \& customer lifetime value (CLV)
- Marketing effectiveness
- $\$ 4$ billion in subscription revenue under management
- Data on 30 million subscribers received weekly
- Additional suite of economic services
- Predictive Modeling \& Forecasting
- Econometrics: digital and print advertising
- Market Analysis
- Digital Analysis: meter optimization, paywall strategies, web advertising yield
- Industry Benchmarking
- 30 Employees and 10 academic affiliates


## Locations of Mather Clients in North America

Mather Economics has advised over 450 publishers in North America, including 36 of the top 50 and the largest media holding companies at the corporate level.


## Locations of Mather Global Clients

Include Publishers in: Toronto, Ottawa, Montreal, Vancouver, Halifax, Calgary, Edmonton, Windsor, Sydney, Melbourne, Auckland, Helsinki and Tampere, Finland.


## Mather Economics - Publishing Experience

(current and former)

Publishing Holding Companies

- $\quad$ Advance (8)
- Belo (3)
- BH Media (29)
- Cox (4 papers)
- Gannett (80)
- GateHouse (18)
- Journal Register (16)
- Knight Ridder (5)
- Landmark (4)
- Paxton Media (28)
- Lee Enterprises (30)
- McClatchy (30)
- Media News Group (25)
- Morris Communications (12)
- $\quad$ Post Media (10)
- $\quad$ Sun Media (30)
- $\quad$ Scripps (13)
- $\quad$ Swift (9)
- Tribune (6)


## Individual Publishers

- Akron Beacon Journal
- Columbus Dispatch
- Houston Chronicle
- Little Rock Democrat Gazette
- Kenosha News
- Minneapolis Star Tribune
- New York Times
- Orange County Register
- San Diego Union Tribune
- St Petersburg Times
- Toronto Star
- Wall Street Journal
- Many others....

GANNETT
it's all within rewch.
GateHouse Media"

## Mather Economic - Industry Experience

- Newspaper Publishers
- Cell Phone Service Provider
- Instant Lottery Game Manufacturer
- Leading Fast Food Chain
- Global Competitive Energy
- International Hotel Company
- Electric Utility \& Power Coop
- Wholesale Automobile Digital Exchange
- Internet-based OTC Commodity Exchange
- Food Ingredients Digital Exchange
- International Meat \& Poultry Digital Exchange
- Cable Television Companies
- Temporary Staffing Agency
- Large Hospital
- Telecommunications Company
- Multinational Financial Services Firm
- Satellite Broadcasting Company
- Magazine Publishers
(90 titles on retainer or active trial with acquisition and renewal pricing)


## Building a better benchmark

- Created in 1920’s
- Detailed revenue and expense data
- Confidential
- Allows for peer comparisons
- Released annually

mather:
- Difficult to use
- Industry changing rapidly
- Singular peer comparisons
- Manual data collection
- Declining participation


Tom Slaughter's favorite quote during the re-imagining process

"We can't make improvements if we are constantly looking in the rear view mirror."

- Identifying opportunities for improvement
- Needed outside participation and buy-in
- Design a user friendly product
- Shifting the paradigm and rebrand

Identifying opportunities for improvement

mather:

$$
\begin{aligned}
& \text { pleaseshare. } \\
& \text { Build with Notrimalizing data, a must! }
\end{aligned}
$$

Needed outside participation and buy-in


Design a user friendly product
mather:


Shift the paradigm and rebrand

Welcome to Publisher Benchmarks

Let's take this baby out for a test drive

Inland Press Association
Publisher Benchmarks: Web based platform


# Inland Press Association <br> Publisher Benchmarks: Web based platform 



## USERS

| - Id | - Name | * Email | Parent Company | * Is Admin | * |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2 | Bob Terzotis | bob@mathereconomics.com |  |  | Má |
| 1 | Micah | mwedemeyer@decisionstreet.com |  | true | Ma |

Download: CSV XML JSON

mather:

## Intand Publisher Benchmarks

Login


## Publisher Benchmarks: Web based platform

Inaturand Publisher Benchmarks


## Inland Press Association

Publisher Benchmarks: Slice it anyway you want (within reason)


# Inland Press Association <br> Publisher Benchmarks: Slice it anyway you want (within reason) 


INLAND Publisher Benchmarks


# Inland Press Association <br> Publisher Benchmarks: Slice it anyway you want (within reason) 



## minLAND Publisher Benchmarks

GVERVEW
ADVERTISNG
CIRCULATION
PRODUCTION
NEWS
STAFANG
ALLOTHER

CORE NEWSPAPER OVERVIEW
compet
Mevs Entire Survey

AVERAGE COMPSET REVENUE
\$4,570,684

TOTAL NEWSPAPER PROFIT MARGIN

## PROFIT MARGIN ROLLING 4 QUARTERS



## Inland Press Association <br> Publisher Benchmarks: Start high, go deep

TOTAL NEWSPAPER PROFIT MARGIN


PROFIT MARGIN ROLLING 4 QUARTERS


Inland Press Association

## Publisher Benchmarks: Start high, go deep

Total Revenue

## \$4,683,854



TOTAL EXPENSE


STAFFING FTES TOTAL
122.8


# Inland Press Association <br> Publisher Benchmarks: Start high, go deep 

TOTAL EXPENSE


EXPENSE CATEGORIES
Percent of Total Newspaper Expense


Inland Press Association

STAFFING FTES TOTAL
122.8


FTE CATEGORIES
Percent of Total FTEs
My FTE Compset My \% Difference

28.3
23.7
$23.0 \%$
4.6

34.3
30.5
28.0\%
3.8
mather:

INLAND Publisher Benchmarks


Inland Press Association
Publisher Benchmarks: Start high, go deep


# Inland Press Association <br> Publisher Benchmarks: Start high, go deep 

- total advertising revenue as \% of


Difference 5.2\%

TOTAL NEWSPAPER REVENUE

- total advertising revenue as \% of

My \% 69.5\%


## Difference

 5.2\%
## TOTAL NEWSPAPER REVENUE

## ROLLING 4 QUARTER TRENDS

QUARTER VS. QUARTER COMPARISION


Inland Press Association
mather:
INLAND

| oumenem | lisher Benchmarks |  | - |  |
| :---: | :---: | :---: | :---: | :---: |
| nomams |  |  |  |  |
| revenue |  | - | - | - |
|  | remm |  |  |  |
| Allomer | -- |  |  |  |
| crecumon | 189,810 |  |  |  |
| prouction |  |  |  |  |
| news |  |  |  |  |
| swmmo |  |  |  |  |
| aloorer |  |  |  |  |

# Inland Press Association <br> Publisher Benchmarks: Start high, go deep 

## INLAND Publisher Benchmarks

overnew
abventrivic
REVENUE
EXPENSE
STAFFING


ALLGTHER
CIPCULATION
produchon

## ADVERTISING STAFFING

compsti
Me vs: Entire Survey

* TME FLAME
- Q4 2013

> Inland Press Association
> Publisher Benchmarks: Start high, go deep


Inland Press Association
Publisher Benchmarks: Start high, go deep


# Inland Press Association <br> Publisher Benchmarks: Start high, go deep 

- CIRCULATION REVENUE AS \% OF TOTAL NE...

- CIRCULATION REVENUE / 1,000 COPIES

- HD REVENUE / COPY
My \$
- SC REVENUE / COPY
My \$
- HD REVENUE / 1,000 COPIES


My \$


- HD PRINT REVENUE AS \% OF TOTAL PRINT...


My \%
78.00\%

## Inland Press Association <br> Publisher Benchmarks: We Listened

## INLAND Publisher Benchmarks



## Inland Press Association <br> Publisher Benchmarks: Normalizing the data



- HD REVENUE / COPY


My \$
Difference
-\$1.57


- HD REVENUE / 1,000 COPIES


My \$
Difference


My \$
Difference - $\$ 1,563.93$

## Inland Press Association <br> Publisher Benchmarks: More than revenue and expenses



Publisher Benchmarks: More than revenue and expenses


## Inland Press Association

Publisher Benchmarks: Cool features

## INLAND Publisher Benchmarks

CORE NEWSPAPER OVERVIEW

ADVERTISING

Circulamon

PRODUCTION

NEWS

STAFFING

ALL OTMER

COMPAPA5ON Quanter
Q4 2012

AVERAGE COMPSET REVENUE
$\$ 4,570,684$

TOTAL DAILY NET PAID CIRCULATION COMPSET AVERAGE

STAFFANG FTES TOTAL COMPSET AVERAGE

# Inland Press Association Publisher Benchmarks: Cool features 





## Inland Press Association

Publisher Benchmarks: Cool features


Inland Press Association
Publisher Benchmarks: Updating for the future

- Data is KING!
- Better presentation + more flexibility = increased participation
- Increased participation improves the value received by all
- Inland Press Publisher Benchmarks has joined the $21^{\text {st }}$ century!



## Questions?

Bob Terzotis<br>Vice President, Operations<br>bob@mathereconomics.com<br>(337) 456-8353 office<br>(719) 237-2684 mobile

Mather Economics LLC
1215 Hightower Trail
Building A, Suite 100
Atlanta, GA 30350
www.mathereconomics.com

