



Ohio Circulation Conference

Top Circulation Metrics You Should Track for Operations, Revenue and Audience Growth

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Contribution Margin

- $(\text{Revenue} - \text{Expense}) / \text{Revenue} =$
Contribution Margin (expressed as %)
- National Average is 49%



Contribution Margin

- Example: \$1.5 million revenue, \$1 million expense
- $(1,500,000 - 1,000,000) / 1,500,000 = 33.3\%$



Avg. Revenue Per Copy

- Total Revenue / total annual papers sold (paid)
- Example: \$1,500,000 revenue, at a 25,000 a day average paper:
 - $1,500,000 / (365 * 25,000) = \0.16438
Revenue per Copy



Avg. Expense Per Copy

- Total Expense/ total annual papers sold (paid)
- Example: \$1,000,000 expense, at a 25,000 a day average paper:
 - $1,000,000 / (365 * 25,000) = \0.10959
Expense per Copy



Avg. Profit Per Copy

- Avg. Revenue per copy – Avg. Expense per copy = Avg. Profit per copy
- Example: \$1,500,000 revenue and \$1,000,000 expense, at a 25,000 a day average paper:
 - $\$0.16438 - \$0.10959 = \$0.05449$



Subscriber Churn

- # of annual permanent stops / annual 7-day home delivery average, expressed as a %
- Industry average is 35.8%
- This skews lower for smaller pubs, but higher for larger pubs



Subscriber Churn

- Example: A 25,000 7-day home delivery pub (do not count TOTAL circulation) has 8,000 annual permanent stops (do not count vacation stops)
- $8,000/25,000 = 32.0\%$ Subscriber Churn



CPO (cost per order)

- Total annual acquisition costs/total annual order
- Example: \$100,000 annual expense, 5,000 new starts
- $100,000/5,000 = \$20.00$ CPO



CPO (cost per order)

National Averages (source: Steve Wagenlander)

Circulation Average	CPO
<25,000	\$38.17
25K – 50K	\$45.63
50k–100k	\$64.15
100k–200k	\$68.68
Over 200k Circulation	\$82.85



CPO (cost per order)

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Avg. Weighted Retention (By Source)

- Avg. Length of time a new start stays on as a customer, by source, expressed in term of days
- This lets you forecast how many new starts you need to sell to grow one unit of circulation

Avg. Weighted Retention (By Source)

Source	Avg. 90 Day Retention	Avg 180 Day Retention	Average 365 Day Retention
Phone	57%	42%	33%
Crew	73%	59%	48%
Mail	76%	63%	49%
Kiosk	68%	50%	37%
Internet	77%	64%	53%
Email	54%	41%	39%
FSI	72%	60%	49%

Source: Steve Wagenlander, Post & Courier

Avg. Weighted Retention (By Source)

Source	Avg. Days Subscription Lasts	# Required to effect 365 Days of Circulation	Cost Per Order	\$ Required to Grow 1 Unit of Annual Circulation
Phone	26.6	13.7	\$29.85	\$408.95
Kiosk	92.6	3.9	\$65.66	\$256.07
Average	59.6	6.1	\$47.76	\$292.48

Source: Steve Wagenlander, Post & Courier



Percentage of Subs at Full Rate

- Track the number of subs paying full rate, and other rates
- If you are below 50% you are behind the curve. Industry average is 60%. 70% or higher is above the curve (Wagenlander)
- Conversely, track discount dollars and %



Percentage of Subs Paying for Which Term

- Track the percent of your home delivery subs that are paying for each term option, and the response rate to each invoice/notice.
- What % are EZ Pay? What % are quarterly, annual, other?
- What % are billed electronically?
- The goals are reduced billing expense and higher retention



Grace Dollars

- Track the amount of grace dollars per suspended stop
- You should track suspension rate of full rate versus discount stops. Also, examine by source.



Starts by solicitor and Campaign

- Starts should be tracked weekly by source, solicitor and campaign
- There should be longer term reporting measuring the retention of these by source, solicitor and campaign



Starts by solicitor and Campaign: continued

- What is causing you to miss your weekly volume new start goal, by channel? Why?
- Do you have weekly targets by channel?



Starts by solicitor and Campaign: Direct Mail

- Take the case of Direct Mail. What are you doing differently for direct mail?
- Are you conducting A/B test using the same mailing file split randomly in two?
- Are you testing various piece sizes?
- Test everything, then measure.



Permanent Stops by Category

- Stops should be tracked by reason code, and “category” (price related, service related, etc) on a weekly basis
- These reports should also feed longer term trend reports



Single Copy: Return %

- $\text{Returns \%} = \text{returns} / \text{draw}$
- National Averages: Daily, 26%, Sunday 20%
- Racks are higher, Over the counter lower



Single Copy: Sellout %

- Sellout % = sellouts/locations
- National Averages: 18%



Single Copy: Saturation


- You should know your number of households per Single copy location (rack and OTC).
- Example: 30,000 households, with 300 OTC locations and 30 racks
- Average = 90.9 HH/location
 - OTC = 100 HH/location
 - Racks = 1,000 HH/location
- When sales do not dramatically improve as you add or remove locations, you have reached saturation.




Single Copy: Scan Losses

- What are your scan losses by location?
- How much are you losing each week?
- What does 1% of total scan loss mean to you—how much is that? Do you know?

Single Copy: Scan Losses – Example

TYPE: SS
ACCOUNT: 
DISTRICT: 18847
REGION: West Zone

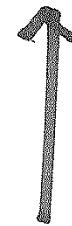
AVON LAKE 44012
(440) 933-

BILLING PERIOD
FROM: 8/24/2014
THRU: 9/14/2014

==> RECONCILIATION <==

Date	W/E	Daily Draws	Daily Returns	Daily Calculated Sales	Daily Scanned Sales	Daily Unac	Daily Rate	Daily Adjust	Daily Unac %	Sunday Draws	Sunday Returns	Sunday Calculated Sales	Sunday Scanned Sales	Sunday Unac	Sunday Rate	Sunday Adjust	Sunday Unac %
8/24/2014		92	49	43	40	3	\$0.86	\$2.58	6.98%	60	24	36	32	4	\$1.92	\$7.68	11.11%
8/31/2014		92	30	62	60	2	\$0.86	\$1.72	3.23%	60	32	28	21	7	\$1.92	\$13.44	25.00%
9/7/2014		92	21	71	73	-2	\$0.86	(\$1.72)	-2.82%	60	15	45	45	0	\$1.92	\$0.00	0.00%
9/14/2014		92	40	52	51	1	\$0.86	\$0.86	1.92%	0	0	0	0	0	\$1.92	\$0.00	#Num!
TOTAL		368	140	228	224	4	\$0.86	\$3.44	1.78%	180	71	109	98	11	\$1.92	\$21.12	10.09%

Total Daily and Sunday Adjustment: \$24.56





Single Copy: Promotions

- If you have a single copy co-promotion or price promotion are you gaining or losing revenue during the promotion?



Single Copy: New Locations

- How are your new locations (store and vending machines) doing?
- Are you tracking these separately from all others?
- Watch them for 8–10 weeks in a separate track.



Accounts Receivables

- Are you tracking AR by location or carrier?
- Do you know what stores or carriers are causing the problems and why?



Audience Growth: Direct Sales Campaigns

- Are you designing your direct sales campaigns based on reader profiles?
- Do you know what your readers look like using demographics and can you use this data to get back recent stops or never subscribed targets?



Audience: AAM categories

- Are you tracking what percent of your audience falls into which AAM (or CAC) category?
- AAM: You should know what percent of your circulation is paid/qualified/verified; also print/digital



Audience: Meters / Paywalls

- At the least, you should be concerned with:
 - Stop conversion rate (Paid subscription sales/# of unique visitors hitting the meter)
 - 0.54% – 0.83% is on the curve at this point
 - 95th percentile performers are performing at 1.93%
 - Activation rate (# of activated print subs/# of eligible print subs)



Audience Growth: Paywalls/meters – Print sub activation rate

Activation Rate	5 – 40 th Percentile	50 th – 70 th Percentile	80 th – 95 th Percentile
AR	.8% – 4.6%	7.3% – 14.4%	19.2% – 26%

- NY Times = 80%
- Gannett Local Papers = 45%
- The Blade = 18.4%

Source: Press+



Audience: Web Traffic

- There is a lot to measure, but the bottom lines you should be concerned with:
 - How many? (visitors, unique visitors)
 - How often? (new vs. returning, visits in past 30 days)
 - How long? (avg. time of visit; pages visited)
 - From where? (% of visits inside footprint)



Audience Growth: % of HD subs you have a valid email for

HD volume	Behind the curve	On the curve	Ahead of the curve
40k or greater	30% or less	30% – 40%	40% or above
10k – 40k	20% or less	20% – 30%	30% or above
10K or less	15% or less	15% – 25%	25% or above
Weekly	5% or less	5% – 10%	10% or more

Source: Steve Wagenlander, Post & Courier



Audience Growth: Facebook Likes as a % of HD subscribers

HD volume	Behind the curve	On the curve	Ahead of the curve
40k or greater	40% or less	40% – 55%	55% or above
10k – 40k	30% or less	30% – 50%	50% or above
10K or less	25% or less	25% – 40%	40% or above
Weekly or free	10% or less	10% – 30%	35% or more

Source: Steve Wagenlander, Post & Courier



Audience Growth: Twitter followers as a % of HD subscribers

HD volume	Behind the curve	On the curve	Ahead of the curve
40k or greater	20% or less	20% – 35%	35% or above
10k – 40k	15% or less	15% – 30%	30% or above
10K or less	10% or less	10% – 25%	25% or above
Weekly or free	10% or less	10% – 25%	25% or more

Source: Steve Wagenlander, Post & Courier