



5+1

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MODULE 1 : E-ADVERTISING : PROJECT “INFORMATION”

GROUP 5

AGNESE DAUDISA

AISHA BIBI

JAROSLAW MIKOLAJ OWCZAREK

LONE PALMUS JENSEN

MADS THYGESEN

MARTIN DUE

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1. Client Goal

The goal is to deliver a marketing campaign, which can help Information gain 500 subscribers within one year with the 5+1 service.

This is as stated by the client, Information, in the brief. We have measured it against the SMART-model to see if the goal is both specific, measurable, attainable, realistic and timely.

2. Problem Area

Danish and international newspapers are trying to introduce new ways of browsing content on their websites. Some of them are using pay walls, where the user gets to a certain point, and then have to pay in order to get full access. That is just one example of how magazines and newspapers are trying to deal with the problem of losing customers, as more and more are finding an alternative to printed newspapers.

Information takes their readers seriously, and strive to penetrate behind the news to analyze them, and put them into perspective. They present more specialized content than most of their competitors, but they are still feeling the effect of losing subscribers. They are aware that it is paramount to come up with new ways of presenting their content. After analyzing a rapid influx of digital reading devices, they have come up with a new service called 5+1, where the user will have the possibility to subscribe for a digital paper during the week, and an analog paper in the weekend.

Information made it clear that they are losing subscribers within the age of 35 to 50 years old. They call this segment "The Lost Generation". They are busy with family and career, and seem to return as readers after they turn 50.

3. Problem Formulation

How can Information market their new 5+1 service to gain 500 subscribers after 12 months from release?

1. How can we best identify the target group which is most suited to the product?
2. How will the constraints influence the campaign?

3. Which type of message can we use to reach the selected target group?

4. Project Management

In the beginning of this project, we decided to work with SCRUM as the main project management tool. After one day of work though, we noticed that this method was not appropriate to our project. SCRUM is a comprehensive management tool and the size of our project somewhat foreseeable, as it has been divided into two smaller parts with two big milestones: The Analysis Report and The Solution Report with the Client Take-Away Report.

We had an initial brainstorm to get an overview of the project. We then divided the work to the group members, and held daily meetings where we talked about the work we had done. After discussing, evaluating and agreeing on each part of the report, we could plan the next steps of the project, taking into account the time and work that we had left.

The main collaboration tool that we used was Google Docs, where every member uploaded their work and the remaining group members could read, comment and discuss the uploaded items. Especially the commenting has worked very well, as it was a good way to get feedback on the work.

5. Constraints

- Time: We have a limited amount of time for analysis and design.
- Task: Not enough time for testing, and doing quantitative or qualitative test on the effect of our campaign.
- Budget: We consider the insufficient information about the budget to be a constraint when developing the campaign.

6. Analysis

In this next chapter, we will look further into different aspects that will have importance for the product and the campaign. We will firstly try to gain some insight by looking at Information as a company, and also take their surroundings into consideration in terms of competitors and the industry as a whole. This information

will be gathered in a SWOT – both for the company and the 5+1 service. Finally we will discuss our considerations about the campaign.

6.1 Competitor Analysis

In order to assess Information's role in the online publishing industry, it is necessary to have a look at some of the other actors in the game as well. There is an abundance of newspapers and news media in Denmark, and we have narrowed our focus to national printed newspaper with an online presence, as they are the most relevant competitors to Information and the 5+1 service. Furthermore we will primarily focus on the efforts which is put into online publishing, and any attempted projects similar to the 5+1 service.

Berlingske Tidende¹ offers an e-paper online for its subscribers. Berlingske Media has previously launched an online paper, called ugen.dk, which costed 19,- kr. pr. issue. It consisted of 60-80 articles about politics, sports, culture etc. In the middle of July 2010 they closed this service as it was not profitable.

Politiken² has a PDF-version of the printed paper accessible for their subscribers. In the near future it will also be sold separately. At Børsen³ it is also possible to read an electronic paper online if you are a subscriber (or download the pdf).

Jyllandsposten⁴ offers a pdf of the paper online. You need to provide a username and password, and they will get a limited view of the paper. They also have a product called JP2, which they describe as 'a whole new way as distributing the paper of the future both on- and offline.' It can only be used if you are on a Windows platform and there is no alternative. They also have the other internet papers: epn.dk and fpn.dk to name a few.

Kristeligt Dagblad⁵ puts a lot of effort into their news online. Subscribers has free access to all articles online, and readers without subscriptions can buy access, either

1 Berlingske Tidende: 103.685 in circulation

2 Politiken: 110.230 in circulation - 432.000 daily readers - In comparison Information has 22.313 in circulation - 116.000 daily readers

3 Børsen: 72.490 in circulation - 216 daily readers

4 Jyllandsposten: Approx. 120.000 in circulation

5 Kristeligt Dagblad: 26.000 in circulation - 120.000 daily readers

on a daily, monthly or yearly basis. The price for all articles and archives for a year is 999,- kr. (It is not a dedicated application, nor a copy of the printed paper).

Going through Information's main competitors, we see that they have all moved into the digital world of publishing. Berlingske Media (who owns Berlingske Tidende, B.T, Weekendavisen and Urban, among others) are the only one who has tried with payment for online news. Unfortunately it was not successful. Were the readers not ready for this, or was the product in it self a poor solution? Executive director for Berlingske Media, Lisbeth Knudsen, states that the service was too innovative and that it was not the right time⁶. However, this fall they will make another attempt at payed content online. In September 2010 they will launch micro payment for unique content online⁷.

The concept of micro payment is also something that has been discussed widely abroad. In the next chapter we will expand our horizon, and take a look at the industry in the US and UK, and thus get some insights on similar projects, and the state of the debate.

6.2 Industry Insights

The newspaper as we know it today, news printed on paper, seems to be of a dying breed. Many newspapers today are struggling to find the right solution to the growing problem of lacking sales. News Corp, the infamous company with Rupert Murdoch in charge, who owns many big newspapers in the US and the UK, reported that they had a loss of \$3.4bn at end of June 2009⁸.

The change in newspaper sales has happened over the past 5 years⁹, and the reasons to this are many. There is the threat of more and more free newspapers, and the financial crisis of course, but it mainly comes from their own cannibalization. The problem originates from the newspapers' need to follow the times that we live in, with having news online, and the self created problem of having free news to begin with. This habituation to free news within their readers is the main reason why their sales

6 <http://politiken.dk/kultur/tvogradio/1016428/berlingske-dropper-betalte-netnyheder/>

7 <http://journalisten.dk/berlingske-media-indforer-mikrobetaling-til-september>

8 <http://news.bbc.co.uk/2/hi/8186701.stm>

9 <http://newsosaur.blogspot.com/2009/06/worst-quarter-for-newspapers-sales-dive.html>

has gone downhill, because former buyers of the newspaper now access the websites for free instead.

This, of course, has led to a lot of concern within newspapers worldwide. Sales of their physical copies plummet every year, and companies like the front runners News Corp has realized that it is time for a change within how the consumer access news online. They are working with different models on their different newspaper websites, with a various range success in terms of income. On the News Corp owned The Times and The Sunday Times websites, you are only allowed to read a bit of each article for free, which have proved to be a massive failure in terms of keeping the same traffic. News Corp also chose to remove the website from Google News. These changes meant 80-90% less traffic, and much criticism amongst readers. Also the companies paying for the advertisements present on the websites has vanished, as 90% less visits a day means a major difference in terms of reaching a broad audience¹⁰.

While this idea of a pay wall on The Times and The Sunday Times was hugely unpopular with the majority, 10-20% has stuck with the newspaper as paying customers. The two newspapers are now reporting that if 10% or more of their usual readers stick with them, their new business model is profitable¹¹. If this is true, it might be the future for more newspapers.

News Corp are trying something similar now with The New York Times, as you can only read a limited amount for free a day, otherwise you have to pay for reading the whole newspaper online. They are also considering micro payments, which means that the user will pay for individual articles.

Their biggest success so far from News Corp seems to have been with The Wall Street Journal¹², where you pay to use the website and Ipad/Ipod application. This success seems to be because it is a specialized newspaper, and not a mainstream news media. Jeff Bertolucci, from pcworld.com¹³, says about the success "Like the Journal, other pay wall success stories are niche publications (like Consumer

10 <http://www.independent.co.uk/news/media/online/has-rupert-murdochs-paywall-gamble-paid-off-2067907.html>

11 <http://politiken.dk/kultur/tvogradio/article1037483.ece>

12 http://www.pcworld.com/article/191564/will_you_pay_for_online_news_pew_study_says_no.html

13 http://www.pcworld.com/article/191564/will_you_pay_for_online_news_pew_study_says_no.html

Reports) or databases that offer specialized information not available elsewhere. These publications are quite different from a general-interest newspaper, which usually includes national and international news available from a wide variety of online sources."

Rupert Murdoch's latest idea is an all digital newspaper¹⁴. The new digital newspaper would target a more general readership, offering short, snappy stories that could be digested quickly. Some experts have indicated that this might be a good idea, as they see products like the Amazon Kindle and the Ipad as the future of reading¹⁵.

While it seems like there is a future for these types of payments for news, the habit of the readers expecting to have full access to the newspaper websites, might be hard to change, or at least it will take time. One poll made by TZ/Belden Interactive, shows that 2.4% of print subscribers are the average number of people paying for online content¹⁶. Another poll made by Harris, in which more than 2,000 online adults surveyed, shows that 77 percent wouldn't pay anything to read a newspaper's stories on the Web¹⁷.

So, it seems like mainstream newspapers have a chance of surviving, by charging for their online content. However, it will most likely become a survival of the fittest type of thing, where some will die, and a few will be the last standing. You can't have too many people telling the same story, and charging for it, if someone else offers it for free. That's where the future looks brighter for more specialized newspapers like The Wall Street Journal or Information for that matter. The readers are more likely to pay in these cases, because they offer some exclusive news or very targeted news, which their target groups wouldn't find anywhere else.

14 <http://www.engadget.com/2010/08/14/murdoch-plans-digital-only-paid-newspaper-for-tablets-and-phones/>

15 <http://www.latimes.com/business/la-fiw-0718-reading-20100718,0,2712081.story?page=2>

16 <http://newsosaur.blogspot.com/2010/01/only-24-subscribe-at-newspaper-pay.html>

17 http://news.cnet.com/8301-1023_3-10433893-93.html

6.3 SWOT Analysis

<p>STRENGTHS</p> <ul style="list-style-type: none"> - visual identity and brand - established position in the Danish media landscape - largest open and free article archive on-line - the biggest online groups Twitter and Facebook 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> - specific-content orientated newspaper, which narrows the audience - possibility of losing regular customers - politically independent
<ul style="list-style-type: none"> - the product does not have the same costs or expenses as the distributed paper - no Danish newspaper has done this successfully yet - specific-content newspaper - information has a strong and visible online presence 	<ul style="list-style-type: none"> - feeling of a newspaper in the hands - the product has the same price as the printed paper - no one has done this successfully yet - not the same value for the reader
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - new customers and a wider target group - specific-content newspaper 	<p>THREATS</p> <ul style="list-style-type: none"> - new and existing competitors in the market - growth in online news media market - more and more websites offers news for free
<ul style="list-style-type: none"> - Increase in online news consumption - a change in peoples perception of paying for online content 	<ul style="list-style-type: none"> - risk of failure - similar service or product on the market - hurting the brand

company
 service

In order to assess Information's position in the news industry we need to create an overview of their current situation. This can be done by regarding both internal and external parameters using the SWOT analysis, incorporating what we have researched so far.

6.3.1 The Company - Information

Strengths

- Information has an established visual identity and brand, with which the readers identify. They have an established position in the Danish media landscape, as being an intellectual, independent newspaper. (Independent of political and economic interests). They have a collaboration with The Guardian and The Independent (for articles and reports), which are both reputable newspapers.
- Information has the largest open and free article archive online for any Danish newspaper. Furthermore, they are staying abreast of newest trends regarding the web. Information is by some considered to be the most visionary Danish newspaper on the Internet¹⁸. Also, legendary Danish radio host, Henrik Føhns, has called the paper the most innovative in Denmark¹⁹.
- Despite of being the smallest newspaper in Denmark²⁰, they are the biggest online, measured in followers and fans (Twitter and Facebook), cf. their own 'slogan': 'Mindst Ringe på Nettet' (Least Worst on the Web).

Weaknesses

- Information is a specific-content orientated newspaper, which narrows the audience. (Orientation being political, socioeconomic, cultural and environmental issues). They are the smallest national newspaper in Denmark, measured by readers (approx. 22.000 papers in circulation and 100.000 daily readers²¹).
- A lot of their readers are elders, who have been around since the beginning and are loyal subscribers. At some point that segment will disappear, and their current young readers may not have the same loyalty to them.

18 <http://www.information.dk/230908>

19 <http://twitter.com/Funzafunza/status/12723122813>

20 http://en.wikipedia.org/wiki/Dagbladet_Information

21 <http://www.information.dk>

- Despite of being 'politically independent', Information is often regarded as a 'left-wing' paper, which may suggest an inconsistency in their brand, and may furthermore narrow their audience.

Opportunities

- The increase in the use of digital media could provide them with new customers and a wider target group. (According to Information their strategy is to attract young readers).
- Consumers getting more and more critical of what kind of news they read and the sources of these. It would be beneficial for a specific-content newspaper like Information.

Threats

- New and existing competitors in the market.
- Growth in online news media market. Information may not be able to keep their unique position online.
- More and more websites offer news for free. This is a threat to distributed newspapers like Information.

6.3.2 The Product - 5+1 Service.

The following is a SWOT focussing on the product and service 5+1:

Strengths

- The product does not have the same costs or expenses as the distributed paper. They will make money, as they will charge the same for the digital version.
- No Danish newspaper has done this successfully yet. This will give Information to be the first who does this, cf. their reputation of being innovative and visionary. It also gives them an idea of what not to do.
- It is a strength in relation to this product, that they are a specific-content newspaper (cf. Industry Insights - People are more inclined to pay for specific content than general news).
- Information has a strong and visible online presence (cf. Strength of the company), which will make it easier to reach the customers.

Weaknesses

- With the digital product the reader will lose the 'feeling of a newspaper in the hands' (the smell, the sound of rustling paper, something that can be thrown away.)
- The product has the same price as the printed paper. This might be hard to justify to the customers, as Information will not have the same expenses producing this service.
- Again, no one has done this successfully yet. It puts a pressure on Information to deliver a good solution.
- The digital product may not have the same value for the reader as the printed paper (i.e. identifying with the brand)

Opportunities

- Increase in online news consumption. More and more people reading news online are getting used to alternatives to the printed paper.
- A change in peoples' perception of paying for online content.

Threats

- Risk of failure by not gaining new subscribers or losing money.
- A threat could be the competitors developing a similar service or product.
- Hurting the brand if the service is not satisfactory to the users.

6.4 Target Group & Segmentation

The client brief presented us with the target group, "the lost generation", this group is categorized in the following way.

Demographic

35-50 years old.

Geographic

Denmark, big cities, and Danes abroad.

Behavioral

We were presented with five main target groups for Information, of these five we choose “the urban eco-consumers” and “the bon vivants”, as these two segments are found within “the lost generation”.

The urban eco-consumers: Modern socially oriented people who emphasize on social networks. They are very busy, and sees job and children as their career. They eat organically for the sake of their childrens health. They try to be environmentally aware, but they forget to turn of the lights. This target group are seekers for discussions.

Bon vivants: Very relaxed and more pragmatic than in the younger days. They enjoy their lives, and are in a lot of contact with people who share the same interests. In Denmark they spend their holidays in their holiday cottage. They are careful to turn the lights off, and save the power, but they do not run their car with bio-gasoline.

Psychographic

After analyzing the data given to us by Information in the brief, we found out that the urban eco-consumers belong to the modern community orientated in the Gallup Compass, these are known to be:

- Social and caring people
- Cultural oriented
- Information seekers
- Interested in ecology
- Academics

The other segment, the bon vivants, are a quite similar segment, therefore we find this segment to be community orientated. These are:

- Interested in art and culture
- Green and ideal families
- Political aware
- Nature- and environmental conscious
- The man is active in the household



*The Gallup Compass*²²

Positioning

Since we now have a clear definition of our target group, we can move one step further along in the process, and begin to create a positioning strategy. We need to position 5+1 service as a modern way of browsing newspaper content. We want to reach environmental friendly people (Emotional Selling Proposition), that want to find modern equivalents that will contribute to saving the world. To successfully carry this out we need to project an image of being modern, eco-friendly and trustworthy. We need also to position 5+1 as unique service (Unique Selling Proposition) that will give benefits to the users, i.e. 5+1 service will make news more accessible for user that are busy with their life.

6.5 Campaign strategy

After determining who the campaign should target, it is time to further consider the different aspects of the campaign, such as the platform and which marketing mix we will take into use. Finally in this section we will deal with the campaign effects.

²² www.gallup.dk

6.5.1 Media & Platform Considerations

In relation to our analysis we consider using both digital and analogue platforms for promoting campaign of 5+1 service. Our primary goal is to attract existing users, and subscribers of Information, so it will be obvious to use their advertising space both on website and on the newspaper itself.

As digital solution for the campaign we want to use web banners as well as social network communities in order to catch a wide array of customers. Information website will be the primary place to put web banners. It is the most popular newspaper on Facebook and Twitter in Denmark²³, which provides a major outlet for the campaign. Facebook is still growing at a rapid pace, and every day it becomes a more indispensable part of social media marketing²⁴. Facebook has very powerful targeting options, which is what makes it one of the best tools of any online advertising.

The campaign for newspaper can be a bit specific, because i.e. we cannot use other popular news portals like politiken.dk, but we can use the newspapers own ad space, which can save some money. That is why we want to use newspaper for the analogue solution of the campaign, and produce posters with different messages i.e. to attract eco-consumers we could use the Emotional Selling Proposition with the message: "Save trees - go digital!".

6.5.2 Marketing Mix

Price: The financial department is still working on the price, but it will be approximately equal to a 1 year subscription of the analogue version of the newspaper.

Place: The service will be available on information.dk, where the user will have to subscribe via appropriate web form. Main platforms are smart phones, iPads and web.

²³ www.information.dk

²⁴ <http://blog.kissmetrics.com/facebook-marketing/#ixzz0zzRAcgNA>

Product: Information will offer the new 5+1 service. This service will be based on a digital solution, where customers subscribe for the newspaper, and gets the digital version of it during weekdays, and the analogue weekend version that will be delivered to the door.

Physical evidence: The 5+1 service will be a digital newspaper provided every weekday, and an analogue newspaper every Saturday, which will aspire to satisfy customer expectations in a tangible and intangible way. It is important that the customer will not lose the feeling of keeping a newspaper during digital weekdays.

Promotion: In the context of the marketing mix, promotion represents various aspects of marketing communication, which is, the communication of Information about the product, where the main goal is to get a positive customer response. We had to take into consideration several communication decisions:

Personal Selling

Since personal selling involves person-to-person contact, in the particular case (to inform each person personally about 5+1 service) it is inconvenient. There are more disadvantages than advantages - it is time consuming, the cost of maintaining this type of promotional effort is high and most people have had some bad experiences with salespeople who they perceived as being overly aggressive, or even downright annoying.

Sales promotion

In order to gain existing and new client's positive reaction and to rouse interest in the new product 5+1, we consider to make several original and creative sales promotions, for example, bonus points for regular subscribers and merchandising (t-shirts, pens, umbrellas etc) as a gift for all subscribers who are client's for more than 1 year.

Public Relations

Information is well known in the market with its values, image of the brand and they have proved a trustworthy source of information. So in this case we have to think of building successful PR-strategy for the new 5+1 product, which would raise the

public's awareness, creates an impression, and causes an emotional reaction. A well structured PR-campaign can result in a highly credible form of promotion, through the marketing, public relations and advertising methods. In the particular case, a positive story in the newspaper and the website about new service, would be a good approach of how to unostentatiously and effectively inform potential clients.

Direct mail

Direct mail to existing and potential client's is a powerful way how to deliver the message right to their doors. There are several benefits which can help to produce strong results of the campaign - you can address your costumers by name, speak to them individually, and appeal to their interests. Direct Mail allows you to physically place your message in your customers' hands, and encourages interaction. In this case direct mail will be preferred over personal selling.

Advertising

The advertising of the 5+1 service is the main step of how people will be informed about the product; therefore, it is relevant to spend more time considering what type of advertisement would bear fruit.

Our type of advertisement is product-orientated, which means the goal of the product advertising is to clearly promote a specific product to a targeted audience. Therefore we consider using online media, and offline media (Information, direct mail to clients, posters, billboards) for better results reaching and informing people.

6.6 Campaign Effect

As previously stated in the section about client goals, Informations main goal with this 5+1 service is to reach 500 subscribers within one year. This goal is very easily measurable, as the number of subscribers will show whether this goal has been reached.

The campaign we are doing, should be in line with what Information had in mind at the client brief, therefore we are targeting "The lost generation", and we want to promote this new 5+1 service to them. The number of subscriptions coming from this target group should cover at least 300, out of the 500 targeted.

The financial effect of our campaign can be measured by using ROI, Return Of Investment. The formula for this measurement looks like this:

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$

This will give both us and the client a clear figure of how much of a success our campaign has been financially.

7. Conclusion

After researching and analyzing the newspaper industry, we have concluded that the companies are having problems with finding the right solution, in order to keep their readers to their offline service, meaning analogue newspapers.

In the time period where online content started to be accessible on the Internet, it was free. Newspapers are now realizing that people prefer to use their online service, rather than their printed newspaper.

The SWOT analysis shows that on one hand there are many strengths and opportunities, but on the other hand there is a big risk from weaknesses and threats. That is why it can put the campaign on the line.

Our target group for the campaign are people between age 35-50, from big cities. It's the urban eco-consumers and the bon vivants. In order to position our campaign in minds of our target group, we need to use Unique and Emotional, Selling Proposition - clear and strong messages needs to be created.

It is important that in the next stage the creative team will take into account all the aspects of the analysis report, this will help creating the right campaign for the right propose. In this case, reaching 500 subscribers within 12 months from release.

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