



The marketing department, including Carol Dooling, director of marketing, and John Gilpin, creative director, has a total staff of 24 that handles research, events, promotions, content sales, Media Lab and Research Lab.

“Carol and John are key to Media Lab success along with our designers and copywriters,” Mahlman says.

The department averages 10 Media Lab presentations and 22 Research Lab presentations per week. After the new ownership came on board at the Philadelphia Newspapers, the existing marketing staff, which had been part of the advertising sales department, was repurposed and retrained for the new roles within its own department.

### Research Lab

The Philadelphia Newspapers launched Research Lab in early 2008, and revenue predications are \$3 million in incremental revenue from presentations in its first year. The concept for Research Lab is similar to Media Lab – provide complimentary services to advertisers that help demonstrate the power of newspaper advertising.

When Research Lab was launched, Mahlman said, “We’re providing, at no additional cost to our advertisers, a valuable service covering ad performance and market characteristics that other media just don’t provide.”

Under the supervision of Phil Witherow, research manager, the services offered include pre-testing and post-testing of advertising as well as special topic research – all under the umbrella of seeking to help advertisers develop inventive ways to use newspaper ad space.



“Macy’s was not only pleased by the study we provided for them, but was impressed by our level of customer service, citing a contrasting lack of service from other media,” Mahlman says. “The end result was that Macy’s said, ‘We will be working with you.’”

The Philadelphia Newspapers utilize the services of RAM – Research and Analysis of Media – to test ad format, placement, color, etc. RAM, based in Stockholm, Sweden, provides services

that measure and record how ads are read and understood and what impact they have.

“RAM’s unique solution, using both standardized research models and tools for customized surveys, brings a powerful combination of cost-effectiveness, speed, and qualitative results,” explains Larry Wood, an executive of RAM in the U.S.

More than 400 newspapers, magazines and Web sites in 12 countries throughout Europe and North America are currently RAM clients. “We’ve helped our advertisers discover the answers to a variety of questions through quantitative and qualitative research,” Mahlman says.

One example of specific topic research involved a major retailer. After Macy’s purchased local retailer Strawbridge, the Research Lab conducted an indepth study to help Macy’s assess its customer base post-acquisition.

Questions answered by the study included:

- How many of the former Strawbridge customers did Macy’s retain?
- How many didn’t Macy’s retain?
- Of those that Macy’s didn’t retain, where are they shopping now?
- Of those that Macy’s didn’t retain, what are they buying?

For a department store advertiser, Research Lab helped evaluate the best selling environment to reach the 18-to-34-year-old audience. For a coffee and fast-food company, Research Lab helped the advertiser evaluate consumer perception of their coffee product in the marketplace. Other categories of advertisers that have benefited from Research Lab services include health care, travel, cruise lines, financial institutions and movies.

"In every case, our research services have helped endear these advertisers to us, helped make us part of the dialog as they work to solve a problem or develop a new approach," Mahlman says. "And that pays off with advertiser retention and/or increased investment with us."

Tierney acknowledges that "it's an incredibly challenging time for newspapers," but he also reminds the industry gloom-and-doom chorus that all media are struggling, not just newspapers. "Broadcast media is experiencing double-digit losses and radio station stock prices have dropped eighty and ninety percent," Tierney says.

"Despite the stories to the contrary, we don't have an audience problem — our products attract two million people every day," Tierney says. "Our problem isn't about audience; it's about monetizing that audience."

Tierney explains that newspapers have the advantage when it comes to monetizing audience because of their large sales force — Philadelphia has more than two hundred on its sales staff. By empowering the sales force with marketing and research tools, and the flexibility and creativity to provide solutions for advertisers, Tierney says the Philadelphia Newspapers are adding another layer of advantage that broadcast isn't offering to advertisers.

Advertisers have been impressed with this new level of professionalism. Tierney cites the example of one major advertiser who, after a review of the results from a research study conducted by the Philadelphia Newspapers

for his company, said, "I've dealt with this newspaper for 25 years and this is the most sophisticated presentation I've ever received from you or any other media."

Tierney says that the \$10,000 to \$12,000 that the newspaper invested in the research was well worth the \$1 million in advertising business that it saved.

## Advertiser Retention

At a time when other media are retrenching, the Philadelphia Newspapers are seeking to reinforce the value of newspaper advertising with two distinctive strategies: emphasize product value to readers and increase brand visibility within the community.

"Both of these strategies equate to an overall focus on advertiser retention," Mahlman says. "We know there are fewer ad dollars available, but we can still provide the best breakthrough solutions for those dollars."

Mahlman says that advertisers are very positive about the newspapers' efforts and have openly shared their disappointment in the other media's lack of assertiveness in promoting the value of their products.

Specific examples of retention efforts at the Philadelphia Newspapers include:

- A front-page Holiday Savings Meter
- Sponsorship of the National Sudoku Championship
- "Good Citizenship" Award for high school seniors
- Active local community leadership, partnership and sponsorship roles in:
  - United Way of Southeastern Pennsylvania
  - Philadelphia Orchestra
  - Professional sports teams including the NFL Philadelphia Eagles, NBA Philadelphia 76ers, NHL Philadelphia Flyers, and MLB World-Series-winning Philadelphia Phillies