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## Three Separate Minnesota Community Newspaper Companies Achieve Over \$500,000 in New Online Revenue With a New CPM Pricing Model.

### I. Blinder Group Client Newspapers:

ECM Newspapers (Elk River/ Coon Rapids, MN)

Huckle Publishing (Faribault/ Northfield, MN)

Redwing Publishing (Hutchinson/ Litchfield/ Shakopee, MN)

### II. The Mission:

It is very common to find smaller newspapers deploying an online banner sales effort that allows a single advertiser to have a fixed, small-sized ad position on their Web site pages. The reason for this is usually to make the sales process easier for the reps, as well as the advertisers. It also makes it easier for the advertiser (and the sales rep) to see the online ad itself, since it will appear “fixed” many times on the same page (or on every page of the site).

It is easy to spot newspapers which adhere to this dated model. You can simply go to their Web site and look for a litany of small, boxed ads appearing one on top of the other, all the way down the side of the Web page.



CommunityFigure1.jpg  
Example of client newspaper  
Web site prior to Blinder  
Group Deployment

The result of this very common form of banner sales methodology usually creates the following challenges:

- Too many ads on the Web site pages:  
Too many ads on a page means less results for advertisers. It is a proven fact that less ads on a Web site page means better results for advertisers.
- Online ads that are too small:  
Bigger ads means better results, since there is more room to offer more copy points for the advertiser. Just like in newspaper advertising, compelling copy achieves more results. Smaller ads do not offer enough room for a good, results-oriented message.
- Very, very low rates:  
“When all the dust settles,” each advertiser is usually paying too low of a rate for their online campaign, since odds are their ad is garnering a large amount of impressions, due to it being “fixed” on the page.

In short, bigger ads and less of them on a Web page means better results for advertisers!

Another common mistake that these newspapers are usually making is not including the promise of any ad “impressions” within the online programs they were selling. Many advertisers were never told of the tens of thousands of monthly ad impressions they were receiving. In a media landscape where newspaper competitors (like cable, radio and broadcast TV) tout the benefit of advertising “frequency” or exposure, it is important for the ad reps to exploit this major benefit offered by Web advertising as well.

All three of the Minnesota-based newspaper groups that contracted with the Blinder Group to improve their Web sales effort were using the banner sales effort described above. And all three of these newspaper groups had the same goal -- To shift this outmoded online culture to a better, proven “CPM” model. And they wanted to teach the ad reps the most effective ways to sell it!

### **III. The Solution:**

New, larger ad positions were created to replace the many smaller Web site ads. Some newspapers opted to remove the small box ads altogether. A few newspapers decided to leave one or two small ads on the page in order to please any advertisers who could not be convinced of the value of the larger ad positions. However, in general, a commitment was made to place larger, fewer ad positions on each page of the Web site and to offer advertisers online programs which allowed them to share these positions, in rotation with other advertisers.

All of the newspapers the Blinder Group worked with opted for “skyscraper ads” to replace the smaller ads on the “right rail” of their Web site pages. These new, larger ads were offered to a limited number of advertisers for a full year’s commitment. These new, larger ads were designed to display a message that is created from content already appearing in the advertiser’s current print ad or marketing campaign. In addition, the content would be changed on an ongoing basis.

### **IV. Consulting/ Training**

Mike Blinder made an initial visit to each newspaper to first meet with all managers and assist them in making appropriate changes to their online offerings. He then trained the sales reps on the best methods of taking these new ads to market. Mike instructed the managers and sales people on the best methods of online advertising, which includes:

**Building better ads.** A bad ad is a bad ad, regardless of what medium delivers it. The newspaper was instructed to make sure there is a credible, easy-to-grasp offer, along with some sense of urgency for the reader to act on the message with all their online ads. Plus, they should include enough information so the reader does not have to “click” on the ad to act.

**Changing the online ads frequently.** The newspapers were instructed that the average online banner will “die” after nine days of exposure, because of the loyalty of the local online audience. A banner that remains online simply becomes “part of the wallpaper.”

**Offering creative solutions for the “click.”** Each newspaper was instructed that many local small-market advertisers don’t like their Web sites. (Actually, they say their sites are “in re-development.”) Some advertisers don’t have a Web site at all. One way to get them to buy the banner is to provide some form of marketing platform for the “click,” like an online version of their print ad. Each newspaper agreed to provide this form of “jump page.”

**Using the CPM model as a guide for pricing of their online inventory.** When calling on smaller, less sophisticated advertisers, the newspaper should not mention the CPM of the banner campaign they are selling. However, using CPM as an internal means for making sure they are getting the right price for their inventory is critical!

**Promoting limited availability as a means to create urgency to “close” the online sale.** Newspapers are so used to adding pages to accommodate advertiser demand that they have problems promoting a lack of availability as a “closing tool.” To increase banner sales, the newspapers were instructed to simply package their online inventory in individual programs available to a finite number of advertisers. As positions within the program begin to sell out, the urgency on the part of the advertiser to buy it obviously increases.

While on-site at each newspaper, the Blinder Group conducted an initial training session with the traditional salespeople to instruct on:

- Prospecting new multimedia business
- The basics of multimedia marketing and how the medium works
- Best practices in selling online solutions
- How to sell “CPM” pricing effectively to local advertisers
- The benefits of bringing interactive products to market
- Methods for using the Web to garner more market share
- How to attack the competition with online offerings

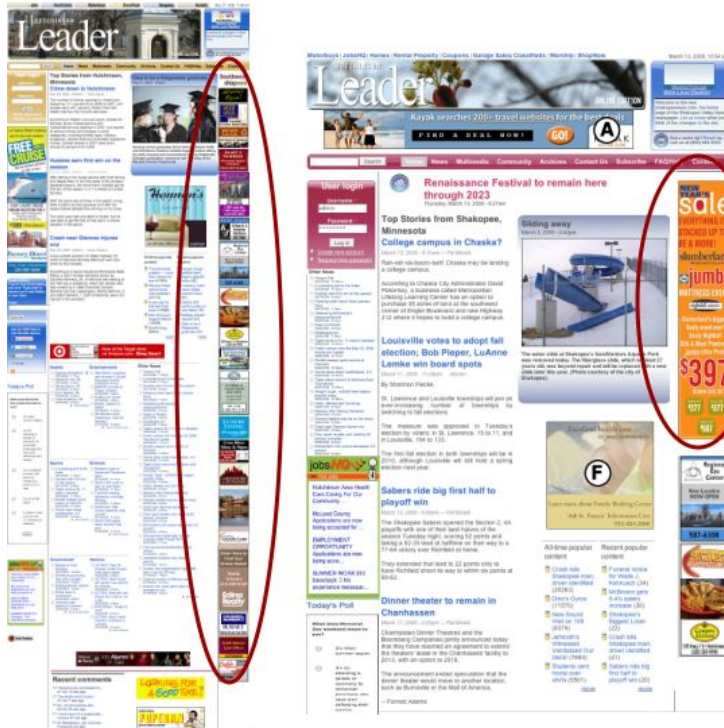
The training sessions conducted at each newspaper also included content informing the sales teams of the Blinder Group’s scheduled return visits. In these visits, “4-legged” sales training/closing calls were to be performed with the reps to assist in the launching of these new programs. Salespeople were urged to set up a large amount of appointments with qualified “decision-makers” of area businesses.

During the training sessions, each sales team was supplied with proven support documents that reinforced the training, as well as an appointment-setting script to assist them in setting up the pending sales calls.

## **V. The Packages:**

Each local newspaper’s Web site traffic was analyzed by The Blinder Group, and pricing models were suggested based on the various target advertiser categories the package was to be presented to.

One market, The Hutchinson County Leader, removed the “right rail” small ad boxes and replaced them with a large “skyscraper” ad.



New Web site ad positions feature less ads on the page.. Larger formats in the right rail

(CommunityFigure2.jpg Example of how one community newspaper changed their online ads to create larger positions)

The new, larger ad was sold so it can link to an online version of the advertiser’s current newspaper ad or to the advertiser’s Web site should they so desire. All advertisers who participated in the program would receive a guaranteed number of impressions for the ads that rotate (with other participating advertisers) on the Web site pages. The advertiser would be issued a monthly report verifying the ad’s performance. Advertisers were charged a monthly fee for a full year’s commitment and would receive no less than their guaranteed impressions each month. The newspaper simply limited participation to the appropriate number of advertisers so the above promised impressions were achievable.

Based on Web site traffic in Hutchinson, MN and the smaller amount of advertisers that would be targeted for the program, the Blinder Group suggested that their program be limited to 20 participating advertisers, each receiving 15,000 monthly ad impressions appearing on all pages of the Web site. The cost for each advertiser was \$59/week (\$49/week for any current online advertiser who decided to move to the larger ad position).



Ad can link to advertiser's Web site.  
 Or their current print ad Online.  
 Links will be provided for Web site, e-mail and more

Advertiser will receive 10,000 monthly ad impressions in new Right Rail "Skyscraper" ad position.  
 Running ROS on combined Web site pages

**Limited to 20 advertisers Only!**

(CommunityFigure3.jpg shows the online package elements for one of these community newspapers)

## VI. Sales Support Materials:

The Blinder Group also assisted in the production of the associated sales support collaterals necessary for each sales program's deployment. A simple, easy-to-follow multiple page flyer was developed so the advertisers (and the sales teams) could easily grasp the features and benefits of these new concepts. Too often media companies do not graphically explain the online portions of sales programs in an easy-to-follow manner, thus creating confusion during the sales process. The Blinder Group has incredible success creating powerful sales presentations.

**"Max Ads" Multimedia**  
Our Web site **ROCKS** with a growing young, affluent, educated & employed audience!

25,000+ unique users viewing over 250,000 pages/ mo\*  
 39% Web site growth per year - to - year\*  
 40 % are 18-34 / 62 % are 18 - 44 / 49% are 35-54  
 55% are women  
 63% earn \$50k/ year +  
 82% attended college  
 69% log on daily at work  
 44% have not read the paper in a week

Coming this summer, the New  
 - chaska Herald  
 - Chanvilager  
 - eden prairie news  
 - victor town square

Brand new Web offerings for the Hutchinson/ Litchfield area!  
 More content areas from our award winning news team  
 More "comm" content from Valley News American Pacer

**Maximum Impact Through Multiple Medias**

- ✓ online graphic ad appearing 10,000/ month on all pages of our Web sites: shakopeenews.com, Jordannews.com, plamerican.com and savagepacer.com
- ✓ Ad is created from the copy of a current print ad for your current marketing campaign.
- ✓ Ad should change no less than 2x/ month for optimum results!

ad can link to current print ad or advertiser's Web site  
 proof of performance reports on total online ad impressions issued monthly

**\$59/ week investment**  
 ( Limited to 20 advertisers only)

(CommunityFigure4.jpg shows some sample pages from sales materials crafted by The Blinder Group)

**VII. Blinder Group Assisted Guaranteed Revenue Generation:**

One of the key elements in ensuring sales success of new initiatives like these is getting the advertiser’s full attendance at the meeting, as well as their acceptance of validity of the concept in general. Some of these advertisers are new to marketing their business online and feel wary of trying new ideas. One of the most effective means of accomplishing attendance and acceptance is to introduce the advertiser to an industry respected “outside” consultant who has had success with similar programs, with similar businesses, in similar markets, all across the world. That is why many media companies contract with the Blinder Group to perform “4-legged” sales training/closing calls with traditional ad reps, assisting in the launch of programs like the ones defined in this document.

Also, during these assisted sales training/closing calls provided by The Blinder Group, the accompanying salesperson learns new, valuable techniques on how to sell innovative programs like this one, in a more effective manner.

Moreover, when the sales rep experiences the advertiser acceptance (as well as the increase in personal income they will enjoy as a result of the sale being “closed”), they quickly adapt to seeing the true value of selling online solutions to local advertisers. The Blinder Group has a proven track record of generating high “closing” ratios, resulting in

significant revenue for client media companies that have deployed this form of advertising sales initiative.

### **VIII. The Results:**

During the assisted, “4-legged,” sales training closing calls which occurred with the sales reps in all these smaller Minnesota markets, an average of 58% of all advertisers who agreed to a meeting with the local ad rep and Blinder Group Associate, agreed to a one-year contract. The total results were over \$500,000 of new online revenue generated across these three separate newspaper companies.

“Mike, we are on fire! Thanks for the help!” said Craig Theis, Advertising Sales Director, Southwest Newspapers. “We finally have something to sell. None of them ever had any real confidence in the small tiles. This program is great! Can we bring you back to help us for another round?”

“Mike, I am hearing very positive comments from the sales reps about the calls and what all are learning,” said Laurie Hartmann, Publisher, Southwest Newspapers. “I think all of our managers had some degree of reservation about the Web initially. Now, all are on board. We are very pleased!”

### **IX. Local Client Contacts:**

#### **For ECM Newspapers (Elk River/ Coon Rapids, MN)**

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