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Moving to Mornings: The Seattle Times Meets the Challenge

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Last March, The Seattle Times stopped publishing in the afternoon and began competing head-to-head in the morning time slot with its major rival, the *Seattle Post-Intelligencer*. Despite analyst predictions that saw *The Times* losing up to 50,000 subscribers after the conversion, the Audit Bureau of Circulation (ABC) reports that readership is actually up six months later. By employing one-to-one marketing techniques, *The Times* has successfully migrated to the morning without a significant impact on customer retention.

What makes this story even more interesting is that the two papers operate under a joint operating agreement. Under the JOA (struck in 1983), *The Times* acts as the business agent responsible for advertising, distribution, production and marketing for both papers, while their editorial identities are maintained separately. In order to facilitate a move to morning publication, the JOA had to be renegotiated in 1999. It is now the only JOA in the country where the two publications compete in the same time slot.

Understanding the risk

The decision to switch to morning delivery was made out of necessity. The newspaper had been a victim of the population growth and changing demographics of Seattle; research indicated a growing preference for a morning paper, fueled primarily by people moving to Seattle from other cities. "Most markets across the country have a dominant a.m. paper," notes Alan Fisco, director of circulation consumer marketing. "People were arriving in Seattle with an already-established a.m. preference."

In addition, increasing traffic congestion in the city was making delivery more and more difficult. News deadlines were being moved further and further up to ensure that delivery schedules could be met—the distinction between an afternoon paper and a morning one was blurring.

However, the move did not come without considerable preparation. In the 13 months following the announcement, *The Times* worked hard to understand and mitigate the potential subscriber impact of the move. From the beginning, two key groups were identified as being most at risk: existing customers who had developed an afternoon newspaper habit and duplicate subscribers (approximately 7,000) who got both the *Post-Intelligencer* and *The Seattle Times*.

These two groups became the focus of marketing efforts for the next year. Aggressive acquisition plans were postponed in favor of building loyalty with existing subscribers. "The cornerstone of our plan was one-to-one communication and building on relationships with our subscribers," Fisco says. "We wanted to reward customers for past loyalty and incent them to continue." Most of the communication was through direct mail and in-paper advertising; *The Times* also used its Web site to answer questions about the move and gather feedback.

Identifying those at risk

In February 1999, *The Times* announced that it was working on a conversion to mornings. From that point on, at each point of communication, staff took every opportunity to identify customers at risk. The subscriber database was changed to allow customer opinion to be recorded. Each subscriber record could be scored in one of five categories (ranging from "supportive" to "seriously concerned").

In November 1999, a letter from Frank Blethen, the paper's publisher, was sent to all 185,000 home subscribers. It explained that the conversion would take place in March 2000, and included a five-question, postage-paid survey. Four of the questions dealt with content and use of the paper; the fifth, their feelings about the conversion (the choices mirrored the five categories in

the database). The response rate was an incredible 30 percent, half of which were positive.

The survey results were used not only to gauge overall customer opinion but to begin a customized dialogue. Each responder received a thank-you card, which varied depending on how he or she felt about the conversion. Those who reacted positively received a "we're enthusiastic too" message; those with negative feelings received a message that recognized their sensitivity to the change.

Through additional analysis, the survey learning was further extended. Before this, *The Times* had broken out its client and prospect database into 17 segments based on demographics, readership opinion research and Scarborough data. The survey results were appended to these segments, and three were identified who indexed particularly high for dissatisfaction over the move. All members of these segments were treated as at risk, along with all negative survey responders and anyone else identified as concerned.

Offering additional value

Since this is Seattle-the home of Starbucks, and a city with a coffee shop on nearly every corner-local coffee shops were employed to assist in retaining the at-risk customer. In January 2000, a mailing was sent to these customers reinforcing the paper's benefits-without specifically mentioning the conversion-and offering them a free latte. The following month, anyone who had indexed high for concern was invited to a coffee house for a free coffee and bagel one Saturday morning. High-profile editors and reporters were available to answer questions on any topic, not just the conversion. Almost 1,000 people showed up to take advantage of the special opportunity.

Later that month, the A.M. Advantage Package was delivered to all home subscribers. It contained a 12-page supplement outlining the benefits of the morning *Seattle Times*. The slogan "Good All Day" was used to promote the message that you can read some of the paper in the morning and come back and read more of it in the evening. The package also included coupons from key advertisers chosen specifically for their value and prestige; for example, two of the coupons provided free entry to the Seattle Art Museum and the Seattle Zoo.

Finally, *The Times* implemented a Customer Loyalty Program that offered subscribers with more than a year's tenure two free weeks upon conversion, and an additional two free weeks at the one-year anniversary of the switch. In the direct-mail piece, the paper acknowledged the scope of the change and thanked customers for their loyalty. According to Fisco, *The Times* was so happy with customer response that it plans to build an ongoing loyalty and advantage program.

More than just marketing

Managing customer relationships and promoting loyalty has to involve more than direct marketing; for it to be successful, all areas of the organization must become more customer responsive. The paper has also made significant changes to customer service policies and operating plans.

Last October, the customer service staff were challenged to double the previous year's figure and achieve a 30 percent rate of "save stops." Incredibly, they succeeded in averting 36 percent of intended stops. In addition, customer service took special care of all customers deemed to be at risk. This meant apology cards and personal follow-ups for all wet, late or missing papers.

Operating plans were also modified in response to customer needs. In the initial survey, one of the primary concerns was that a morning paper would arrive too late for those readers who left for work early. The plan had been to have every paper delivered by 6:00 a.m.; it was amended in response to customer concerns, and the last paper is now on the customer's doorstep by 5:30 a.m.

The outcome

"We are most proud of the recent ABC numbers released for the past six months [to September 30, 2000]," Fisco says. "*The Seattle Times* circulation is actually up 2.7 percent [or 5,995 copies per day]. We are incredibly pleased." Certainly, some of the increase comes from subscriber migration from the *Post-Intelligencer* and suburban competitors. However, not only is circulation up, but overall retention rates have increased. *The Times*, in spite of the significant schedule change, saw a 5 percent improvement in retention in September 2000 over the same period in 1999.

Fisco and his team are thrilled with the results. "This level of one-to-one communication was very new. We were able to create a much more sophisticated dialogue with our clients and learn a lot about our readers," he concludes. "We plan to continue and grow our program."

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