

DM NEWS

The Online Newspaper of Record for Direct Marketers

Newspaper Carves Segments by Channel, News Interest

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Knight-Ridder's Kansas City Star newspaper aims to increase its subscriber base through targeted direct marketing of distinct segments within a regional footprint.

The newspaper publisher is using Apollo Data Technologies to develop this predictive segmentation model of subscribers and non-subscribers. Such DM strategies are intended to add subscribers and increase subscriber retention as well as test discount programs.

"What they want to do is be able to have better intelligence on what type of price promotions to offer to what type of segments of readers," said Jeff Kaplan, principal of Apollo, Chicago.

Apollo will analyze the 15-county, two-state Kansas City metropolitan market and segment it into different news, media and information consumption segments. These groups would segment by interest in various types of news as well as by channel -- who reads only the newspaper, the print-and-online combination or online-only.

The audience is being segmented into eight to 10 buckets so the Star can create direct mail that offers appropriate products to the pertinent individual. The newspaper can offer combinations of online content, niche publications, specialty advertising or anything that leverages Knight-Ridder's assets.

"We're going to be taking their online registration data and marrying that with the subscription data to get a more complete view of who these people are," Kaplan said. "And we're also taking in data that's socioeconomic and building a much more complex model with a higher level of granularity."

Apollo first will integrate demographic, socioeconomic, online, subscriber and survey data on attitudes and behavior in relation to information consumption. Second, it will use rich data sources to create a segmentation model to group residents polled by the Star.

Third, Apollo is developing an analytical model to predict the segments of subscribers and non-subscribers. Fourth, the predictive analytics firm will offer a strategy and deployment plan for the Star marketing database. This enables repeat modeling and measurement of the entire market.

"We'll work with them to develop a deployment strategy which will best optimize the predictive model into their marketing database, which will allow for easy updating of the model," Kaplan said.

Finally, Apollo hopes to recommend a predictive content bundling analysis. The Star has a Monday-to-Saturday circulation of 275,474 and a Sunday total of 388,425,

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according to the Audit Bureau of Circulations' FAS-Fax for March 31, 2004. More than 80 percent of copies are home-delivered daily. Two-thirds are home-delivered on Sundays.

"One of the goals they have down the road is they want to develop six newspapers that use this predictive model to not only develop content online ... but offline they're thinking can we come up with a certain number of newspapers that matches our segments?" Kaplan said.

Mickey Alam Khan covers Internet marketing campaigns and e-commerce, agency news as well as circulation for DM News and DMNews.com. To keep up with the latest developments in these areas, subscribe to our daily and weekly e-mail newsletters by visiting www.dmnews.com/newsletters