

Newspaper Subscribers/Nonsubscribers response to preprints and other ads in terms of coupons and purchases

With funding from the News Media Alliance (NMA), a 28-day field experiment was conducted in the Lansing, Mich., metropolitan area during four weeks in June-July 2016. The main goal was to determine how **newspaper subscribers and non-subscribers respond to preprints and other advertising in the paper in terms of keeping coupons and ads, specific store visits, and purchases**. Sixty subscribers to the *Lansing State Journal (LSJ, Gannett)* newspaper were compared to 58 non-subscribers. Each group was observed during two weeks of receiving the print newspaper, and two weeks of not receiving the print newspaper.

[Method Innovation] While surveys allow large and representative consumer samples, they are not capable of demonstrating behavioral effects beyond self-report. An experimental approach was selected to allow for direct comparisons of subscribers and non-subscribers and map the effects of newspaper presence in their households. Consumer buying behavior in response to preprint (and other) *LSJ* advertising was measured by collecting receipts for all offline and online purchases made during the 28 days of the study. Daily surveys were used to get as close, in time, to coupon and ad keeping, store visits, and purchases.

[Coupon and Ad Keeping] People who received the *LSJ*, both subscribers and nonsubscribers, saved more coupons and advertisements than those who didn't receive the newspaper. **This demonstrates a primary effect of intention to respond to preprints.**

[Online Spending] Participants receiving the newspaper did more online shopping for brands advertised in *LSJ* inserts than participants who did not receive the newspaper. Perhaps this occurred because material in the newspaper reminded participants of products they needed. This finding is suggestive that the newspaper directly affects online shopping behavior. Instead of going to a brick-and-mortar store, consumers resort to checking products and buying them online.

[Two-Group Comparison] Subscribers are more likely than non-subscribers to be older, wealthier, more educated, retired, and long-term community residents. Differences between subscribers and non-subscribers, however, go beyond demographics.

1. Subscribers are more likely than non-subscribers to use print and online newspapers, pay attention to advertising in these media, and use them as sources of advertising.
2. Subscribers are more likely to be habitual coupon savers and comparison shoppers than non-subscribers. Subscribers also report a greater influence of coupons, sales announcements, and other ROP and preprint advertising on their buying behavior compared with non-subscribers.
3. Non-subscribers are greater spenders than subscribers, especially in relation to food and drink purchase and restaurant visits.

[Effect on \$ Spent and Buying] Differences between subscribers and non-subscribers most likely drive differences in the way buying behavior is affected by newspaper presence in their households.

1. Non-subscribers spent more total dollars and dollars per item than subscribers during the 14 days of receiving the newspaper. **This suggests the preprint (and other) advertising creates a consuming motivation for non-subscribers who are more "stimulated" to purchase than subscribers are.** Newspaper advertising may create a "discovery" effect for non-subscribers who want to try new items that they learn about in the newspaper on top of what they usually buy, and potentially save money.
2. Subscribers spent more total dollars and dollars per item during the 14 days of NOT receiving the newspaper than non-subscribers. I.e., **when subscribers have their preprints taken away, it costs them.** This is arguably because they are missing critical price information that they are accustomed to having and are "flying blind." Being less of spenders and more of comparison shoppers and coupon savers than non-subscribers, subscribers are likely to spend less when they receive their newspaper and examine deal offers. It is yet to explore what brands subscribers choose to buy when they don't receive the newspaper. Do they pay more for brands typically advertised in the preprint or do they choose other brands that are more compatible in terms of price?
3. Subscribers and non-subscribers indicate different patterns in terms of buying per category. Non-subscribers bought more beauty items when they received preprints while subscribers bought more apparel items. Both subscribers and non-subscribers bought significantly more cleaning supply items when receiving preprints.