

WE QUESTION. WE ANSWER. WE CREATE.



DEPARTMENT
OF ADVERTISING +
PUBLIC RELATIONS
MICHIGAN STATE
UNIVERSITY



NEWS MEDIA
ALLIANCE

TOWARD AN OPEN SOURCE ROI MODEL FOR PREPRINT NEWSPAPER ADVERTISING

A Study Report for the News Media Alliance

News Media Alliance funded a team of researchers from Michigan State University to conduct a four-week field experiment in June-July 2016.



Research Team



Jef I.
Richards,
J.D., Ph.D.



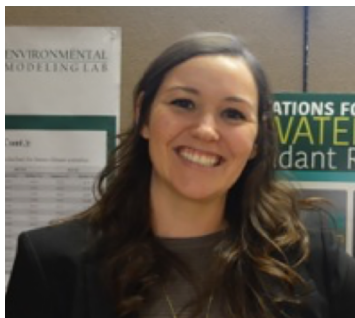
Esther
Thorson,
Ph.D.



Anastasia
Kononova,
Ph.D.



Hairong Li,
Ph.D.



Kristen
Lynch, M.A.

KONONOVA@MSU.EDU

JEF@MSU.EDU

The primary goal of the field experiment was to measure the effects of newspaper/preprint presence in household on:

- customer coupon and ad saving,
- store visiting, and
- purchase behavior (including \$ spent).

We also compared two types of customers:

- those who are subscribed to a local newspaper (subscribers) and
- those who are not subscribed to any newspaper (non-subscribers).

Greater Lansing



Lansing State Journal

PART OF THE USA TODAY NETWORK



118 participants



***LSJ* SUBSCRIBERS (60)**

NON-SUBSCRIBERS (58)

Study timeline & design

LSJ SUBSCRIBERS NON-SUBSCRIBERS



LSJ SUBSCRIBERS NON-SUBSCRIBERS



June 5, SU

WEEKS 1 AND 2

June 19, SU

WEEKS 3 AND 4

July 2, SAT

Study timeline & design

	Subscribers = SUBS	Non-subscribers = NON_SUBS
Newspaper received during the two weeks of the study = NP	SUBS NP	NON-SUBS NP
Newspaper NOT received or TAKEN AWAY during the two weeks of the study = NO_NP	SUBS NO_NP	NON-SUBS NO_NP

How do LSJ subscribers react to not receiving the newspaper/preprints?

How do non-subscribers make use of newspaper/preprints received?

Methodological advantage

Measuring actual buying behavior by collecting receipts for all offline and online purchases made during the 28 days of the study

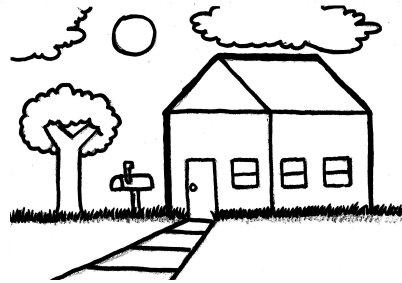
10,543 receipts
(91,260 items)

Getting closer, in time, to the point of purchase

More than
3,000 daily
questionnaires
submitted

[TWO-GROUP COMPARISON]

Subscribers are...



... older

... more educated

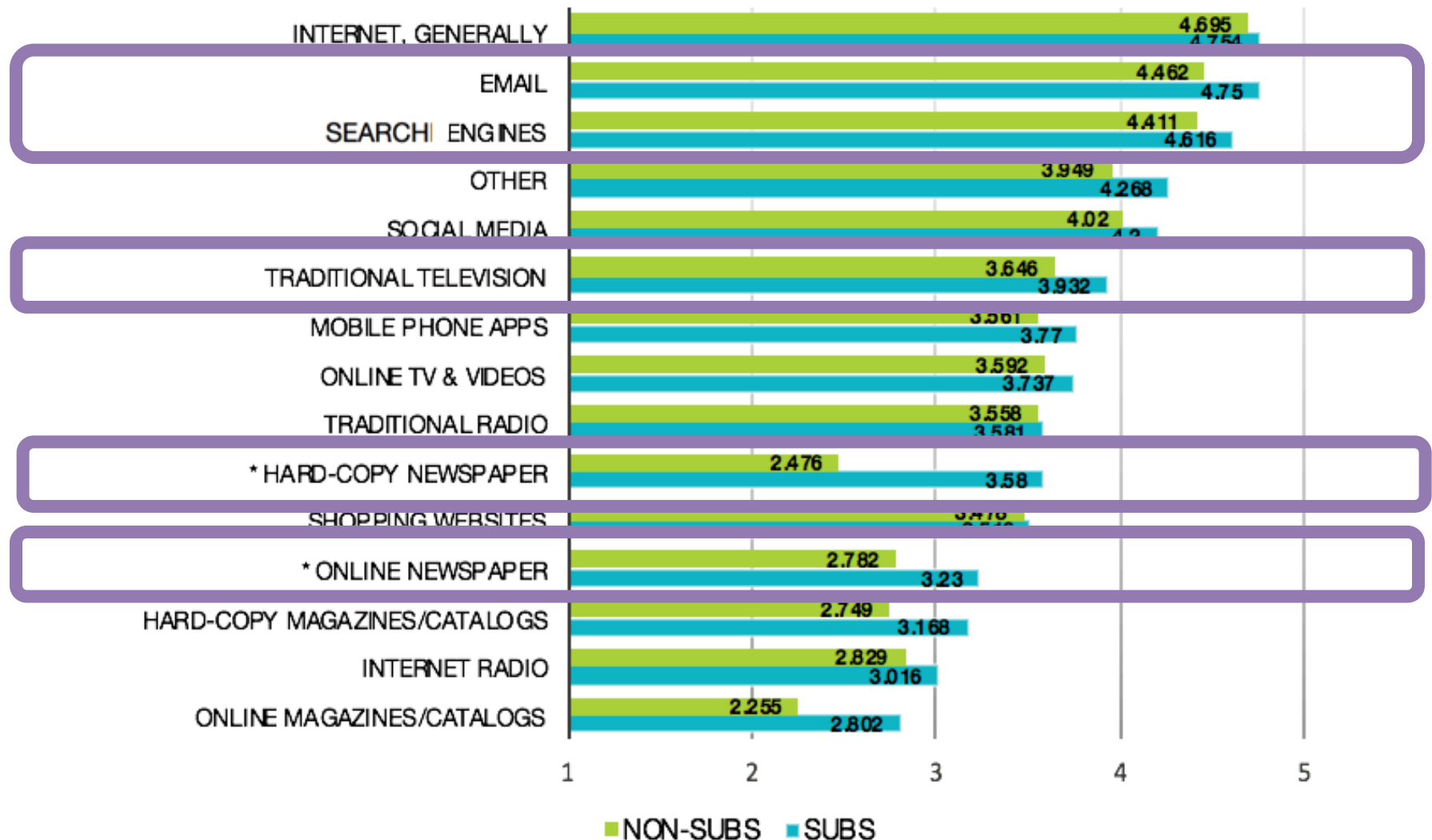
... wealthier

... retired

... longer residents

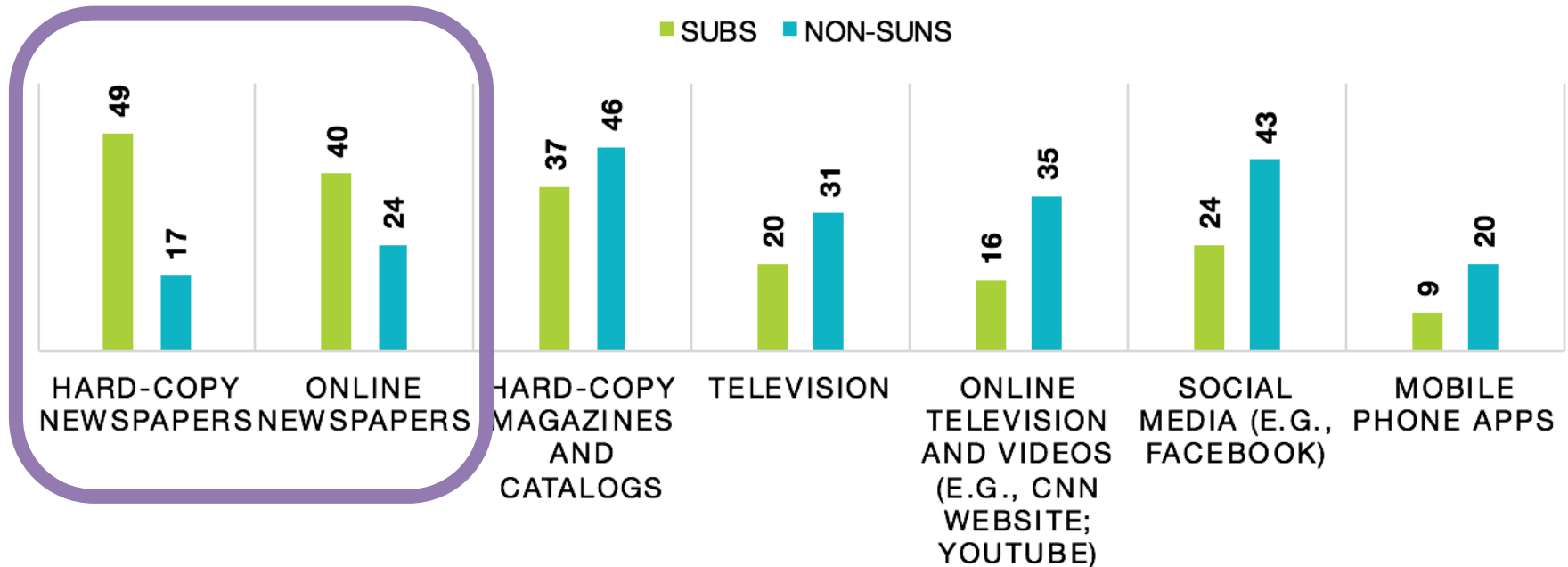
than non-subscribers

Subscribers vs. Non-Subscribers



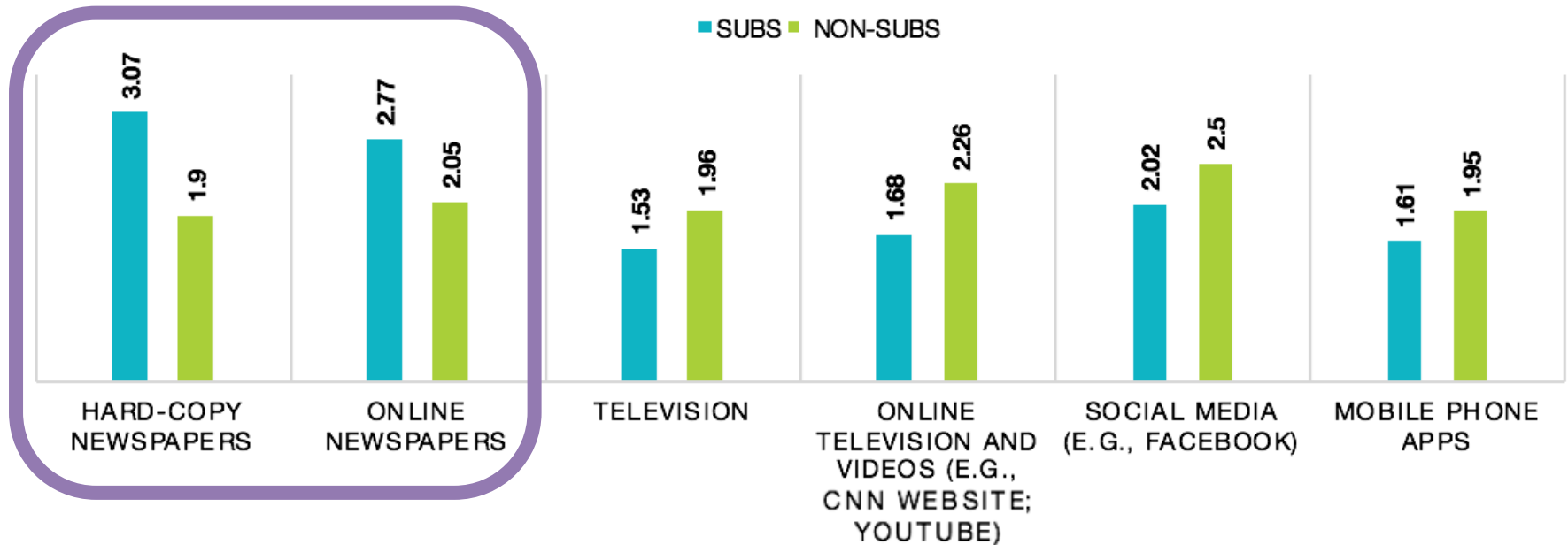
FREQUENCY OF MEDIA USE (1 = "NEVER" 5 = "ALL OF THE TIME")

Subscribers vs. Non-Subscribers



USING MEDIA AS SOURCES OF ADVERTISING (# OF PARTICIPANTS WHO SAID YES)

Subscribers vs. Non-Subscribers

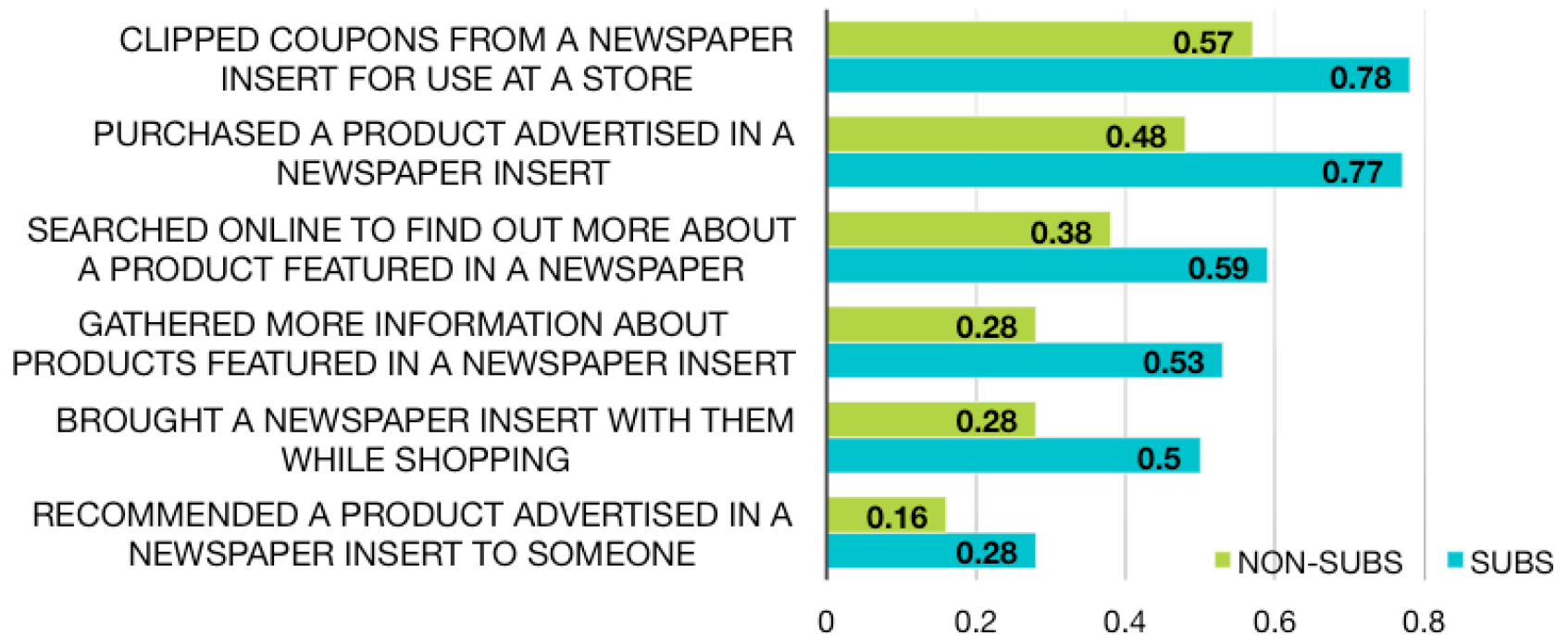


PAYING ATTENTION TO ADVERTISING IN DIFFERENT MEDIA (FROM 1 = “NO ATTENTION” TO 4 = “A LOT OF ATTENTION”)

Subscribers vs. Non-Subscribers

Subscribers are more likely than non-subscribers to engage in comparison shopping (read price tags, compare product brands and ingredients, go to multiple stores, compare prices for products in different stores, etc.)

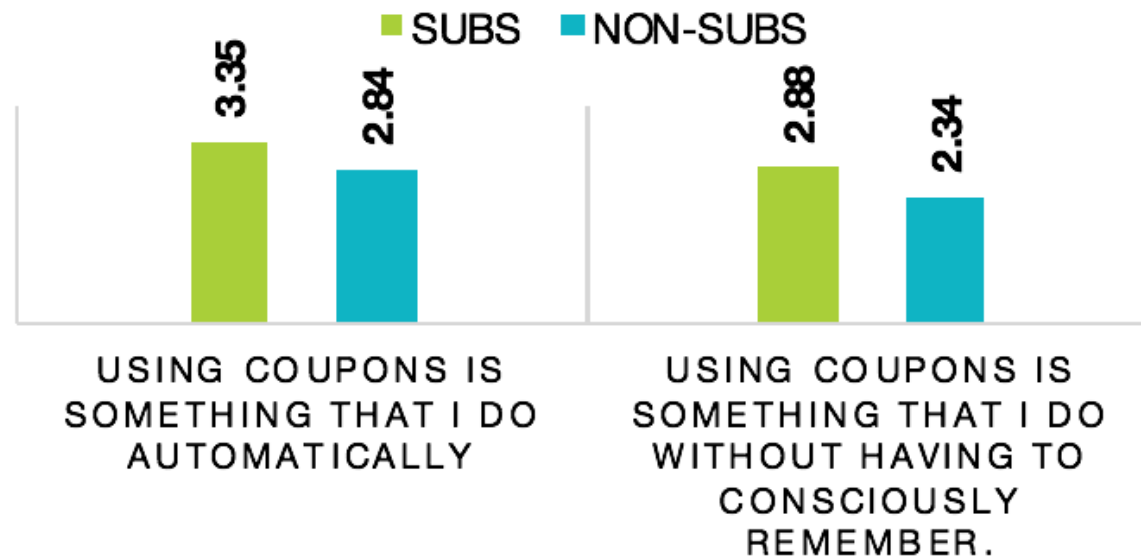
Subscribers vs. Non-Subscribers



ENGAGING IN BEHAVIOR FROM 0 = "NO" TO 1 = "YES"

Subscribers are engaged with preprints more than non-subscribers.

Subscribers vs. Non-Subscribers



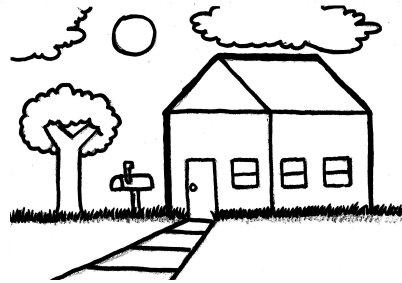
ENGAGING IN BEHAVIOR FROM 1 = “STRONGLY DISAGREE” TO 5 = “STRONGLY AGREE”

Subscribers are habitual coupon savers.

Subscribers vs. Non-Subscribers

Subscribers self-reported that their buying was guided by Mo-Su **print edition** of *LSJ* during the four weeks of the study to a greater degree than non-subscribers' buying. The influence of online versions of *LSJ* was weaker for both groups.

Non-Subscribers are



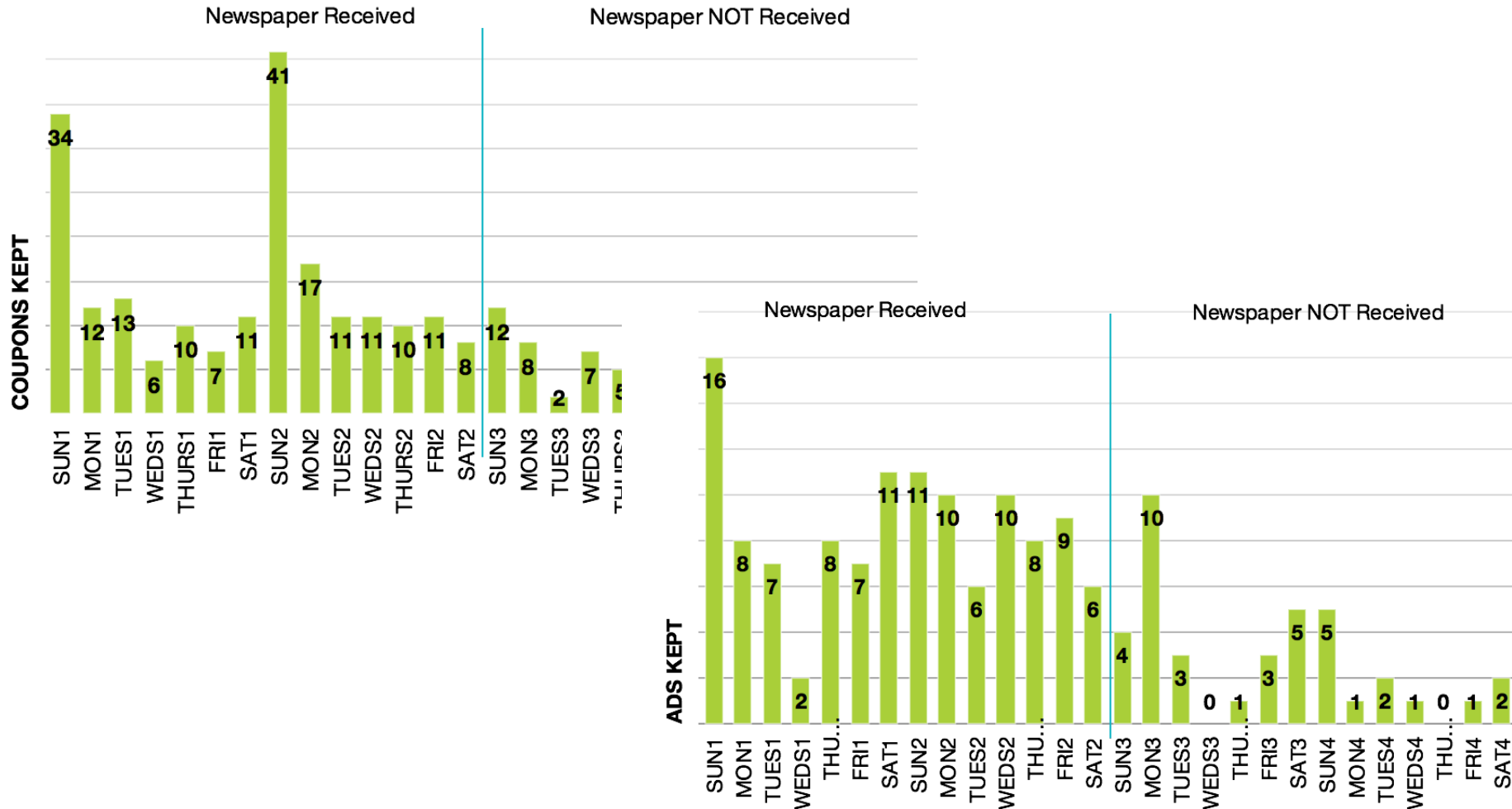
... greater spenders,
especially when it
comes to spending
on food and drinks

... eating out more

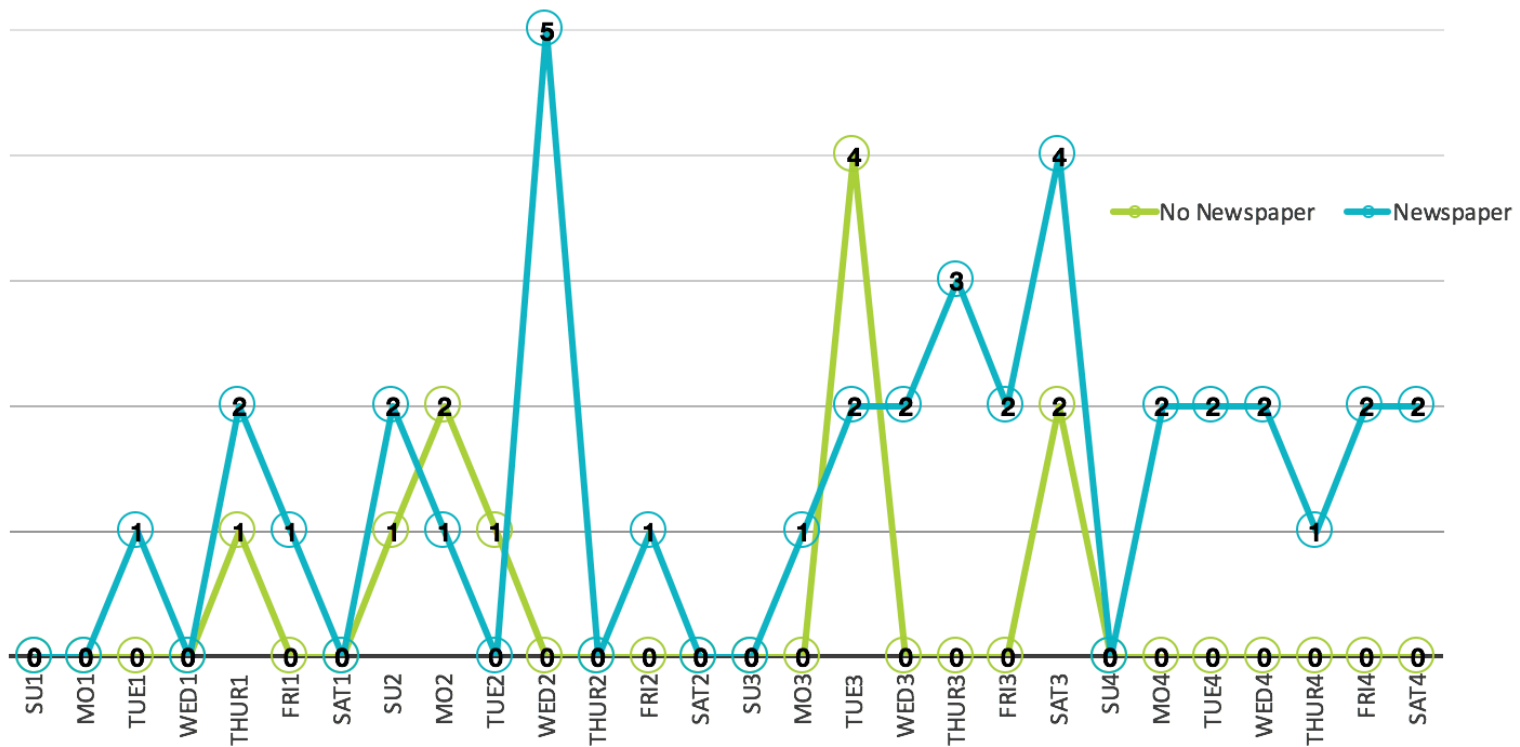
... younger, shorter-
term residents, buying
more items (need
more stuff?)

THE EFFECT OF NEWSPAPER IN HH

Effect on coupon & ad saving



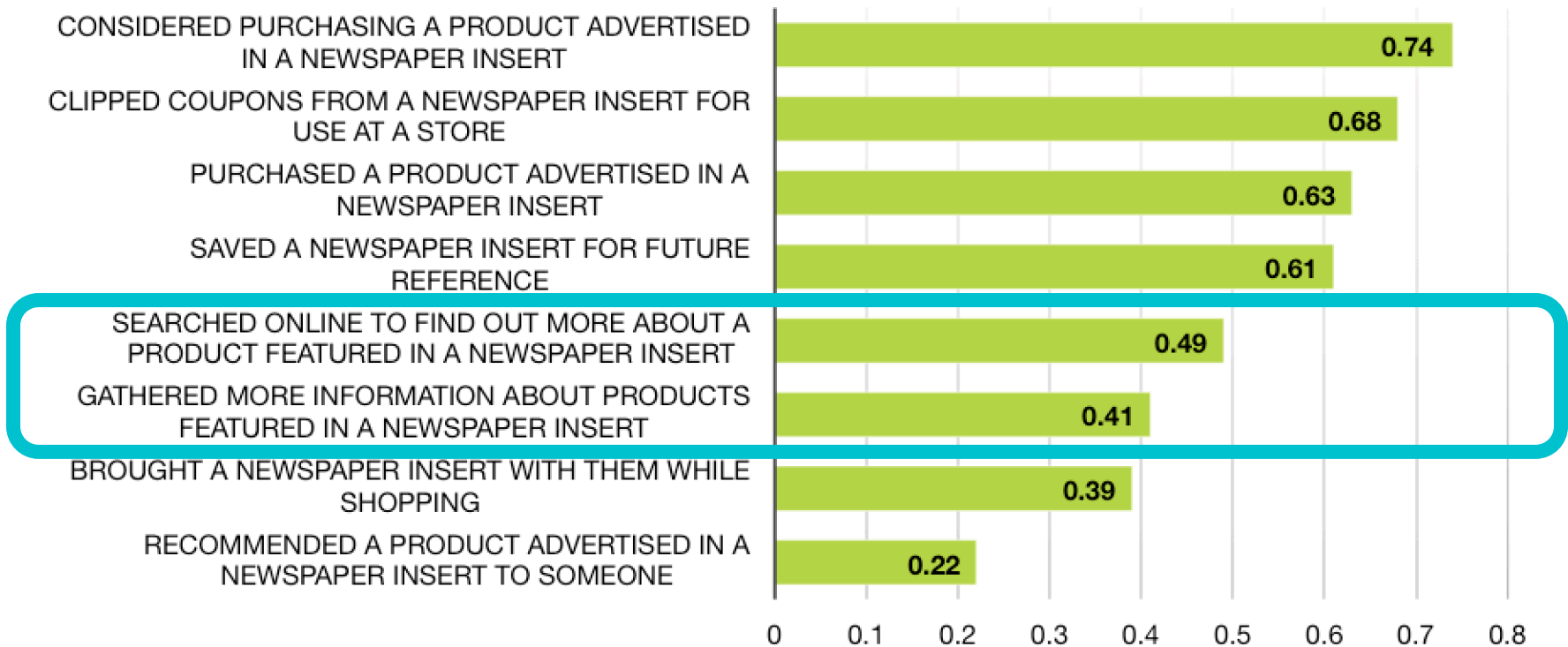
Effect on ONLINE shopping



BUYING ONLINE BY DAY FOR BRANDS ADVERTISED IN PREPRINTS

Receiving newspaper drove online purchases for brands advertised in preprints

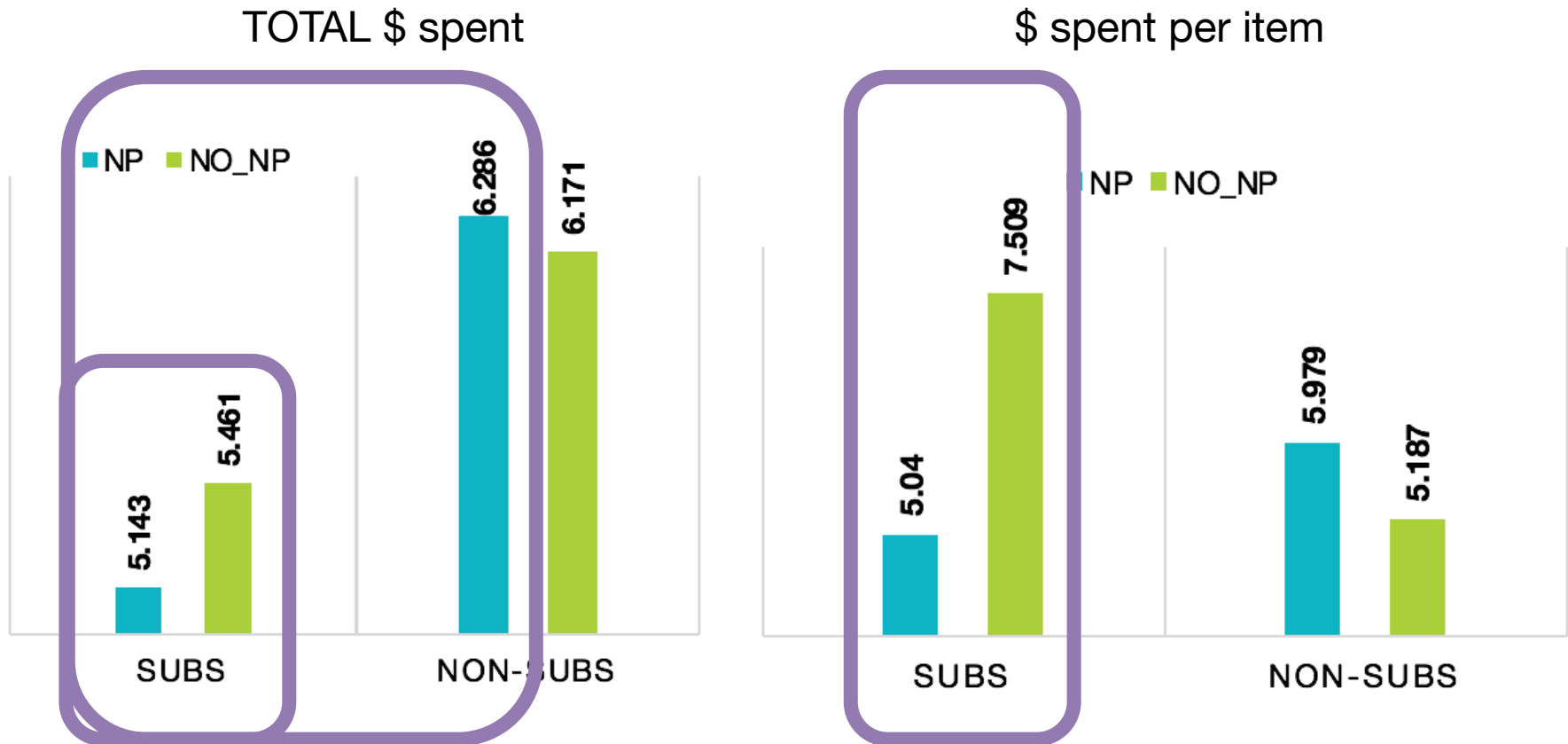
Effect on ONLINE shopping



ENGAGING IN BEHAVIOR FROM 0 = "NO" TO 1 = "YES"

Receiving newspaper drove online purchases for brands advertised in preprints

Effect on \$ SPENT



Non-subscribers spent more dollars than subscribers during the 14 days of receiving the newspaper. Subscribers spent more dollars during the 14 days of NOT receiving the newspaper than 14 of receiving newspaper.

INTERPRETATION

Non-subscribers and “discovery” effect

- Trying new new items on top of usual buys

“

Well, some grocery items, and I looked at... There were a couple of, I can't remember, events that I saw in the paper, and I didn't even know, so I went and spent money. And ... actually, I never shop at Target, and I went to Target and saw something that I wanted to get for school.”

INTERPRETATION

Subscribers and savings

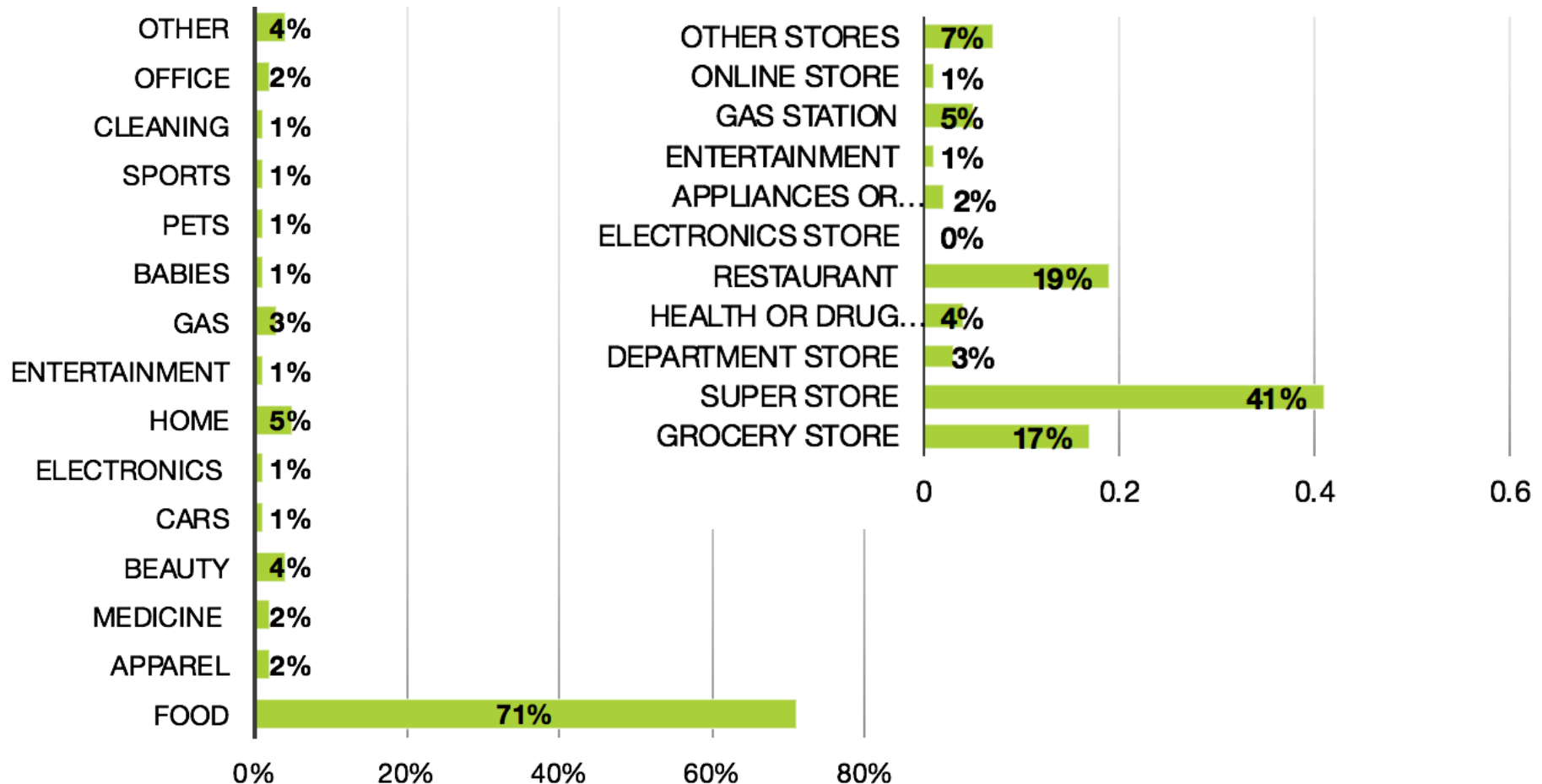
- Being comparison shoppers and coupon savers, subscribers may spend less when they receive the newspaper with good deal offers



I thought that getting a paper for me saved me driving all around searching for things.”

- It is yet to explore what brands subscribers choose to buy when they don't receive the newspaper.

Spending by Category & Store Visits



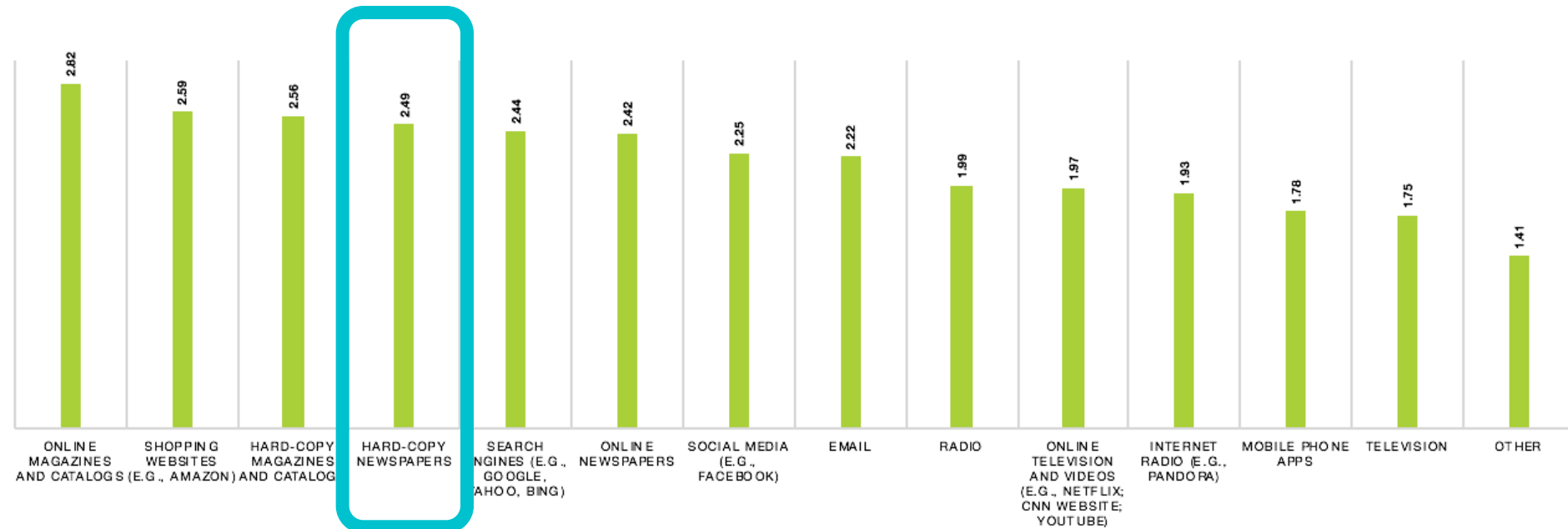
Subscribers vs. non-subscribers

Non-subscribers bought more beauty items and subscribers bought more apparel items when they received preprints.

Both subscribers and non-subscribers bought significantly more cleaning supply items when receiving preprints.

[CONCLUSION]

LOW USE, HIGH ATTENTION



ONLINE leads to ad AVOIDANCE

“

"It's like when its online, it's all filtered out for you...."

"But with a paper, you're gonna open it up and see everything; it's not filtered. It's not compartmentalized, it's all right there. So, you're gonna... An advertisement might catch your eye, if you see a good sale or something."

“

And, really, I don't look at advertisements online at all. I will look through advertisements or coupons or whatever in an actual newspaper."

PRINT is the source of COUPONS

“

“I’d go through looking for coupons. [chuckle] And then, or I’d look for the ones for the certain stores, and those don’t always have coupons.”

“

I don’t have time to read a lot, so yeah, maybe if I saw something interesting... I’d just keep that one little part of the paper and read it later on the weekend or something when I had time.”

“

Unfortunately, newspaper is not what I would look [at], except for Sunday coupons.”

SUBS and NON-SUBS are different

... and should be approached differently.

Is newspaper subscription a matter of age, status, or being part of a local community?

PREPRINT ads → ONLINE buying

Can newspapers and online retailers partner to advertise and sell better?

[

FUTURE

]

- Q&A follow-up sheet
- Brand-specific analysis
- Longitudinal day-to-day analysis
- Studying newspaper preprints and shared mail impact
- Exploring the other side of ROI
- Tapping into new markets

[THANK YOU!]