THE DENVER POST
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COLORADO'S MEDIA LEADER

Mather Process October 2014

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Criteria for Analysis

Demographic Data-

- Zip Codes
- Household Income
- Own/Rent
- Education Level

Subscriber Data-

- FOD
- Length of Subscription History
- Payment History (monthly, Quarterly, Easy-Pay, etc.)
- Renewal attrition rates by FOD over time
- New Subscriber Acquisition by FOD, Term & Price

Types of Analysis

Revert Performance - How many of increased subs revert to former price or FOD lower than billed

Control groups for testing - i.e. more aggressive pricing model for certain geographies, FODs or payment histories

Budgeting

In depth weekly revenue and volume forecasting for:

Core subscribers – Projected attrition rates

New Starts at 1st renewal – different attrition rates based on recent results

Projected Weekly Stop volumes (including 'price' stops)

Budget Built on Data

- Subscriber Profile Factors:
  - Establish Property Business Rules
    - How often rates get increased, Target increase %, Stop volume Tolerance, Exclusions
  - Core Subscriber attrition rates by FOD & price/term
  - Price Elasticity from Mather analysis by FOD
  - New Starts sales volumes by FOD/term/price overlaid with historical fall-off %s
  - Projected Stops based on attrition rates by FOD
  - Additional stop projections due to price

Budgeting

The Denver Post - 52 Week Circulation Projection											52 Week - Revenue			52 Week - Stops		
											$$,$$$,$$$			xx,xxx		
W/e Date	Base Accounts	Base Attrition	Base Revenue	Total Increased Accounts	Price Based Attrition	Net Incremental Mather Revenue	Total New Starts	New Start Attrition	New Start Price	New Start Revenue	**Total Revenue**	**Total Accounts**	**Average Rate**	**Total Stops**	Weekly Stops	Weekly Starts

Results

- Process provides us with:
  - Weekly summary of transactions
  - Weekly revenue (from actives, stops, vacations, restarts)
  - We compare this with budget and internal reporting

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Status Flag		9/3/2014	9/10/2014	9/17/2014	9/24/2014	10/1/2014	10/8/2014	10/15/2014	10/22/2014	10/29/2014
	Actives	268304	268173	268218	268008	267995	267751	266683	266680	266060
Stops/Temp Stops	Active ---> Temp Stop	0	0	0	0	0	0	0	0	0
	Active ---> Stop	1348	1351	1309	1376	1604	1516	1552	1546	1511
	Active ---> Suspend	1158	1080	852	756	901	884	901	1050	948
	Active ---> Vacation	3588	3556	3634	3774	3510	3541	3837	3111	3035
Restarts	Temp Stop ---> Active	0	0	0	0	0	0	0	0	0
	Stop ---> Active	95	114	82	101	117	97	86	87	80
	Suspend ---> Active	84	139	142	124	82	91	100	102	95
	Vacation ---> Active	2987	3396	3292	3524	3783	3433	3328	3759	3091
	Starts	1143	1295	1307	1135	1147	1132	911	1153	960
Change of Service	Upgrades	51	60	57	48	45	56	58	57	43
	Downgrades	210	259	191	206	241	218	221	180	195

Results

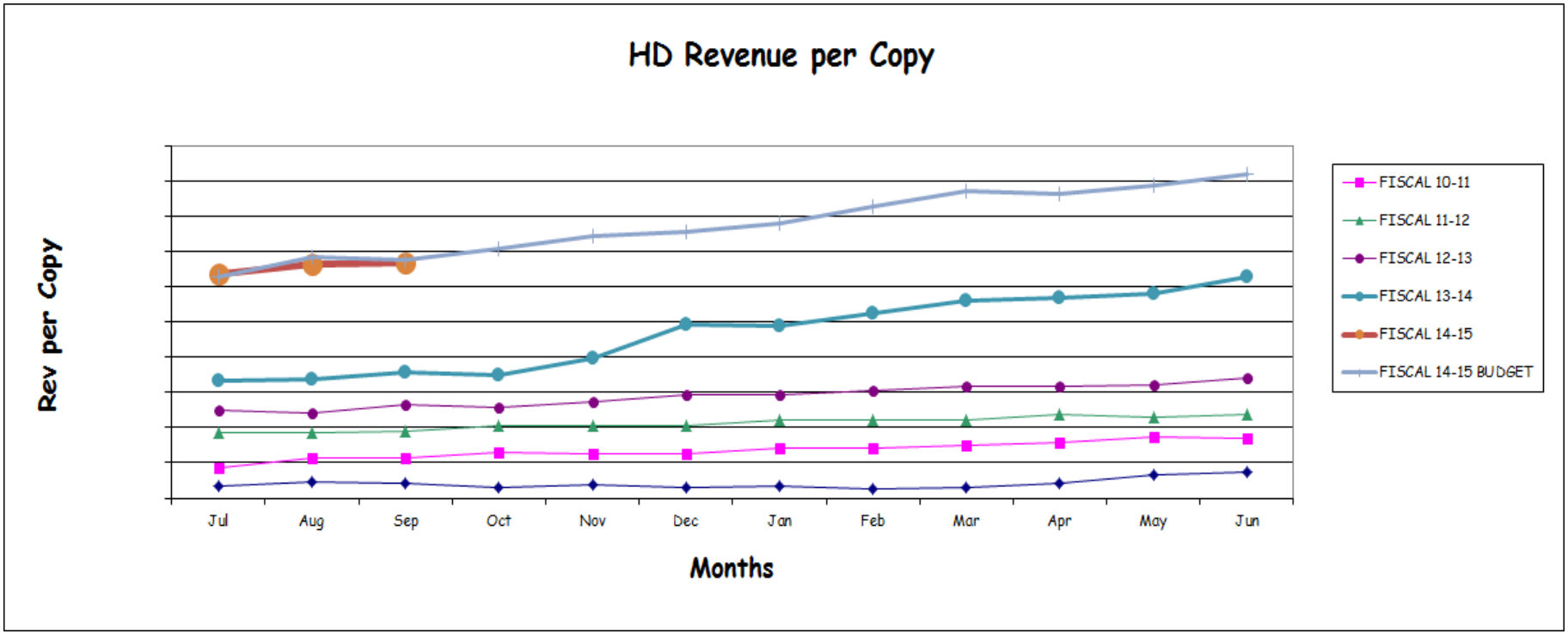
- Circulation Flash Report also provides:

Revnue	
Revenue from Stops/Temp Stops	Actives
	Active ---> Temp Stop
	Active ---> Stop
	Active ---> Suspend
	Active ---> Vacation
Revenue from Restarts	Temp Stop ---> Active
	Stop ---> Active
	Suspend ---> Active
	Vacation ---> Active
	Starts
Average Rate for Change of service	Original Rate for Upgrades
	New Rate for Upgrades
	Original Rate for Downgrades
	New Rate for Downgrades
Average Rate by Status Flag	Actives
	Rate per Copy for Actives
	Temp Stop
	Rate per Copy for Temp Stop
	Stopped
	Rate per Copy for Stopped
	Suspend
	Rate per Copy for Suspend
	Vacation
	Rate per Copy for Vacation

Average Rate for Stops/Temp Stops	Active ---> Temp Stop
	Rate per Copy for Active ---> Temp Stop
	Active ---> Stopped
	Rate per Copy for Active ---> Stopped
	Active ---> Suspend
	Rate per Copy for Active ---> Suspend
	Active ---> Vacation
	Rate per Copy for Active ---> Vacation
Average Rate for Restarts	Temp Stop ---> Active
	Rate per Copy for Temp Stop ---> Active
	Stopped ---> Active
	Rate per Copy for Stopped ---> Active
	Suspend ---> Active
	Rate per Copy for Suspend ---> Active
	Vacation ---> Active
	Rate per Copy for Vacation ---> Active
	Starts
	Rate per Copy for Starts
	Change in Active Subscribers
	Change in Average Rate for Actives
	Change in Rate per Copy for Actives

Results

- Rate per copy Growth



Results

- Rate per copy Growth

Rate Per Copy	Annual % Increase
FISCAL 10-11	12.1%
FISCAL 11-12	6.6%
FISCAL 12-13	10.7%
FISCAL 13-14	31.6%
Fiscal 14-15Budget	**23.6%**

- Home Delivery Revenue (total dollars)

Total $$	Annual % Increase
FISCAL 10-11	6.9%
FISCAL 11-12	3.5%
FISCAL 12-13	1.3%
FISCAL 13-14	0.5%
Fiscal 14-15Budget	**2.4%**