

Computer Publication Enhanced Ad Sales Potential

THE SITUATION

A computer technology publication's readership base consisted of paid subscribers to the publication, as well as a significant number of newsstand buyers. A considerable amount of information had been compiled on the publication's subscriber base and advertising sales strategies, to date, were based on these "subscriber" demographics and buying behavior. Little was known however, about the publication's newsstand buyer characteristics. An opportunity existed to expand advertising sales based upon the additional buying potential represented by these newsstand buyers.

Subsequently, newsstand buyer profile research was conducted. However, the results, when analyzed in total, did not show newsstand readers to represent nearly the same level of buying potential as their subscriber counterparts.

Our task was to determine whether or not a segment of newsstand buyers existed that were comparable to subscribers in terms of purchasing behavior and what the size and characteristics of this segment were.

WHAT WE DID AND HOW WE DID IT

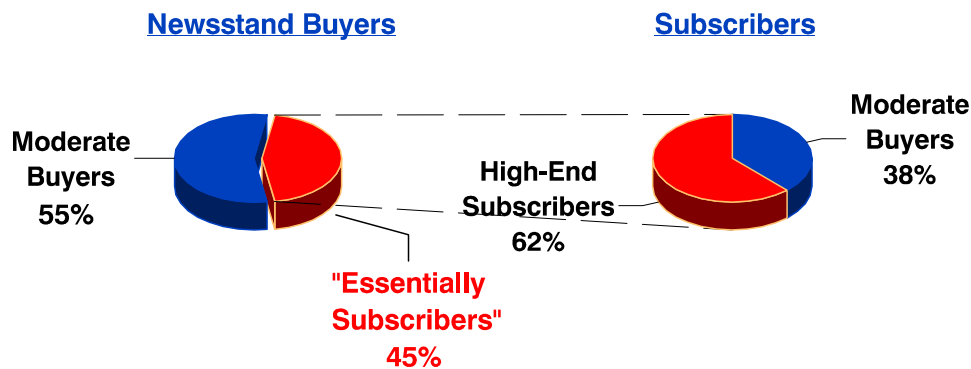
The Strategy Group uses a regression-based computer program known as "Prime Prospect Analysis" to locate and define groups from different populations that have similar characteristics. Once these similar groups have been identified, their size and key discriminating characteristics can be profiled. The analysis is well suited for defining "target market" groups, estimating maximum sales potential and other marketing situations where identifying market segments with "pre-determined" characteristics is an issue.

The analysis was particularly appropriate for the objective we faced in analyzing our client's newsstand buyer segment.

THE RESULTS

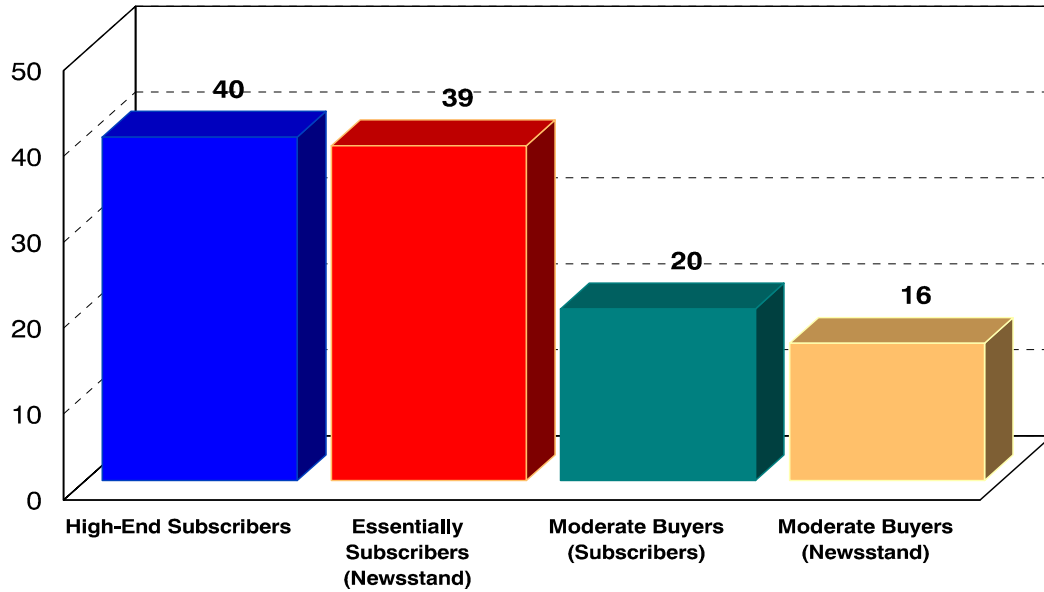
The results of the “Prime Prospect Analysis” first defined a group of “High-End buyer” subscribers who represented the majority of technology-based purchases among the entire subscriber population. After analyzing the newsstand buyer segment, it was found that 45% of the group had a purchasing and demographic profile comparable to the “High-End” subscriber segment. This newsstand buyer segment were “Essentially Subscribers” in terms of their demographic characteristics and purchasing behavior.

Readership Segments Newsstand Buyers Vs. Subscribers

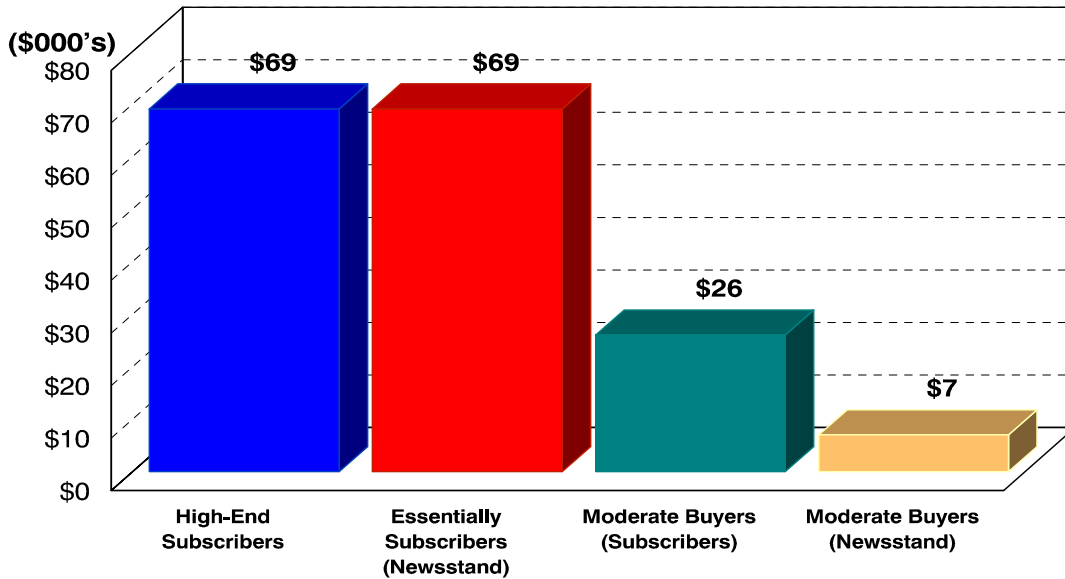


As depicted in the following graphics, compared to subscribers, the “Essentially Subscribers” newsstand buyer segment had placed an equally high number of orders for technology products in the past 12 months and had spent a comparable amount of dollars on these orders.

Total Average Number of Orders In Past 12 Months

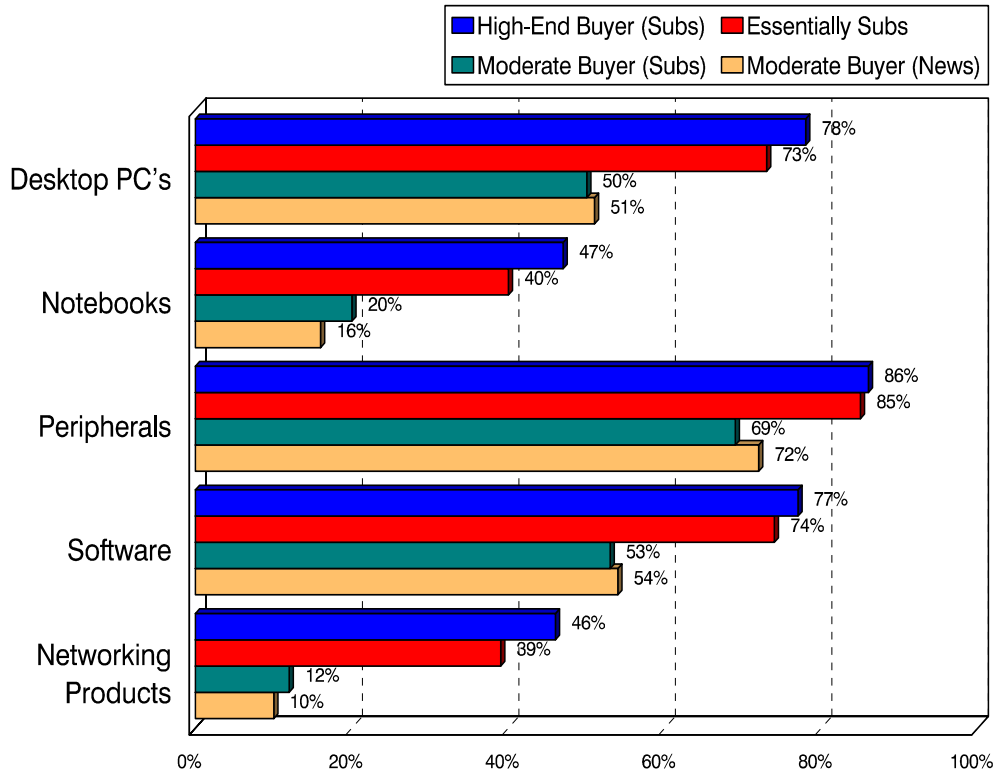


Total Average \$ Amount of Orders In Past 12 Months



The “Essentially Subscribers” newsstand segment had the same broad product purchasing profile as did high-end subscribers. Their demographic characteristics were also quite similar.

Products Currently Involved In Purchasing



As a result of having identified this attractive, “high potential” buyer group among newsstand purchasers, our client could now use the results of the Newsstand Buyer Profile Study to enhance their advertising selling strategies.