

The Bellingham Herald Marketing Project

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Executive Summary

We have developed a marketing plan for the Bellingham Herald with the goal of increasing e-subscription sales and website traffic by offering a Spanish translated website and e-edition. This feature will be projected to increase online traffic by 10% and increase the annual e-subscriptions by 3,000 leading to an additional yearly revenue of \$563,010. In order to accomplish this goal we have worked on implementing a plan where we segment the Spanish speaking market in Whatcom County into two age groups, which are 14-23 years of age and 24-65 years of age. We will target the age group of 24-65 years of age which consists of approximately 7,460 people. By hiring two translators, the Bellingham Herald will be available to online consumers in Spanish. The Spanish e-edition of the newspaper will be offered at the same price as the English edition which is \$99.95 a year or \$9.95 a month. Our positioning strategy is placing the Bellingham Herald in the local news source market as the only Whatcom County news source to offer a multiplatform Spanish translated edition. We will use various ways of communicating the new feature to the public in order to increase our awareness by 75% targets such as placing ads on buses, Pandora Internet Radio, Twitter and Facebook. All of these promotions will cost about \$138,075.50 which is 10% of our expected additional net revenue.

SWOT Analysis

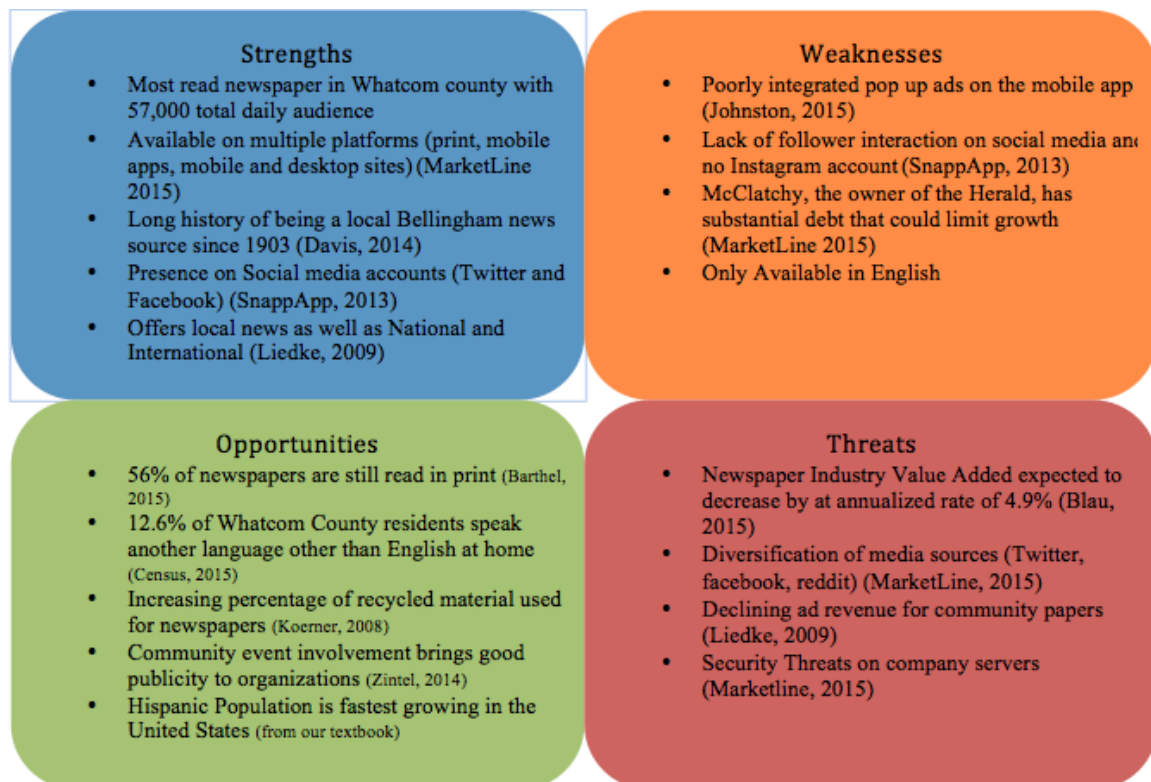
The Bellingham Herald holds a strong sense of tradition in the city of Bellingham and this is greatly represented in the fact that they have been the city's official local news distributor since 1903 (Davis, 2014). Although it seems as if over one hundred years of tradition would deem the Herald safe from any sort of change, there are still weaknesses and threats that are present, that should be in strong consideration. Thankfully, along with these are strengths and opportunities that could potentially work hand in hand to overcome the weaknesses and threats that are present in the media market.

The weaknesses and threats that pertain to the media business in general and to the Bellingham Herald focus mainly on the advancement of technology and the rapid demographic changes happening in the world around us. As technology has advanced, the need for high functioning social media pages has dramatically increased. With almost 2 billion active users on Facebook and nearly eight hundred million active users between Twitter and Instagram, sites like these have now become a competitor to all news fronts but have also become a new useful tool in marketing a company (Statista, 2015). New advancements such as these are causing a decline in the newspaper publishing market, which is a huge threat. Through the next five years the newspaper publishing market is expected to see an average annual drop in revenue by about 2.8% and print advertising revenue alone is supposed to drop about 1% each year through 2020 (Blau, 2015). Some of these do not play well with the weaknesses that the Bellingham Herald has. Although the

Bellingham Herald is a multiplatform newspaper service, they fail to take full advantage of social media in the most technologically dependent age yet. They lack direct interactions with their followers on these sites when 71% of U.S. adults online are on Facebook and 23% of online adults are on Twitter with the largest age ranges being 18-29 and 30-49 (Duggan, 2014). The Internet is growing continuously and is becoming more accessible every day. By 2017, 207 million smartphones will be owned across United States (MarketLine, 2015). Another weakness is the fact that the Bellingham Herald only offers their information in English. While the Hispanic population in Bellingham isn't huge at 5.7% (Census, 2015) the Hispanic population in Bellingham has tripled in the last thirty years (Cohen, 2007). Although this is a weakness now, it could also be a useful opportunity in the future.

Although in a declining market, the Bellingham Herald does have many strengths and opportunities. They are the most read newspaper in Whatcom County by reaching 57,000 readers each day and have been delivering local news since 1903 (Davis, 2014). The Bellingham Herald offers its service on multiple platforms such as apps and a functioning website. They also have a presence on social media with a Twitter and Facebook that are regularly updated with the latest stories, whether they are local, national or international. With a strong tradition of being Bellingham's main news source for its inhabitants, it hasn't sat on that fact and has attempted to evolve with the changing market climate. While most people who have been reading the Bellingham Herald will continue to subscribe, there is a lack in obtaining new customers, but there are opportunities that present themselves. With

Hispanics being the fastest growing population in the United States and the Hispanic population in Bellingham nearly tripling in the last thirty years, there is a huge opportunity to find a way to deliver the news to potential non-English speaking customers (Kurtz, 2014). The Hispanic population makes up about 5.7% of the people in Whatcom County and that stat is only growing (Census, 2015). 12.6% of Whatcom County speaks a language other than English at home and the Bellingham Herald has no way of delivering media information to this demographic (Census, 2015). With most of America online and with massive social media growth, it could be easier than ever to reach this new demographic that is not being reached by any news source in the Whatcom County area.



Customer Analysis

Segmentation

In order to decide which language the translated edition of the Bellingham Herald website and e-edition will be in we first need to segment the market. By splitting up the market into 2 different segments that are similar within each groups but different among the other groups, we can distinguish the languages and features we will include. We segmented the market based on the two major different Spanish speaking groups in Whatcom County: Male and Female Spanish speakers from the ages of 14 to 23 years old and Male and Female Spanish speakers from the ages of 24 to 65. The total population of all Spanish speaking people in Whatcom County is 11,584 people (Statistical Atlas, 2015).

Targeting

Through market research, we have decided to target Spanish speaking adults in Whatcom County between the ages of 24 and 65 years old which translates to roughly 7,460 people. Spanish is the second most common language spoken in Whatcom County after English, 5.7% of Whatcom County, which is approximately 11,584 people that speak Spanish (Statistical Atlas, 2015). The segment of 24 to 65 year olds cover most people that would be reading the newspaper and the higher the age gets the more likely they are to read the newspaper (Pew, 2013).

Positioning

The Bellingham Herald website tells us that people of older ages tend to read the paper more often than those of younger ages (About Us, 2015). Research shows that 83% of young adults, age 18-29, are interested in learning about current news and 93% of older adults, age 60 plus, are interested in hearing about the news (American, 2014). From that research we can conclude that most adults are interested in knowing what is going on around them or around the world. If we create a bilingual experience with The Bellingham Herald that is readily available and easy to access at an affordable price, we will be able to increase our profit margins by the desired amount. This new Spanish translated feature serves as a point of difference from the other local news source competition because it is the only local news source to offer a multi-platform, easily accessible translated edition.

Positioning Statement

To 24 to 65-year-old, Spanish speaking, Bellingham residents who need local information, the Bellingham Herald is the local news source that offers a multi-platform, easily accessible, Spanish translated online edition to view local, national, and international news.

Brand Plan

Brand Principle

Local, Diverse, Credible

The Bellingham Herald is a newspaper that is heavily relied upon by their community to reflect what is going on locally. Offering the Spanish translated edition will allow not only English speaking residents to access local news, but Spanish speaking residents as well. The Spanish translation of the Bellingham Herald is an extremely credible source because it offers identical content translated by bilingual professionals.

Brand Personality

The Bellingham Herald's brand personality is informative, progressive and inclusive. The newspaper not only targets the English speaking population but now is able to target the Spanish speaking population thanks to the new feature. As Bellingham becomes more diverse, the Herald is trying to keep up and offer different options of languages to its customers. By offering the new addition of the Spanish translation to the website, it gives the brand a larger audience.

Brand Associations:

Customers of The Bellingham Herald will always remember how it serves to go above and beyond to accurately inform the public of what is occurring within the community. With the new feature, customers will now be able to see how the Herald is trying to branch out in attempt to cater to the needs of Bellingham's growth in diversity.

Marketing Objectives

Mission and Goals

To create a quality, bilingual news source for the Spanish speaking community of Whatcom County. We have come up with numerous tactics to make the Spanish speaking community aware of this new feature and also increase sales and page views as an outcome.

Financial Goals

The financial goals for the Bellingham Herald include increasing the online page views by 10%, which would be from 4.3 million views to 4.73 million views monthly leading to an increase in advertisement revenue. It would be ideal to have this increase by July 1, 2017 which is one year after the feature launch. To calculate this increase we take the average cost per thousand ad view on our the site (CPM) and divide it by 1000 to get the cost per one view. We then multiply that number by the 3 company ads per page and multiply that by the goal increase of 430,000 monthly pageviews, multiply that by 12 months in a year.

The average CPM comes out to be \$.017 when that is multiplied by the number of ads per page the revenue becomes \$.051. When \$.051 is multiplied by the number of page views we find that the expected increase in monthly revenue is \$21,930. When the monthly revenue is multiplied by 12 months in a year, we find that an increase in pageviews by 10%, brings in \$263,160 more every year (Appendix A).

Another financial goal is to increase the e-edition subscriptions by 3,000 by July 1, 2017. The hope is to have all of these additional subscribers re-subscribe in the following year, as well as other years to come. The additional revenue from these e-subscriptions is projected to be \$299,850 (Appendix B). If these goals are successful, they can lead the Bellingham Herald to an increased revenue every year. All calculations are broken down as follows:

- Increase online page views by 10% (from 4.3 million to 4.73 million monthly)
 - Total additional revenue per year = ((Average Cost Per Thousand views/1000) * 3 companies per page * (430,000 page view increase) * 12 months)
 - Average CPM for ads placed on each page: $\$16.75/1000 = \0.017
 - Expected amount of ads per page: 3 $\$0.017 * 3 = \0.051
 - Expected increase page views per month: $\$430,000 * .051 = \$21,930$
 - **Total additional revenue per year from page view increase: \$263,160**
- Increase in e-subscriptions by 3000
 - 3000 subscriptions * \$99.95 per subscription = \$299,850

Marketing Mix

Product Strategy

The Bellingham Herald provides local, national, and international information to the community of Whatcom County. With the additional feature of a Spanish translated e-edition, the Bellingham Herald can now reach a wider and more diverse audience. This product is unique because it is the only one of its kind in the local Whatcom County news industry making this a product diversification strategy. This translation will be an additional feature to the already existing website and we will also be offering a spanish e-edition of the paper. This will make it easy for navigation between the English and Spanish versions simply by using an “en espanol” button at the top of the page. The feature will make it possible for Spanish speakers to be caught up on local issues and news stories as well as national and international information. Instead of doing a print version of a Spanish translated paper we thought it more beneficial to do an e-edition and website due to the growth in the use of technology. As a byproduct of this decision, our variable costs will be minimized. By only having the translated version online it provides the articles on multiple platforms. Spanish speakers will be able to access the translated version from computers, smartphones, tablets and more. This benefits the community of Whatcom County by bringing information to those that may not have any other resource. The more people that are informed on the issues the better. This will help the circulation of information in the community and enhance the value of the paper by reaching a wider audience. Through offering a Spanish translated version of the Bellingham Herald online we are showing the community of Whatcom

County that we value creating a paper that is more accessible to everyone. We want the spread of information to reach any and all who want it.

We also have the advantage of being the major source of local information in Whatcom County already; adding this translated e-edition will help to expand that audience even more. We already have credibility, multiple platforms and local customers. With this translated e-edition we will be able to bring that same experience to the 5.7% target group of Whatcom county residents who speak Spanish (Statistical Atlas, 2015). We want to show them that we value their business and their access to information.

Distribution Strategy

In order to get this product to Spanish speaking Male and Females in Whatcom County between the ages of 24 and 65, we will solely distribute online. The Spanish Translated feature will only be available on the website and the e-edition. The Bellingham Herald will use a pull channel method, focusing on advertising to customers and get them to actively seek out our news source to fill their information needs.

Having the Spanish edition online gives us the best chance to maximize our market share since we don't have to worry about selecting locations to place the Spanish version of the newspaper, while running the risk of leaving out portions of our target market. This will minimize the variable costs that we incur and make our targeting more effective. We are also making it as easy as possible to access the

e-edition with the easy navigation button. This will save the consumers time and confusion accessing our product.

Pricing Strategy

We will keep the pricing model the same by using a trial pricing strategy for the Bellingham Herald Spanish e-edition. We will offer a one-month digital trial subscription for \$.99, then after the first month the price will be \$9.95 per month or \$99.95 per year. The price that we will charge advertisers to place ads on our pages will also remain constant, an average cost of \$16.75 per 1000 views. We estimate that the Spanish e-edition and website will increase total revenue by \$563,010. \$299,850 (Appendix B) of which comes from the projected increase of 3000 subscribers (assuming every subscriber chooses the yearly subscription). The other \$263,160 will come from the additional advertising revenue made by increasing our monthly page views by 10% (Appendix A).

Our estimated costs will include two full-time qualified Spanish translators who will receive an annual salary of \$45,430 totaling \$90,860. During the first year we will spend 10% of the expected additional revenue (minus the cost of the translators) of \$47,215 on our advertising campaign. All the other fixed costs are already associated with the website and its maintenance, leaving us with total fixed costs of \$138,075.50 and no new variable costs.

We expect to break even is when the fixed costs are equal the additional revenue brought in by the new feature. Since there are no variable costs, the break even point for this new feature will be at \$138,075 of additional revenue from a

combination of advertisements and e-subscriptions. We will be receiving a positive return on investment after this amount of additional revenue.

Promotion

The main communication objective of our marketing plan is to increase the brand awareness of the new Spanish translated feature of the Bellingham Herald e-edition as well as the website. We plan on increasing the Spanish speaking population's awareness of the new feature from 0% to 75% by July 1' 2017, which is one year after the official launch of the new feature. In order to achieve this objective, we will be using outdoor advertising, paid media, and some earned media.

The first way we plan to promote is through outdoor marketing, or more specifically transit advertising, by placing advertisements on various Whatcom Transportation Authority buses. These ads will include the Bellingham Herald Logo as well as big bold letters saying in Spanish "NOW AVAILABLE ONLINE IN SPANISH". According to the WTA website, there are bus routes all over Whatcom County including Bellingham, Blaine, Everson, Ferndale, Gooseberry point, Kendall, Lynden, and Sudden Valley (WTA, 2015). Since the routes extend to various regions of the county, we will be able to effectively reach the majority of the Spanish speaking community because outdoor advertising "quickly communicates simple ideas" and "offers repeated exposure to a strong message and strong promotion for locally available products" (Kurtz, 2012). Clear Channel Outdoors, the advertising company that is in charge of WTA bus ads, offer tail and side advertisements for four weeks at

a time for \$350 and \$450 respectively (Clear Channel, 2015). We will place 12 buses with side advertisements as well as 12 buses with tail ads for 4 months totaling \$38,400 (Appendix 4).

In order to reach the Spanish speaking community in Whatcom County we will place paid media ads on Spanish stations on Pandora. Pandora advertising allows you to “engage with the most relevant, high valued customers” (Pandora, 2015) by allowing you to target specific radio stations as well as specific geographic locations. These audio ads will say (in Spanish) “The Bellingham herald now offers the same high quality local, national, and international news articles in Spanish on our website” on select Spanish stations. The current rate to run these targeted ads is approximately \$20 CPM (cost per 1000 listeners). We will spend \$6,815.50 (Appendix D) at this \$20 CPM to reach 340,775 listeners of our ad on a Spanish station.

We will use paid social media marketing to promote the new feature by utilizing the existing Bellingham Herald Twitter and Facebook accounts. On Twitter, we will be composing a tweet that reads: “BELLINGHAM HERALD IS NOW AVAILABLE ONLINE IN SPANISH. Retweet to be entered to win a \$100 Visa gift card”. The Facebook account will be running the same promotion but instead of retweeting, the followers will share the post. The \$100 gift card incentive will lead to some of our existing 13,100 Twitter followers and 12,821 Facebook “likers” to share the news about the Spanish online feature. There will be 10 different twitter contests as well as 10 different Facebook contests totaling \$2,000 (Appendix D).

The total promotional budget for the new online Spanish feature will be 10 percent of our expected net revenue after paying our translators (\$472,150 net revenue x 10% = \$47,215.50 advertising budget). The advertising scheduling we will be using is a pulsing campaign where we spend most of our budget at the time our product is released but keep a base level of spending (Appendix D).

Budget

Description	Budget (Annually)
Projected Additional Revenue:	
Online Advertising Revenue	\$263,160
Spanish E-Edition Subscriptions Revenue	\$299,850
Total Additional Revenue:	\$563,010
Projected Expenses:	
Whatcom Bus Advertisements*	\$38,400
Pandora Advertisements*	\$6,815.50
Social Media Promotions*	\$2,000

Translators (16.1% of add. Rev)	\$90,860
Total Expenses:	\$138,075.50
Total Net Revenue	\$472,150

*All combined advertising costs for the first year will cost 10% of revenue (after paying the translators) made from the Spanish e-edition subscriptions and online advertisement views we expect to receive.

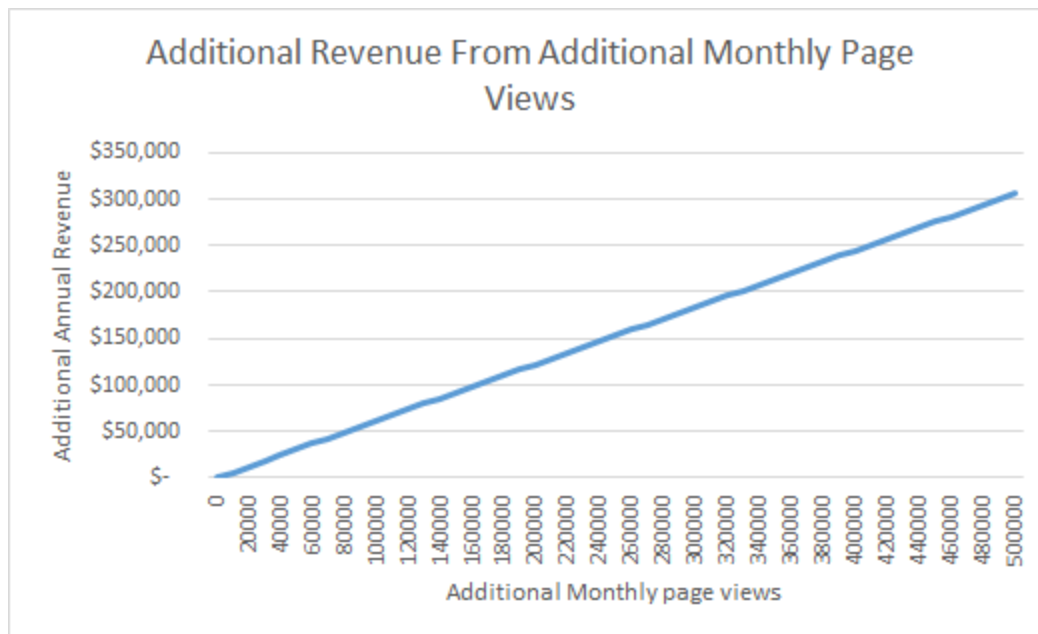
Controls and Feedback

Our marketing objective of increasing the monthly online page views by 10 percent, from 4.3 million to 4.7 million (About us, 2015), can be monitored by observing the average online page views per month of the Bellingham Herald website on July 1, 2017. We will compare the new monthly pageviews figure to the current average monthly page views of 4.3 million to calculate our percentage increase. On July 1, 2017, one year after releasing the new feature, we will calculate the amount of Spanish e-edition subscriptions and compare it to our goal of 3000 subscriptions. This will show us how effective our marketing plan of creating a Spanish translated online feature was. Our measurement of the effectiveness of our advertising efforts to increase the Spanish speaking population awareness of the new feature from 0 to 75 percent will be in the form of a random pop-up online survey. This survey will be given to visitors of the online Spanish website as well as customers who subscribe to the online Spanish e-edition (Figure 1). Through this

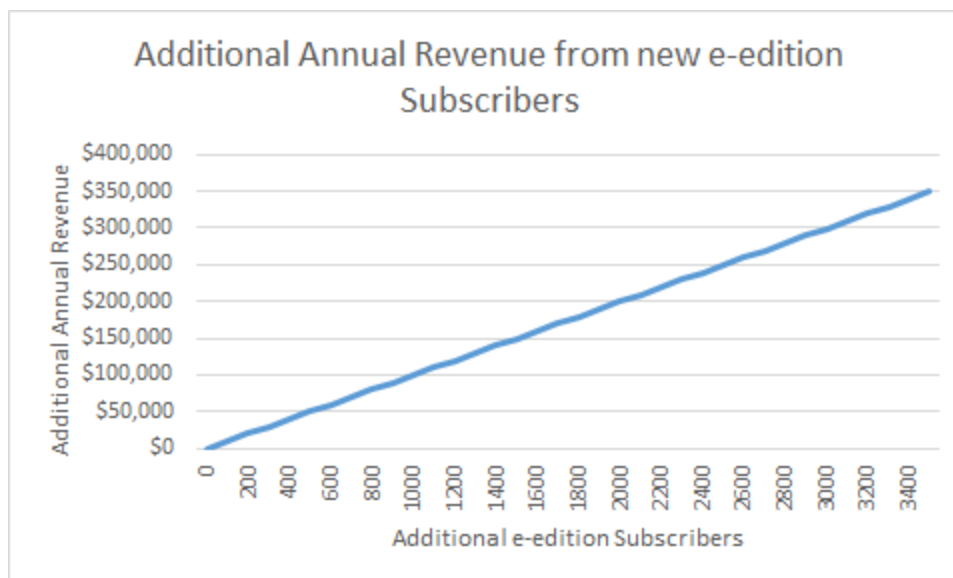
survey we will obtain knowledge of what advertisements worked and which ones did not for future reference.

Appendix

Appendix A:

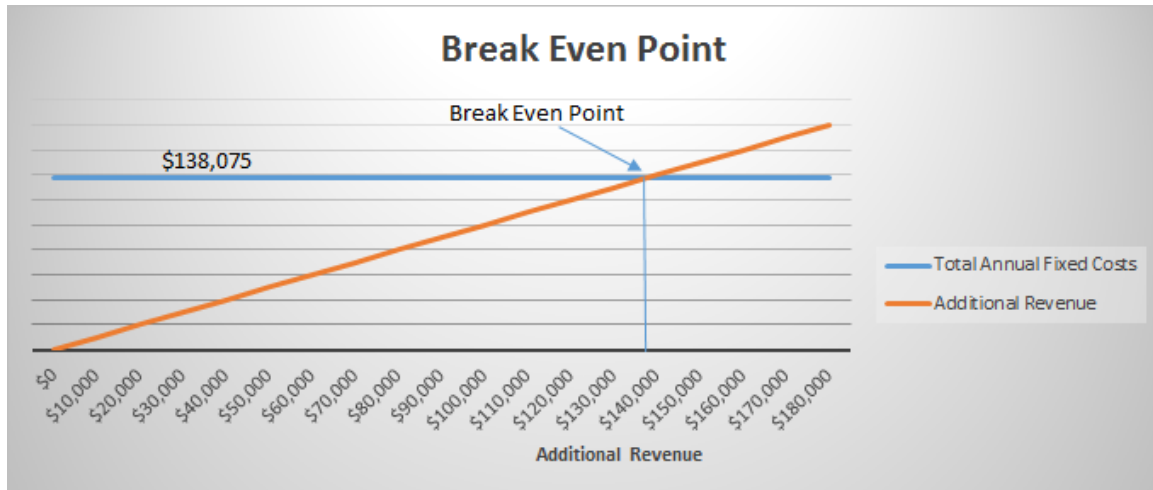


Appendix B:

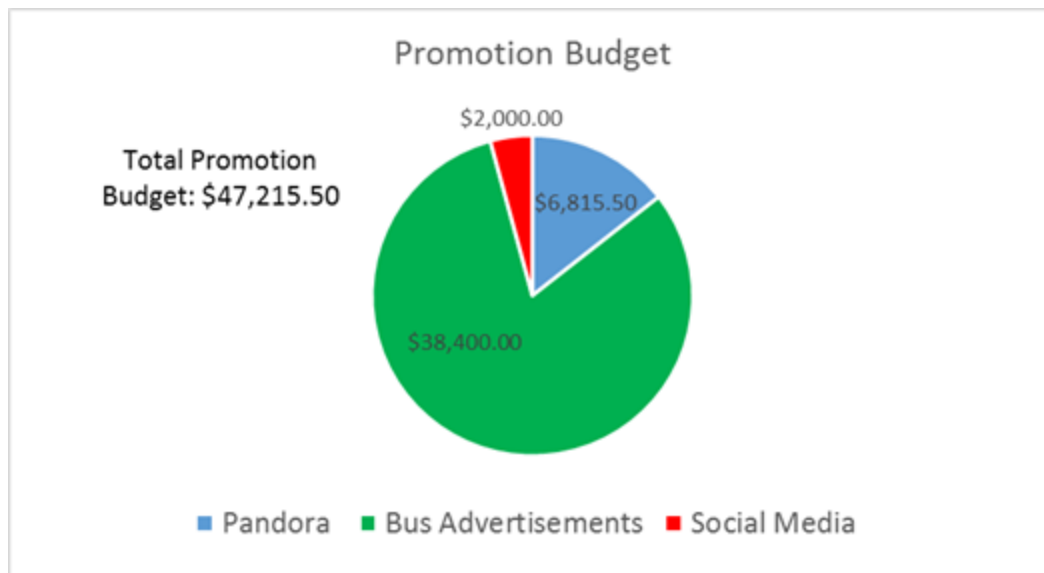


Appendix (Continued)

Appendix C:

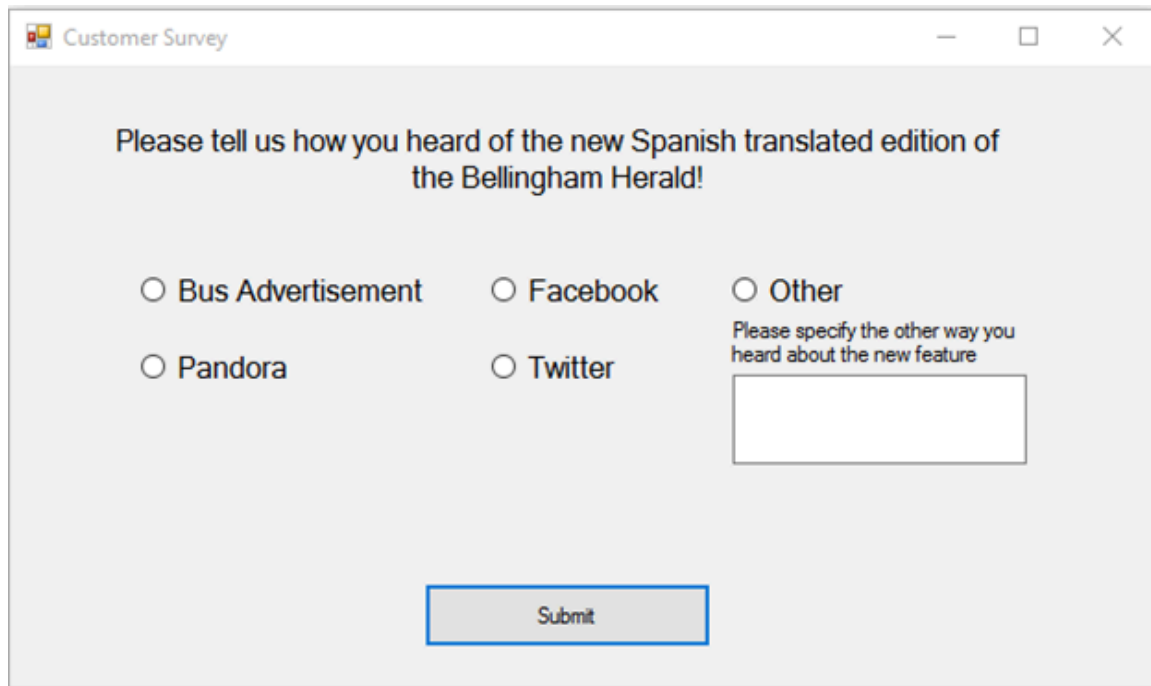


Appendix D:



Appendix (Continued)

Appendix E:



A screenshot of a web browser window titled "Customer Survey". The window has a light gray background and a standard browser window frame with minimize, maximize, and close buttons in the top right corner. The main content area contains a survey question and several radio button options.

Please tell us how you heard of the new Spanish translated edition of the Bellingham Herald!

☐ Bus Advertisement ☐ Facebook ☐ Other

☐ Pandora ☐ Twitter

Please specify the other way you heard about the new feature

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