



THE BELLINGHAM HERALD

Marketing Plan

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Executive Summary

The Bellingham Herald is doing a great job of remaining competitive in an ever changing marketplace. This is due to their willingness to adapt to the market and their committed reader base. The Herald was founded in 1890 and has served as Bellingham's only daily newspaper since 1903. With such a long history of providing news to the community, the Herald has earned the trust of its readers. With this in mind, there are a few changes that the Herald could make to maintain its competitive advantage.

Bellingham is a growing town with a strong middle class. To generate more revenue we will be targeting the businesses in Whatcom County. This can be done by implementing a new business centered newspaper called The Bellingham Herald Business Newspaper. This will be a bi-weekly newspaper that would be emailed out to avoid unnecessary costs in a digital age. The articles would provide more current information and be targeted towards businesses in the Bellingham area.

The Herald has a long history of trust with its readers. This is where the paper will excel. Readers will see that it has the trusted name of a great business along with current information they can apply to their businesses. There are four industries in the Bellingham area: retail trade, construction, professional science and technical services, and healthcare and social assistance. These are the companies that the business newspaper will be tailored to with articles ranging from who is hiring to stock fluctuations.

To promote this business newspaper, a series of different forms of advertisements should be utilized. A podcast is a great way to reach the local community while keeping advertisements cost low. The discussion in the podcast session will explain the content of The Bellingham Herald Business Newspaper as well as the changes made in The Bellingham Herald business section. This podcast will be made available on both The Bellingham Herald website and the new Bellingham Herald Business Newspaper website. In connection with advertisements, the podcasts will be posted on both newspapers Facebook page and Twitter account.

Since the Herald already has such a great business to consumer relationship, targeting the local business market is the prudent thing to do. By implementing this business newspaper, The Bellingham Herald can expect to see an increase in readers not only with The Bellingham Business Newspaper but with the Herald as well. They can also expect more requests for advertisements on both papers. This new medium will help keep The Bellingham Herald as the leading competitor in their marketplace for years to come.

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Company Description

The Bellingham Herald was originally founded as the Fairhaven Herald in 1890; distributing amongst all of Fairhaven on Bellingham Bay. Many changes have been made throughout the Herald's history. When the cities of Whatcom and Fairhaven consolidated into the city of Bellingham in 1903, the Fairhaven Herald changed its name to The Bellingham Herald. The McClatchy company purchased The Bellingham Herald in 2006 from Knight Ridder, whom bought the company from Gannett Co., Inc. Since it has been founded, The Bellingham Herald has been a local newspaper serving its community in ways that help reflect the city's values and interests. Dominating the market, The Bellingham Herald excels in providing its community with local news and information (McClatchy Company, 2010).

Mission Statement

Whatcom County's best source for local news and information
(McClatchy Company, 2010)

Positioning Statement

“To the businesses of Whatcom County, The Bellingham Herald Business Newspaper is the source of business news that will keep you up-to-date with current trends and local business events”

SWOT Analysis

The Bellingham Herald is the leading digital and print newspaper serving local and national news to residents within Whatcom County. The Bellingham Herald offers a wide range of products which include Whatcom Magazine, dealsaver.com, Take 5, The Bellingham Herald Review, CareerBuilder, HomeFinder.com, and more. It is also important to note that the Bellingham Herald is partnered with Yahoo. Their strong presence within the Whatcom community is reflected in their community contributions and kind donations exceeding over \$25,000 in 2014. The Bellingham Herald Media Kit states that they reach a total daily audience of 64,600 viewers, making them the leading source of local information and local advertising.

<p>Strengths:</p> <ul style="list-style-type: none"> • Reaches 95% of county • 4.3 million page views on website • 636,000 unique visitors • Devoted customers -- community contributions • Ingrained in the community <ul style="list-style-type: none"> ○ Provides content locals can't get anywhere else • Newly renovated website, app, and hardcopy newspaper 	<p>Weakness:</p> <ul style="list-style-type: none"> • Youth being uninterested in reading hard copies • Revenue Decline • Declining readership
<p>Opportunities:</p> <ul style="list-style-type: none"> • Business to Business <ul style="list-style-type: none"> ○ Bellingham Herald Business Newspaper • Podcasts <ul style="list-style-type: none"> ○ Advertise Bellingham Herald Business Newspaper 	<p>Threats:</p> <ul style="list-style-type: none"> • Digital vs. Print <ul style="list-style-type: none"> ○ Competing with customer time <ul style="list-style-type: none"> ■ Different outlets for media • News is free -- other outlets

Strengths

Strong Community Presence

The Bellingham Herald is the leading source of local information within all of Whatcom County. Since 1890, they have served Bellingham, forming a strong relationship with the city and creating devoted customers throughout the County. The Bellingham Herald serves their local community news and information their customers cannot obtain anywhere else. Their longstanding newspaper has created a devoted customer base that trusts The Herald to provide one of a kind local content. Currently, the Herald reaches over 95% of Whatcom County and has a daily reach of 64,600 audience (The Bellingham Herald, 2014).

Newly Renovated Design

In November of 2015, The Bellingham Herald released their newly renovated website, app, and hardcopy newspaper. With more convenient and user friendly qualities on their website; such as email newsletters, blogs and columns, sleeker design layout, and viewable circulars will cause a more interactive business to consumer relationship. The Bellingham Herald publishes a daily newspaper as well as a Sunday paper both available on their digital website, www.bellinghamherald.com. They also serve other products to their customer base such as The Bellingham Herald Review, which helps advertisers reach potential customers and the potential customers receives deals and coupons.

Weaknesses

Decline in Readership

The newspaper industry has been in a steady decline of readership since the emergence of digital news. Due to easy accessibility of digital news, hardcopies of the newspaper advertisements and subscribers have steadily decreased (Blau, 2015). The Bellingham Herald is located a few miles away from Western Washington University, where a large portion of the Bellingham population attends. This could create significant opportunity for the Herald, however, younger readers are not the majority that is subscribed to both the digital and hardcopy newspaper (Blau, 2015). In order for the Herald to gain more readership for their print news, they created a sleeker and more sophisticated design to their hardcopy newspaper, as well as their digital website in November 2015. With these new aesthetics to the newspaper and the credibility of the brand, The Bellingham Herald will continue to make further connections with this market.

Revenue Decline

Like most newspapers, The Bellingham Herald is dependent on advertisements and subscriptions to gain revenue. The newspaper industry has been experiencing a constant revenue decline as consumers have been switching to digital news. Consequently, it is reported that industry revenue will decrease at an annual rate of 4.5% (Blau, 2015). In order to increase revenue, The Bellingham Herald offers bundle deals on their digital and newspaper subscription and have recently increased the amount of advertisements on the mobile app and digital website. To further counter revenue decline, The Bellingham Herald will be expanding their product line and introducing a new business to business newspaper. Like The Bellingham Herald, most of the revenue will be obtained from advertisements and subscriptions.

Opportunities

With the emergence of their new app and website, The Bellingham Herald has focused greatly on Business to Consumer tactics to gain viewership through their use of digital and print news. With the presence of more advertisements and coupon deals in both forms, The Bellingham Herald aspires to gain more readership and web traffic. However, the Herald has not expanded their merchandise to reach the same needs for local businesses.

Business to Business

A major opportunity for the Herald would be to seek additional tactics such as Business to Business strategies. The Bellingham Herald Business Newspaper would be a digital newspaper informing either existing or newly formed local businesses about consumer decisions, marketing strategies, the marketplace, growth tactics, business conventions, consulting and financial assistance, and perhaps bulk coupons for supplies with distributors, and other informative information. In exchange for this business newsletter, the subscribers would pay a usual subscription fee and special discounts or coupons. In order to expand awareness for this new product, the Bellingham Herald will be exploring paid social media.

Podcasting

In order to extend to new potential businesses, The Bellingham Herald can expand their advertising opportunities of The Bellingham Herald Business Newspaper to podcasting. Since the customer is actively listening to the podcast, their involvement with this product is equally as high as their involvement in either print newspapers and digital news. Podcast downloads are free for the consumer, therefore the Business Newspaper will be gaining awareness by advertising themselves during the podcasting session.

Threats

Digital versus Print

The Bellingham Herald faces a major threat of product substitution. The Bellingham Herald has been losing its print readership to their web based content simply because it is more convenient and less costly for the consumer (Blau, 2015). With rise of digital news, advertising has also become more web based. Print advertising expenditures will be decreasing in 2015 which will subsequently lead to a decreased industry revenue since print advertising is the industry's largest revenue source (Blau, 2015). As profits and advertising revenue declines throughout the industry, local newspapers are in a the best position for revenue growth than larger publications because of their targeted readership within the geographical area (Blau, 2015).

Other Forms of News Sources

On a larger scale, The Bellingham Herald is in constant competition with larger forms of digital and print news outlets such as Yahoo! News and New York Times. These larger news outlets are nationally known and have a much larger customer base than The Bellingham Herald. However, with their appeal to the local market, The Bellingham Herald can maintain digital and print reader subscription due to their longstanding relationship with the community.

Customer Analysis

According to The Bellingham Herald's media kit, its market is comprised of all of Whatcom County (The Bellingham Herald, 2014). Although the Herald has the capacity to distribute to the entirety of Whatcom County, the marketing group believes it is more beneficial to only focus on the areas designated as urban growth areas (UGA) in Whatcom County. The county has defined the 10 urban growth areas as Birch Bay, Bellingham, Blaine, Cherry Point, Columbia Valley, Everson, Ferndale, Lynden, Nooksack, and Sumas. These UGAs make up 85% of employment and growth that occurs in Whatcom County (BERK, 2013). The marketing plan will use this geographic segmentation moving forward in the development of the business plan to reduce advertising costs and to maximize efficiency.

The audience that The Bellingham Herald will be targeting are the businesses in these UGAs. In 2010 Whatcom County had 6,117 registered businesses with the leading industries being retail trade and construction (US Census Bureau, 2010). Using the industry growth projection figures of 1.79% per year (Washington Employment Security Division, 2015), the current number of businesses in Whatcom County is estimated to be 6,684. In these, the total largest industries are retail trade, construction, professional and technical services, and healthcare. These industries make up 47% of the total businesses in Whatcom County (US Census Bureau, 2010). The articles in the business newspaper will be tailored to attract businesses from these industries.

To the businesses of Whatcom County, The Bellingham Herald Business Newspaper is the source of business news that will keep you up-to-date with current trends and local business events. The one advantage The Bellingham Herald has over the other local business newsletters is that The Bellingham Herald and McClatchy, the Herald's parent company, are at the forefront of the Local Media Consortium (LMC), a partnership of media companies created in 2006. LMC is a conglomeration of large media companies who look to improve revenue by sharing traffic numbers and market information. The LMC also conducts conferences and regular communications to help members network and share best practices (The McClatchy Company, 2014). This membership will help imbue The Bellingham Herald Business Newspaper with information and knowledge gained from these relationships with other large companies in the LMC. Also, The Bellingham Herald has an established infrastructure and relationship with the areas it serves, in comparison the Bellingham Business Journal that currently only distributes its publication to Blaine and Bellingham (Sound Publishing, 2015). Due to the Herald having a larger territory of existing relationships and control, the Herald is able to market to a wider range of businesses in the UGAs than the Bellingham Business Journal.

Finally, The Bellingham Herald Business Newspaper will publish content on a bi-weekly basis versus the monthly basis of the Bellingham Business Journal. In the quick moving business world where those with the most current information have the first mover advantage, The Bellingham Herald Business Newspaper will be able to provide current up-to-date local trends to its readers.

Brand Plan

In order to meet the needs of a growing and demographically diverse market, it makes sense that the drivers that will be served to shape our brand are clearly representative of tradition, while simultaneously calling for changes that serve to connect with a new generation of media users. In short, it is crucial that long-term users aren't scared off by a sudden change in brand image which primarily appeals to new users. However, failing to successfully appeal to youth spells a deferred disaster waiting to happen when today's traditional users are no longer around. The answer for how to develop our brand is, for the current time being: Reinforcement of reliability, dynamic content, and an upholding of tradition.

The impact of the digital age is clear: more choices and more mediums of content available to the consumer. What is more relevant now possibly more than ever, is a sense of reliability in The Bellingham Herald's brand. Customers must feel like they do not have to constantly doubt the accuracy and faithful representation of articles as they might with other types of media. This brand principle is key, especially younger generations, who get their news and media from many different sources and therefore may be less reluctant to abandon sources that they perceive to be in any way biased or incredible. A study done at the University of Maribor in Slovenia, shows that while college students preferred reading tabloids 78% more than traditional newspapers, they still trusted traditional newspapers 45% more (Fišer 2015). While it's obvious that a newspaper's actual reliability will be based on its long-term record of ethical practices and accurate content, the *perceived* reliability and trustworthiness for potential first-time readers can be improved by branding. Therefore, The Bellingham Herald will continue to maintain a professional presence as well as continuing to connect with digital natives through its app.

In these times, The Bellingham Herald's personality needs to appear multidimensional and relevant to as many potential customers as possible. Therefore it's vital to establish a commitment to matching our advertising's style with the demographic that is most likely to read it, with exceptions, in order to assure that readers see the brand personality as dynamic. Customers should know there is relevant content for all residents of Bellingham. Additionally, to extend reach to the local business owners of Bellingham in particular, the business section of The Bellingham Herald will be discontinued and replaced with the new "Bellingham Herald Business Newspaper" newsletter service.

The vibrant history of The Bellingham Herald is an asset. Being over 100 years old, it's important that the newspaper does not lose its roots. Even digitally, it's crucial that people are able to associate its brand with its legacy. A great reinforcement of this is the name itself. Many newspapers use the name "Herald", including the neighboring Everett Herald. This is an immediate association for the brand with

tradition and legitimacy. Beyond that, the font style for newspaper's banner is also key. Implementing a traditional styling of font for "The Bellingham Herald" on the website and print copies' front pages, serves to strengthen that association without losing any disconnect of culture with the modern content of articles (Williams).

Marketing Objectives

The Bellingham Herald is in the same situation as many other papers across the nation. Newspapers as a whole across America are in decline. Fortunately Whatcom County provides a strong and robust community that is likely to keep their trust with their local paper. To access this population we must have clear objectives with the potential to bring in new business.

Our marketing plan suggests that The Bellingham Herald should do more business to business sales. This is to target those in Whatcom County representing the median income which is between \$50,000 and \$60,000 (Esri). These individuals and businesses are our target audiences.

By narrowing our focus to businesses and people making the median income we plan to increase the number of customers reading the paper and the number of people pushing for ad space. The reasoning behind targeting the median income is that this portion of the population is reading the newspaper and has enough disposable income to afford it.

We also want to focus on content. Not just ads. If more people begin to read the paper then it has to be suited to its widened audience. This is where the Bellingham Herald Business Newspaper comes in. Right now, The Herald has to cater to every facet of every person in Bellingham. The stories must be broad to reach all of their target audience. By implementing a second paper that solely focuses on business to business news, they gain the ability to focus on this specific ‘professional’ customer base.

To effectively advertise this new paper the Herald will implement two podcasts that go over the core of the new paper. They will also need to purchase banner ads on sites like Facebook, Twitter and obviously provide their own ads in the Herald itself. We believe this will be sufficient advertising due to Bellingham’s tight knit community and customer loyalty.

We believe these new additions to the paper will not only help attract new customers but secure the existing ones. The Herald is in a unique position to tap into new markets and increase their revenue with ideas and practices that are not hugely expensive.

Marketing Mix

Product

As of present, The Bellingham Herald offers multiple products, except for one, that directly competes with the Bellingham Business Journal (BBJ) and also the Bellingham Business News website. An opportunity for The Herald to potentially increase their revenue is to introduce a new product. This new product will be called the The Bellingham Herald Business Newspaper. The point of difference for this new newspaper is the frequency at which each paper is released. The BBJ is only published to the public once a month. The Business Herald will start by offering a bi-weekly newspaper so that The Bellingham Herald is competing against The BBJ in terms of consumer demand. Furthermore, this product will primarily be offered through an emailed e-edition. As for individual stories, they will be offered on only a couple social media sites as well as through subscriber's email. This paper will have multiple sections dedicated to helping local businesses as well as their individual employees. Content will include highlighting a local business each week, local consumer opinions, posting job tips for each day, a job posting page, and a directory to local consultants.

The 'Highlighting a Local Business' section is the spot where one business is picked each issue to showcase, similar to 'employee of the month.' They will then be asked questions about their business, such as what's going well and what isn't, who they're looking to hire as well as what their goals are for the next year and how they plan to achieve them.

As for the opinions piece, this is where consumer input in the paper is necessary. Consumers in the Bellingham area will be interviewed. Questions to ask them will be what they think makes a Bellingham business differentiable but also what these local businesses can improve upon. This will help the subscribers of the business newspaper understand more directly what the customer wants to see from the businesses in this area.

The next section will be based off job tips of the day. This is aimed towards individual consumers reading the paper who wish to improve their skills. In hopes, this will build up their resume. It will really improve their personal competitiveness when looking for a job in the future.

The next example for The Bellingham Herald Business Newspaper is a section that will be set up like a standard job page. The job page will be a help to anyone who is in the market for a new job within the local area.

This brings us to the final section for this new paper called a directory. This is where the paper can list consultants that are willing to help these small business with advice on how to manage or own a

business. These consultants will be comprise of many different fields from specialists in accounting, finance, branding, and marketing. This component is very important to this paper because this will benefit the readers of The Bellingham Herald Business Newspaper. If the readers of the paper see this section they will keep coming back to the Herald to receive this advice and therefore growing their competitive advantage towards the other local businesses in the area. The Bellingham Herald has a lot to do with community and helping people develop their business so that they can give back to Whatcom County and make it a comfy place to live (The Bellingham Herald, 2015).

Distribution

The distribution of The Bellingham Herald Business Newspaper is going to be solely online. The Bellingham Herald is competing against the cost of printing a tangible newspaper, consumer convenience and, the new age of technology. One of the business newspaper's competitors, The Bellingham Business News, offers exclusive website access to all of their stories. With no printing costs, this is a great way to position The Bellingham Herald Business Newspaper as well. In today's business world, the demand for consumer attention is very high because of quick paced lifestyles. It is also very hard to compete for consumer attention against the number of social media platforms one person can have. Our biggest point of difference with this Bellingham Business News website is, our publishing frequency, which will be a bi-weekly issue. These issues will be posted on The Bellingham Herald Business website as well as sent out in an e-edition via email. In the content of the emails we will link subscribers to the biggest news stories of the week so that there is circulation to the website. This will remind them to renew their subscription and stay up-to-date on local news. This is a great advantage because The BBJ doesn't send out any e-edition, although one is found on their website (BBJ Today, 2015). The Herald will also create a Facebook and Twitter page strictly as another platform to reach potential subscribers. These pages will post headline stories with links to The Bellingham Herald Business Newspaper site where the full stories can be found. Making the content available directly through a number of social media sites means that The Herald is potentially at a better advantage than the competitors in terms of accessibility.

Pricing

The Bellingham Herald Business Newspaper should base their pricing off of the sales of annual subscriptions rather than off of the sales of individual newspapers sold. Single-copy newspaper sales not long ago made between 15 to 25 percent of sales and are now dropping by double digits each year. For

some newspapers, their single-copy newspaper sales have dropped by 25 to 50 percent in the past three years (Doctor, 2015).

The current pricing model that The Bellingham Herald uses is not an appropriate model for The Bellingham Herald Business Newspaper to use. The Bellingham Herald does offer both monthly and annual subscriptions but, the pricing of the subscriptions are too high to compete with the pricing of The Bellingham Business Journal.

The monthly subscription of The Bellingham Herald is \$9.95 while the annual subscription is \$99.95 (Herald, The Bellingham Herald, 2015). The Bellingham Business Journal offers a one year subscription for \$24 and a two year subscription for \$35 (Journal, BBJ Today, 2015). If The Bellingham Herald Business Newspaper wants to have any share of the market, they need to have a lower annual subscription price.

The Bellingham Herald Business Newspaper should implement a competitive pricing strategy. Competitive pricing can attract new customers and expand the overall market enough to offset the loss of per-unit revenue. The price cut would potentially leave competitors with less revenue (Boone & Kurtz, 2015). In order to compete with the other business newspaper, The Bellingham Herald Business Newspaper should offer the same one year subscription as The Bellingham Business Journal, but price theirs for \$20 instead. The four dollar difference would motivate potential customers who are in the market for a business paper, to chose The Herald's business paper over the competitors. Though the four dollars difference might not seem like much, it can be the consumer's ultimate deciding factor if they go with The Herald's product or the competitors.

Promotion

Podcasts

A way for The Bellingham Herald to promote its new product of The Bellingham Herald Business Newspaper, is through the use of podcasts. Podcasts are digital files that contain audio or video content and allow consumers to place and time shift their listening and viewing habits through the downloading of content onto a personal computer or a portable media player for immediate or future viewing (Haygood,2007). This would be a good outlet for The Bellingham Herald to promote their business newspaper because over the span of the last five years, podcasts unique monthly listeners have increased from 25 million to 75 million listeners (Gaab,2015).

The Bellingham Herald Business Newspaper would create just one podcast episode that would be between ten-twenty minutes in length. It would explain what The Bellingham Herald Business Newspaper is, and the new changes that would be made to the business section in The Bellingham Herald newspaper.

The podcast would be made available on both The Bellingham Herald original website and The Bellingham Herald Business Newspaper website.

The Bellingham Herald could also post on their Facebook page and Twitter account the links to the podcasts. Posting the link of their podcast to their social media accounts would reach their followers who normally don't visit their website, and to users on the sites who occasionally look at the status updates and tweets The Bellingham Herald publishes.

The projected budgeted amount to cover the costs of creation and promotion of the podcast would be approximately \$100. Many Macs and PCs already have the equipment and software programs to create a podcast. The podcast would also be shared through the owned media of The Bellingham Herald, so there wouldn't be any additional costs of having to hire a third party to promote the one podcast.

Paid Social Media

The Bellingham Herald should also promote their new product, The Bellingham Herald Business Newspaper, through the use of paid social media to increase their target audience awareness. Paid social media allows for businesses to target a specific audience and increase the social media reach of the perspective business. It also allows a business to estimate the number of people exposed to the content presented by the business (Cisnero, 2015).

When a business strictly promotes their product or service on the media they own, they are mainly targeting the customers who already know and have an interest in their product. Businesses who advertise predominantly through owned media aren't reaching out as much as they could to potential customers who might have an interest in their products or services (Brito, 2013).

The social media sites that The Bellingham Herald should use to promote The Bellingham Herald Business Newspaper are Facebook and Twitter. Facebook would be a great platform for promotion because on desktop computers they have a 8.1x greater click through rate compared to regular web advertisements. While the Facebook mobile app has 9.1x higher click through rate compared to normal web ads (LePage, 2014). Twitter would also be a good channel to use for promotion because promoted tweets have an average engagement rate of one to three percent. It is much higher than traditional online banner advertisements (LePage, 2014).

Twitter

The most effective way for The Bellingham Herald to promote their new product on Twitter would be through promoted tweets. Promoted Tweets are messages that appear directly on the timelines of the Twitter users that business would want to target. Twitter allows for businesses to promote their advertisements to specific groups of people by location, interests, and their networks. The website even allows businesses to promote their product and/or services to their competitor's target audience and Twitter followers (LePage, 2014). Since The Bellingham Herald Business Newspaper is a direct competitor with The Bellingham Business Journal, The Bellingham Herald could promote their tweets specifically to the timelines of the people who already follow The Bellingham Business Journal. They should not shy from advertising to their competitor's current customers; our PODs hold a greater value than the competitor's brand equity. Users who aren't following The Bellingham Business Journal may not be aware that there are even newspapers focused on local Whatcom county businesses.

The percentage of the paid social media or promotional budget that should be allocated for the promotional services of Twitter should be approximately forty percent.

Facebook

The advertisement service that should be used on Facebook to promote The Bellingham Herald Business Newspaper is "clicks to website". "Clicks to website" are advertisements that when clicked on, take the user directly to the website of the advertising business. These advertisements not only brings awareness of the product to the online users, but also gets potential customers to visit the business's website.

Facebook allows businesses' advertisements to be placed either on the desktop Facebook News Feed, the Facebook mobile News Feed, or the Facebook right hand column. The advertisements need to be in clear view and easily accessible for consumers to click on. So the best location to place the Facebook advertisements would be on the desktop Facebook News Feed and the Facebook mobile News Feed (Lepage, 2014).

Facebook also allows businesses to target their users by interests and locations. The website also allows businesses to target their users by their behaviors; i.e. purchasing behaviours and charitable donations. Targeting users by behaviors could reach a great amount of potential customers, since it offers a real opportunity to find the audience that matches a business's ideal prospects (Lepage, 2014). The percentage of the paid social media or promotional budget that should be allocated for the promotional services of Facebook should be approximately sixty percent.

Budget

The Bellingham Herald Business Newspaper Annual Marketing Budget

Sales Price / Subscription	\$	20
<u>Revenues</u>		
Subscription Revenue	\$	14,000
Advertisement Revenue		1,400 *
Gross Revenue		<u>15,400</u>
<u>Expenses</u>		
<i>Paid Media:</i>		
Twitter 40%	1,600	
Facebook 60%	2,400	
Net of Paid Media		<u>4,000</u>
Podcast Promotion		100
Compensation		<u>5,000</u>
Total Expenses		<u>9,100</u>
Net Income		<u>\$ 6,300</u>
Target Subscriptions:	700	
Subscriptions needed to break-even:	455	

**Estimated 10% of Subscription Revenue*

To finance this project, resources from the discontinued business section of the Herald will be transferred to this new product. In order to publish bi-weekly the annual employee compensation of the principal writer will raise by \$5,000. Advertising costs related to paid online social media are expected to be \$4,000 annually. This amount is distributed between advertisements on Facebook and Twitter using a percentage method with 60% of the advertising budget to Facebook and the remaining 40% to Twitter. With an estimated advertising revenue of 10% of subscription sales the break-even point would be 455 subscriptions at \$20 per year. The target number of subscriptions for the year is 700. Based on the remaining estimated fixed costs the return on investments ratio is .69 however this should improve as the business newspaper increases in popularity.

Controls and Feedback

The amount of subscriptions will be the chief indicator of success. The price, being easily changeable, will not matter if sufficient customers are not acquired. In terms of non-financial measurement, surveys will be implemented on the website to ask questions from customers regarding to how they feel about the price, what they like and/or dislike about the content, what they would like to see that they don't already, etc. An additional tool the Bellingham Herald could use to measure the success of this new business newspaper are Google Analytics. Using the Google Analytics Measurement Protocol the Herald will be able to obtain raw user interaction data to see how users are interacting with the site. This information will come through as a number of hits allowing the measurement of traffic that the site is receiving. The number of hits will then be factored into the pricing model for advertisement space in the new business newspaper.

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