



Retail Revenue & Sales Strategies

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Single Copy Blocking & Tackling

Operational & Structural Efficiencies to
Protect Revenue

August 5th, 2015



Question:

A bat and a ball cost \$1.10

The bat costs one dollar more than the ball.

How much does the ball cost?



Single Copy Structures

- ☐ Company-owned
- ☐ Independent contractors

What's best for you?



SC Sales as a % of Total Circulation

- SC Volumes/Total Circulation Volume = % of total Circulation
- EXAMPLE: A paper with total Sunday circulation of 100k has 20,000 Sunday SC sales on average. Same paper has 75k total daily circulation and 10,000 daily SC sales.

Sunday SC Sales $20,000/100,000 = \mathbf{20\%}$

Daily SC Sales $10,000/75,000 = \mathbf{13\%}$



SC Revenues as a % of Total Circulation Revenue

- SC Revenues/Total Circulation Revenue= % of total Circulation Revenue
- EXAMPLE: A paper with total Sunday circulation revenue \$350k has \$70k Sunday SC revenue on average.

$$\$70,000/\$350,000 = \mathbf{20\%}$$



Single Copy Contribution Margin

- Example: \$1.5 million SC revenue,
- \$1 million SC expense
- $(1,500,000 - 1,000,000) / 1,500,000 = 33.3\%$
Contribution Margin



Avg. Revenue Per Copy

- Total SC Revenue / total annual SC papers sold (paid)
- Example: \$1,500,000 SC Revenue, at a 25,000 SC sales per day average paper:
 - $\$1,500,000 / (365 * 25,000) = \0.16438 Revenue per Copy
 - *How does this year compare to last year?*



Avg. Expense Per Copy

- Total Expense/ total annual papers sold (paid)
- Example: \$1,000,000 expense, at a 25,000 a day average paper:
 - $1,000,000 / (365 * 25,000) = \0.10959 Expense per Copy
 - *How does this year compare to last year?*



Avg. SC Profit Per Copy

- Avg. SC Revenue per copy – Avg. SC Expense per copy = Avg. Profit per SC paper
- Example: \$1,500,000 SC revenue and \$1,000,000 SC expense, at a 25,000 SC sales per day average
 - $\$0.16438 - \$0.10959 = \$0.05449$ profit each paper sold



Avg. Profit Per Copy

- Avg. Revenue per copy – Avg. Expense per copy = Avg. Profit per copy
- Example: \$1,500,000 revenue and \$1,000,000 expense, at a 25,000 a day average paper:
 - $\$0.16438 - \$0.10959 = \$0.05449$



Accounts Receivables

- ☐ Are you tracking AR by location or carrier?
- ☐ Do you know what stores or carriers are causing the problems and why?
- ☐ Do you know your SC write-offs last year?
- ☐ Do you know your SC write-offs YTD?



Accounts Receivables (cont.)

- Collections Policy and Procedures: how to handle
- Clear steps to follow: ie. Collection letters, bond application, attorney follow-up, small claims court



Single Copy: Sellout %

- ☐ Sellout % = sellouts / locations / # of days
- ☐ National Averages: 18%



Single Copy: Market Saturation

- You should know your number of households per single copy location (rack and OTC).
- Example: 30,000 households, with 100 OTC locations and 30 racks
- Average SC sales location every 230 Households
 - $\text{OTC} = 300 \text{ HH/location}$
 - $\text{Racks} = 1,000 \text{ HH/location}$
 - *When sales do not dramatically increase or decrease as you add or remove locations, you have reached saturation.*



Single Copy: Scan Losses

- ☐ What are your scan losses by location?
- ☐ How much are you losing each week?
- ☐ What does 1% of total scan loss mean to you—how much is that? Do you know?

Single Copy: Scan Losses - Example

TYPE: SS
ACCOUNT: XXXXXXXXXX
DISTRICT: 18847
REGION: West Zone

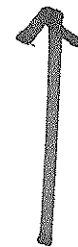
AVON LAKE 44012
(440) 933-XXXX

BILLING PERIOD
FROM: 8/24/2014
THRU: 9/14/2014

==> RECONCILIATION <==

Date	W/E	Daily Draws	Daily Returns	Daily Calculated Sales	Daily Scanned Sales	Daily Unac	Daily Rate	Daily Adjust	Daily Unac %	Sunday Draws	Sunday Returns	Sunday Calculated Sales	Sunday Scanned Sales	Sunday Unac	Sunday Rate	Sunday Adjust	Sunday Unac %
8/24/2014	92	49	43	40	3	\$0.86	\$2.58	6.98%		60	24	36	32	4	\$1.92	\$7.68	11.11%
8/31/2014	92	30	62	60	2	\$0.86	\$1.72	3.23%		60	32	28	21	7	\$1.92	\$13.44	25.00%
9/7/2014	92	21	71	73	-2	\$0.86	(\$1.72)	-2.82%		60	15	45	45	0	\$1.92	\$0.00	0.00%
9/14/2014	92	40	52	51	1	\$0.86	\$0.86	1.92%		0	0	0	0	0	\$1.92	\$0.00	#Num!
TOTAL		368	140	228	224	4	\$0.86	\$3.44	1.75%	180	71	109	98	11	\$1.92	\$21.12	10.08%

Total Daily and Sunday Adjustment: \$24.56





Single Copy: New Locations

- ☐ How are your new locations (store and vending machines) doing?
- ☐ Are you tracking these separately from all others?
- ☐ Watch them for 8-10 weeks in a separate track.



Single Copy: Promotions

- ☐ If you have a single copy co-promotion or price promotion are you gaining or losing revenue during the promotion?
- ☐ What are impacts on sales volumes compared to prior base period?



Single Copy: Operational Issues

- ☐ Draw Management
- ☐ Return Verification
- ☐ Merchandising
- ☐ Route Audits
- ☐ Complete Sunday Papers?
- ☐ Scan-Based Trading
- ☐ On-time Press Performance
- ☐ Collections Audits
- ☐ Field Resources match Sales Days?



Revenue Enhancement

- ☐ “Extra Value” Days
- ☐ Thanksgiving Day

Create higher value and higher \$



Field Reviews - Audits

- ☐ Regular Store Visits
- ☐ Document Results
- ☐ Look for Opportunities
- ☐ Check Store Logs



- Sell Saturday & Sundays in Menard's
 - Scan Based
 - Pick up returns the day after delivery
 - Retail price must match lowest price you sell in your market
 - Contact Dan Gray, dgray@menard-inc.com 715-876-2833



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Questions?

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