

What does the USA Today brand stand for?

USA Today is the only daily US newspaper that is distributed on a national basis. Both newspaper and online site are built on four sections: news, sports, money and life and focus on general interest and domestic US news with a very broad coverage of sports, especially college football. The target reader is the domestic business traveler aged 25 to 49 years with little time to read newspapers.

USA Today serves the needs met by weekly newsmagazines as well as daily newspapers. A quarter of its sales goes to airlines and hotels. The articles are written in a very brief, almost gossipy style and the layout is bold, brash, colorful and graphics-heavy. The news section builds on the top news from every one of the 50 states of the United States. It is the most widely read newspaper in the States with a daily audience of 4.8M. The brand emphasizes on a feeling of National community.

Compare the newspaper and the Web site

| | USA Today Newspaper | USA Today.com Web Site |
|--------------|---|---|
| Competitors | Basically any kind of traditional media such as regional newspapers, magazines, TV, radio etc. | Basically any kind of electronic advertising space such as web-portals or other news-providers |
| Consumers | Domestic business traveler aged 25 to 49 years with little time to read newspapers. \$30'000 income. | Online-surfer avg. aged 35, limited attention span, mainly interested in financial news. \$50'000 income. |
| Partners | <ul style="list-style-type: none"> • Traditional Advertising companies • Own and freelance Journalists | <ul style="list-style-type: none"> • Online Advertising providers • Associated Press feed |
| Competencies | <ul style="list-style-type: none"> • In-depth research journalism • Owns content • Printing capability • Distribution | <ul style="list-style-type: none"> • “Better News faster” • Does not own content • Own website development and operating capability • 250'000 pages with 250 new ones per day |

Our conclusion, taken from the table on the previous page is that the USA Today Newspaper and Web Site are not in the same business

Should they be?

No, on the contrary:

The Online edition should build on the printed paper's brand-equity, while building its own audience and competencies.

Competitive position of USA Today

Here you can see our perceived position versus our competitors. You'll notice that we used two different axes, which I should define for you. Vertically, we have hard news to

soft news. Probably the

best way to explain this is

to look at the type of news that USA Today headlines.

USA Today doesn't headline

politicking in China or

conflict in the Mid-East, it

will headline the trashier stories, like that congressional

sex scandal with the missing USC intern. I'd guess you'd say the stories that are more

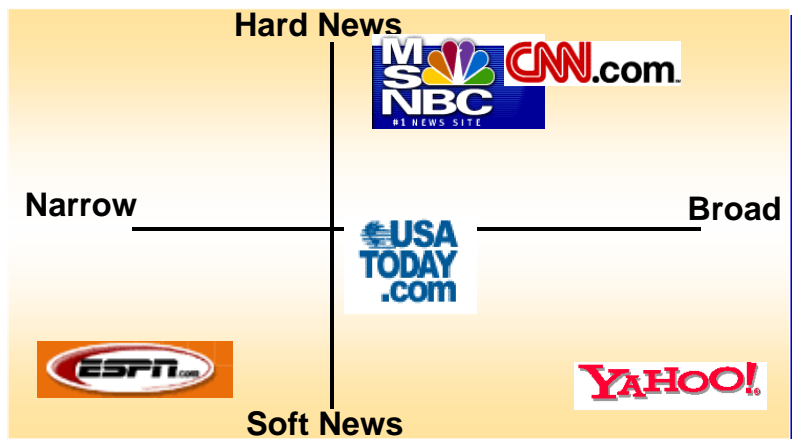
entertaining than news worthy. Now on the other axis, we have broad to narrow. This

defines the scope of the offerings of each web site. ESPN offers a very narrow scope.

Just sports. Yahoo offers everything from news-to-sports-to chat rooms. USA Today

offers all news. You may notice that USA today has differentiated itself in a fairly good

manner.



IMC objectives for USA Today Online

This brings us to our mission. You see that we want to increase advertising revenue from

7 million to 21 million in one year. Now given the statistics of Exhibit 8, you'd see that

Mission: To increase annual sales from \$7.05 million to \$21 million

- Objective 1:** Create awareness of USA Today Online among 90% of on-line users
- Objective 2:** Create interest in USA Today Online to 70% of target
- Objective 3:** Create positive feelings of the brand among 50% and preference among 30% of target group
- Objective 4:** Create trial among 25% of target group
- Objective 5:** Develop regular use of 5% of target group

this kind of growth is well within the scope of the numbers. Of course, in hindsight, after the tech bubble burst, we'd have a different opinion. But, as you look at our objectives, you'll see that we have some work to do. We need to create better awareness. We need to create positive feelings and preferences. And most importantly, we need to establish more regular users. So, how are we going to do this? We'll we need to find out what our customers want.

Situation analysis for USA Today Online

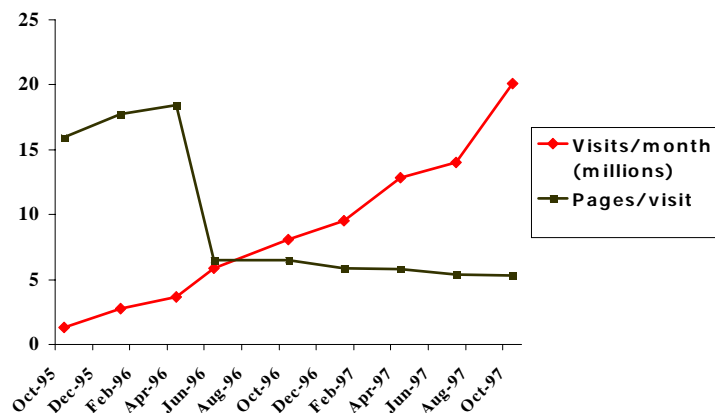
Let's take a look at our product. This is data from Exhibit 5. This clearly shows a problem. Although we are

doing well in finding new visitors, we are doing poorly in holding on to them. We'd venture to say that we should create an additional IMC objective measuring how long we can keep our customers interested in our on-line sight.

From this graph, it shows that from '95-to-'97, our

competitors have gotten better at taking away our customers. We need to find out what content we can improve to keep our customers at our site.

Decline in Pages Viewed per Visit



In order to determine what content will keep our customer's staying longer, we need to define who our customer is. Now

this graph is interesting in a couple respects. First, Look at home page clicks. Customers will click to our home page and not go any further.

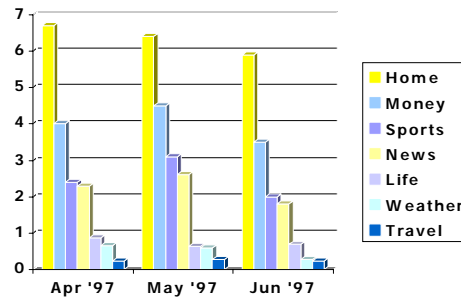
This suggests that our customer is very busy, maybe he's at work and doesn't have enough time to surf

further in our site. Or maybe our hon

our customers attention. The second thing to look at is what interests our customers.

They love our money section best. And news/sports comes in a distant second. What's interesting is that our customer appears to be very different from the USA Today newspaper readers. Our newspaper readers like sports and news. Our on-line readers like money. This also shows up quite well in exhibit 6, which tells us that around 60% of our online customers make \$50,000+. This is considerably different from USA Today newspaper reader. The case tells us that 60% of USA Today newspaper readers make more than \$30,000. Now let's take a look at our target audience: High income individuals with a median age of 35 years old, has a limited attention span, and loves financial news. This is also different from the newspaper reader: Less income than the online reader, would rather read news/sports versus financial news, and because he's on a plane or at a hotel, he probably has plenty of time to read the newspaper.

Who is our Target Audience?



High income individuals with a median age of 35 years old, has limited attention span and loves financial news.

So how does the USA Today Online site grow its audience? It must begin with the four P's: Product – USA Today must develop a product for its online readers, not its newspaper readers. This means redefining a newspaper for a different readership; Price – the price must be free; Place – success in a web business comes from collaboration, which means linking to former competitors; Promotion – create better awareness, provide customization, and provide give aways that keep the customer coming back.

In order to finance this considerable challenge, we have raised the budget to a relatively high figure of \$5 million dollars:

IMC Budget for 1998

Total Budget of \$5.0 million

- Advertising: \$2.75 million
- Sales Promotion: \$2 million
- Personal Selling: \$0
- Public Relations: \$250,000

Creative Advertising Strategy:

The creative advertising strategy is aimed to focus on two major issues surrounding USA Today. These issues are:

1. Increase awareness of site and increase the number of visitors to the site
2. Increase the number of pageviews per visitor to site.

Increase awareness:

The advertising campaign for the USA Today online news source is designed to introduce to new users, and reinforce in existing users, the benefits of USA Today. It is important for users to know that USA Today is the best source on the web for popular national news. It is also important, for them to understand that the site is customizable according to their needs and wants. These unique points, which help to differentiate USA Today, must be effectively communicated to the sites target audience in order to entice them to use USA Today. Case data suggests that certain targets are most interested in one or two of the sections in the USA Today site. Pointed advertising will increase this

interest by communicating the uniqueness of the USA Today sections to members of the target market.

Increase Pageviews:

The second issue the advertising campaign addresses is the drop in total pages viewed by visitors of the USA Today site. It is incumbent upon USA Today to provide the largest possible amount of pageviews to its advertisers. In order to facilitate this, it is that USA Today will provide customizable features to users of its online site. The ability to customize the site will increase interactivity, which will increase the users ability to utilize the site more.

Promotional Objective

The main promotional objective of the proposed advertising for USA Today is to communicate the benefits of the online news site. This idea will be communicated through the proposed advertising by mentioning the customization feature and by focusing the user on the area of the site that is most important to that particular user.

Unique Selling Proposition

The unique selling proposition communicates the mission of USA Today. It states that: “USA Today provides popular national news that is easy to access in a completely customizable environment.” This uniqueness provides differentiation for USA Today from its competitors, in that USA Today “is” the only site on the web that can provide popular national news that’s customized.

Advertising Tactics

Several tactics will be used to communicate the unique selling proposition to the consumer. They are:

1. Use of Humor
2. Accentuate the “US” idea
3. Build on core competencies
4. Capitalize on growth in news related web areas

Humor

The advertising proposed for USA Today has an element of humor associated with it.

The “Who knows, who cares” line, in a humorous way, focuses the user in on the message of the campaign which in essence is, why spend time dealing with news that you don not want when you could have the news that you do want.

“US” Idea

The “US” idea is designed to grow the “national community” element of the USA Today site. USA Today, as a news site “For the rest of US”, connotes through advertising that this is the place that the people of the U.S. can go to get the national information that they want.

Core Competencies

The advertising focuses the target audience in on the core competencies of the USA Today site. Money and Sports are areas of the site that are strong offerings to the target audience. The advertising campaign focuses the target audience on these sections of the site that are USA Today’s core competencies.

Capitalize on web trends

The USA Today site could be enhanced in the future by capitalizing on current web trends like weather and tech news. Focusing on these areas within the advertising will create new interest for the target audience and will further differentiate USA Today as the complete source for easy to use, custom national news.

IMC Recommendations

Regarding the target audience and the brand equity of USA Today, we defined the positioning statement as follows:

For the sophisticated high income business people, “the USA Today Online” provides the daily US national news focused on your interests via our customizable, frequently updated and easily accessed website and provides a wide variety of national information tools for financial markets, sports and weather.

USA Today’s advertising appeal tends to be rational rather than emotional since the product contents itself is informational; therefore, the audience expects concrete, rational product features. Additionally support this strategy is that our target audience has a sophisticated background, such as university/MBA level of education. But in implementation of the advertising, since sophisticated audiences tend to better understand the esprit, execution technique will be a mixture of direct selling technique and humor.

Advertising Budget

In order to enhance positive feelings and trialability of the website, we weighted the advertising budget equally for medias from mass advertising to target advertising. For the mass advertising, the company will concentrate on heavily populated areas such as the East and West coast, and will continuously develop awareness in these same markets.

■ General Awareness/Increase interest

-> Mass advertising (billboard etc.) \$1.75M

■ Positive Feeling and Trialability

-> Targeted (Newspaper/Magazine) \$1.5M

For targeted advertising, USA Today will encourage trial usage of the website in magazines reaching sophisticated, high income people. We also encourage the use of pulsing advertising in months such as Jan/April/Jul/Oct when US company financial results are announced and Thursday when most of the people think about weekend weather.

Concrete and implementable proposals of Ads

- Differentiate from CNN, MSNBC, ESPN, Weather-Channel etc.
- Build on National Community
- Emphasize on Weather, Money, Politics and Sports

Please refer to the next few pages for a proposed advertising campaign that incorporates the above ideas...Some of these ads will be print ads, others will be web banner ads.

Weather (example Banner-Ad)

Is there sunshine in Sardinia?

Who knows? Who cares...

For the rest of US

For the rest of



Now customizable.



Money/Finance (example Newspaper-Ad)

Thursday, April 11, 2002
Newsline
4 Breaking news and fast-changing prices

Crew back on U.S. soil as diplomacy delivers

Americans land in Guam after muted apology



U.S. POW RELEASED

Is the Nikkei already out of the slump?

Who knows? Who cares...

For the rest of US



Now customizable.

Politics (example Billboard)



Sports (example Blimp)



