

N.I.C.E. News

Alberta • British Columbia • Manitoba • Saskatchewan • Alaska • Idaho • Montana • Oregon • Utah • Washington

DECEMBER 2008

President's Message

BY EILEEN WIDDISON



Eileen Widdison

Greetings from beautiful Southern Oregon! I hope that you have been keeping your hands inside the "ride" of our roller coaster business.

The last quarter has been filled with thrills and chills and even some spills. We take the good with the bad and, in a business climate that has posted few gains, we have seen a transcendence of print after the election of Barack Obama. Newspaper

and magazine print sales have soared

through the roof and collectors are hawking and hoarding souvenir editions in large and small markets. People have a real need to be able to save and hold the print copy and we know it's pretty hard to hold a pdf. Many of us have posted our first single copy sellouts in a long time. Hurray! Let's hope the interest in the news cycle continues.

We circulators have much to talk about and I am happy to report that we have set the time and place for the next NICE conference conversations. We will be meeting at the Best Western Executive Inn in Seattle. The Executive Inn is located at the Seattle Center and is convenient to the best that Seattle has to offer. The tentative dates for the conference are May 19, 20, and 21. We are also looking at attending a Mariner's game on the evening of the 19th. NICE would like to thank our friends at Pioneer Newspapers who are serving as hosts for this annual conference. The Pioneer circulation team will be meeting just prior to our gathering. Look for further information to come from us in the very near future.

We have LOTS to talk about. The recent rulings from ABC about what will actually constitute "paid" circulation have left many of us scratching our heads. I guess the "penny press" is staging a comeback.

We circulators have a business and now a moral dilemma before us....what price do YOU count as paid? We have had many discussions about the relative merits and difficulties with discounting and this recent ruling is going to fan those fires.

Good grief. I believe that the last thing we need is more "smoke and mirrors." What say ye fellow circulators? I can't wait to discuss this one and how it is going to work

or NOT work for us. I would really like to know how those \$1.00 new daily single copy rates are working.

We've been pretty busy keeping our business intact down here. We have actually changed our press time for the first time since the 1960's.

We're still an afternoon paper but we are now turning on the presses at 11:50 each day. This is huge for us. We have also put the paper through an editorial "correction." We have greatly increased our local news coverage, decreased the AP and have thrown out the old "formulas" from our copy editors. We are three weeks into the new time and three days into the new format. I can guarantee that the time is working for us. The customers and carriers are pleased and our single copy sales have shown a marked increase - the election helped a whole lot as well.

Here's a take away idea for your advertising department and your single copy sales. We've prepped rack cards and a stand alone insert promoting a free classified ad coupon in the Tuesday and Friday single copy dealers and racks. We wanted to increase the lineage in classified and the diversity of the offerings and at the same time try to bump single copy a little bit. We are targeting racks and dealers in specific areas of our coverage area. Our classified staff also has a contest going where they can "no charge" a classified ad if the customer agrees to, and prepays for a three month subscription. This upsell is worth \$15 to the classified employee.

We are also working a new sample program. We have replaced our three month sample program with a one month requested sample which has been solicited by the carrier. We give our motor route drivers free sample flyers customized with their name and route numbers on them. They in turn sample the customer with the flyer and ask them to call in their name and phone to take advantage of the offer. When the customer calls in their request we start the paper and we spiff the carrier \$5 for the "start." After two weeks of delivery we send the sample customer our trial offer promotion which is a 50% offer. In the last month we have had 106 trial subscriptions start and have posted 20 paid conversions.

Our November revenue numbers are flatter than usual but the warehouse is filling up with preprints. I wish all of you fat papers for the holidays and smooth runs. Look for info from us soon about the particulars for the upcoming conference. It's a great time to newspaper.

Legally Speaking

L. Michael Zinser • NICE General Counsel



L. Michael Zinser

This update is unlike any other. The 2008 election looms large for the newspaper industry. There is an “under the radar” issue that is absolutely critical to the industry’s continued prosperity and viability. What I am talking about is a piece of legislation in Washington called the Employee Free Choice Act (EFCA.) That legislation, which if enacted, would eliminate employees’ and companies’ right to a secret ballot election during a union election. This poses a clear and present danger to the future viability of a fast changing newspaper industry (and business in general in the United States in a global economy.)

According to the Bureau of National Affairs, today unions only represent 7.4% of employees in the private sector. That overall percentage is probably less in the newspaper industry. The reason for this is that employees in the newspaper industry most often reject representation by unions. In fact, in recent years thousands of employees who were represented by unions have filed decertification petitions and have gotten rid of them.

Nothing is more cherished and established in our society than a secret ballot election after a vigorous campaign on the issues. In union election campaigns, once that vigorous debate occurs, unions are losing most of the elections. Unions are not fairing well with democracy and a fair election process. This piece of legislation that is misnamed the Employee Free Choice Act is organized labor’s latest and most egregious attempt to eliminate democ-

racy and impose unionism on workers everywhere, whether they want it or not.

A better name for this piece of legislation would be the “Employees Frequently Coerced Act!” Even today, without this new horrendous piece of legislation, unions engage in many forms of coercion, misrepresentation, and false promises in an effort to get employees to sign union authorization cards. These strong arming methods include telling employees the following:

- Signing an authorization card only represents the employee’s attendance at a union meeting.
- Temporary employees will be hired as full-time regulars, if they sign an authorization card.
- If you do not sign a card, your spouse will be fired.
- If management finds out you are gay, you will be fired; your only hope is to sign a union card.
- If you sign a card, we will have your supervisors fired.
- If you do not sign a card, you will be fired if the union gets in.
- If you do not sign a card, you will lose your health benefits.
- If you do not sign a card, you will lose your 401(k).
- If you sign a card, that only means you will be sent information about the union.
- If you sign the authorization card, the union will help you get a green card.

In addition to all of these coercive and threatening statements, unions have:

- Continued to “hound” employees to sign a card after the employee said no.
- Sent union organizers to employee’s homes, hounding the employees to sign a card after they had told the union “no.”
- Called employees as many as four times in one night, in an effort to get

them to sign a card.

Under current case law, if the authorization cards are numerous enough to cause an election, these employees who are coerced can go and cast a secret ballot and still vote their conscience. If the Employee Free Choice Act passes, that will not be possible. It will be a “gotcha” situation and coercion and the threat of retribution by unions will reign. After intimidating and coercing people to sign cards, if a union gets a majority to sign cards, the Employer must recognize and bargain with the union. It is hard to fathom just how undemocratic this is until you are saddled with a union under rules as unfair and one sided as those proposed under the so called Employee Free Choice Act.

The Impact of EFCA

EFCA will make it easy for unions to organize your employees by allowing them to circumvent the secret ballot election process; it will significantly reduce Employer bargaining power by giving arbitrators authority to set the terms of first time contracts; and it will impose significantly harsher monetary penalties on Employers who commit unfair labor practices during union organizing campaigns or negotiations for a first contract.

This proposed legislation eliminates the free and open debate on labor-management issues and a secret ballot election. Employees are also deprived of the freedom of the debate that occurs in the campaign before a secret ballot election. Organized labor does not want the employees to hear the other side of the issue. They do not want employees to ever hear the disadvantages of unions. The bright light of the First Amendment is a powerful thing, illuminating all of the pluses and minuses of unionization. Organized la-

bor wants to turn off that light. EFCA helps them do just that.

The Employee Free Choice Act would also change the way the first contracts are negotiated. If the Employer and union are not able to reach an Agreement on the terms of a contract within 90 days, either party may request mediation through the Federal Mediation and Conciliation Service. If within 30 days after mediation is requested the parties still have not agreed upon a first contract, the dispute then must be referred to an arbitrator. The arbitrator will then get to write the initial contract terms. The arbitrator's decision will be binding on the parties for a period of two years, unless amended during that period by the parties. This process will greatly reduce newspaper Employers' bargaining power that they now enjoy during negotiations. This process will no doubt result in unions inflating their contract proposals (especially with respect to wages). Unions will know that, at best, an arbitrator is likely to settle on a compromise basis somewhere between the Employer's and union's proposals.

The Employee Free Choice Act also provides for significant penalties against Employers who commit unfair labor practices during organizing campaigns or during bargaining for first time contracts. Employees discharged during these periods can recover back pay, plus two times that amount as liquidated damages; the Act also provides for substantial fines of up to \$20,000.00 per violation against Employers; and requires the Board to seek a federal court injunction whenever there is reasonable cause to believe an Employer

has committed an unfair labor practice during the relevant period. Companies' legal costs will likely increase under EFCA.
Action Plan

My advice: Fight to stop this hostile takeover of your human resources. The passage of the so-called Employee Free Choice Act will be ruinous for the newspaper industry at such a critical time in its long and illustrious history. In this period of transition, newspapers need maximum flexibility to adapt to the current advertising environment. Newspaper employers do not need to be required to sit down and bargain with a labor union over every change that needs to take place quickly in an ever-changing environment.

Even George McGovern, the "liberals' liberal," opposes this terrible piece of legislation. He referred to the bill as "a disturbing and undemocratic overreach not in the interest of either management or labor." Former Senator McGovern further stated:

To my friends supporting EFCA I say this: We cannot be a party that strips working Americans of the right to a secret ballot election. We are the party that has always defended the rights of the working class. To fail to ensure the right to vote free of intimidation and coercion from all sides would be a betrayal of what we have always championed . . . I worry that there has been too little discussion about EFCA's true ramifications, and I think much of the Congressional support is based on a desire to give our friends among union leaders what they want. But part of being a good steward

of democracy means telling our friends "no" when they press for a course that in the long run may weaken labor and disrupt a tried and trusted method for conducting honest elections.

While it is never pleasant to stand against one's party or one's friends, there are times when such actions are necessary - as with my early and lonely opposition to the Vietnam War. I hope some of my friends in Congress will reevaluate their support for this legislation. Because as Americans, we should strive to ensure that all of us enjoy the freedom of expression and freedom from fear that is our ideal and our right.

Senator Barack Hussein Obama is a co-sponsor of this unworthy piece of legislation. Senator Obama has said, "We will pass the Employee Free Choice Act. It's not a matter of if, it's a matter of time. We may have to wait for the next President to sign it, but we will get this thing done." This is the type of "change" that the newspaper industry (for that matter, all industry) does not need at the present time. Organized labor has made passage of EFCA its number 1 priority. The newspaper industry should make its defeat its number 1 priority.

For me, this is truly personal. I care deeply about the newspaper industry. I care deeply about your ability to compete in this ever-changing environment. I care deeply about the free enterprise system and I care about your businesses. The passage of this law will be an abomination. Let's work together to stop it!

HOW TO REACH US

Secretary/Treasurer:
Dale Irvine
PO Box 778
La Conner, WA 98257
360-466-2006
nice@galaxy.net.com

President:
Eileen Widdison
The Grants Pass
Daily Courier
541-474-3747
ewiddison@thedailycourier.com

Visit our website at: **WWW.NICEX.ORG**

DUES ARE NOT DUE TILL FEBRUARY

Enclosed with this newsletter is a 2009 Membership Renewal Form. Many members with funds available in the current budget send membership payments before the end of December. However, 2009 membership dues should be submitted before February 28, 2009.

ROP and FSI STILL WORKS

By: Ann Craven and Adam Kramer



The Yakima Herald-Republic has struggled as we all have, over the years to gain and retain subscribers. At the beginning of 2008, we tried to come up with new creative and effective ways to get the attention of the non-subscribers in the Yakima market. We opted to go with Direct Mail, FSI's, ROP ads, Point of Purchase (POP) and Snipes. Our goal was to create "eye-catching" pieces that appealed to the Yakima market. Throughout the year we learned that the Yakima market is so price sensitive that getting a marketing piece to work in this tough market is a great victory. So, what kind of marketing worked in Yakima?

Direct mail was one of the main approaches taken in 2008 to reach non-subscribers in Yakima and throughout our AOZ (all other zone, upper and lower valley's). Most of these pieces were done on a postcard style format (6x9) with an attractive eye-catching appeal. However, we could have something that really resonated with the way of life in Kittitas and Yakima counties such as the Cowboy (1) piece and yet have very low results, returns rates of less than

1%. Like we said, the market here is tough and pricing is what matters to folks the most. Mind you, all the direct mail pieces were at a discounted rate. One of the issues that we believe caused for low results on some of the pieces is that fact that we don't have an adequate market analysis system to properly target customers in our market. One might ask, well, why don't you look into such a database system? We did, however the marketing programs out there that can give the demographics we need, but they are just too cost prohibitive. So what did we do?

Well, we wanted to create a Marketing program with a higher yield and a lower CPO. So we started a new approach to marketing Yakima. Our new focus (not primarily our main focus) was to create more FSI's (free standing inserts) to place in our Single Copy distribution. Please note this approach was significantly cheaper than doing the direct mail that included: printing, postage and services from Classic Printing & Mailing. To our surprise we started having great success with this approach. We would schedule a FSI to be inserted in the paper five to six times in one month and each insertion was approximately six thousand copies. Each month we would create multiple designs and have them inserted throughout the month. We increased our response by 40% and reduced our CPO by \$15.00. Our ROI from this approach really encouraged us to plan monthly insertions. The next few marketing approaches were more to build brand awareness with a subscription offer at the same time and a few of them were solely used as "eye-appeal".

Our ROP ad approach was used in Starwatch, our TMC product and if the discount wasn't too great we would even put the ad in the Yakima Herald. This approach worked extremely well for the annual "Fair Special" (2) ad that we placed in the Yakima Herald and Starwatch. This piece was developed not only to gain

new subscribers but also retain current subscribers through a 12 month PIA order. Thus we decided not to have a booth at the county fair and also not to have direct sales be a part of this campaign which saved us over \$6000.00 as well. The ROP ad did so well (gaining 512 starts) that next year we will go for go the Fair and use only ROP ads during the "Fair Special" week. For the vast majority of the public they know who the Yakima Herald-Republic is, so having a booth at the county fair to sell a few subscriptions is not the best way to spend our money. Even with having a successful ROP campaign we still needed some in-store and street appeal.

To create some street appeal to get single copy buyers to stop at our racks we created "Snipes" that would align next to the paper with some art on it. This really seemed to help draw people to the racks. Since this was an election year we developed a special snipe that was patriotic (3) as well as 30 other unique pieces, many that draw occasional readers to special sections or local news. For the in-store locations we developed more POP to draw the customer to the rack. The POP cards were typically 3x5 and were placed wherever we could display them.

Overall, the marketing year was quite successful. We are continuing an active role in retention and are calling every customer each day who stops. We work with them to find out how we can solve their problem or point to ways our paper can help save them money or time in these tough times. We do everything from changing the carrier to offering them a deeply discounted rate. An outlook for marketing for 2009 will mostly consist heavily on FSI's, some direct mail, attractive snipes and POP and hopefully the beginning of email marketing.

Adam Kramer is marketing manager at The Yakima Herald Republic and Ann Craven is circulation director and a board member for NICE.

ELLECTRONIC DAY

NOVEMBER 4, 2008

TICKETS

2008 Fair Special

The Fair is here and so is our annual Fair subscription special. Now for a limited time only you can subscribe for 1 year for only \$96. That is a huge savings of nearly \$50.

Call Today!

1.509.577.7755
or
1.800.343.2799

ALL ORDERS MUST BE PREPAID
Offer ends 10/31/2008

Thanksgiving Special!

Gobble up these huge savings!
Subscribe to the Yakima Herald-Republic for 1 year for only \$39! You must sign up before November 30 to save over \$100.

Call or Email Today:
1-509-577-7755
or
1-800-343-2799
or
circ@yakimaherald.com

YAKIMA HERALD REPUBLIC

Offer is applicable to new subscriptions only. Offer for non-subscribers whose past accounts are in good standing and haven't been active in 90 days. Limited to current delivery boundaries. Promotion must be PREPAID for 1 year before service will begin. Upon expiration of special, full price rates will go into effect. Offer ends November 30, 2008. (Promo Code: Turkey08)

Holiday Special!

Only **\$39** for a whole YEAR!

Call or Email today and subscribe!
509-577-7755
or
circ@yakimaherald.com

Offer is applicable to new subscriptions only. Offer for non-subscribers whose past accounts are in good standing and haven't been active in 90 days. Limited to current delivery boundaries. Subscription must be PREPAID for 1 year before service will begin. Upon expiration of special, full price rates will go into effect. Offer ends December 31, 2008. (Promo Code: FSIMOOON)

NICE 2009 MEMBERSHIP RENEWAL

It's almost time to renew your N.I.C.E. membership. Please complete this form and return it with your renewal payment. Your support helps our association continue its focus on communication and training, and is your connection to a vital and informative circulation support network. If N.I.C.E. can help you in any way, or if you would like to become more involved in your association, please contact us at: nice@galaxynet.com. Our web site is www.nicex.org Thank you.

Member Name _____

Title _____

Newspaper or Business _____

Address _____

City _____ State/Province _____ Zip _____

Telephone () _____ Fax () _____

Email address _____

Please fill out a separate form for each person and check the appropriate box below:

- Primary Newspaper Member\$80.00
(the primary member from each daily newspaper within our geographical area)
- Associate Newspaper Member \$40.00
(all other daily and weekly members)
- Associate Business Member.....\$40.00
(each business member)

Please remit in U.S. funds, payable to N.I.C.E. and mail to:
N.I.C.E.

Post Box 778, La Conner, WA 98257

Please highlight any changes needed on your mailing label or Buyer's Guide listing: