

TRIBUNE

Electronic Tearsheets White Paper

Introduction

One of Tribune Publishing's most successful web-based customer self-service projects has been electronic tearsheets. Six Tribune newspapers have implemented the technology and now offer electronic tearsheets to customers in the markets they serve. The six newspapers are the Los Angeles Times, Chicago Tribune, The Hartford Courant, South Florida Sun-Sentinel, Orlando Sentinel and The Baltimore Sun. Every day, Tribune uploads 1,700 pages and 31,000 ads and makes electronic tearsheets available to over 58,000 advertisers in the six markets.

Overall response from the advertising community has been positive and Tribune newspapers are saving newsprint, postage and manpower that used to be spent in producing and mailing physical tearsheets to advertisers. Overall efficiency has improved since the usual delays associated with mailing paper tearsheets as proof of publication to customers have been greatly reduced.

According to Ernie Kuenzli, project manager coordinating Tribune Publishing's tearsheets initiative, "MerlinOne has been an excellent partner to work with. They provide a very functional and reliable system at a competitive price with first-rate support. Their E-Sheets system and their support of the electronic tearsheets initiative helped them earn additional business from Tribune in the editorial photo and graphics archiving systems."

Electronic Tearsheets Project Goal

Part of Tribune's advertising customer self-service strategy, the goal of the electronic tearsheets and invoices project was to:

- Provide an easy-to-use electronic tearsheet and invoices capability for all Tribune newspapers;
- Leverage an ASP-based service with the ability to support a large number of newspapers to speed both implementation and advertiser adoption;
- Reduce the manpower, postage and newsprint expenses associated with producing manual tearsheets; and
- Speed the payment of advertising invoices.

Tribune is realizing all of these goals with the MerlinOne E-Sheets system.

Electronic Tearsheets Project History

Tribune's electronic tearsheets project started back in 2001 with an evaluation of vendors in the marketplace. After some preliminary evaluation, Tribune solicited bids from four vendors. The vendors included both traditional newspaper suppliers like MerlinOne and other vendors in the electronic document/invoice industry. Tribune used a formal evaluation process to compare the vendor's offerings including price, reliability, support and future expansion. A big priority for Tribune was to find an ASP-based solution that could be scaled to support hundreds of newspapers and support the entire newspaper industry. They felt that advertisers and agencies would more readily adopt electronic tearsheets if there were a common site for a large portion of the nation's newspapers.

MerlinOne Selected

One of the vendors evaluated was the MerlinOne E-Sheets system developed for the Boston Globe. Tribune selected MerlinOne because:

- MerlinOne was a financially stable company with good track record in serving the newspaper industry.
- E-Sheets system was based on MerlinOne's image archiving system, which had a proven ability to handle large image databases.
- E-Sheets met Tribune's functional and performance requirements and provided the best overall capabilities for searching, displaying and controlling access to tearsheets.
- MerlinOne offered an ASP-based service that provided faster start-up and reduced start-up expenses.

MerlinOne and Tribune Publishing signed a purchase agreement in June 2002 that made the electronic tearsheets available to Tribune Company's 11 daily newspapers. The subsequent implementation of tearsheets at each Tribune newspaper was based on the business needs and timing of that individual newspaper. Today, all eleven Tribune newspapers have either launched or are actively planning the launch of MerlinOne electronic tearsheets service.

Roll-out to Tribune Newspapers

Following selection of MerlinOne E-Sheets, the first Tribune newspapers to launch electronic tearsheets were the *Hartford Courant* and the *Los Angeles Times*. Both launched their service to pilot groups of 60-70 users in mid-September, 2002. *Hartford Courant* completed their pilot test and rolled out to the remainder of their advertisers in November, 2002. *Los Angeles Times* completed their pilot and begin their general roll-out to advertisers in January 2003. The *Chicago Tribune* and *South Florida Sun-Sentinel* completed their roll-out to advertisers in 2004. *Orlando Sentinel* and *The Baltimore Sun* launched their advertiser roll-outs in 2004 and will complete in 2005. Tribune's remaining newspapers—the *Morning Call*, *Newsday*, *Stamford Advocate*, *Greenwich Times* and the *Daily Press*—will be implemented in 2005.

Tribune newspapers are implementing electronic tearsheets for both ROP and classified advertisers. The larger Tribune newspapers have setup E-Sheets access to over 30,000 customers.

Benefits with Electronic Tearsheets

Each Tribune newspaper is realizing the expected benefits as the system is rolled out to their advertisers. Because each newspaper's physical tearsheet volume and process was different, the savings have varied between newspapers. However, these savings fall into four general categories:

- Less manpower is needed to prepare and mail the tearsheets to advertisers and agencies. Many newspapers were able to reduce multiple full-time and part-time positions by reducing the number of physical tearsheets that needed to be mailed.
- Reduction in newsprint used to print additional copies of the newspaper for tearsheets and full sections sent to advertisers.
- Reduction in postage and expenses associated with sending the tearsheets to advertisers.
- During their pilot test, the *Hartford Courant* tracked a 33% improvement in collections due to electronic tearsheets. That improvement continued during Hartford's roll-out of the system to their advertisers.

Based on these savings, Tribune expects a double-digit return on their investment in E-Sheets.

Advertiser Acceptance

Overall, the Advertiser response has been very favorable. They like the convenience of accessing electronic tearsheets on the day of publication rather than receiving batches of physical tearsheets in the mail days or weeks later. They like the control it gives them and not having to rely on the newspaper.

The *Hartford Courant* was the first Tribune newspaper to test and fully implement tearsheets with their advertisers. Janet Pose, Courant Credit Manager, reports that during their pilot test: “We were astounded to hear compliment after compliment about the ease to use the system. The compliments never stopped coming. My customer service staff, thinking they would have massive complaints on their hands, really were so surprised to hear the compliments from their contacts at many of these companies. During our pilot test our largest advertiser called personally to say how much they appreciated this system and was willing to work with the vendor to be sure the other newspapers used the MerlinOne system.” Pose adds, “I cannot tell you how many advertisers appreciate the fact they can view their ad on-line by at least 9 a.m. every morning. ... Gone are the days of, ‘I didn’t receive my tear sheet’.”

Advertisers like the e-mail feature, which gives them a link to view the tearsheets for the ads publishing that day. The advertising coordinator for a financial firm advertising in the *South Florida Sun-Sentinel* said, “It’s so quick and easy to use! I much prefer the electronic tear sheets instead of receiving a month’s worth of newspaper tear sheets in the mail. ... This new method is a real time saver for me!”

Elimination of paper tearsheet storage, the ability to search for ads quickly, and the capability to view full sections of the newspaper online are also important advertiser benefits. Minh Tsai, *Los Angeles Times* Application Systems Manager, reports “the amount of complaints from advertisers has been less than one percent of all users so far.”

To encourage the transition to electronic tearsheets, the *Hartford Courant* began charging for physical tearsheets in April 2003. Due to the ease of use of the MerlinOne E-Sheets system and the charge for physical tearsheets, 99% of the Courant’s advertisers have dropped physical tearsheets.

While the overall response has been very favorable, there have been some challenges to advertiser adoption. These challenges are:

- Electronic tearsheets fulfill the proof of publication role but are not indicative of color quality on newsprint, and therefore, most newspapers still provide physical tearsheets for color ads.
- Acceptance of electronic tearsheets by co-op manufacturers has been slower than other advertisers. To address this issue, MerlinOne has worked with Re-Cass and AdMall to develop improved mechanisms to enable electronic tearsheets to be submitted for co-op claims.

MerlinOne E-Sheets System

The MerlinOne system has performed well for Tribune newspapers. Tribune and MerlinOne agreed upon a strict Service Level Agreement and the E-Sheets system has lived up to the performance, response times and uptime of that agreement. Since the system went live in September 2002, there have only been three system outages – all due to loss of Internet connectivity between MerlinOne’s Internet hosting service and the Internet. MerlinOne has since changed to another hosting service and there have been no further problems.

As the number of newspapers using the system and the number of pages and ads stored by the system increased, MerlinOne has kept pace. Minh Tsai reports “As the largest daily paper on the West Coast, The *Los Angeles Times* consists of almost a dozen zone products and a handful of community newspapers. Our volume is also

much higher than any newspaper within the Tribune family. With every unique page being sent to MerlinOne on a daily basis, this amounts to an average of 500 daily pages requiring a total of 72GB of annual storage space to support 30,000 advertisers. In addition, 16,000 to 28,000 ad instances are added on a daily basis. MerlinOne scaled up their servers to handle the workload without any degradation in service, something that is no small feat for a company. Overall, the system has performed admirably ...”

MerlinOne’s architecture and system have been very solid. It has shown the ability to handle the large volumes of the Tribune newspapers plus a number of other newspaper chains with no performance issues. Searches and display of tearsheet thumbnails are performed in 5 seconds or less. PDFs 1 MB or less in size are downloaded in less than 12 seconds. Newspapers upload their page PDF files and ad metadata between 3a-5a each morning and the tearsheets are generally available by 9a that morning.

MerlinOne’s system has demonstrated its ability to scale as MerlinOne has added up to 100 newspapers without impacting the performance and service provided to its existing customers.

MerlinOne Support

MerlinOne support has also been top-notch. Jim Bustraan, *Orlando Sentinel* Display Advertising Technology manager, states “I can’t say enough positive about the support team at MerlinOne. They have communicated changes and procedures regarding the site in a timely manner. During our testing and rollout phases, their support was invaluable. They were helpful in resolving questions that occurred during testing. They were flexible and responsive during our testing with making changes and deletions as they were requested. In addition to being knowledgeable, they were usually very responsive. A+ support organization.”

MerlinOne’s support encompasses not just day-to-day operation support but developments that have increased the functionality and utility of the system. Recently, MerlinOne added the ability to view tearsheets collectively as individual sections. Using a grid display, the advertiser can see thumbnails of all pages in a section or scroll through the section in printer pairs. The capability will help Tribune to reduce the number of full sections sent out to advertisers.

MerlinOne is implementing the ability to group advertiser accounts both within a single newspaper and across multiple newspapers into a single global account. This will allow the advertiser and newspaper staff to view all tearsheets at one time –without the newspaper having to engage in the costly effort of normalizing its advertiser account numbers.

Finally, Tribune is testing MerlinOne’s display of electronic invoices. MerlinOne has demonstrated the ability to accept invoices from Tribune’s existing ADMARC advertising systems and display them like a tearsheet. The ads listed on the invoices contain an embedded link to the ad’s tearsheet(s) making verification of publication quick and easy when the advertiser is processing their invoice for payment.

Ernie Kuenzli, Tribune Project Manager, reports that “Every development that Tribune has asked for, MerlinOne has been able to deliver. This demonstrates not only the robust design of the MerlinOne E-Sheets system but MerlinOne’s ability as a software vendor.”

Conclusion

Electronic tearsheets have been extremely successful for Tribune. This success has been directly attributable to the capabilities of MerlinOne and its E-Sheets system.