We all gathered in Chicago for Wave2’s first executive forum which we believe was a ringing success. We thank everyone for your time in attending with a special thanks to Gordon Borrell and the four use case presenters. Contained in this report is a recap of the key discussion points and some suggested takeaways. We look forward to meeting again next year and will keep you all informed with a quarterly update.
THE HYBRID WORKFLOW

We opened up with an update on Wave2 which included a brief history of our product development. Andy, Jim and I are very proud of what we and our team have accomplished in our nine years in business. As expressed the purpose of the meeting was to answer the question, where do we go from here and that’s where you came in and we thank you for that.

Working with our strategic partner AffinityX, we revealed a shared vision we have collaborated on – the hybrid workflow. As presented, it contains several key features

1) A self-service “do it yourself” platform that can easily shift between e-commerce self-serve to custom job production “do it for you” workflow and a sales enablement tool for relevant specs for sales professionals
2) AffinityX is a proven ad operational leader in the “do it for you” market that can manage 1,000’s of both print and digital jobs across a wide spectrum of verticals.
3) A Decision Tree designed by you the publisher that will qualify a prospect for a sales rep and recommend the type of campaign simplifying a very important start in the sales process.
4) An e-commerce self-service platform that can fulfill and rate the products a sales rep has in his or her bag.
5) An enterprise-level proofing system that can both display a proof and receive real time edits.
6) A team of experienced creative artists available 24X7 to fulfill a “do it yourself” job into a “do it for me” custom job.
GORDON BORRELL—THE FUTURE OF ADVERTISING

Gordon provided valuable insight and repeatedly clarified the role of the attendees. Helping your advertisers to better market their products by providing these advertisers with the advertising and marketing services they want and need.

Gordon opened up talking about circulars with the prediction that circulars are poised for a steep decline. On average, circulars deliver one-fourth of newspaper ad revenue and one-third of its profits, so coming up with a strategy here is very important. Gordon believes that beacons or some sort of near-field mobile technology is likely to replace circulars as the main form of coupon advertising. Beacons only work when someone is in or near a retail store, so a good discussion about the role of circulars in providing the motivation of getting a consumer into the store was conducted. There are other digital marketing services; email marketing, search, display ads, etc. that can accomplish this. Wave2 will investigate to see where we can provide support with this.

Gordon shared with us statistics that showed a decline in overall advertising spending over the last 10 years. He enhanced those numbers with statistics that show SMBs have sizably increased their spending for promotions. His general theme is you should be selling ad products and services that the market wants to buy. He reinforced it with a slide that states; “The successors will be those who serve the new marketing needs of old media’s customers.”

Last year $14 billion on digital co-op advertising went unclaimed. Several of you responded positively to employing a co-op rep. There seems to be a very sizable opportunity in digital co-op but it will require that you offer the type of ad products and digital marketing services the brands are looking for. A look into other media and how newspaper’s compare revealed a perception that while newspapers have challenges you are better positioned than other traditional media channels. The first step newspapers face is realizing these challenges and we believe you have already done this especially when compared to other channels like broadcast. We think Gordon provided a good roadmap on how to not only deal with these challenges but to prosper by taking advantage of them. Our role will be to craft solutions to help you take advantage of these opportunities.

Gordon shared with us compelling statistics on the role video will play especially in real estate. We are looking for partners who specialize in video to make their solutions available through our e-commerce platform.

Gordon presented several examples of media companies that are making things happen in digital. Every one of them published a print newspaper and one, a startup, even went out and bought one. Print is very much alive and will play a key role in providing the type of products SMBs want to buy. In one survey with SMBs newspapers scored fairly high as a channel a SMB would use. Our conclusion listening to his presentation was, the ongoing convergence of media is happening and happening fast and you are very well positioned to prosper in this new environment. Wave2 is determined and committed to helping you reach your goals in this new environment.
GATEHOUSE MEDIA USE CASE

Bob Birkentall of GateHouse opened up by describing how his organization’s growth came through acquisition. As a result, their systems are not connected making consolidation and standardization of systems a challenge. GateHouse has used Wave2 as a way to connect the dots. They use Wave2 for Real Estate, Obits, On-Line Classifieds, Automotive and Recruitment. In his presentation Bob focused on On-Line Classifieds, Automotive and Recruitment.

On Line Classifieds

Before implementing Wave2’s iPublish Marketplace, the user experience was terrible. Class codes were all over the place and no consideration for search was designed in. With Wave2 they simplified the user experience while leveraging Google search. Revenue is up 40% in new markets and 20% in existing markets while growing the database. GateHouse is now looking at adding more pricing elasticity, adding the ability to extract more customer intelligence from the database while redesigning class pagination and employing reverse publishing.

Automotive

GateHouse offers an automotive marketplace product called BestRide. We have implemented a reverse publishing solution in their New England market with many more to follow. These implementations will enable them to leverage their print product by selling more BestRide packages and creating leads. Through the use of InDesign in the Wave2 solution they created templates that promote BestRide and automated a process that was previously very manual. The results have been spectacular. Buyer phone calls are up with a corresponding increase in BestRide packages being sold. GateHouse is saving nearly 40 hours of production time every week in the one market it’s being used.

Recruitment

Bob approached us about setting up a newly designed interface to take full advantage of the myriad of Monster upsells. The previous system was very manual and unable to take advantage of the many upsells Monster offers, leaving sales opportunities on the table. Too often they were simply uploading the print ad to Monster and nothing more. We inserted a custom designed page into our standard AdPortal that offers; all of the Monster upsells, AfterCollege upsells, and a DMC video upsell. We then export a corresponding XML file that then gets uploaded to Monster, AfterCollege and DMC. GateHouse is now offering branded job ads with much better job descriptions and timelier reporting. Their goal of elevating the recruitment category is being achieved with sizable revenue gains expected.
DIGITAL OBITS SOLUTION DEMONSTRATION

We used our first executive forum to announce the new Wave2 Obits Network www.placeanobit.com. In addition we showed Lasting Memories, our memorial website product, to the group.

Placeanobit.com

A network of 125+ Wave2 AdPortal Obit sites that allow a funeral home and private party to purchase a print obit, digital listing and Lasting Memories memorial website. Using Placeanobit.com a user is taken to the newspaper’s actual AdPortal Obit system. They will enjoy the full functionality of AdPortal offered by that particular newspaper partner. There are no fees and the user has full control over the actual obituary. Placeanobit.com offers coverage in 46 states and as we add new AdPortal systems they will become part of the network.

Lasting Memories

Newspapers offering Lasting Memories will see a sharp increase in obits revenue in the short term. Longer term, Lasting Memories will stave off the onslaught of social media that is about to hit the publisher’s print obituary business. FaceBook is already being used as an obits platform and other apps will likely follow suit presenting a real threat to your print obits business. This solution will enable you to capture this mind share before it occurs. We’re interested in getting your feedback along with any questions you may have about Lasting Memories.

BAY AREA NEWS GROUP USE CASE

Michael Turpin presented two applications we’ve implemented with BANG; AdPortal Obits and iPublish Classified with iPublish Marketplace. BANG was looking for an electronic obituaries solution that would satisfy the funeral homes’ requirements, provide internal efficiencies, eliminate errors and reduce staff. iPublish Classified and Marketplace were selected to combine the sale and publishing of print and digital listings into one easy to use customer experience. These projects have been very successful for both BANG and Wave2.

AdPortal Obits

Originally, BANG had six obit coordinators and were beginning to get requests from funeral homes for an online booking solution. Proofing was inconvenient for both the customer and BANG. The white label Wave2 solution enabled BANG to incorporate its branding to support all of their daily publications as well as their digital listings, and provided an intuitive application tailored to obituaries. Acceptance grew steadily over the years and now 97% of all obituaries are processed using AdPortal Obits. The average revenue per obituary increased 57% in the first year and has continued to increase annually since. The six obit coordinators have been reduced to three and function principally in a support role.
iPublish Classified

BANG launched Wave2’s iPublish Classified and Marketplace solutions earlier this year replacing two different systems, AdBase-e and Kaango. Both ran on completely separate platforms and offered no cross selling or integration. Today an advertiser can come to a single site and purchase a print campaign, a digital campaign or a combo campaign. BANG now offer various packages with cross media upsells which they were unable to do prior to implementing Wave2. They are seeing positive results, they have eliminated the monthly fee they were paying Kaango and now only support one system. Although AdBase-e was replaced, AdBase itself is still used for billing. 100% of the transactions processed using Wave2 are auto booked into AdBase using XML. There is no rekeying required.

Lasting Memories

BANG began bundling Lasting Memories with every print obituary in September and will see a significant uptick in obits revenue as a result. Additionally they offer a digital only package where they bundle both a Legacy listing with Lasting Memories. It is a very high margin product that is priced below the average revenue of a print obit without cannibalizing the print business. By doing this BANG has strategically positioned their obits business against the onslaught of social media as an obits platform. They have already begun to see the use of social media in their market which contributed to their decision to bundle Lasting Memories with their print obits and offer the digital only package.

DIGITAL DISPLAY ADS DEMONSTRATION

Wave2 showed an enhancement to the AdPortal Real Estate platform where we build multiple display ads from a single MLS feed. This functionality is now available in the three main classified categories; real estate, recruitment and autos. When a publisher uses iPublish Classified they are capturing high quality original content - text, graphics and photos – for a print ad or digital listing. AdPortal then takes that content and without any rekeying builds multiple high quality digital display ads for any of these three categories.

REAL ESTATE can reverse-publish from MLS data, RECRUITMENT uses the listing content entered for the print or digital listing and AUTOS can be reverse published from Cars.com, BestRide or another dealer inventory source. We anticipate great results from this intuitive upsell capability. The advertiser is already in the process of purchasing advertising so we expect a high uptake acceptance rate. A digital listing by itself or display ad alone are just ads. By combining digital display ads tied to the listings a publisher is offering a campaign not just an ad. As a bonus, in building multiple size display ads we greatly increase the likelihood of fulfilling a campaign.
SUN MEDIA, A POSTMEDIA COMPANY USE CASE

Mike Sallows of SunMedia made a very compelling case for their decision to first centralize ad operations and then outsource their ad building to AffinityX. SunMedia is a large daily and weekly newspaper operation based in Ontario, Canada. They decreased the number of ad operation FTE’s from 900 to 90 offshore and 144 onshore, resulting in an annual savings worth millions of dollars. SunMedia has a very strong and successful relationship with AffinityX and chose them due to their strong technical platform, strong US leadership and the flexibility they offer to work within SunMedia’s workflow. The project has met all of SunMedia’s expectations.

They are now focused on revenue enhancement initiatives including sales training, availability of ad specs and ad targeting. This has already resulted in new revenue worth millions of dollars.

BH MEDIA USE CASE

Terry Hall of the Richmond Times presented two initiatives BH Media undertook over the last two years. They began with AdPortal Obit and then added iPublish Classified at 36 locations.

iPublish Classified

Their goal was to replace four different self-service systems with one solution to provide some efficiencies and improve the user experience. Wave2 was chosen as offering the best user experience, Wave2 had already integrated with AdBase, Wave2 was already in use in a few markets and had delivered timely and effective support.

The results have been very positive. The project was fulfilled on time, the feedback has been positive and there have been FTE savings with resources being reallocated. BH Media finds Wave2 to be has been flexible and easy to work with.

AdPortal Obit

Funeral homes have been very positive about using AdPortal. They now can receive a proof of the obit before purchasing it and know exactly what it will cost. AdPortal has been easy for them to learn, saves them valuable time and reinforces the comfort and trust between the family and the funeral home. As a result families have been placing longer notices.
SUMMARY

Andy, Jim and I were quite satisfied with the meeting and really appreciate the time everyone committed in attending. I will be contacting each of you to speak with you directly over the next couple of weeks. We’re interested in your input on the meeting itself and more importantly on any new ideas you were able to cull from the session. As we discussed we’re very interested in utilizing your input for future product development. We have already decided to conduct a second executive forum next year as you recommended the meeting will be scheduled around the same time next year. Thank you again and good luck finishing out 2015.