



April 5, 2011

To: CRMA Members

Subject: 2011 CRMA Network Subscriber Study Proposal

This proposal describes our current thinking regarding the following:

- An Overview of Our Proposed Study Approach for 2011
- TwoNew, Enhanced Deliverables
- IM's Deliverables
- CRMA's Deliverables
- Estimated Fees, Billing, and Timing.

An Overview of Our Proposed Study Approach for 2011

IM continues to believe that minimizing any changes to the study process used in the preceding study cycles will be of value during 2011. Therefore, IM will be using the same mail survey approach for this study as the CRMA used in 2010 and has been using in recent years. Thus, we are planning to employ the two questionnaires, mail out approach.

Working with the CRMA team, IM will create for each participating title survey packets that will include either four, six, or eight page questionnaire lengths. The initial packet will be mailed out and then approximately three to four weeks later a second questionnaire packet will be mailed to the non-responders from the first mail-out. Because it's important to give readers an incentive to respond in today's pressured world, IM strongly recommends the use of \$5 or \$2 in the first mailout to obtain the highest possible response rate and to avoid having to put any monetary incentives into the second mailing. For those titles that have had very high response rates in the past, \$2 still may be sufficient. The higher the incentive used, the higher the response rates generally will be. Of course, each publication's response rate history should be taken into consideration when deciding on the "best" incentive to use in 2011. Going with a higher incentive in the first mailing can eliminate placing money in the second mailing.

Since agencies tend to prefer subscriber studies with the highest possible number of completes, we have prepared this proposal with fees at two mail out levels (1,000 and 750). IM's recommendation is to mail out 1,000 surveys packets—again, budgets permitting.

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The detailed outline of how IM plans to execute the study in 2011 follows.

Survey Fieldwork

1. IM will request from each participating member a systematic random Nth sample pull from its circulation file based on current active, paid subscribers or controlled/requested readers. If the publication has a combination of paid and controlled circulation, we will discuss with them the way to pull the sample.
2. We will then develop the 2011 questionnaire based on CRMA's input. The common questions will be developed with the CRMA Study Team and unique questions will be developed with input from each publication. IM is assuming the questionnaire will be closed-ended with the exception of a respondent occupation question and vehicles owned question, if used. For the 8 page questionnaire version, publishers can select 1 $\frac{3}{4}$ pages of unique questions; the 6 page questionnaire will contain up to 1 $\frac{1}{4}$ pages of unique questions; while the 4 page questionnaire will contain up to $\frac{3}{4}$ of a page of unique questions.
3. We will submit all survey materials (cover letters, etc.) to the CRMA Study Team for approval.
4. We will individually type the respondent's names and addresses on the outgoing materials for the questionnaire mailings using each publication's #10 envelope.
5. The initial survey mailout packet will include:
 - A cover letter on each publication's letterhead signed by its publisher or editor, requesting that the subscriber complete and return the enclosed questionnaire
 - A **two-color** questionnaire to enhance response and to make the questionnaire easier to read and complete
 - The cash incentive
 - A business reply return envelope addressed to our processing facility

The second survey packet will include all the same items except for the cash incentive unless the initial response rate necessitates using a second incentive.

Data Processing and Tabulating

IM will then process and tabulate all completed and valid questionnaires. The first tabulation would be based on total respondents. For those titles not measured in the Mendelsohn Affluent Survey a second tabulation will be generated and will include a comparison of each title's results based on readers with HHI 100k+ compared to our national syndicated Mendelsohn Affluent Survey. The



Affluent Survey contains relevant products and services, expenditures and demographics that can all be indexed against the CRMA title's questions.

Once marginals (top line data) are delivered to each publisher, a banner will be defined with up to 18 position points. IM will provide each publisher with their reports in a "green" manner (electronic format) as follows:

- A PDF version of their tabulations along with a description of the survey methodology employed
- An Excel version of the tabulations that can easily be used by the titles as electronic input for PowerPoint presentations assuming they, themselves, wish to create sales presentations or reports from our survey results
- A PDF version of the demographic tables comparing each title's results against the latest CPS (Current Population Survey) that is available

In addition, once the entire 2011 cycle is completed by all participating publishers, a network report will be issued for all the common questions in the 4, 6 and 8 page questionnaires with each title being a banner point. Each participating publisher and CRMA headquarters will receive this consolidated report of the findings for all participating publications—in PDF format.

Two New, Enhanced Deliverables to Drive Ad Sales – A Reader Profile Report and Claritas Prizm

During January's Publisher's Round Table Meeting in Naples, Florida, we met with several publishers and discussed what else they desired from a readership survey like ours. To our surprise, each time we heard the same thing. Beyond the data and tabs, what was needed was an insightful report document that helped them and their sales professionals tell a story about their readers, the relationship their readers have with the magazines as well as to provide insights on various consumer spending categories that their magazine's advertisers sell. We also had some titles ask us if we could merge Claritas' PRIZM data with our survey data as they also use Claritas' PRIZM data as a complementary sales tool along with our survey results. The following describes our two new optional deliverables for 2011:

- The 2011 Mendelsohn Reader Profile Report
- Adding Claritas' PRIZM Codes to Your Magazine Survey Results



The 2011 Mendelsohn Reader Profile Report

In response to the request for a report, for an additional fee, Mendelsohn will thoroughly analyze your survey results and create a customized report that tells a story about your magazine. This Reader Profile Report is designed to be a “turnkey” formal PowerPoint presentation report that can be given to advertisers that profiles the lives and lifestyles of your magazine’s readers, highlights their engagement with your title and details category behavior in your marketplace. Each report will be unique and customized to your magazine.

Essentially, the Reader Profile Report will distinguish your magazine from its competitors by demonstrating the profound value of its readers, its relevance to them and their behaviors across several spending categories. This document will transform a “salesperson” into a sales consultant who will then provide clients and prospects with insights – on your market and your readers.

We have attached a mini version of a sample report to illustrate what we will provide as your deliverable if this option interests you. The topics that the Reader Profile Report (about 40 pages in length) will address include:

- Your Reader’s Profile
 - The Lives and Lifestyles of your Magazine’s Readers
- Engagement
 - The Role of your Magazine in your Reader’s Lives
- Connecting
 - Integrating your Magazine with your Advertiser’s Needs

If you would like to see a full scale, example of this report and how the reporting process works, please let me know and we will get a full-scale example to you for your review and discuss the reporting process.

Adding Claritas’ PRIZM Codes to Your Magazine’s Survey Results

What is Claritas PRIZM? Claritas PRIZM is a set of geo-demographic marketing clusters for the United States, that were developed by Claritas Inc. (which is now part of The [Nielsen Company](#)). It has been a widely used customer segmentation system for marketing in the United States since the 1990s and continues to be used extensively today.



The PRIZM clusters were developed, in part, via sophisticated analyses of U.S. census data. The current PRIZM segmentation system is an update to the original PRIZM model that featured 62 market segments. The current PRIZM system categorizes U.S. consumers into 14 distinct groups and 66 demographically and behaviorally distinct types, or "segments," that help marketers describe their consumers' likes, dislikes, lifestyles and purchase behaviors. PRIZM provides a seamless transition between household-level coding and geographic-level coding by providing the same segment schema at both levels. It allows a 'downshift' from geo-demographic to the household-level.

For instance, the PRIZM segment *Kids & Cul-de-Sacs* is defined as consisting of suburban, upscale, married couples with children, typically within recently built subdivisions similarly, the segment *The Cosmopolitans* is defined as consisting of immigrants and descendants of multi-cultural backgrounds in multi-racial, multi-lingual neighborhoods. PRIZM has a specific set of ZIP Codes where *The Cosmopolitans* segment are predominant.

A large number of data warehouses include a *PRIZM code* along with a customer identifier, e.g. your bank is likely to have a PRIZM code next to your name in its data warehouse, so it can market suitable additional products to you.

If you would like to know more about this consumer segmentation system, please let me know and we will get you in touch with the PRIZM representative with whom we work.

Ipsos Mendelsohn's Deliverables

In 2011 IM will deliver full study support as follows:

- Employing a dedicated, responsive, and senior IM Study Team to support and service the CRMA account
- Collaborating with the CRMA Study Team in developing the common questionnaires as described earlier
- Working with each publication to develop their unique questions
- Conducting the sampling and field work for each title as described earlier
- Completing the data processing and tabulation efforts as described earlier
- The enhanced, publication report for those publications that elect to purchase it,
- Contracting with and billing each participating title individually



The 2011 study team will include me, Burr Brown, and three others, Dan Kupfer and Brendan Bevan, who have been heavily involved in this study since 2007 as well as Don Winter who recently joined Mendelsohn.

CRMA's Deliverables

The CRMA will appoint a Study Team and/or Study Director that will be IM's "touchpoint" and administrative liaison with the CRMA and the individual titles that participate in the 2011 network study.

Each participating title will provide the following:

- A sample of subscribers/readers in electronic format as described earlier.
- Its informational needs that will be articulated to the CRMA Study Team for the 2011 common questions.
- Input for their unique questions
- Sufficient title letterhead and #10 size envelopes for the survey mail outs
- Their logo and cover letter signature in electronic formats.
- Their definitions of the sub-groupings of respondents to be used for banner points

Estimated Fees, Billing, and Timing

Fees

IM's estimated basic fees are the same as they were in 2010 and will be function of the total number of titles that elect to participate by the study sign-up date in 2011 and the length of the questionnaire each title elects to use. Incremental fees for the two, enhanced, deliverables are listed separately.

IM's proposed study fees for 2011 follow on the next page. These estimated study fees include all printing, postage, fulfillment, data processing and tabulations as specified but **do not include the incentives**, which are billed at cost. Fees for any incremental requests will be estimated prior to their execution.

Fees for the optional report and optional Claritas coding also follow.

Billing

IM will bill each participating title 33% of their estimated total fees upon their agreeing to participate and their signing an agreement, 33% upon the first mailing and the remainder (34%) prior to the delivery of the report. All invoices are due within 30 days of invoice date.



Timing

Letters of agreement will be sent to participating publications after they decided to participate. Surveys will be fielded promptly once the common questionnaire is agreed upon by the CRMA/IM and upon receipt of all unique questions and materials (envelopes/letterheads/samples) in the second or third quarter of 2011. Of course, no questionnaires are printed and put into the mail until IM receives written approval from each title. Results should be available starting in the summer of 2011 or earlier if some titles want to survey earlier... The Network report will follow after the last report for the last title in the 2011 cycle is released.

Regarding each title's timing, from approved questionnaire and receipt of all materials, approximately three months will be needed for the entire survey process assuming the title does not request that we extend their fieldwork. To the extent that a magazine elects to add any of the incremental deliverables to their 2011 survey, we will quote the estimated delivery dates prior to sending out our letters of agreement.

IM's time commitments are focused on converting each title's completed questionnaires into meaningful survey data that a magazine can start using immediately. Thus IM commits to the following time schedules:

- From the close of field work to the delivery of clean marginals will take 10 business days.
- From our receipt of complete banners definitions to delivery of tabular reports will take 10 business days.



2011 Estimated Study Fees

	2011 fees per title	
	1,000	750
# of Participants- 8 page version		
1-5	\$14,000	\$13,000
6-10	\$13,500	\$12,500
11-15	\$13,000	\$12,000
16-20	\$12,500	\$11,500
21+	\$12,000	\$11,000
# of Participants- 6 page version		
1-5	\$13,100	\$12,350
6-10	\$12,600	\$11,850
11-15	\$12,100	\$11,350
16-20	\$11,600	\$10,850
21+	\$11,100	\$10,350
# of Participants- 4 page version		
1-5	\$12,000	\$11,500
6-10	\$11,500	\$11,000
11-15	\$11,000	\$10,500
16-20	\$10,500	\$10,000
21+	\$10,000	\$9,500



The fee for the Reader Profile Report is based on the number of survey pages:

<u>4 Page Survey</u>	<u>6 Page Survey</u>	<u>8 Page Survey</u>
\$2,250	\$2,500	\$2,750

The fee for the Claritas PRIZM segmentation coding enhancement is set by Claritas and is \$5,000 per individual survey.

Burr and I welcome any questions or comments you may have about our updated proposal and we look forward to working with you in the near future. We recognize that this year's proposal has a few new options for you to consider and in an effort to fully explain and describe our offering we will be hosting a webinar on Wednesday, April 13th. You will receive an invitation in the next day or so with instructions on how to participate.

We will also be attending the Chicago conference and will to be available to discuss our offerings in more detail there and then and demonstrate how they can be successfully used by CRMA members.

Sincerely,

A handwritten signature in black ink that reads "Robert R. Shullman".

Robert R. Shullman
President, Ipsos Mendelsohn

cc: C James Dowden.
Burr Brown