



# Print possibilities .... gives you wings The workshop against gravity !



ICMA 2011 – Dublin - Workshop

# Background: Vorarlberger Medienhaus Group (VM Group)

- HQ: Vorarlberg, Western Austria
- Headcount: 1.300 FTE
- Business focus:  
Newspaper, Classified, Online
- Austria: Regional newspaper,  
Online, Radio, ISP/Telephony
- Hungary, Romania, Ukraine:  
Regional Newspaper, Online, Free Sheets
- Germany: Classified Print and Online, Online Verticals
- Family owned
- **Strategy: Online**



# Background: VM Digital – Internet Group

## Venture Capital Investments



Oldtimer-Portal



Mothers-Community



Globale Expatriate  
Community



Lead-Gen./Advertising  
for local SMBs

## Portals



Hire / Rent Portal (D, UK, US)



Motorcycle Portal



Market place for caravans and  
mobil homes



Marketplace Commercial Vehicles



Marketplace horses



Wedding magazine

# Background: Quoka

- Founded 1983, HQ: Mannheim, 140 FTE
- Marketleading General Classified Portal Germany [www.quoka.de](http://www.quoka.de)
  - > 11 Mio. Visits/Mth
  - > 120 Mio. Pls/Monat
  - > 4.000.000 private Ads
  - > 800.000 reg. Users
- Marketleader in Classified Papers
  - 18 weeklies, 6 special interest magazines, 30 local freesheets
  - 600.000 copies per month
  - production: 1400 pages/week
  - Call Center with 60.000 onbound calls/mth for 240.000 private ads, 36.000 upsells per month
  - > 12.000 commercial customers



Startseite | Shop-Angebote | Branchenbuch | Foren | Infos / FAQ

QUOKA.de

1.770.620 Anzeigen insgesamt  
275.680 frisch diese Woche

KLEINANZEIGEN KOSTENLOS INSERIEREN MEIN QUOKA

SUCHE Ort x 25 km in Alle Rubriken Finde

Kostenlose Kleinanzeigen aus ALLES, Anzeigen AVIS, das inserat, Kurz&Fündig, PINWAND, Revier Markt, Sperrmüll, SUCH&FIND Ost und SUCH&FIND West.

**Themenwelt**

- Sport & Fitness
- Urlaub
- Asia Wokken

**Auto & Motorrad**

- Automarkt [235.883]
- Motorradmarkt [36.413]
- Oldtimer

**Immobilien**

- Immobilien [203.595]
- Vermietungen [151.415]
- Versteigerungen [1.977]

**Tiermarkt**

- Hunde [23.571]
- Katzen [9.881]
- Pferde [8.455]
- Fische, Aquareistik [9.554]
- weitere...

**Haus & Familie**

- Hausbau & Möbel [190.210]
- Garten & Pflanzen [26.738]
- Kleidung [38.650]
- Kind & Baby [57.832]
- Handwerk [33.763]

**Hobby & Freizeit**

- Spiele & Games [11.411]
- Urlaub & Reisen [117.948]
- Unterricht & Literatur [21.754]
- Musik & Equipment [19.162]
- Sammlungen [40.585]
- Modellbau & Hobby [9.376]

**Quoka.de Regional**

Deutschland

- Aachen
- Augsburg
- Bad Kreuznach
- Berlin
- Bielefeld
- Bonn
- Berlin
- Bremen
- Chemnitz
- Düsseldorf
- Essen
- Freiburg
- Frankfurt
- Heidelberg
- Hannover
- Hamburg
- Köln
- Lübeck
- Mannheim
- Münster
- Nürnberg
- Oldenburg
- Paderborn
- Stuttgart
- Wiesbaden
- Würzburg





# Classified Print ?

**Classified papers shut down in Spain, Italy, Sweden, Netherlands, .....**

## **Quoka – print evolution 2004-2011**

<b>Copy Sales</b>	<b>Ad Sales</b>	<b>Headcount</b>
<b>2004: 8,2 MEUR</b>	<b>2004: 11,0 MEUR</b>	<b>2004: 350 FTE</b>
<b>2011: 1,1 MEUR</b>	<b>2010: 3,2 MEUR</b>	<b>2010: 90 FTE</b>
<b>-87%</b>	<b>-71%</b>	<b>-74%</b>

**New Business Print generates 1,8 Mio. Euro**  
**Print is profitable in 2009 - 2011**  
**Online makes 50% of revenue**



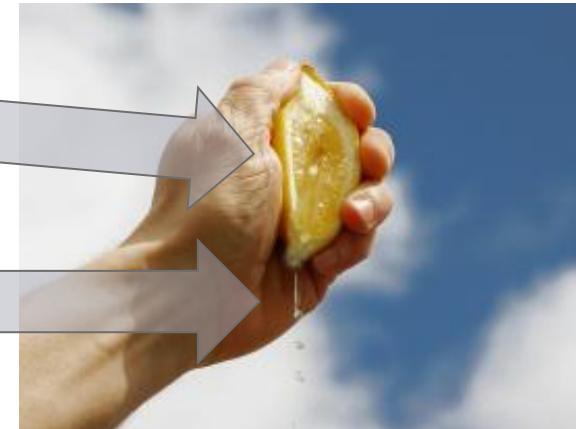
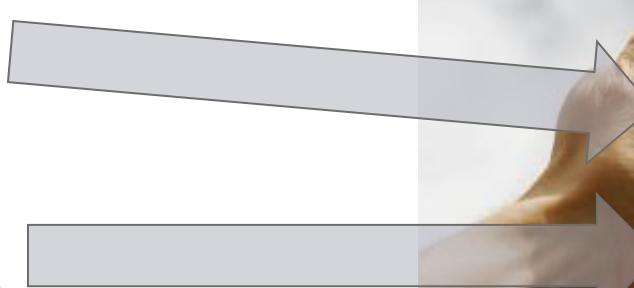
Business, that lost 90% of old business  
over the last 10 years ....



# Innovator's dilemma: Invent & print strategy: Squeeze the lemon

**Print**

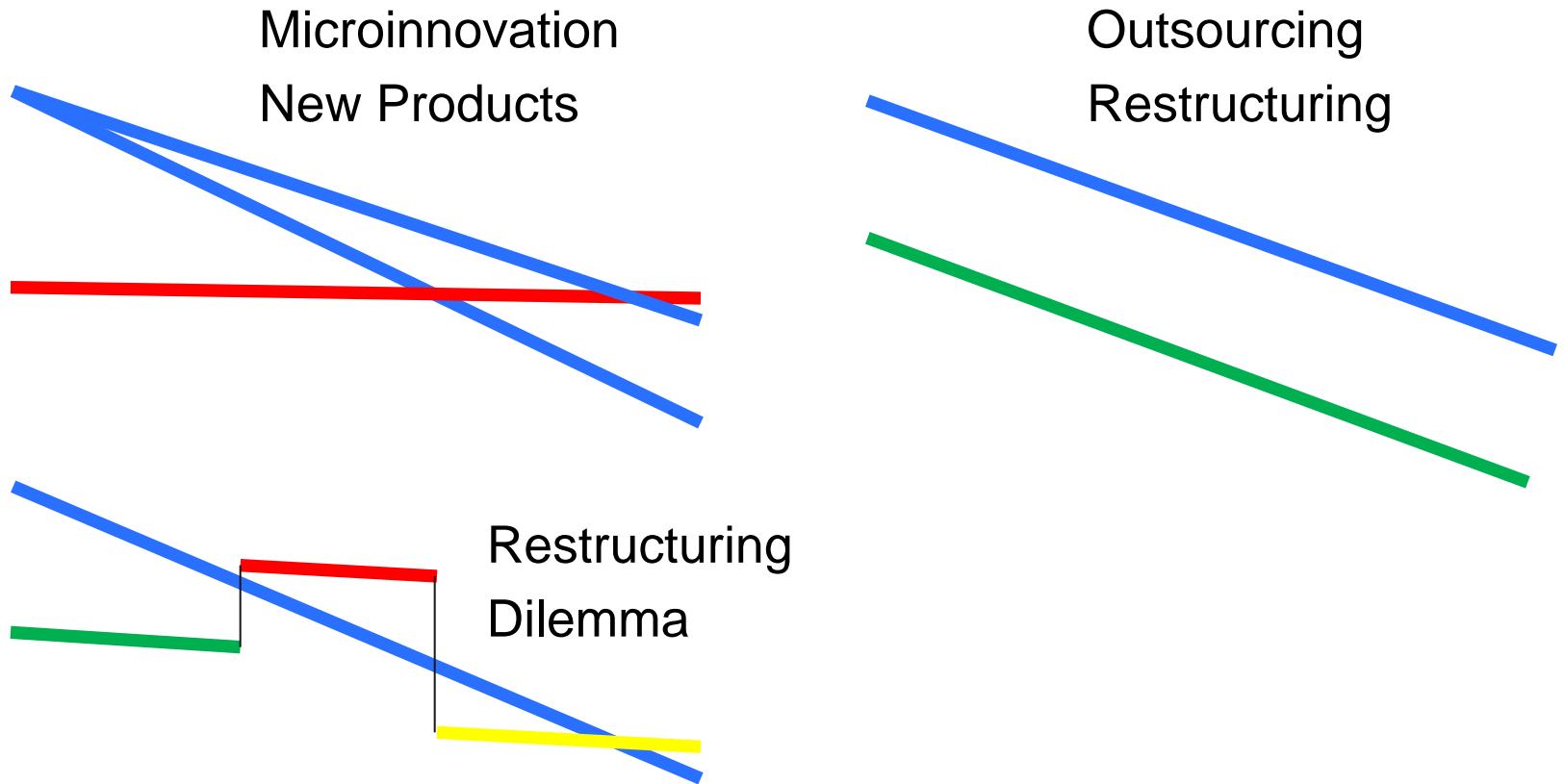
**Profit**



**VS**



# Logic: Variabilize costs





# Prepare to be a niche - principles

- a) Renegotiate anything**
- b) Outsourcing**
- c) Invest in people and automation**
- d) Jack Welch: 20/70/10**
- e) Manage margins – cut editions**
- f) No product invest without immediate payback**
- g) Separate Print and Online**



# Measures against gravity - topics

- a) Product**
- b) Copy Sales**
- c) Ad Sales**
- d) Private Ads**
- e) Processes and Automation**

# Microinnovations business model and product

- a) Editions: From paid to free**
- b) Editions: From national to regional or local, from horizontal to vertical**
- c) Editions: from twice weekly up-to bi-weekly, join editions**
- d) Product: Colour, .... Limit volume**
- e) Product variation – new business has to generate positive margins from edition 1:**
  - local freesheets**
  - regional monthly freesheets**
  - special interest one-shots**

# Copy Sales

- a) Increase prices vs. decrease prices**
- b) Increase distribution vs. decrease distribution**
- c) Marketing costs: product is marketing**
- d) Free distribution: Samples and local Add-ons**
- e) Cut anything that is not absolutely directly product related**

# Ad Sales

- a) New Products: Business Card, Directory, Frequency
- b) Regain Customers: Tour de Baden
- c) Make realistic plans – success means motivation
- d) KPIs: Performance in calls, new business, minimum transaction
- e) Training / Coaching
- f) Commission model: super-comission vs. reduction
- g) Sales Competitions: Christmas Rallye, World Championship, Team Rallye > Individuals vs. Team
- h) Cross media print & online
- i) **MOST IMPORTANT:**  
**Sales managers manage not only revenue but product margins**



# Private Ads Monetisation and Call Center

- a) Taking 240.000 private ads on the phone per month**
- b) Upselling 26.000 transaction per month**
- c) Call Center was a cost center**
- d) Call Center is a profit center generating 15% EBITDA**
- e) Upselling features**
  - Base fee for categories**
  - Selling Print and Online features**
  - Position and appearance offers**
- f) Service Provider for other classified players**



# Process automation

- a) Automated production for papers (1,5 FTE for 27 editions per week)**
- b) Automated online invoicing with DRM**
- c) Fully integrated payment management**
- d) Full integration of online and print**



# Discussion