

Today's Topics

- 1. Quick Intro of Oahu Publications and Our Market
- 2. OPI's Internal Culture
- 3. OPI's Role as an Industry Innovator
- 4. Don't Throw The Baby Out With The Bathwater
- 5. 16 40 Year Old Audience Extension Opportunity
- 6. 3 Legged "Longevity & Prosperity" Revenue Stool
- 7. Creating an Unrivaled Audience
- 8. Rise of Local Online Video and DOOH
- 9. How and Why to Become a Broadcaster
- 10. Playing OFFENSE vs. Defense

Q & A





History of OPI





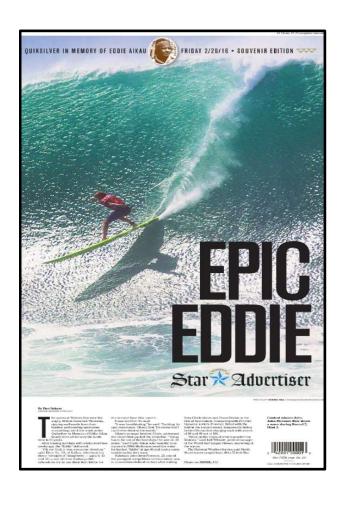
Oahu Publications Inc.

Hawaii's Largest Media Company



- Honolulu Star-Bulletin est. 1882
- The Honolulu Advertiser est. 1856
- MidWeek est.1984
- OPI Established in 2001 by Black Press
- Honolulu Star-Advertiser established in 2010 with the purchase of the Honolulu Advertiser from Gannett
- Purchased The Garden Island from Lee in 2012
- Purchased West Hawaii Today and the Hawaii Tribune-Herald from Stephens in 2014

Honolulu Star-Advertiser



- ➤ Hawaii's largest daily newspaper

 Daily Circulation: 272,244
- ➤ Award winning journalism covering local, state, national and world news for Oahu and neighbor islands
- ➤ Available in print, online, e-replica and in mobile applications

Staradvertiser.com averages 14MM page views per month (per Nieman Lab 1 of only 4 Major Metro newspapers in U.S. with Hard Wall)

- ➤ Read by 7 out of 10 Oahu adults each week
- >#1 Reach in the Nation Among Metro Markets
- ➤ We Still Believe in PRINT!

Star-Advertiser Daily Circulation

Ranks 11th in the Nation



- 1. USA Today
- 2. Wall Street Journal
- 3. New York Times
- 4. Los Angeles Times
- 5. Long Island (NY) Newsday
- 6. New York Post
- 7. Dallas Morning News
- 8. Chicago Tribune

- 9. Washington Post
- 10. Tampa Bay Times
- 11. Honolulu Star-Advertiser
- 12. New York Daily News
- 13. Houston Chronicle
- 14. Minneapolis Star-Tribune
- 15. Bergen County (NJ) Record

Honolulu Star-Advertiser ranks in the Top 15 Largest U.S. Daily Newspapers

#1 Readership In the Nation

Newspaper	Daily Average	Sunday Average
Honolulu Star-Advertiser	38.6%	48.4%
Washington Post	25.3%	32.9%
Chicago Tribune	17.2%	28.2%
Philadelphia Inquirer/Daily News	15.8%	21.2%
Dallas Morning News	14.6%	23.7%
Houston Chronicle	14.1%	24.2%
Los Angeles Times	11.8%	19.8%
New York Daily News	10.0%	11.1%
New York Times	7.9%	10.4%
New York Post	7.4%	5.1%
Long Island (NY) Newsday	5.6%	5.4%

The Washington Post



DAILYNEWS



HOUSTONCHRONICLE

The Philadelphia Inquirer

Chicago Tribune The Dallas Morning News

OPI's Internal Culture

- Creativity is Encouraged and Expected
- We Consider Ourselves a Non-Traditional, Best Practice Media Organization
- · We Do Not Maintain the Status Quo
- Entrepreneurial Spirit Driven Down Throughout the Org by Publisher/CEO & CRO
- We Refrain From Managing Business "Off of a Spreadsheet"
- Employees Understand the Difference Between Effort and Results
- Departments Work In Concert with One Another for the Benefit of the Common Goal
- Invest vs. Divest Mentality
- Firm believers in "Third Leg" Audience & Revenue Extension
- We are an OFFENSIVE Minded Media Company



Corporate Innovator



Mega Conference 2018 Innovation Award

Honolulu Star-Advertiser's "Digital Billboard Network"

INMA Global Media Awards 2018 First Place:

Best New Corporate Innovation Initiative Honolulu Star-Advertiser's "Digital Billboard Network"

Second Place:

Best Idea to Grow Advertising Sales or Retain Advertising Clients Honolulu Star-Advertiser's "Digital Billboard Network"

Third Place:

Best New Concept or Innovation to Create New Profit Centers Honolulu Star-Advertiser's "Digital Billboard Network"

Honorable Mention:

Best Use of New Technology to Generate Revenue and Engage Honolulu Star-Advertiser's "Digital Billboard Network"

Editor & Publisher
10 Newspapers
That Do It Right
Honolulu Star-Advertiser's
"Digital Billboard Network"

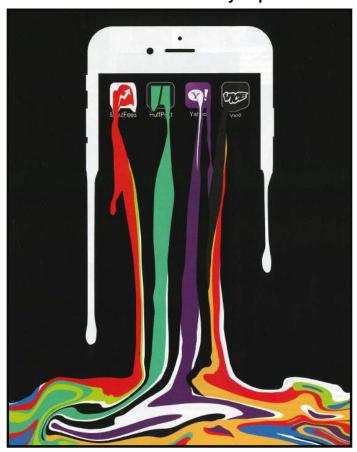




Digital Media Meltdown

Between Laying Off Hundreds and Losing Web Traffic and Dollars, What Does the Future of News Looks Like Now?

Editor & Publisher Cover Story - April 2019



"Digital media companies built themselves on a business model that's proven to not have any underpinnings......"

"I think digital media companies are going through the growing pains of a market that has become saturated and is now starting to consolidate. There's just too many players."

"Netflix puts the consumer at the center of the process instead of designing a platform based around the delivery of advertisements."

"I remain concerned about the ability of digital content to be supported by digital advertising."

"I'm still unconvinced any media company can survive if their main source of revenue comes from digital advertising."

"There's virtually no examples in the eco-system that you can somehow support content creation with solely digital advertising."

"What if there's literally no profitable model for digital news?"

"So why aren't digital media companies able to sustain themselves online, even as digital advertising is sky-rocketing? Two words: Facebook & Google"

Don't Throw The Baby Out With The Bath Water!

DON'T's.....

- •Don't purposefully trade print dollars for digital nickels
- •Don't think you are the NY Times, Wall St. Journal, or the Washington Post....YOU'RE NOT!
- •Don't believe your digital audience is as <u>valuable</u> as your print audience....just ask your Advertisers
- •Don't <u>Blame</u> Mather Economics or any other uber-aggressive econometric price model for your Volume loss(es)
- •Don't buy into the <u>notion</u> that you can sustain the requisite news gathering infrastructure needed in the future....via a "Subscription Only" environment
- •Don't give up on pre-prints.....the volume correlation is still vital
- •Don't force subscribers to change news/ad consumption habits
- •Don't become so <u>enamored</u> with digital subscription growth that you forget the <u>80/20 rule</u>

Don't Kid Yourselves...Print Still Rules The ROOST!



Don't Throw The Baby Out With The Bath Water!

DO's.....

- •Do execute acquisition/retention strategies/tactics to grow Print <u>AND</u> Digital subscriptions/audience <u>simultaneously</u>
- •Do charge subscribers for Content NOT Platform
- •<u>Do widen your funnel</u> on both ends (Acq/Ret) utilizing lucrative price points to either acquire OR maintain subscribers
- •Do employ a "Digital Content Protection" strategy
- •Do utilize price elasticity models to determine propensities to pay
- •Do <u>educate</u> your subscribers on the value, benefits, and convenience of the platforms in your Digital Suite
- •Do comprehend the power of <u>"recurring subscription revenues"</u> with procrastination working in your favor
- •Do a better job of <u>on-boarding</u> new customers.....doing so reduces churn 8-10%!
- •Do invest in <u>"Third Leg"</u> revenue generating opportunities
- •Do <u>preserve</u> the print audience "<u>long tail</u>" as long as possible until we have a strategic bridge to the future....as of today we do not \odot
- •Do strive to grow the <u>largest</u> audience possible for Advertising to monetize!

Don't Kid Yourselves...Print Still Rules The ROOST!





Patricia Print Loyalist

- •53.5 Years of Age on Average
- •Reads Newspaper in Print Exclusively
- •Retiree and Empty Nester
- •Home Owner
- •Morning Coffee and Newspaper Habit
- •Relies on Print Advertising to Make Buying Decisions
- •25+Year Home Delivery Subscriber
- •Never Used Digital "All-Access" Portion of Package

Daniel Digital Dignitary

- •41.4Years of Age as a Newspaper Website Reader
- •38.6 Years of Age as a Newspaper Mobile App User
- Possibly a Dual Devotee (Reads in Digital & Print)
- Average Income of \$96,000 Per Annum
- •Well Educated and White Collar
- Utilizes Computers and Devices Constantly
- Highly Price Sensitive
- Quality & Price are Their Subscription Triggers





Olivia Out-Of-Home

- •Spends 70% of Time Outside of the Home
- •Cord Cutter, Cord Stacker or Cord Never
- Marketing to this Demo Inside the Home is FUTILE
- •60% of OOH Impressions Come From Buying Demos
- •More Than Likely an Impulse Purchaser
- •Desirable 16-40 Year Old Demo Advertisers Want to Reach
- •Subscribes to Apps....Believes News/Advertising is FREE or Should Be FREE!



Olivia Out-Of-Home

\$\$\$???



Daniel Digital Dignitary





Patricia Print Loyalist



Desirable Audience You Are Missing

None of Your Products or Services Reach This Group 40 Years Old

Therefore Your Receive <u>ZERO</u> DOOH AD Dollars in This Category

Lucrative Rating Structure

Never Transition to a Print Loyalist

Audience is of Low Advertising Value

Revenues Will Never Replace Print \$\$

Declining Medium

55 Years Old

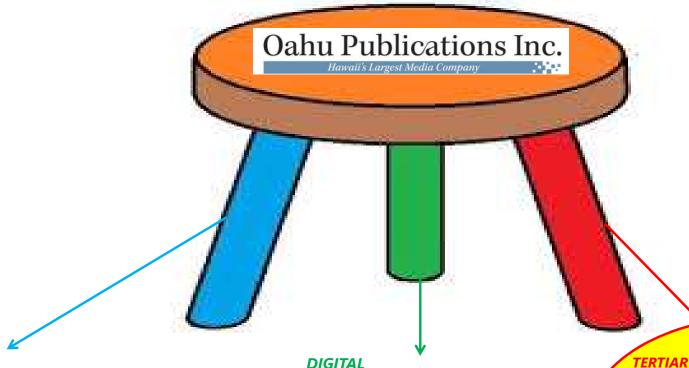
Priced to the MAX

Content Can't Be Cut Further

No Desire to Use Digital Platforms

16 Years Old

3 Legged "Longevity & Prosperity" Revenue Stool



PRINT

- Core Print Subscriptions
- Alternate Distribution
- •TMC/Weeklies/Alternative/Niche
- Pre-Prints/Special Sections
- Custom Publishing/Magazines
- Tourism Guides/Brochures
- Commercial Print
- Direct Mail

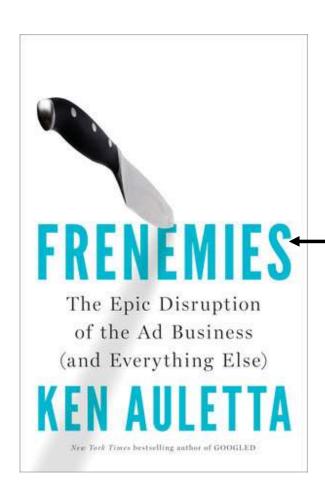
DIGITAL

- Digital Only Subscriptions
- Digital Advertising
- Paid Mobile Applications
- Niche Sites (i.e. Hawaii.com)
- Outside Services
- Digital Agency
- •E-Books
- Website Hosting ISP

TERTIARY REVENUE GENERATORS

- Location Based Video Advertising (DBN)
- •SMB (Star-Advantage Club)
- Star-Events Division
- Booking Engines
- Magazines/Custom Publishing
- •Full Service Agency (Oahu Media Group)
- Star-Merchant Services

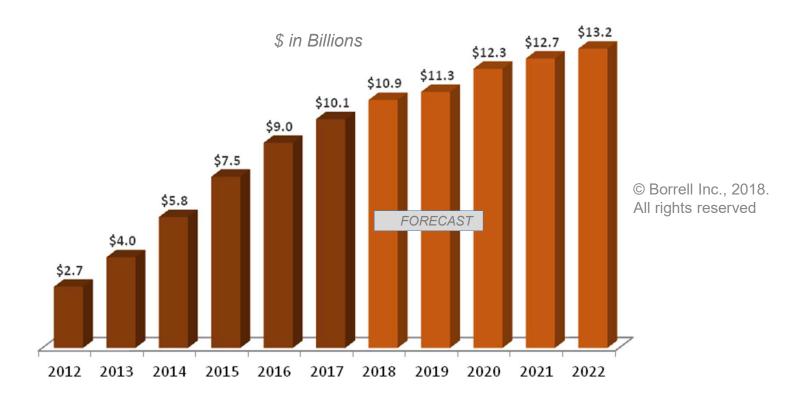
Radically Changing \$2 Trillion Global Advertising Landscape



Beware Big Advertising Agencies

"An intimate and profound reckoning with the changes buffeting the \$2 trillion global advertising and marketing business from the perspective of its most powerful players, by the bestselling author of Googled"

US Local Online Video Ad Spending



Source: Borrell Associates Inc.

Digital (DOOH) and Location Based Advertising to be the Catalyst in next 4 years..

Digital Out of Home Market (DOOH) Forecast To reach \$26.2 Billion by 2023.

"If you are spending a lot of time, energy and focus marketing and messaging to consumers inside the home, I say you're doing yesterday's business," *Barry Frey- CEO of The Digital Placement Advertising Association*

Source: ResearchandMarkets - Oct 13,2017

TV Advertising was down -7.8% in 2017

Down -8.7% in 2018 when you factor out Political bump...

2019 TV Revs will be down double figures easy.....

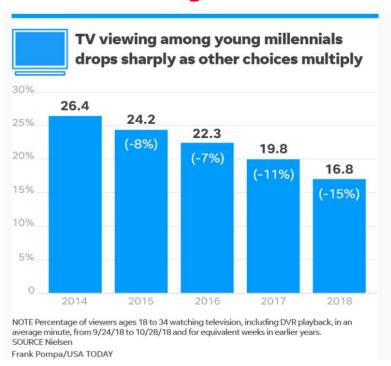
WHY? TV is losing Share to tech companies investing heavily in online Digital Video Distribution Channels.

Source: Bloomberg Business Feb 14,2018

How much have younger viewers bailed on traditional TV? New stats are alarming

Gary Levin, USA TODAY Published 8:15 a.m. ET Nov. 12, 2018 | Updated 10:41 a.m. ET Nov. 13, 2018

Younger viewers are fleeing TV at an accelerated pace!



LOCATION BASED DIGITAL VIDEO ADVERTISING....

......Will EXTEND Your Audience and INCREASE Revenues NOW!



BECOME A BROADCASTER

HOW TO MONETIZE
DIGITAL VIDEO and
AUDIENCE
via a

LOCATION-BASED

Multi Media Platform!





Leverage LEGACY Retailer Relationships..... Via "The Trojan Horse"





L O C A T I O N B A S E D M A R K E T I N G

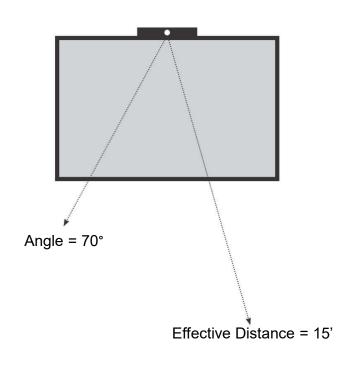
SITEVIEW











DEMOGRAPHIC DETECTION & REPORTING TECNOLOGY

Young <20 Young Adult 21-30 Adult 31-44 Mature 45+

VERIFIED ENGAGEMENTS!



"480-SECOND CLOCK / 15-SECOND UNITS"

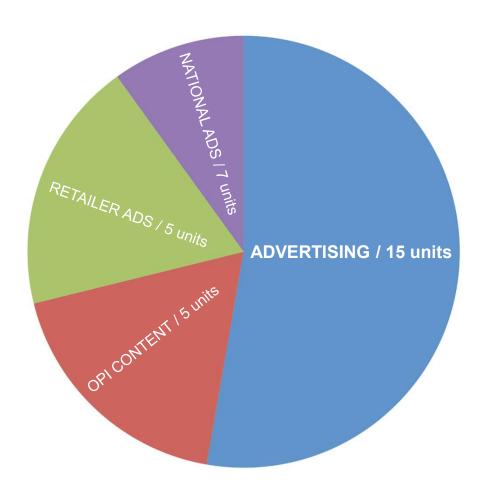
15 ADVERTISERS

PER NETWORK

STANDARD RETAILER CLOCK 8 MINUTES

ADVERTISING / 15 units
OPI CONTENT / 5 units
RETAILER Ads / 5 units
NATIONAL Ads / 7 units

GOAL: 4-6 Retailers to start 100 locations



39 Current Networks = 294 Racks/Screens







65 locations (Statewide)



47 locations (Statewide)



29 locations (Statewide)



40 locations (Statewide)



16 locations (Statewide) (18 screens)



5 locations



10 locations



17 locations (Statewide)



1 location (2 screens)



1 location (4 screens)



22 locations (Statewide)



Coming Soon



3 locations (8 screens)



1 location (8 screens registers) (5 screens Liquor Dept.)



1 location (4 screens)



2 locations



1 location



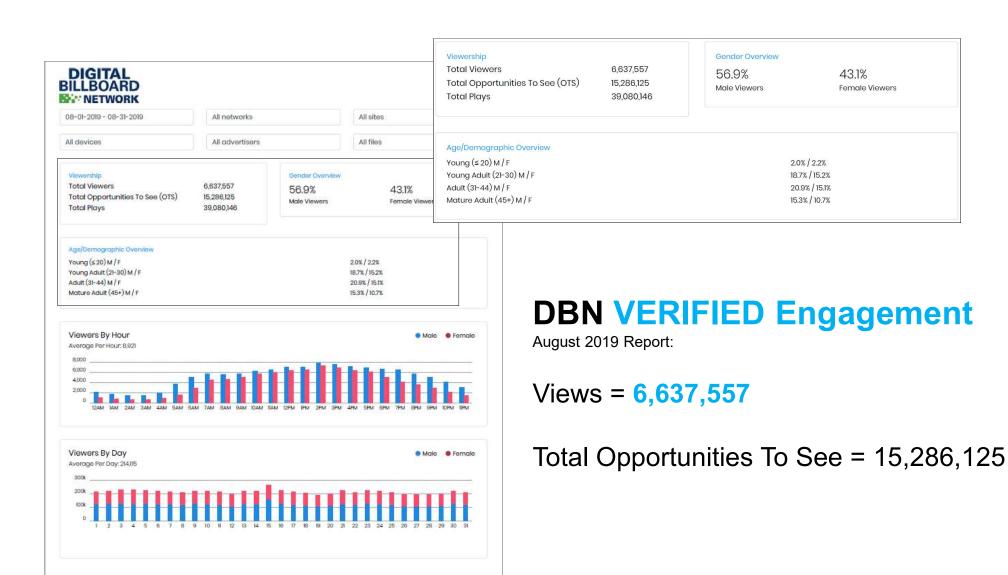
2 locations



1 location (2 screens)



2 locations







DBN VERIFIED Engagement

3.1% / 2.9%

22.0% / 19.7%

17.8% / 16.4%

9.9% / 8.3%

47.3%

Female Viewers

Gender Overview

52.7%

Male Viewers

August 2019 Report:

253,925

625,872

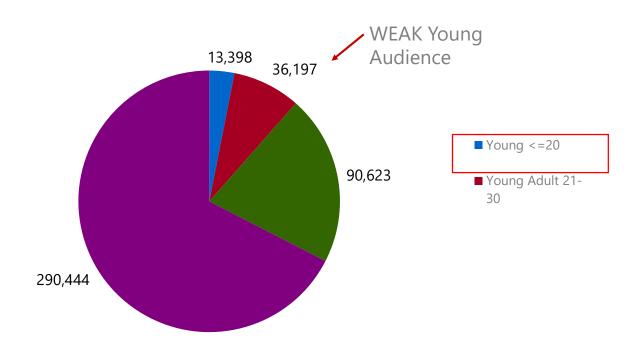
2,914,010

Views = 253,925

Total Opportunities To See = 625,872

BEFORE DBN...

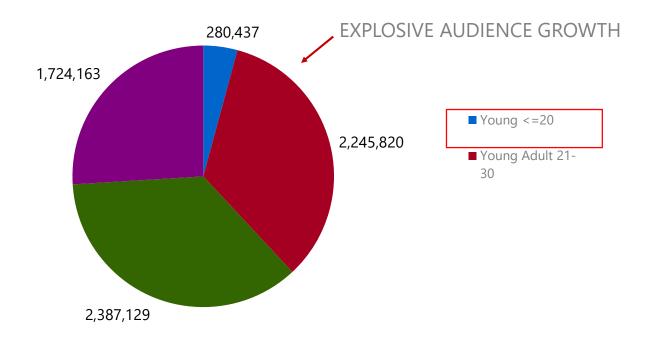
Star-Advertiser Weekly Reach



Source: Nielsen Scarborough 2018 R2

EXPLOSIVE DBN AUDIENCE GROWTH!

Digital Billboard Network



Source: Digital Billboard Network August 2019

OPI Reaches Hawaii's Largest Audience Weekly

And We Now Reach Young Adults!



1,659,387 Weekly Views 631,564 Young Adults 596,782 Adults 431,041 Mature Adults

38% Young Adult <30 36% Adult 31-44

22% Adult 30-44 26% Mature Adult 45+ 66% Mature Adult 45+

Star-Advertiser

447,570 Weekly Readers 51,998 Young Adults 97,066 Adults 298,506 Mature Adults

16% Young Adult <30 25% Adult 30-44 59% Mature Adult 45+

6% Young Adult <30 21% Adult 30-44 73% Mature Adult 45+

12% Young Adult <30

MidWeek

253,854 Weekly Readers 15,093 Young Adults 52,295 Adults 186,446 Mature Adults

StarAdvertiser.com

497,884 Weekly Unique Visitors

79,661 Young Adults 124,471 Adults

293,752 Mature Adults

778,316 Weekly Young Adult Impressions

Nielsen Scarborough 2018 R2 Google Analytics August 2019 Digital Billboard Network August 2019

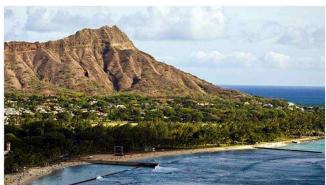






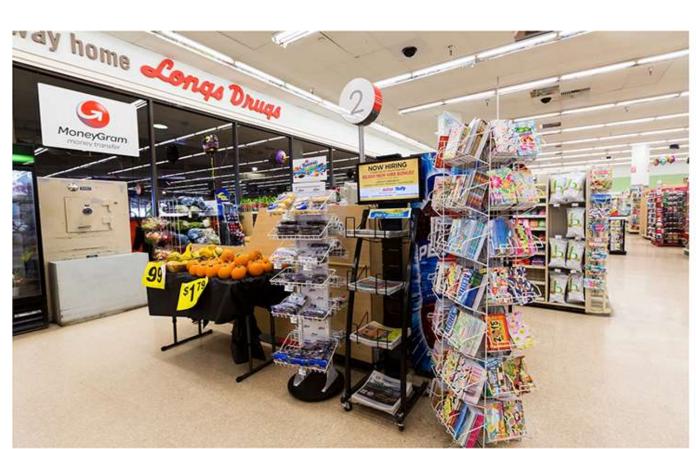
















Congs Drugs Live healthy. Live happy. Live Longs.

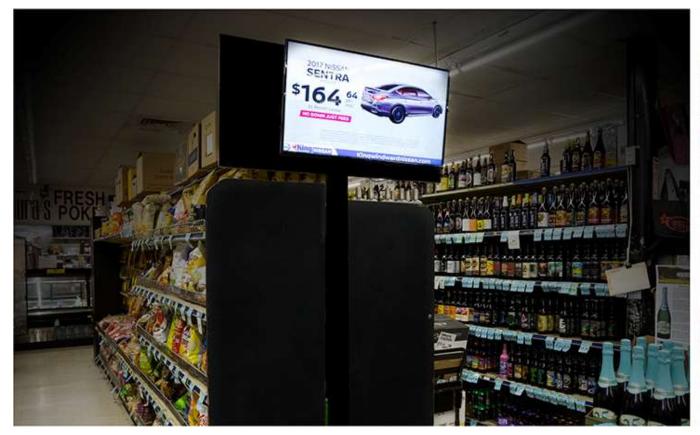








Walgreens









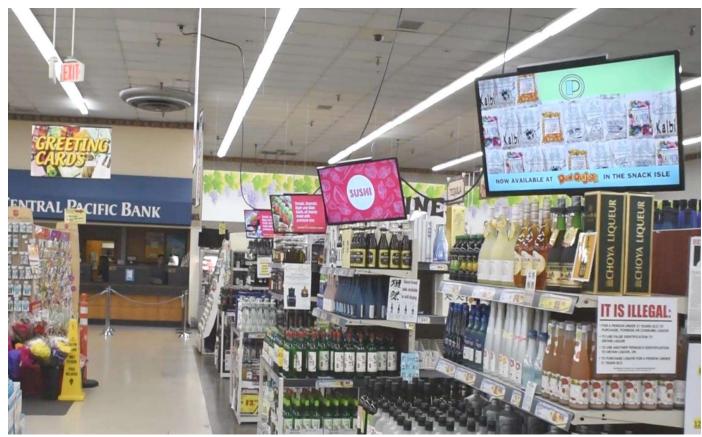








Grocery Store Model SCREENS AT EVERY REGISTER









Grocery Store Model

Liquor Section Screens

King Windward Nissan CASE STUDY



Generating \$1,250,000 of NEW Business

OPI / DBN Branded Content



BROADCAST Branded Content and Digital Video Ads via a location based multi-media platform

QUICK START SUCCESS STORY

- (S) AUDIENCE 6,637,557 VIEWERS / 15,286,125 Impressions (August 2019)
- ADVERTISERS 56% are new customers who did NOT advertise before!
- 10 Week ROI!
- Our Viewership is now larger than EVERY television affiliate in the State!

DBN RATE CARD Model

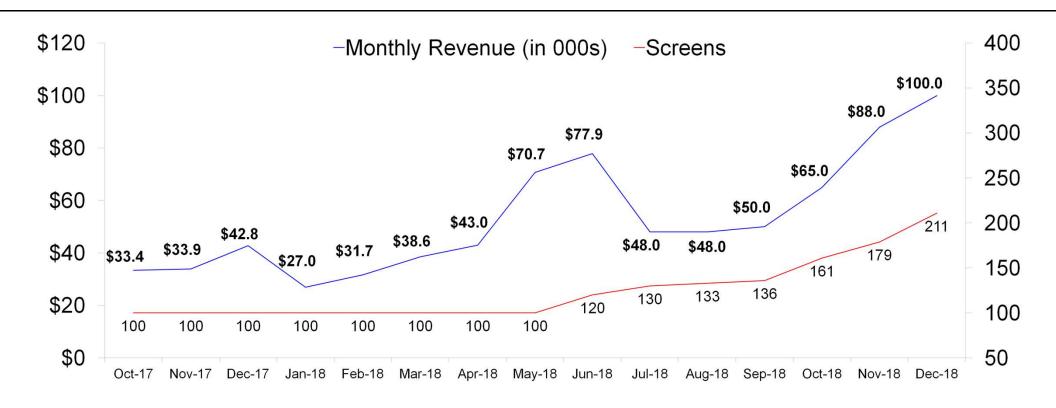
NETWORK #1 – 25 Racks (Jamba Juice)

- GOAL \$840 Per Rack per Month 15 Advertisers per network
 - Ex 25 X \$840 = \$21,000
 - \$21,000 / 15 Advertisers = \$1,400 per Month for each advertiser

NETWORK #2 – 2 Screens (Tamura's Wine & Liquor)

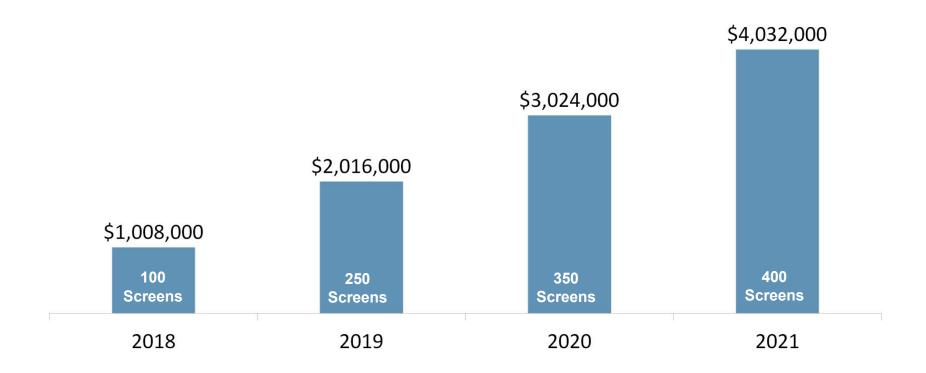
- GOAL \$2,500 Per Screen per Month 15 Advertisers per network
 - Ex 2 X \$2,500 = \$5,000
 - \$5,000 / 15 Advertisers = \$333 per Month for each advertiser

DBN Hawaii Growth Trajectory



New 2019 Projected Revenue: \$2MM

DBN Hawaii Growth Trajectory



"The digital billboards above the newspaper racks at our Aloha Island Mart stores are not only attractive and engaging, but they provide us with the opportunity to promote our brand and various products with minimal costs.

The added feature of capturing demographic information is also valuable in understanding the various customer segments who shop in our convenience stores. We are pleased with the digital racks, along with the service and quick turnaround time to upload new content."

CASSANDRA BUI

MARKETING MANAGER ALOHA PETROLEUM, LTD. "The *Hawaii Tobacco Quitline* likes the variety and quantity of locations along with the different audiences the digital racks reach.

It provides us an opportunity for our messages to be in communities that are challenging to get visibility in before digital racks were available"

LESLIE YAP

TOBACCO PREVENTION AND CONTROL SECTION
STATE OF HAWAII

Current Digital Billboard Network Clients

These Publishers Have Taken The Leap Into Broadcast!





















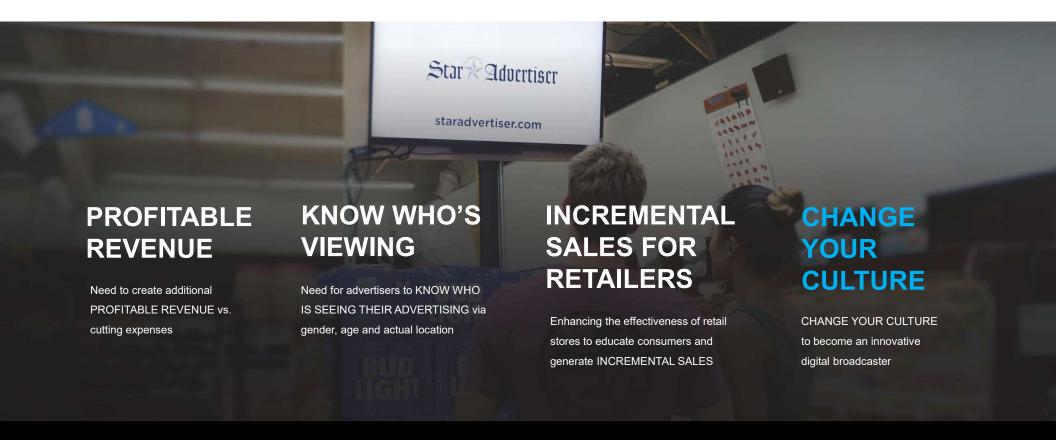


Don't Just Take It From Me.....



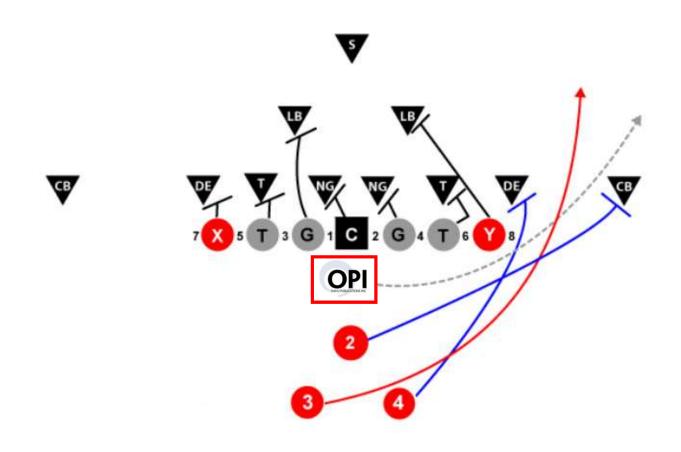
Become Your Own Broadcaster

- Build Out Your Digital Billboard Network Legacy Retailer Partners
- Robust Content Management System –
- Indentifies Age And Gender Of Viewers.....VERIFIED ENGAGEMENTS!
- Advertisers And Retailers Receive Robust Viewership Reports



OFFENSE VS. DEFENSE MEDIA COMPANY OBJECTIVES

Are You On **OFFENSE** Or DEFENSE?

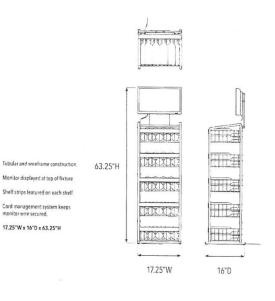


Customized Merchandising Screens & Racks









The Republican.

Custom Grocery Store Rack



Custom Logo (Screen Printed or Sticker)

(8) Compartment Wooden Design (Maple Wood Color)

Format
Digital Screen
Running "SiteView"

* **Monetize** other Shelf Space (Real Estate / Lifestyle Pubs)



Custom C- Store Rack



Custom Logo (Screen Printed or Sticker)



(8) Compartment Metal Design (7/11 Beige)







The Republican.

Custom Venue Kiosk





Custom Logo (Screen Printed or Sticker)



