

# READEX REVIEW

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## A Few Words from the President...

25 years ago, when I joined Readex as National Sales Manager, I distinctly recall climbing the stairs to my top-floor office, with small window and angled ceiling, asking myself, "How am I going to do this?"

That year, 1982, we closed 143 projects, all Advertising Readership studies. The next year, I didn't really move the sales needle much, because it took a good year to figure out how to sell Ad Readership studies. There was a lot of trial and error, a lot of missteps, and a lot of traveling. But after that, we were off to the races. Sales climbed nicely and a few years later Dick Rogers, Jr. and I realized opportunity with custom studies.

Long story short, we'll complete over 650 projects in 2007, and there is certainly more variety in our product offerings now than what we had 25 years ago.

Well, reminiscing is fun and we've had some great times. Yes, there have been some tough ones, too. The peaks and



Jack strikes a regal pose on his first day at Readex 25 years ago.

valleys of business have thrown us a few curve balls along the way, but we've hung in there.

Today, Readex is a well-known enterprise. In the grand scheme of market research companies, we're not all that big, but we're big enough to have made a mark with many of the customers and industries we have served over time. Still, the question always looms:

"What are we going to do next?"

With three different business platforms in place, Surveys for Publications, MemberSurvey.com, and Outsourcing Services, we surely feel there is room to grow. Within the publishing arena, we certainly haven't tapped all of the business and professional publications that we could be serving, and there's always the consumer side. MemberSurvey.com represents opportunity that will be harnessed with hard work and diligence. Finally, Outsourcing Services presents a challenge to us in terms blending in **▶ Continued on page 6**



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## The Path of Growth through the Eyes of Readex Research Veteran, Richard L. Rogers



**Richard L. Rogers started with Readex Research in 1947 and retired in 2002. He pioneered many of the marketing programs that continue to contribute to Readex's success.**

*"I hope you don't think I dwelled too long on the early history but for me that's what set the tone for the future. There are additional stories that remain to be told at another time; for instance: saving a \$100,000 schedule for a client; a train whistle interrupting a client's sales meeting; the private plane in an ice storm and stranded staff; embarrassing moments with a microphone; etc.*

*"I believe there was never a dull day at Readex; each day brought a new challenge, and no two study or project outcomes were the same. Each study was a new experience and the only constant was the committed people working to follow a solid methodology.*

*"I can look back at my time at Readex and smile because there were so many good experiences. We met a number of business challenges and probably missed a few; but we continued to push forward. I was there when annual sales were about \$200,000 and now you are there when they are over \$4 million. Good job. I wish success to all of you."*

When Jack asked me to write an article about "the way it was when I joined Readex...and how it has changed," I said "Sure, sounds easy." Well it wasn't easy to write; there is so much history with all the employees, products developed, new markets, clients won and lost, and people in the industry.

What's most memorable for me is that not many people get the satisfaction of experiencing the early stages of a company's existence and then participating in its long-term success. How the company started is important to me, for it sets the stage for the work ethic that exists today.

Readex started as a "home-based business" and grew into an industry leader. National recognition wasn't its original purpose. Bob Pendergast, owner of Pendergast Advertising, created an in-house mail survey technique to measure his client's ad readership in rural and small town newspapers. In other words, Reader Interest studies were created to meet a client's need—a principle still being practiced at Readex today.

The company operated out of Bob and Lenore Pendergast's home on the eastern

shores of White Bear Lake, Minnesota from 1947 to 1960. The staff was limited to Lenore and some part-time people, while Bob went on the road as a salesman. From what I was told, the staff enjoyed working by the lake; lunching on the dock, and on occasion, swimming or boating. They would motorboat across the lake to get supplies rather than drive.

In 1961 the company outgrew the Pendergast's home and moved into larger quarters in Mahtomedi, Minnesota. The small workforce consisted mostly of home workers that completed study tabs by hand. The system was not automated; office equipment consisted of an IBM Mark Sense Reader, one mechanical calculator, one electric and two mechanical typewriters, two adding machines, and an offset printing press (black on amber paper reports were printed in-house). There were no automated folding or stuffing machines. Everything was done by hand.

A few years after Bob Pendergast's passing, the business began to feel the effects of his absence. Sales trended down and a new marketing approach was needed. I was hired in 1967 as the [▶ Continued on page 3](#)

**In November 1956, founder, Bob Pendergast, shows-off one of the secrets to Readex's success, educating publications regarding the benefits of conducting studies and how to maximize them once results are ready.**



## The Places We've Hung our Hats throughout the Years

### 1947-1960: Their house was Readex's house



Bob and Lenore's home on White Bear Lake first housed the Readex operation. Casual roots date way back to the days of lunching on the shore and grabbing a boat ride across the lake to pick up supplies.

### 1960-1995: A house of its own



After outgrowing the Pendergast's home, Readex moved into this quaint bungalow. The company didn't leave its home-spun charm behind, since neighborhood kids often tended to the yard and assisted at Red Sticker Pizza/Sticker parties.

### 1995-Present: Bursting at the seams



In a bold move from the shady neighborhood of Mahtomedi to the outskirts of Stillwater, Readex traded in its 2-car garage for a more commercial office space. The building, deemed huge at the time was customized to specifically meet the company's needs. Who would have thought that less than 15 years later, Jack has considered "blowing out the back wall" to fit all the additional employees that help Readex continue to thrive.

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Assistant to the President after spending 14 years in the ad agency business. Although Readex had been relatively successful in the early 60's, its unique services were not widely known in the publishing industry due to a small client base and a lack of advertising and promotion.

Our first promotional step was to prepare fanfolds which clients could use as a sales tool. The fanfolds graphically demonstrated high vs. low scoring ads, color vs. black and white ads, copy contrasts, campaigns, etc. Fanfold presentations became widely known in the industry and were nicknamed the "kraft paper shows." In the 70's and 80's, advertising sales representative, **Jack Semler**, used fanfolds on sales calls with clients in the dental field.

Although they provided tremendous impact, making a fanfold was a labor intensive process: searching the card files, cutting and pasting tear sheets, and lettering the ad scores. Plus, the library of all studied issues dated back to the early 50's required a lot of storage space. (Would you believe, a whole basement?)

As successful as they were, fanfolds were eventually phased out, since the same thing could be accomplished electronically. The massive library of magazines was thinned down and ads started to be reproduced in color on laser printers. A database of studied ads made searching for ad comparisons a snap. Kraft paper was out and full-color printouts on high-quality paper stock was in.

During the late 60's and early 70's several promotional brochures were developed and the first Readex ads ran in *Folio*. "How to Create Effective Advertising," our most successful brochure, was created. This single promotion drew over 10,000 requests for copies over just a few years. Today, the "How to Create..." brochure continues to educate a new generation of advertisers.

In the mid 70's, operations held stagnant, with no investments in

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# Readex Research Photo Gallery

## **Sittin' on the Dock (top)**

Bob and Lenore Pendergast, founders of Readex, opened their home on the shores of White Bear Lake as the company's first site. The couple takes a break on their porch and enjoys some fresh air.

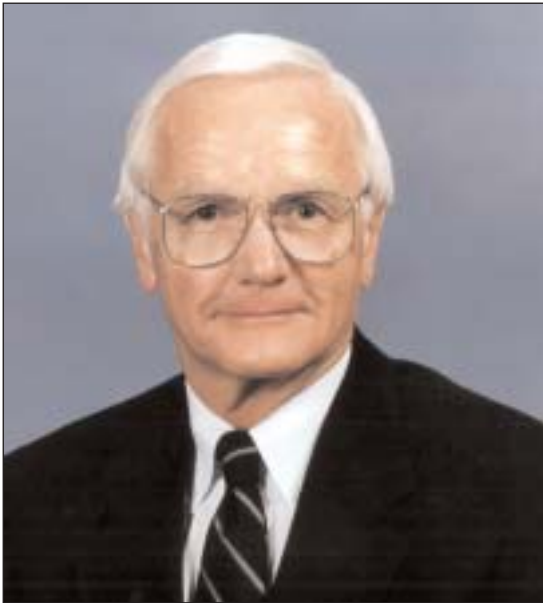
## **On the Right Side of the Tracks (middle)**

A client sales rep presented Readex with this amazing sketch that was inspired by the company's second home on Quail Street in Mahtomedi.

## **Creating Fanfare with Fanfolds (bottom)**

Fanfolds enabled us to capture client attention while presenting ad scores and comparisons with tremendous impact. The fanfold below illustrates one way Bob Pendergast and other sales reps used these tools in their presentations. Today, reps carry on the tradition of client education by using electronic copies of ads in PowerPoint Presentations to capture client attention and compare ads and their scores.





**John Butterfield (top)**

Readex's second owner, John Butterfield originally was president of Donaldson's department stores. He owned Readex from 1975 to 1991.

**All Work and No Play...(middle)**

The Readex Rollaways compete in a bed race as part of the 1989 Manitou Days celebration in White Bear Lake, MN. Present-day associates in this photo are Martha Gaylord, the woman behind the voice at Readex's reception desk (pushing the bed from behind), Scott Zoya, the director of our Systems Department (wearing the nightcap), and Janet Peterson, Data Analyst (riding the bed).



**Associates with Staying Power (bottom)**

There's something about Readex that keeps employees around. Whether it's the casual and flexible work environment, the rewarding challenge of juggling workloads, or the caring and dedicated co-workers, Readex has retained many associates in a culture of job-hopping.

A number of associates have been with Readex for 15 years or longer and some have been making an indelible contribution for over 20 years. When you considering that Readex has full-time staff of less than 50, these numbers become even more impressive.

Another testament that Readex is a special place to work is in the number of associates that have left to pursue other opportunities, only to return to Readex later in their career. For those who have realized the allure of Readex, it is true, you can go home again.

Associates with 15 years of service or more from left to right: Top—Karen Swanson, Jan Szybatka, Dick Rogers, Steve Blom, Scott Zoya. Bottom— Lynn Allickson, Janet Peterson, Martha Gaylord, Jack Semler.



### President Continued from p. 1

new customers with differing needs and interests, as well as acquiring resources that are sometimes out-of-the-box. Still, as challenging as some of these things may be for us, they represent worthwhile endeavors and opportunities to grow.

As I write this, I think of all the people who have been with us over time and have helped move us forward. I think of all the customers we have been privileged to serve, and of all the great relationships that have been made and continue to thrive. I think of the new ideas to explore, and the fun we'll have making some of them come true. Finally, I look at some of the old pictures and think about how times have changed, and wonder what Readex Research will be like 60 years from now? Who knows? But it's been fun being part of the ride. Thank you to everyone who's been a part of our first 60 and a salute to those who will be involved in the next 60! ♦



**Bob, shown presenting at Seattle's Ad Club in November 1957, took fanfolds and other visual aides featuring studied ads and results on the road to promote Readex services while educating publishers and advertisers of the value of this reader feedback. Educational presentations remain an important service provided by the Readex sales staff.**

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advertising and product development. Sales were declining, and with 40% of total dollar volume coming from just 2 publishing houses, the future was uncertain. This situation opened the door for John Butterfield, past President of Donaldson's Department store, to purchase the company in 1975. He quickly stabilized sales, which were the lowest since 1949, and turned them upward. John then initiated a number of major changes, starting with upgrading the report graphics and redesigning the logo that originated in the 40's.

Under John's direction we entered into the young computer age by purchasing two Pertece computers and contracting a programmer to create specialized software to conduct the Ad Readership Studies. The Pertece were monster in size (PCs didn't exist), were slow, and used eight inch floppies that required constant changing when running a study. Another "state-of-the-art" computer was purchased to help meet increasing demand, but soon this computing combination stopped meeting our needs. We purchased Apricot PCs and set up workstations for about eight people.

Study volume in the 80's exceeded our computing abilities so we invested in better computers and set up a local area network

using more complex software. Since 1986 our computer system has been regularly upgraded with more sophisticated machines, software, and personnel. Today, studies can be processed almost automatically whether conducted via mail or online.

In an attempt to improve sales, John took a risk and invested in several key industry activities to build awareness and broaden our prospect base. The risk paid off. We garnered awareness in the medical industry by producing a high quality slide and sound program for *Modern Medicine's* NYC annual Aesculapius Awards show. All the major medical advertisers and agencies attended, and we became the dominant readership service for the medical field.

By exhibiting at *Folio's* Annual Publisher's Expo and SNAP Conferences, we broadened our market focus and increased awareness. Our first *Folio's* Expo was interesting; the other exhibitors had fancy booths with high powered presentations. We simply had a back-drop curtain with 50 client magazine covers pinned on it, some fanfolds, and sample reports. Despite our "Midwestern" look, we picked up some new clients.

Another tactic used to build market awareness was the ▶ [Continued on page 7](#)

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development of “Which Ad Pulled Best” presentations that took advantage of the treasure-trove of information in our library of studied issues. The presentations, shared with Ad Clubs and Agri Marketing groups, created so much industry buzz that they became the basis for several textbooks that helped teach advertising fundamentals.

We knew that going the extra mile in providing services for our clients was the way to get renewals; but we didn’t realize that it could result in two additional positive outcomes: saving a long-term relationship and introducing a new product. *Fleet Owner* magazine was a six-time user of the Reader Interest study that captured only one measure of readership. A participating advertiser ran billboard ads with little or no copy. The advertiser complained that a single interest score was not a fair rating of these ads since they were designed to be attention-getting. As a result, the advertiser considered cancelling their \$300,000 annual advertising schedule.

To retain the ad schedule, *Fleet Owner* planned on switching to Starch to get the higher “Remember Seeing” scores. In turn, we spent a weekend developing a study that used a questionnaire asking for a “Remember Seeing” score. We didn’t pre-test the study and just ran with it. Fortunately, it turned out successful. *Fleet Owner* kept their advertiser happy, we kept

a client, and the Reader Interest Plus study was born.

The 80’s were the years of major changes. Sales reached \$1 million for the first time. The staff jumped up to 24 people and a full-time Project Director, Dick Rogers (today’s EVP/Research Director) was hired. In 1982 Jack Semler (today’s Owner and President/CEO) was hired as National Sales Manger and in 1987 Steve Blom (today’s Director of Sales and Marketing) was hired as a Project Director.

Promotion and advertising took on an expanded role. We were virtually starting from scratch since very little had taken place over the last 30 years. Our challenge was to communicate how meaningful our services could be to the industry. To show the benefits of the studies, we re-introduced the *Readex Review*, offering research tips and examples on how to use readership scores.

Ad Effectiveness Memos became another valuable part of our promotional arsenal. These were tools that publication salespeople could use on their sales calls as door openers and talking points. Topics ranged from statistical significance of samples to 4-color vs. black and white ads. The Memos are still an integral part of Ad Readership promotion and a key differentiator that marks Readex as value-added provider. [▶ Continued on page 8](#)

**Readex has always tried to leverage its unique industry knowledge into publicity. Early efforts, such as this October 1957 presentation to the Adcraft Club of Detroit, contributed to the evolution of the Readex brand into the “Kleenex” of B-to-B Readership Studies.**



**Positive ID:  
The Evolution of  
Readex Branding—**

**The original look:  
1947-1977**



**The second step:  
1977-1991**



**X marks the spot:  
1991-2004**



**The intersection of  
experience & trust:  
2004-Today**



Experienced  
Trusted  
Insightful

## Continued from p. 7

Over time the number of mailings and promotional pieces increased. In the late '90s, the marketing group created an Insight Reports that incorporated fundamentals of the *Readex Review* with the Ad Effectiveness Memos. These customized reports provide clients with specific highlights of their Ad Readership Studies.

When Jack became President in 1990 the company's objectives included aggressive selling of Profile research, expanding Message Impact sales, and pushing custom readership studies. With these goals, customized readership studies had grown from 12 to 110 over a 10-year span. Overall sales increased to 356 studies with almost a third being Profile Studies. A totally new brand image was introduced; including a redesigned logo, a distinctive paper stock, and unique typeface.

In 1991 when Jack and Kelly Semler bought the company, new product development and reaching out to new markets continued to drive sales. As a result, a series of new Ad Readership studies were developed. The philosophy of doing what it takes to keep clients happy, identifying new product opportunities, and cracking into new markets continues today.

It was also about this time that a potential new market was discovered with the 45 magazine clients who were associations.

We found out that they did millions of dollars worth of member and market research. This was an untapped market for us, so I wrote a business plan detailing the feasibility entering it. After some initial analysis we ran some test mailings and telemarketing in Chicago and Washington DC. Jack followed-up on these efforts and four studies were closed in the first six months. We went national with the program the following year. The Association market has become a major contributor to total sales with dedicated staff and customized software.

In the mid-90's the company moved to Stillwater, Minnesota into a much larger building custom designed to meet all our needs. Today's staff has reached 50 and the building doesn't seem as big as it did a little over a decade ago.

Readex started with only one study type that offered just a single measure of readership. Now the company has four distinct study types; each of which offers varying levels of reader feedback. That's progress and being market savvy. Originally, Readex's only clients were newspapers, and now it serves the magazine market, the association market, and offers outsourcing services. This home-based business grew into a reputable national business under the leadership of just three owners who had similar drive and vision for the company. ♦



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