Retail Media Daily

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Compiled by Ray Young (RPM) and John Kelly (Daily Clips)

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Hollister Targets Teens Where They Live: Their Phones

Abercrombie & Fitch may finally be getting a clue about its core consumer. The teen-focused retailer recently debuted a mobile video game for its Hollister California-style clothing brand. The game activation, which was created with Rovio Entertainment and TreSensa, functions as an ad to connect the brand with loyal and potential shoppers.

"It keeps the brand breaking through in new and unique ways and helps us maintain our relevance day to day," said Will Smith, who joined the New Albany, Ohio-based retailer as chief marketing officer for its namesake, Hollister and kidswear brands six weeks ago. Mr. Smith formerly worked as CMO at Caleres, which was rebranded from Brown Shoe Co. "This comes at the customer in an unconventional way and that's part of our brand ethos of not being staid and traditional—we want to be young, credible and authentic." He's hoping the game will reach approximately 10 million teens in the Rovio network and lead to additional experiential opportunities.

The retro-style game, accessible on the Rovio network and through select Snapcodes on Snapchat, allows players to surf while collecting points like pizza and avoiding shark obstacles. Hollister is promoting the effort through social media such as Instagram, Facebook and Snapchat as well as in select stores.

Abercrombie, a 125-year-old brand, could use customer connections now more than ever. The chain, which recently announced it will close another 60 stores in 2017, missed analyst expectations for its fourth-quarter earnings, which were reported earlier this month. The company's same-store sales for the period fell 5%, though Hollister's same-store sales were up 1%. Abercrombie reported sales of $1.04 billion, a 5% drop from the year-earlier period, and net income of $48.8 million, down from $57.7 million last year. The retailer, whose former controversial CEO Mike Jeffries departed in 2014, has been in a turnaround phase to repair its image from one of shirtless, sexy bros to a more authentic, heritage-inspired style. The company recently promoted top merchant Fran Horowitz to the CEO role.

While the new video game may help spread the word to new customers, such efforts rarely translate to huge success, said Julie Ask, VP-principal analyst at Forrester Research. She said success will depend on the quality of the game, engagement tactics like rewards and levels, how Hollister promotes the game, and how they draw consumers back in after playing.
"If they get a hundred thousand downloads, they should be thrilled," she said.

http://adage.com/article/cmo-strategy/hollister-targets-teens-live-phones/308301/

Kroger Names New Fred Meyer Stores President

That was fast.

The Kroger Co. wasted no time in naming a replacement for Jeff Burt, president of Fred Meyer Stores, who resigned on Monday, March 20, to head up Target's grocery business.

Kroger tapped company veteran Joe Grieshaber as president of Fred Meyer Stores, immediately.

Grieshaber began his career with Kroger in 1983 as a store management trainee in Nashville, Tenn. He has served in a variety of leadership roles with Kroger, most recently as president of Kroger's Columbus division.

"Joe is known throughout the retail industry as an exceptional leader who always brings out the best in his people and teams," said Fred Morganthall, Kroger's executive VP of retail operations. "His depth of experience will help the Fred Meyer team build on their successes and continue to innovate and deliver a unique shopping experience for our customers."

Succeeding Grieshaber is Dan De La Rosa, who has been promoted to president of Kroger's Columbus division. De La Rosa currently serves as VP of merchandising for Fred Meyer Stores.

http://www.chainstoreage.com/article/kroger-names-new-fred-meyer-stores-president

New Study Shows the Newspaper Industry Confidence Continues to Rise

According to the 2017 HubCiti Publishers' Confidence & Technology Report, the overall confidence in the sustainability of the local and regional newspaper industry is getting stronger amid new technologies and digital strategies. A full 70 percent of publishers surveyed believe digital services is necessary, with nearly 50 percent planning to implement in the next six months. Consumers of news continue to use the Internet as the dominant source for content delivery, but with an increase of more than 10 percent from last year, mobile apps have now become the top method for digital news delivery.

"The new survey shows a definitive movement towards a more modern, digital strategy for news distribution among our local and regional publishers," stated Roy Truitt, CEO of HubCiti. "Implementing digital is now a must-have – compared to a competitive advantage. Training traditional sales staff to focus on digital and finding the right partners to implement new technology will determine how well publishers will meet market and consumer expectations."

Among the key findings:

Publishers Report

42.2 percent of respondents believe that the publishing industry is getting stronger – an 8.8 percent increase over last year. 90 percent of publisher respondents rank print ads and classifieds as very important to revenue generation. Respondents ranked subscriptions and website as second and third, with 69 percent and 67 percent. (Almost the same as 2016.) Implementing a mobile app marked the greatest increase in perceived revenue generation capability (13 percent) over the next 12 months.

For those publishers that currently have digital services, the majority (49.2 percent) manage them with a combination of both third party and in-house teams. However, pure outsourced or third party management increased by 20 percent over 2016.

68.1 percent of survey respondents believe that implementing digital services could increase their revenue – nearly a five percent increase over 2016.

47 percent of those surveyed plan to implement in the next six months.

Respondents ranked their Website, mobile app and video as the top focus for digital service strategy – with 26.7 percent, 26.1 percent and 20.6 percent respectively.

For those planning to implement new technology this year, 60 percent plan to hire a third party firm for those services compared to making full time in-house hires.

News Consumer Report

Consumer respondents stated that they mainly received their local news from Internet news aggregators (33.1 percent) and TV (31.4 percent), with specific newspaper websites being the lowest, at 4.7 percent.

More consumers (35.6 percent) are willing to search for specific online content compared to reading a digital version of print content.

A mobile app is now the most preferred source of digital news due to an increase of 10.1 percent from the last survey – putting it slightly above traditional Websites.

Only 6.7 percent of respondents stated they had a high tolerance for watching an ad to read an article or watch a video, compared to 30.1 percent that would not watch an ad at all.

52.5 percent of consumer respondents said they would not pay for special digital content.

When asked what kind of content besides news they'd like delivered to them, respondents chose traffic and weather updates as the top option with 45.8 percent and restaurant specials as second, with 19.5 percent.

http://www.prnewswire.com/news-releases/new-study-shows-the-newspaper-industry-confidence-continues-to-rise-300419064.html

The Changing Face of Retail

As times change for retail, industry professionals expect traditional stores will be replaced with newer models.

A new report from Avanade, a provider of digital cloud services, and EKN Research found that while nearly 80% of retailer professionals worldwide currently believe traditional sales are the primary business function of stores, that will change in the next two to three years.

By 2020, traditional sales activities will fall to the bottom of what retailers expect from stores. At the top will be theme-based stores, fulfillment centers and pop-ups.

Of course, retailers are already introducing these new creations. Snapchat recently opened up its second pop-up store for its Spectacles in Venice, Calif., and the new Foot Locker in New York's Times Square includes several "shop-in-shops" (shops within a store, each with its own cash registers) with one themed around basketball.

Seasonal trends, consumer behavior, brand insights, and more. Waze's The Compass gives marketers a look at what's possible with location data—the perfect compliment to eMarketer Retail.

Although respondents in the survey currently place these three types at the bottom of the main functionality of stores, they still seem to be top of mind—over half believe pop-ups are one of the main focuses of stores.

Amazon announced earlier this month that it plans to install solar panels on 50 of its fulfillment facilities by 2020. That coincides with the Avanade/EKN Research study, which shows 46% of retailers believe fulfillment centers are one of the key tasks of stores today.

https://retail.emarketer.com/article/changing-role-of-retail-stores/58cc53fdebd4000e20e0fcaf

Analyst: T.J. Maxx isn't Macy's Worst Enemy – but This is

An analyst writing for the Motley Fool says Macy's chief financial officer Karen Hoguet was wrong when she said off-price retailers were the biggest threat to the Cincinnati-based department store.

Hoguet told an audience at the 2017 UBS Consumer & Retail Conference on March 8 that off-price retailers like T.J. Maxx are a bigger threat to the company than online competition. The Motley Fool's Jeremy Bowman disagrees.

"What really seems to be happening in the industry is that e-commerce has reached a critical mass where it has taken away enough retail traffic to cause a number of bankruptcies and put significant pressure on malls," Bowman wrote. "The upshot is that mall traffic has plummeted. According to real-estate research firm Cushman & Wakefield, mall visits fell by half from 2010 to 2013, from 35 million to 17 million, and that decline has continued since then."

Macy's (NYSE: M) isn't the only retailer under feeling the pinch. American Apparel, Aeropostale, The Limited, Wet Seal, Macy's and J.C. Penney all plan to close more than 10 percent of their stores.

Unlike those retailers, T.J. Maxx doesn't typically place stores in expensive malls and prime real estate. Its treasure hunt model of off-price retailing draws more shoppers as well at a time when they're not going to malls.

Macy's has launched its own off-price concept called Backstage, which is also expanding. Macy's launched the Backstage concept, an off-price store often within existing Macy's stores that carries different merchandise, in 2015. Macy's currently has 67 Backstage locations in the U.S. The retailer opened 45 new Backstage locations within existing Macy's stores in time for holiday shopping and prior to that had 22 Backstage locations. The company will add 30 additional Backstage stores-within-stores by the end of 2017.

Off-price retailers take excess inventory other retailers can't sell or items from canceled orders from manufacturers. As such, they typically sell items for 30 percent to 60 percent less than department stores.

But Bowman thinks Macy's off-price concept could struggle for the exact reason Macy's is struggling: They're primarily based inside existing Macy's locations, which are in malls.

Macy's operates 825 stores under the nameplates Macy's, Macy's Backstage, Bloomingdale's, Bloomingdale's Outlet and Bluemercury primarily in the United States. The company employs about 4,000 people in Cincinnati between two offices, a Mason call center and seven retail locations.

http://www.bizjournals.com/cincinnati/news/2017/03/20/analyst-t-j-maxx-isnt-macys-worst-enemy-but-this.html?ana=e_ae_set1&s=scroll&ed=2017-03-20&u=xQeDzsnDNIz7tZRd3rOZapkwQDb&t=1490045812&j=77697411

Dick's Pushes Digital This Spring but Expect to see More Private Label Marketing

In its new spring campaign "Always Open," Dick's Sporting Goods features potential shoppers browsing its mobile app during downtime—before a college lecture, commuting home on the bus and in a locker room before a sports event.

The new campaign is meant to highlight Dick's digital prowess and ecommerce capabilities—online orders in the fourth quarter of last year, at $440 million, represented nearly a fifth of net sales. Yet the marketing tagline could also be "Still Open," as Dick's, unlike the majority of its competitors who have shuttered, declared bankruptcy and disappeared, remains one of the last men standing in the sporting goods retail arena.

Yet even though it has capitalized on the demise of retailers like Sports Authority, which went under last year, and gained market share, Coraopolis, Penn.-based Dick's, a chain with 675 locations, is not immune to the malaise affecting many retailers. Its fourth quarter earnings missed analyst expectations and sent investors into a selling spiral earlier this month. But those expectations may have been too high—Dick's reported positives, with same-store sales increasing 5%, net income of $90.2 million, and a 10.9% rise in net sales to $2.5 billion.

The 69-year-old brand is plowing ahead with new stores and has plans to open some 43 Dick's locations this year—roughly half were former Sports Authority outposts. On a recent conference call, CEO Ed Stack outlined a plan to beef up the company's private brands—labels like Carrie Underwood's Calia brand, sold exclusively at Dick's and now the retailer's third-largest women's brand—and decrease its outside vendors by 20%. The cutbacks will not affect top-performing brands such as Adidas, Under Armour or Nike.

Analysts were in favor. "Ultimately, this strategy should benefit [Dick's] sales, gross margin, and inventory turns as it focuses on brands with greater inventory return profiles," wrote Camilo Lyon, an analyst at Canaccord Genuity, in a research note.
Dick's is not alone in focusing on the potential of its own labels. Target recently said it introduce more than a dozen exclusive brands over the next two years.

Consumers can expect Dick's marketing to reflect the shift in focus.

"One of the biggest issues that we have going forward—biggest opportunities—is private brand and we're investing very heavily in them," said Mr. Stack on the call. "From an infrastructure standpoint, you're going to see more marketing of these and over the next few years, you will see our private brand business grow pretty dramatically."

Until then, the company is banking on digital this spring. The new campaign began rolling out during the live streaming of the NCAA tournament last week with 15-second clips. TV spots, including a 30-second commercial and a series of 15-second spots, that begin airing on March 21 on ESPN and during March Madness.

"Digital is a big priority for us—we're making significant investments in our ecommerce business," said Ryan Eckel, VP-brand marketing. "We wanted to come up with a fun, creative way to be top of mind for consumers for our app." He noted that the moments illustrated in the video of shopping while commuting or before class are very real moments of how consumers shop and what they do during idle time.

Anomaly worked on the campaign. Mr. Eckel said the budget is in keeping with previous efforts. Last year, Dick's spent around $89.3 million on measured media in the U.S., according to Kantar Media.

http://adage.com/article/cmo-strategy/dick-s-pushes-digital-spring-expect-private-label/308327/

Kroger Names Two New Presidents as Former Exec Heads to Target

Kroger Co. has named two new division presidents as one of its longtime leaders exits for another retailer.

The Cincinnati-based grocer (NYSE: KR) announced Monday that Joe Grieshaber has been named president of Fred Meyer Stores, replacing Jeff Burt who has been named senior vice president, grocery, fresh food and beverage at Target Corp. (NYSE: TGT) following 30 years at Kroger.

Burt will assume his new role at Target on April 10 and succeeds Anne Dament, who held the position for 18 months.

Grieshaber was most recently president of Kroger's Columbus division. That role will now be filled by Dan De La Rosa, who was vice president of merchandising for Fred Meyer Stores.

Kroger's Fred Meyer division is based in Portland, and Grieshaber's new role there will begin immediately. The division includes multi-department stores in Alaska, Idaho, Oregon and Washington.

"Joe is known throughout the retail industry as an exceptional leader who always brings out the best in his people and teams," Fred Morganthall, Kroger's executive vice president of retail operations, said in a statement. "His depth of experience will help the Fred Meyer team build on their successes and continue to innovate and deliver a unique shopping experience for our customers."

Grieshaber began his career with Kroger in 1983 as a store management trainee and has served in a variety of roles including meat merchandiser, district manager and vice president of merchandising for the Columbus division. He was later named group vice president of perishables merchandising and procurement before becoming president of Dillons in 2010. He was named to his most recent role in 2015.

De La Rosa joined Kroger as a clerk's helper in the Ralphs division in 1980 and has served in a variety of merchandising roles including regional director of merchandising for Kroger's western region and vice president of meat and seafood merchandising. He was named to his most recent role in 2015.

Kroger operates 2,796 retail food stores under a variety of banner names in 35 states.

http://www.bizjournals.com/cincinnati/news/2017/03/20/kroger-names-two-new-presidents-as-former-exec.html?ana=yahoo

Email Smashes Facebook Again, with 4x More Retail Reach

The figures are in -- and as usual, it's very good news for email. In research by Zeta Global, three in four -- or 74% -- UK Internet users have revealed that they receive retailer offers via email. You might imagine it would be closer to 100%, but the dominance of the channel becomes clear when its rivals' figures are examined.

Direct Mail and Facebook are neck and neck in second and third place, but with just 19% and 18% of users. Yes, less than a fifth of UK adults say they get direct mail or Facebook advertising from retail brands. And when you do the number crunching, that means email has four times the reach of either channel. Interestingly, it has nearly five times the reach of digital display -- or probably more accurately, display retargeting -- which only has a reach of 14%. SMS was mentioned by just 10% of UK adults.

Now, the figures are obviously open to interpretation because it's difficult to imagine that only 15% of UK adults have been retargeted through display. It will pretty much be a daily or at least a weekly occurrence for anyone who regularly searches for products online. The interesting thing here is that this is effectively a recall study. Machines are not measuring exposure -- people are being asked to say which channels they regularly receive information through, and that can obviously mean downplaying one channel against another if it is not front of mind for a consumer.

Perhaps this is why Facebook is so low? eMarketer estimates the site will hit nearly a one in two penetration in the UK this year and so it's hard to think that less than half of the people on Facebook, and less than a fifth of the total UK internet population, thinks they don't receive retailer promotions and messages through the channel. The real figures must be higher -- this all has to come down to recall, doesn't it?

So we may need to have another way to convert these results in to a takeaway statistic to trot out the next time email marketing needs to be defended. Maybe it needs to be about recall -- for example, that four times as many people recall receiving retail email marketing compared to Facebook or Direct Mail promotions?

A good way to bring home the importance of this is that people who are receiving email marketing from retailers have signed up to do so. It's not an advertising medium, like Facebook, where some posts could be from brands you have followed, but most will be paid-for adverts placed in the middle of a wall.

With the permission piece in play, that makes the success of email all the more notable, doesn't it? A channel that only gets in contact with a user's permission has four times the reach of a social media darling that sells gaps in its users' walls for the highest bidder.

Email takes a lot of bashing as yesterday's channel, but considering that it has four times the reach of Facebook, that tired cliche of the social media '"ninja" can't remain unchallenged, given the actual facts.

http://www.mediapost.com/publications/article/297447/email-smashes-facebook-again-with-4x-more-retail.html?utm_source=newsletter&utm_medium=email&utm_content=headline&utm_campaign=101526&hashid=1

Financial Times Sales Chief on ad Faud: 'There is no Collective Will'

Things went from bad to worse last week in ad tech land.

Google found itself in the center of a tornado, as yet more brands found their ads landing next to extremist content on YouTube. The Guardian, Channel 4 and the British government all found ads adjacent to inflammatory content — including clips of white nationalist David Duke, who praised the killing of 49 people in an Orlando gay nightclub. In response, they pulled advertising spend, and Google was summoned to the Cabinet office on Thursday night, where it was given an ultimatum — sort it for good or YouTube will continue to be blacklisted.

The issue isn't just one of brand safety but the fact that the ads make money for the content creators.

Ronan Harris, managing director of Google UK wrote a post in which he conceded that its system isn't perfect. "With millions of sites in our network and 400 hours of video uploaded to YouTube every minute, we recognize that we don't always get it right," he wrote. "In a very small percentage of cases, ads appear against content that violates our monetization policies."

The Financial Times recently made a public pledge to advertisers with a Commercial Charter, detailing the strict standards the publisher will hold itself to on viewability, brand safety, pricing and non-human traffic.

Jon Slade is chief commercial officer at the Financial Times

We caught up with Jon Slade, chief commercial officer of The Financial Times, to get his views on the current state of play.

This issue of brand safety seems to be escalating.

Everything has been gathering momentum in the last six months. The increased use of tech in advertising, and the big political news shocks of last year — Brexit and Trump — highlighted the quality of news that's around, the funding for them and the way extremist organizations are using technology platforms to further their own advantage. And these things are all coming together and sitting on top of a poorly regulated mess of ad technology.

And now Google is under fire. Is it about time?

The reason Google and Facebook are coming under fire is that other than those two it's hard to point the finger at anyone else and say it's your job to clear it up. When you talk about pulling spend, those actions harm the advertiser. Thinking of the FT as both a seller of advertising and an advertiser, we are in a tricky situation if we have to threaten to pull our money out of the system and damage our revenue in the process — there is no collective will to fix this. The reason we produced this Commercial Charter was to inspire action from the industry — it's not just for our benefit. Because advertisers can be in safe environments and have trusted relationships with media partners.

Is advertiser confidence in programmatic advertising at a real low?

Yes, I think it is. It's at two speeds. On the one hand, there is still an enthusiasm for the advantages technology can bring: greater efficiency, the use of data, dynamic targeting. That's what marketers want. On the other hand, you have the skepticism and pessimism about using the tech in a safe way. There is a crunch point in the middle of it all.

If the FT's ads appeared next to extremist content, would you also pull spend like the Guardian has?

We would judge it as we found it on any instance; it's hard to be hypothetical. We work very hard with our agency and our own internal technology to use best-in-class tech. But it's not foolproof. If we encounter situations like this, we react as fast as possible. Would we pull spend? I'm not sure, because we spend in a very precise way, and it would be detrimental to our revenues to pull spend. The pressure is not on the advertisers to stop spending money — the onus is on the suppliers of the product. We are being punished for the insufficient action on the suppliers. So, pull your finger out Google.

How have advertisers responded to your Charter?

Very positively. They wish more people were doing something similar. But there is a momentum around this, and it is coming to a crunch point. Ad tech tax has been an issue for the last four to five years. Four years ago we ran tests on three campaigns, asked our clients what they were spending, and worked out that we were only getting 40 percent of their spend. Pretty much the same as the Guardian found when it ran tests more recently.

Has that 40 percent increased since then?

Nope. We have been frustrated with these issues, alongside our clients, for a long time. But change comes when there is a willingness to change. The industry needs a 12-step program.

http://digiday.com/media/financial-timess-cco-ad-fraud-no-collective-will/?utm_medium=email&utm_campaign=digidaydis&utm_source=daily&email=jwk700@gmail.com&utm_content=1

Newspaper, Mag Revenues Fell In 2016

This headline probably belongs in the "dog bites man" file, but that doesn't make it any less alarming (or depressing). Newspaper and magazine publishers suffered another round of revenue declines last year, and there were no signs to suggest that the rate of decrease might be moderating.

According to the latest quarterly report from the U.S. Census Bureau, total newspaper publishing revenues fell 6.3% from $7.12 billion in the fourth quarter of 2015 to $6.67 billion in the fourth quarter of 2016.

That contributed to a 4.4% decline in newspaper publishing revenues for the full year, from $26.55 billion in 2015 to $25.37 billion in 2016.

Magazine publishing revenues slipped 0.4% from $7.21 billion in the fourth quarter of 2015 to $7.18 billion in the fourth quarter of this year, contributing to a 3.2% drop for the full year, from $28.31 billion to $27.42 billion.

The 2016 decreases follow drops of 3.8% for newspapers and 3.7% for magazines in 2015, and 4.2% and 3.5%, respectively, in 2014.

Taking a longer view, over the last decade, newspaper revenues have tumbled by almost half, with a 45% decrease from $46.4 billion in 2007 to last year's figure. Over the same period, magazine revenues fell 42% from a starting level of $47.5 billion in 2007.

The Census Bureau figures don't include detailed numbers breaking down advertising and circulation revenues. The Newspaper Association of America and the Publishers Information Bureau have stopped publishing this benchmark data for newspapers and magazines.

The Census report also doesn't provide separate figures for print and digital revenues, but results from individual publishers confirm that in most cases, digital growth has failed to offset print declines.

At Time Inc., for example, digital advertising revenues (excluding its recent acquisition of Viant) rose 15% or $50 million from $331 million in 2015 to $381 million in 2016. However, over the same period print, ad revenues fell 9%, or $124 million, from $1.32 billion to $1.2 billion.

http://www.mediapost.com/publications/article/297448/newspaper-mag-revenues-fell-in-2016.html?utm_source=newsletter&utm_medium=email&utm_content=headline&utm_campaign=101520&hashid=2

A Power Struggle Emerges Within Tribune Parent's Boardroom

A major rift has emerged on the board of the company that owns the second-biggest U.S. newspaper chain, and a battle for control could be brewing.

The media company Tronc, formerly known as Tribune Publishing, controlled by Chairman Michael Ferro, is pushing out its vice chairman, Patrick Soon-Shiong. Still, the billionaire biotech mogul is bulking up ownership of the company even as he heads for the exit.

A fight over Tronc would continue years of management turmoil, after three CEOs in six years—all struggling to right a newspaper business caught in an industry downdraft due to readers and advertisers fleeing to digital alternatives. Ferro, 50, says he has a digital plan to shore up profits, but after taking control in February 2016, he has yet to reveal an innovative new strategy.

"This is a company going through a transition, and we need to stay on course," says Dick Reck, the Tronc director who chairs the board committee that recommended Soon-Shiong's departure.

Reck, a longtime friend of Ferro's and corporate ally, says it's important that a board member fit a company's needs at a particular point in its evolution. He declines to comment specifically on why the committee felt Soon-Shiong and another board member, Donald Tang, shouldn't stand for re-election at the April annual meeting, though he says they are "very intelligent, sharp people, and I enjoyed working with them." The board changes were disclosed in the company's latest proxy filing with the SEC.

Tronc, which owns the Chicago Tribune and Los Angeles Times among other papers, earned net income of $6.54 million last year, compared to a net loss of $2.77 million in 2015, even though revenue slipped 4 percent to $1.6 billion.

"The work of our compensation, nominating and corporate governance committee is confidential," a Tronc spokeswoman said in a statement. Tronc board members Eddy Hartenstein and Carol Crenshaw, an official at the Chicago Community Trust, where Ferro is also board chairman, decline to comment. Ferro and Soon-Shiong didn't return calls seeking comment. Other board members couldn't be reached for comment.

Ferro took command of Tronc last year by rounding up a group of Chicago investors who paid $44 million to buy a 16.6 percent ownership stake.

Last year, Ferro and co-investors in Merge Healthcare made an estimated $190 million on the $1 billion sale of that Chicago health tech company to IBM. Earlier, Ferro made hundreds of millions of dollars on his sale of Click Commerce to Illinois Tool Works in 2006, but he's up against one of the richest men in Los Angeles. Soon-Shiong, 64, earned his fortune from ventures in cancer research, including development of the chemotherapy drug Abraxane for breast cancer, and he continues biotechnology endeavors under Nant entities, one of which is under scrutiny for alleged improprieties.

He reportedly had an interest in buying the Los Angeles Times in 2015, even before he invested $70.5 million through Nant Capital in June to become Tronc's vice chairman.

Movers and shakers in Los Angeles have long attempted to bring their hometown paper back under local control from the Chicago-based parent, with a 2015 firestorm over the firing of the paper's publisher, Austin Beutner.

Despite his expected departure from the board, Soon-Shiong recently agreed to purchase 950,000 shares from Oaktree Capital Management, the Los Angeles private-equity firm that has been a major Tronc shareholder for years. That purchase would give him 6.74 million shares total, for an 18.5 percent ownership stake, if it passes muster with antitrust regulators. Still, it's not clear what's behind Soon-Shiong's bid for more ownership.

He would remain the No. 2 shareholder behind Ferro, whose Merrick Media group owns 9.05 million shares, or a 24.8 percent stake. But if Soon-Shiong is locking arms with Oaktree, which has a 12.9 percent stake, their combined ownership would be bigger. The firm didn't return a call seeking comment.

Oaktree has been openly hostile to Ferro and his management team, kicking up its heels over Tronc's rejection of a $1 billion hostile bid last year from larger rival Gannett. Oaktree even threatened to sue Tronc last year.

Ferro and Soon-Shiong clashed on Tronc's response to that initial Gannett bid, even though the chairman eventually agreed to sell at $18.75 a share before the deal crashed on Gannett's inability to obtain financing, according to sources familiar with the talks.

More recently, Tronc was bidding for the celebrity magazine Us Weekly, but lost its bid this month to American Media, publisher of the National Enquirer.

"Ultimately, everyone recognizes in this space the only way to really grow this business is through acquisitions," says Benchmark analyst Daniel Kurnos.

Ferro and his handpicked CEO, Justin Dearborn, realize that, too, and they say Tronc is in the market for purchases, and has made some small acquisitions. Tronc also recently inked a deal with the Washington Post to license a digital publishing platform developed by that company's tech-savvy owner, Jeff Bezos, the billionaire founder and CEO of online retailer Amazon.

Maybe Ferro will land a new billionaire partner in his bid to save Tronc's newspaper enterprise.

http://www.chicagobusiness.com/article/20170317/NEWS06/170319881