

Engaged Readers Don't Churn

RETENTION LESSONS FOR DIGITAL SUBSCRIPTIONS

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ENGAGED READERS DON'T CHURN – RETENTION LESSONS FOR DIGITAL SUBSCRIPTIONS

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Why we sponsored this report

Past years haven't been easy for news companies. Just when newsrooms were adapting to new technologies and new beats of information, then came the fake news crisis, the loss of confidence and the doubts about the profitability of advertising spend.

Luckily, 2018 is dawning a rebirth for the sector and data shows an increasing trend: the establishment of a new relation based on trust between media houses and their audiences. An engaged audience is likely to be a loyal audience and one that is increasingly willing to pay for premium content.

Customers look for creativity and new formats, new narratives starting with a simple mobile push notification to huge stories in print newspapers. As a technological partner in this industry, Protecmedia offers software solutions and keys to success in the multichannel newsroom, automating processes, making integration of all platforms easier and simplifying the audience and advertising management.



In such a special moment as the 70th anniversary of the organisation, we are delighted to accept WAN-IFRA's offer to sponsor this Report, which we are sure will be used as a source of inspiration to encourage new business lines.

What we do

Protecmedia (www.protecmedia.com) is a leading international company providing software solutions and services related to the areas of Advertising, MobileWebPrint Publishing and Audience Management.

Established in 1979, Protecmedia has more than 500 clients and operates in 26 countries.

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About the Report



Nick Tjaardstra

Director of
Global Advisory,
WAN-IFRA

In a sentence: This report is for publishers seeking best-in-class ideas, strategies, and case studies for retaining long-term digital subscribers.

The days after launching any paid content offer are golden. At the start, you capture your most passionate supporters and a good proportion of your most regular readers.

When *Corriere della Sera* introduced paid content in January 2016, they grew from zero to 2000 subscribers on the very first day – well before anybody had time to hit the 20-article meter on their paywall.

Publishers have become adept at the next stage – adapting and personalising the offer, testing pricing variants, finding the articles that convert, paying to promote high-performing articles on social channels, targeting user segments, building a relationship with registered users, setting KPIs for the newsroom... the list goes on.

In short, many news publishers are getting quite clever at managing the funnel.

The problem is that digital customers are less loyal than print customers – so far, anyway. (See findings from the Media Insight Project: <https://tinyurl.com/media-insight-findings>.)

We've heard of highly successful and effective media brands with a monthly churn of 12%. That would mean their entire user base turns over in a year.

That number drags down the growth rate until even the most effective conversion campaigns level out to zero.

Advanced publishers have realised that the key to reducing churn is improving engagement. In print, engagement metrics are tricky, needing to be hard-won from user panels or surveys. By contrast, logged-in digital subscribers leave a clear data footprint.

The question is what to do with that data, and that's what we address here.

Cecilia Campbell has been following the development of digital reader revenue for more than 10 years. She has been in more than 1,000 hours of publisher meetings and workshops, and written hundreds of thousands of words of reports for our eRev group focused on digital subscriptions.

She was the perfect person to produce this report.

Some of the media companies featured in this report

- Aftenposten, Norway
- Aftonbladet, Sweden
- Amedia, Norway
- The Boston Globe, USA
- Dagens Nyheter, Sweden
- Le Figaro, France
- Mittmedia, Sweden
- Politiken, Denmark
- Schibsted, Norway / Sweden
- Süddeutsche Zeitung, Germany
- Svenska Dagbladet, Sweden
- Telegraph, UK
- The Washington Post, USA
- Welt, Germany



From the Author



Cecilia Campbell

Executive
Programme Editor,
WAN-IFRA

Welcome to the Subscription Economy

In this new world, sustainable business growth hinges on how well you develop long-term customer relationships. Once someone is in, you need to have sophisticated strategies for keeping them there. Because the biggest – and most expensive – enemy in the subscription economy is churn.

Compared to developing sales, churn is a considerably more difficult nut to crack but more important for long-term growth.

Indeed, keeping existing customers is a great deal less costly than constantly acquiring new ones. And it's a top priority for a lot of publishers with a relatively mature digital subscription business. Lessons learned and strategies employed vary, but there is one universal truth: Engaged users don't churn.

To produce this report, we've talked to dozens of publishers about their reader revenue business over the past few years, and interviewed many specifically about retention strategies.

There is a phenomenal amount of work being done across the publishing industry to understand the drivers behind long-term customer retention. There are still more questions than answers it seems.

It was telling that when I talked to Schibsted's new SVP Consumer Tor Jacobsen at the beginning of the year he said that despite some titles in the group having as many as 15 years experience in reader revenues, the publisher is still on a learning curve and always looking for new ideas.

There may be no clear roadmap to success yet, but best practices are emerging and with them a growing opportunity for a sustainable customer revenue business for news publishers around the world.

We're in a frenemies industry – use this report to build on the successes of your peers.



Quick Guide to Retention

1 Smart organisation

A successful digital subscription business cannot be built on isolated premium teams in the organisation – to give customers a holistic experience, you have to involve everyone internally. Whether you have a CRO or Head of Premium act as a bridge between departments like *The Washington Post* or set up a top premium management group like *Aftonbladet*, you need buy-in across your teams. It's key to see things from the customer's point of view! *Le Figaro* have appointed a User Experience Director to make sure everyone does just that. And set strategic and relevant KPIs for all departments, including the newsroom.

More on page 38

2 Strong value proposition

Your fundamental reader revenue growth relies on great product(s). What is your Reader Promise? That should answer why your customers pick you over the competition. Quality journalism can be a USP, but great content is not enough! Create services and products to deliver that extra something. Perhaps it's comprehensive niche coverage, like *MittMedia's* vertical Hockeypuls or *The New York Times'* cooking and crosswords. Or maybe you create push notification services around local news/weather/traffic. Whatever you do, make sure you're indispensable to your customers.

More on page 10

3 Segmented, personalised content

Understand your customers. While it's important to make sure they are exposed to the breadth and depth of your content (not just the stuff they converted on), it's also key to serve content based on inferred interests. Analyse your behavioural data – don't assume that the content that drives sales is necessarily the same that builds retention. *Svenska Dagbladet* has found the two to be quite different and appointed two cross-departmental editors who collaborate with editorial to create and promote the publisher's most valuable journalism in terms of retention.

More on page 26



4 Effective engagement KPIs

In the subscription economy, traffic and pageviews are not key KPIs. To build a long-term loyal subscriber base, you need to focus on metrics like time spent per logged-in user. Identifying what KPIs to set begins with understanding how your most loyal customers are consuming your content and using your sites/apps. Many publishers have created iterations of the *FT's* classic Recency, Frequency, Volume metric. Some publishers, like *WELT* and *Amedia*, have developed single engagement/loyalty scores, which helps communicating performance to the wider organisation. Whatever KPIs you set, you need to shift focus from quantity to quality.

More on page 16

5 Churn prediction and prevention

If you have the right customer data, churn is not particularly difficult to predict. The tricky part is knowing what to do once you've identified that someone is going to churn. Establish retention triggers along the customer journey, with automated responses in any given situation, e.g., inactivity for a specific time period. Anti-churn actions should extend beyond responses to subscribers who are in imminent danger of leaving. Seize opportunities to remind your customers of the value you provide – like when *The Washington Post* sent an email to customers who were approaching their first anniversary as subscribers, reminding them of all the great journalism produced – and offering a 10% discount on year two.

More on page 32

6 UX testing and iteration

Always make your customers happy – that includes the unsubscribe button if they want to leave. Digital consumers view Netflix and Amazon as benchmarks for good customer experiences. It's no coincidence that both companies run hundreds of multivariate UX tests on a daily basis. Make sure all your product development is based on customer data – and focus again on the mobile app as a retention tool for regular users. Be agile, test and iterate. This is the area of greatest flux and change and we'll come back to it in more detail in future reports.

More on page 34



The value proposition

The importance of product and the promise to the reader

At the most fundamental level, customer retention hinges on the quality of the product(s) and user experience that you offer. No matter how clever your marketing or targeted your communications, sustainable growth will only happen if your value proposition is clear and attractive to your potential customers.

Any successful reader revenue business starts with the the product(s) and services you offer. The most sophisticated CRM cannot compensate for a pedestrian product. And, crucially, it's the unique value of your product that will generate the underlying growth you need to build a sustainable subscription business.

As Danish media analyst Thomas Baekdal puts it: If you want to grow, you have to do it from the bottom up. There's no point working to drive growth if you haven't established your baseline slow growth, which comes from the value you offer.

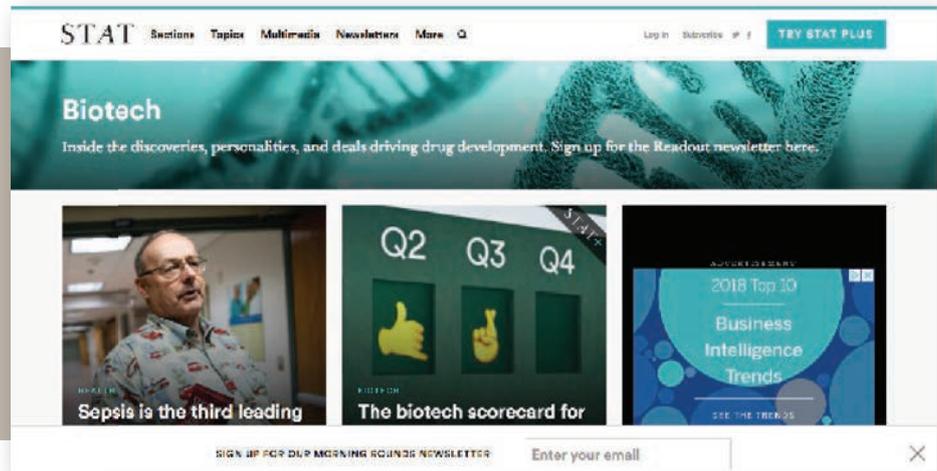
You may have great content, but that's not necessarily going to be enough. Says Tor Jacobsen, SVP Consumer at Schibsted Media: "We need to improve on the product value proposition. Our customers get our great content every day, but we've yet to establish an 'x-factor' for our subscribers in terms of product – we'll work a lot on that over the coming years."

It's about understanding what it is that your customers value and providing more of it. The information is found in your user data; how they behave on your site, what value they extract and how. Are your personalisation efforts moving the needle? Are users engaging with your app push notifications? Are they consuming new types of content, and if so how did they discover it?

Where's the value?

While content on its own may not be enough to generate sustainable growth, quality journalism is certainly a USP for many publishers. Like for *The Washington Post*, where their deep coverage of US politics is at the heart of the value proposition. Says Miki Toliver King, VP Marketing: "At the core is our outstanding journalism product, which provides our customers with something they value a great deal. In the US at least, we're living in a world with heightened awareness about news and politics, driving interested readers to get news from a trusted source. Our journalists are continuing to break major stories and dig deep into them, in turn driving users to read more and engage more as well as for longer."

The Boston Globe has launched a number of verticals in recent years, including Stat, which covers health, medicine and life sciences. It has its own Plus business.



Beyond the content, simply put, the question you need to answer for your customer is “What does a subscription to X really do for me?” This is generally easier for news publishers with more clearly defined markets such as financial or local titles where there’s less competition around the same content and service. “If we provide local value to a segment we’re targeting, we will most likely have success,” says Norwegian local media group Amedia CDO Pål Nedregotten.

It can be trickier for broader, national news publishers. Danish quality daily title *Politiken* have been working to define their value proposition through a list of Reader Promises. But first they had to tackle an issue at the gate: the metered paywall was not working for them.

“We found it quite hard to communicate the value – when a reader hit the meter we had to argue that the next piece of content was more valuable than whatever they had read before, which seemed random,” says Digital Director Troels Behrendt Jørgensen. “The premium model has a built-in quality process on the editorial side; you have to think about the value produced today – what users consider valuable.”

The Reader Promise is next, based on a recognition that a 24/7 website with premium articles and an app for the e-paper just doesn’t constitute enough value to prospective customers. “We need a lot more newslet-

ters, more functionality in the website, more and better apps, extra content for our subscribers, etc.”

At *Süddeutsche Zeitung* in Germany, some digital products can only be used by subscribers, and in others, subscribers have access to more content and functionality. “It’s crucial to keep the products state-of-the art – technically as well as from a design and user experience point of view,” says Johannes Hauner, Head of Product at SZ’s digital unit. “It’s a big focus and a hard job: you have to improve constantly. And it’s particularly important for products that have a high percentage of paying users.”

Extending your footprint

Of course, no matter how much value you provide to your customers, no publisher operates in a vacuum. Analysing the market you’re in will help you determine your product strategy. Who is your primary and secondary competition? Why are they successful? Are consumers prepared to pay for more than one content subscription?

Increasing numbers of publisher recognise that developing stand-alone content verticals or services can help them grow audiences beyond the core news market. **At The New York Times, 15% of digital subscriptions are now for the Cooking and Crosswords products, and these two are growing faster than the news product.**

In 2015 *The Boston Globe* launched Statnews.com, a life sciences and biotech vertical with a subscription business. It represented a significant investment, but it has paid off. “It’s doing well,” says Chief Consumer Revenue Officer Peter Doucette [he’s since left the company]. “We’re trying to find the right vertical opportunities for

Four degrees of personalisation



Personalisation is a key way to add value to your customers' experience with your product. Test and learn what works – the results are in your user data.

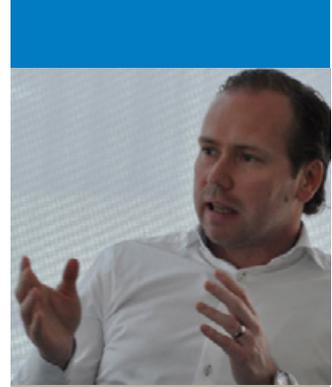
us to build stand-alone products. We use our best practices with user experience and so on to build products that we think most viable to become a healthy business. A big part of it is about reaching audiences that wouldn't perhaps otherwise come to *The Globe*.”

Similarly, Swedish local media group Mitt-Media have identified sports as a way to reach customers who may not have any previous relationship with the local news brands. The group has created two stand-alone sites; HockeyPuls and BandyPuls. Essentially it's the same content as on the local news sites, which with the use of metadata is re-packaged, re-branded and reaching new users. “There's a significant willingness to pay for sports, particularly if the coverage involves video,” says CDO Robin Govik. “But first you need to grow to a critical mass of audience and loyalty. Then you can start segmenting and sell new services to those showing a willingness to pay.”

Personalisation

There's still a bit of a debate around how well personalisation works in terms of creating value for users. Some aspects of personalisation will likely work best if they happen without the involvement of the customer; i.e. when behavioural data, rather than active choice, determines what content should be surfaced to the individual user either on site, in app or through newsletters. But many publishers also find that providing customers with a range of newsletters on various topics from which to choose, really generate engagement – which is a sign of a user extracting value from a service.

Whether through improved communication around your promise to your subscribers, through personalisation, more / better services, stand-alone products or niche verticals – sustainable growth comes from offering more than the competition in some way, shape or form. With a clearly defined and attractive value proposition you can start to grow your loyal user base and move them down the funnel.



Ted Kudinoff

Newsroom
Head of Premium,
Aftonbladet

Growing audiences beyond news

In order to sustain long-term growth, the Swedish tabloid Aftonbladet is looking at extending products and services beyond the core news market.

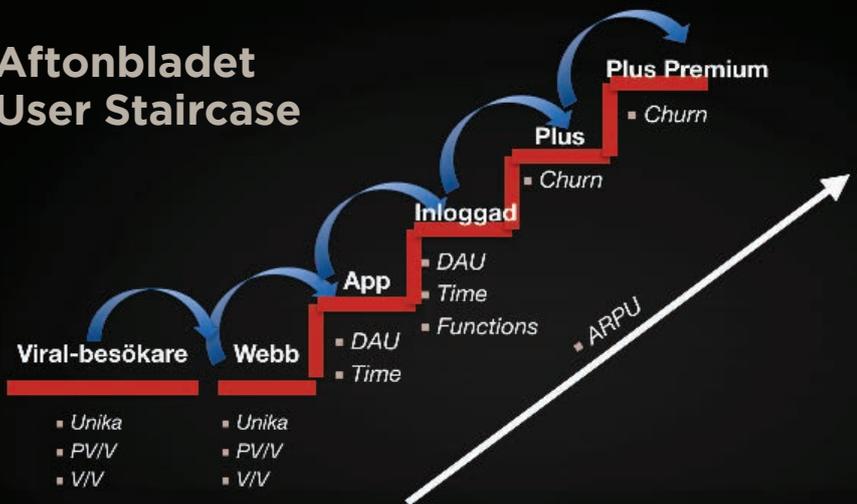
Aftonbladet, part of Schibsted Media Group, has a fairly unique position among news sites globally, in that, in a country of some 10 million people, it has a daily reach of 3.5 million. The printed paper is purely single-copy sold, so unlike most of the publishers we've talked to, *Aftonbladet* has had no print subscriber base from which to build its digital side. On the other hand, *Aftonbladet* launched its paid-for digital offer much earlier than most, back in 2003, and therefore has a long history of understanding its digital users' behaviour.

Until fairly recently, there was relatively little competition in the Swedish paid-for online news market. However, today almost all news sites (national and local), with the exception of *Aftonbladet's* main competitor, Bonnier-owned *Expressen*, are relentlessly pursuing reader revenue.

"In terms of paid content, we're all fighting for market share in a relatively small core news market," says Ted Kudinoff, *Aftonbladet's* Newsroom Head of Premium. "*Aftonbladet* needs to test topics outside core news, and this involves campaign teams, CRM and newsroom working together. In these

Aftonbladet's "upside down funnel." Becoming a registered user (requires just an email address and password) includes benefits such as access to some Plus content, following specific topics and some newsletters. "Logged-in users is a KPI across Schibsted, driving loyalty in this group improves our chances of conversions later," says Ted Kudinoff.

Aftonbladet User Staircase



situations, campaigns can work really well and we can convert users who never really had an affinity with *Aftonbladet*. Unless we look beyond our news brand, neither our customer base nor time spent will grow.”

Kudinoff says that looking a few years into the future, rather than putting all users into the general staircase of traffic – -> logged-in user -> Plus customer -> Plus Premium customer -> stand-alone services like Viktklubb [Weight club] – there will be several staircases around specific topics such as ice hockey or health. “We’re moving towards creating services for clusters of customers rather than fixed product packages. We may introduce more steps/prices in the user staircase, and we’ll work much more flexibly responding to the customer’s need.”



The Basics: Aftonbladet

- Swedish tabloid, single copy sales
- Premium paywall model
- Launched digital subscription in 2003
- 250,000 digital only subscribers
- Daily reach: 3.5 million

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“We’re moving towards creating services for clusters of customers rather than fixed product packages.”



Ted Kudinoff, Head of Premium, Aftonbladet



Driving engagement – and shifting KPIs

The key to acquiring and keeping digital subscribers is engagement. While it's generally true to say that publishers with a mature digital subscription business are shifting focus from conversions to retention, how this shift is managed internally – including what KPIs are set – varies. However, the objective across the board is to drive engagement.

A lot of successful publishers are driving engagement from the bottom up, having logged-in users as a KPI to build out the funnel leading to paying subscribers. Creating reach in a large enough loyal user group is key to be able to subsequently convert and grow the subscriber base. UK's *Telegraph* has set a goal of **10 million registered users**, with a strategy including premium advertising and upselling users to other services on the road to a sustainable digital subscription business.

There are as many strategies around growing loyalty as there are publishers; you need to test and figure out what works for your audience segments. At *The Boston Globe* they've found that retention is improved when users come in through a specific process.

“It's a nurturing process that starts when someone registers on our site,” says Chief Consumer Revenue Officer Peter Doucette. “We follow their behaviour and preferences and send out specific newsletters based on their inferred interests, pushing relevant content to get them engaged. We know that that journey from anonymous, to known, to newsletter reader to subscriber is the highest value journey that we have. About 40 percent of conversions happen this way and 60 percent happen on site. But when we talk about retention and stickiness, we know that we're better at finding loyal subscribers through that approach.”

Nail down your top KPIs

In order to build retention, identifying what KPIs to set begins with understanding how your most loyal customers are consuming your content and using your sites/apps. It's key to recognise that this is something fundamentally different than the traditional way

– driven by the advertising business – of looking at online audiences, i.e. pageviews/clicks/value per visit. In the digital subscription business, it's about building life-time value per customer, and the focus is very much on the long-term relationship.

There is as yet no real industry standard as to what metrics/KPIs best tell the loyalty story. Publishers are testing, and freely borrowing ideas/models from industry best practices. And while some KPIs, such as single scores, have been developed to be used across the organisation, there also needs to be specific metrics for different departments. The newsroom metrics are not necessarily the same as the ones used on the commercial side.

Some of the engagement metrics used by publishers we've talked with:

- Engaged minutes per week
- Reading (scrolled) versus Clicks
- Interactions per article
- Daily uniques / loyals returning twice per week
- Page views per subscriber
- Recency / Frequency / Volume
- Bespoke "Single Score"

A by now classic engagement metric is the *Financial Times*' RFV (Recency-Frequency-Volume), which has been adapted and used by numerous publishing houses around the world. The model, which was developed to power the commercial side of the business, is straight-forward enough: It looks over the past 90 days to see how recently a reader visited the *FT*, how many times they visited, and how much they read over the period. However, it doesn't come with a "key" as to what is a good number. In other words, in order to make strategic sense of any RFV numbers, a publisher needs to develop their own understanding based on their own audience behaviour. Also, the *FT* uses supplemental metrics in the newsroom in order to enable decision-making in real time on specific pieces of content.

Frequency is a key metric at *The Boston Globe*. Says Doucette: "Understanding what the secret is to getting a subscriber to come more often is really critical because we know that more visits lead to deeper engagement, leads to retention."

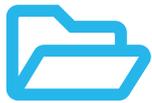
Time is of the essence

Several publishers in Scandinavia are using some version of Engaged Time as a KPI for the newsroom, "i.e. the level of satisfaction within our logged-in reader group," as Swedish *Svenska Dagbladet*'s Editorial Head of Premium Anna Careborg puts it. Whether the aim is to grow loyalty among occasional users, convert loyal users to pay, or retain paying subscribers, getting them to spend more time with the content and services is crucial. Swedish MittMedia's new editorial KPIs are built around time spent per logged-in user, please see Insight, page 18.

Single score advantage

For any digital subscription venture to be successful, it's imperative that the entire organisation is on board (more on this in chapter 6). In order to clearly communicate performance around engagement to all stakeholders, some publishers have developed a sophisticated aggregate score, which is in turn calculated on tens or hundreds of other inputs. German *WELT* and Norwegian Amedia have both developed single score KPIs, (see Insights, next page for Amedia, and page 20 for *WELT*).

The online news publishing industry started out with a single focus on pageviews and traffic numbers, needed to build the advertising business. With the shift in focus to reader revenues, converting users into paying customers has become the top KPI for many companies. However, in order to create a sustainable digital subscription business, your KPIs and metrics need to encompass much more than sales numbers. There's not much point gaining 1,000 customers a month, if you're losing the same number. Publishers need to work out what KPIs best reflect the engagement of their subscribers and apply them strategically across the organisation to build retention.



Engagement Index predicts churn with 70 percent accuracy



Pål Nedregotten

Executive VP,
Amedia, Norway

Norwegian Amedia’s most recently developed KPI is their twin Engagement/Loyalty Indexes, which is used to track and predict both user engagement and likely retention/churn, but also to identify users who are likely to become paying subscribers.

Amedia is Norway’s largest local media group with 64 newspapers. Their subscriber base extends to 10 percent of the country’s population. That used to be primarily print, but three years ago the company put strategies and actions in place to grow in digital. The key was the journalism; analysing what engaged readers, and changing

how and what stories were covered to reflect that. By January 2017, their first newspaper achieved more subscribers in digital than print – several of their other newspapers have since followed suit.

A key aspect of Amedia’s digital subscription efforts have been to put in place the right KPIs, for newsrooms as well as in terms of the business. Achieving reach among loyal non-subscribers is one of the most important editorial KPIs across the group, according to EVP Pål Nedregotten: “If we have huge reach in this segment, we can assume that we can continue to grow our digital subscriber base, but with low reach there’s no scope for growth.”

On the business side, the KPI is Plus performance, which is an aggregated index looking at the title’s potential reach, how many readers are consuming premium content, number of subscribers as well as other variables; “You end up with a percentage that’s supposed to represent the newspaper’s strength in your community; how large an impact it’s having.”

The most recent, and potentially most important, KPIs developed by Amedia are the twin Engagement and Loyalty Indexes, which have been put to the test this year. The Engagement index track variables that Amedia’s newsrooms have an impact on – number of stories published, target audiences, sources, titles, imagery – all impacting usage patterns. By far the



The Basics: Amedia

- Norwegian local media group (64 titles), primarily subscription based
- Premium paywall model
- Launched digital subscription in 2015
- 160,000 digital only subscribers
- Total number of subscribers: 507,000

Loyalty Index



Subscription days

The **Amedia Loyalty Index** demonstrates clearly that creating habits is powerful and important: If you pass the 100 day mark as a subscriber, your loyalty increases dramatically (and again performs a jump after 1,000 days). Correspondingly, those with fewer than 50 subscriber days have a far higher likelihood to churn. The Loyalty Index puts a premium on visit frequency, so this graph shows the power of reader habits on user loyalty (both retention and churn).

most important variable in the index’ “secret sauce” is visit frequency, but time spent is also an important factor to explain engagement.

The Index encompasses all journalism, both written, images and video – as well as distribution mechanisms like the ePaper and newsletters. The model behind the index is trained against the monetary value of each individual user – e.g. offering clear indications as to which users are about to become subscribers – but also clearly indicating where the newspapers’ coverage is on or off the mark for local audiences. This in turn opens up a targeted journalistic development as well as product development to ensure that the right nudges are offered at the right time.

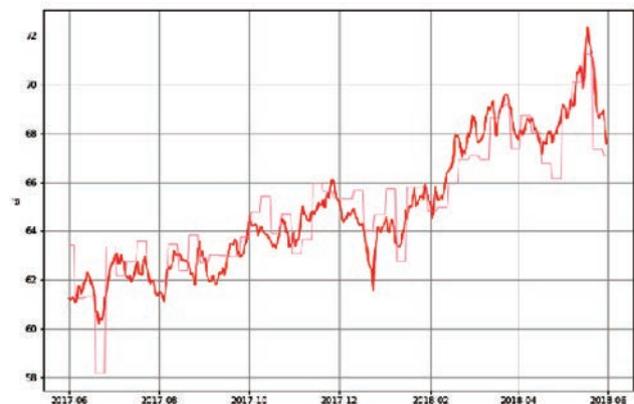
The index can also be used to identify editorial priorities. “Say the engagement index is dropping in a given segment, like women between 30 and 40, that means we’re not writing enough for that group,” says Pål Nedregotten.

The Loyalty Index builds on top of the Engagement Index, but looking at factors that are outside the control of the newsrooms: e.g. campaigns, pricing and payment structure. This part of the index – trained on renewals and cancellations – is used for predicting both customer loyalty and churn.

Amedia is now able to identify the thresholds where someone is heading into the churn

danger zone, or equally when it’s looking likely a reader will convert, they can then activate automated responses, messages, marketing on the website, personalisation and so on.

Nedregotten believes the twin indices will prove vital going forward. “We’ll use the indices both for audience development in local newsrooms and on aggregate for Amedia as a whole, as well as a trigger for automated responses. We think they will turn into vital and powerful KPIs for us.”



One Amedia newspaper’s increasing Engagement Index (red graph) in the age group 30–40. Growth correlates with a production increase in the number of stories that resonate with the same age group (pink graph). Essentially, the EI shows that the newspaper is doing a better job at writing stories for this age group.



Robin Govik

Chief Digital Officer, MittMedia

Shifting editorial KPIs and an activity map

Swedish MittMedia are focusing editorial KPIs on quality measures and have developed a real-time map of active subscribers for editors to act on.

MittMedia is Sweden's largest local media group, with 28 papers and 19 news websites in the middle/north of the country.



The Basics: MittMedia

- Swedish local media group (28 titles, north of country), primarily subscription based.
- Premium paywall model
- Launched digital subscription in 2014, relaunch in 2016
- 65,000 digital only subscribers
- Total number of subscribers: 300,000

Changing KPIs

In order to focus on retention, MittMedia has set up new KPIs as of this year. There are three top level KPIs that everyone in the organisation is working towards: New Plus customers, Net gain Plus customers and Ad impressions. Underneath those there are three groups of more specific ones – all established to focus on growing digital – for each of the areas Consumer business, B2B and Journalism. All KPI performances are circulated to all departments in a weekly report.

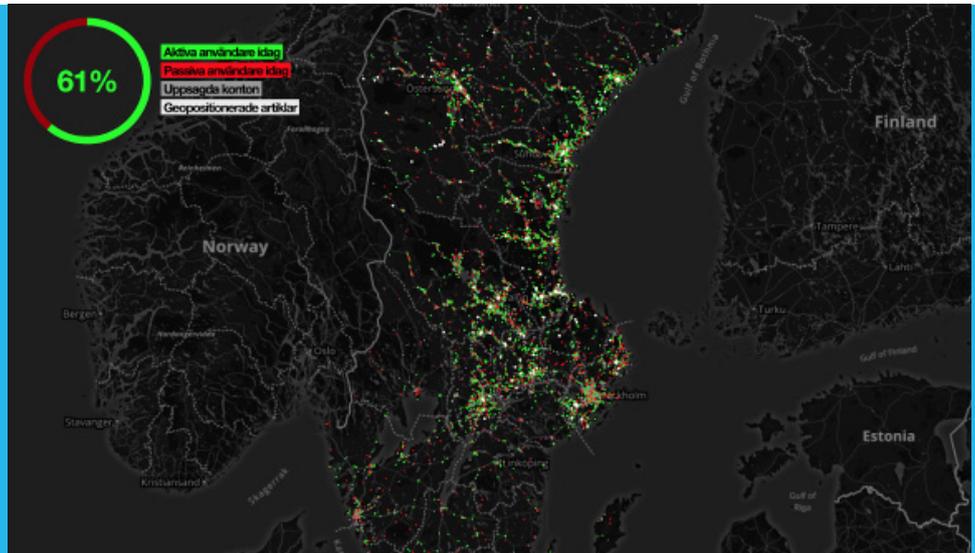
The three editorial KPIs are:

Reads vs Clicks, which is aimed at generating more quality content. A read = the user has reached the end of the article. A click = total number of clicks on the article. For example, 42 percent of the clicks were actual reads.

Interactions per Article, focusing on a user's engagement. Interactions include: click/share on Facebook/Twitter, click at tags, click a link, click a photo, start the video player and open a push notification.

Time Spent per Logged-in User, which is about being relevant every day. This is the time spent in app or on site in minutes/week.

MittMedia's real-time user activity map shows how many paying subscribers have been active on any given day. "We want customers to use us twice a day and read at least three articles a day – then they won't churn," says Robin Govik.



"We see very clearly that the two regions that perform the best in terms of highest number of new subscribers and lowest churn are also the ones with the most spent time per logged-in user," says CDO Robin Govik.

There's also a clear link between percentage of digital only customers in relation to population and time spent. This data shows that the top region (Västernorrland with titles *Sundsvalls Tidning*, *Örnsköldsviks Allehanda* and *Tidningen Ångermanland*) has 6 percent of the population with an average reading time of 55 minutes per user and week. Stockholm (titles *Norrtelje Tidning*, *Länstidningen Södertälje* and *Nynäshamns-Posten*) has the lowest percentage of digital only subscribers – 2.2 percent – and shortest time spent – 40 min/week – of all regions.

Activity map

In order to help the focus on user engagement, MittMedia has developed a real-time user activity map (see above). "This shows how our users use us. We need paying users to be active every day to not churn, so our mission with this map is to activate paying users."

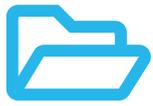
Each dot on the map represents about 10 users; green have been active today, red haven't (i.e. at midnight the map is all red). Magnus Engström, Head of Data Strategy at MittMedia, described it in a blog on Medium as gamification of the daily task of creating local journalism.

The editors use the map to respond to low levels of activity by looking at what content is there, creating more, sending out push notifications, etc. The activity map had immediate effect. Before it was rolled out to editors, the average activity among paying users was 55 percent, since the day after launch, it's been at 60–70 percent. The indirect result has been a decrease in churn thanks to higher activity levels among subscribers.

"We see very clearly that the two regions that perform the best in terms of highest number of new subscribers and lowest churn are also the ones with the most spent time per logged-in user."



Robin Govik, Chief Digital Officer, MittMedia



Timo Schürmann

Director Product Marketing, WELT

Loyalty score helps focus on retention

This year’s top priority for WELT is to reduce the high early churn. To this end, the publisher has developed a Loyalty Score to be able to pinpoint levers across the company instantly.

In September 2016, the German quality daily *WELT*, part of the Axel Springer group, relaunched its digital subscription offer and moved from a metered to a premium model paywall.

Six months later, the publisher launched its first iteration of a new KPI, a single score measure of the premium content, its *WELT*plusScore. The score is calculated from

a number of metrics for both existing and new customers, including conversion, time spent, exit rates and so on.

“It’s important the metrics cover both existing and new customers. The content we create needs to keep both groups happy. The newsroom is using the score to create as well as optimise the Plus content,” says Timo Schürmann, Director Product Marketing.

This year, the top priority is on retention. The *WELT*plus Score has helped fill the funnel – but early churn in particular is a big issue. Fifty percent of customers leave in the first three months. After that, churn levels out at 1–2 percent per month. A couple of projects have been launched to reduce churn:

WELT Loyalty Score is based on the same model as the Plus Score, but with different metrics, “we’re working on identifying all the ones that matter for loyalty.” The Loyalty Score is used in a couple of ways. For one, it’s a single number focussing the organisation on the needs of the customer. “Everyone – management, tech, marketing, editorial, product – can look at the score. It’s easy to understand – it shows the loyalty of our customers and indicates whether we’re moving in the right direction. Transparency is a huge issue internally, there are so many ideas, and identifying the levers very quickly is key,” says Fabian Raab, Head of Online Marketing.



The Basics: WELT

- German quality daily
- Premium paywall model
- Launched digital subscription in 2012 (metered), relaunch in 2016
- 80,000 digital only subscribers
- Total paid circulation: 520,000



Fabian Raab

Head of
Online Marketing,
WELT

The Loyalty Score is also allowing his team to be quicker at identifying relevant data points. “In the past, when we’ve had performance issues, say an increase in cancellations, we’ve had to dig deep into the data to work out why. The Loyalty Score allows us to pinpoint where to dig much more quickly.”

A Predictive Churn Model is also being developed. Individual customer data is looked at on a weekly basis, and changes in behaviour are used to establish churn propensity of that one customer. Based on this information, customer clusters are created and actively communicated with.

“Traditionally, we’ve only reacted to churn once it’s happened. It’s of course much more powerful to be able to pre-empt it. And decreasing the three month churn rate is critical for us.” The focus is, again, on the content rather than providing “goodies” / incentives to stay.

“It’s partly about educating our subscribers. For example, if a paying subscriber has read few Plus articles, they probably don’t understand the product.”



The metrics currently used to make up the loyalty score are split into three groups:

Abo Score: Active subs, Number of acquired users, Plus articles/sub, Visits/ sub, Conversion rate from trial.

Login Score: Active registered users, Newly registered users, Newsletter subs, Users with comments, Users that use My Pages.

User Score: Heavy users, Home visits (direct traffic), How many articles/user, Visits/user, How many Facebook fans acquired in the past 30 days



Chapter 3

Content to keep readers

There is a growing understanding among publishers that customers who convert thanks to the journalism generally become more loyal than those who are incentivised by some marketing offer – and many publishers are very good at using their content to drive conversions. However, you shouldn't assume that the stuff that sells also drives retention. You may find that there's such a thing as anti-churn content.

Publishers using a premium or hybrid pay-wall model (as opposed to a pure meter) have the advantage of understanding what content actually converts best. Once a user has become a paying subscriber, analysing what and how content is consumed should be a top priority for all publishers. The objective is to identify patterns and take action to drive engagement – and prevent churn.

At *The New York Times* an overall pattern is that subscribers who consume content across multiple sections/topics are more likely to become loyal customers.

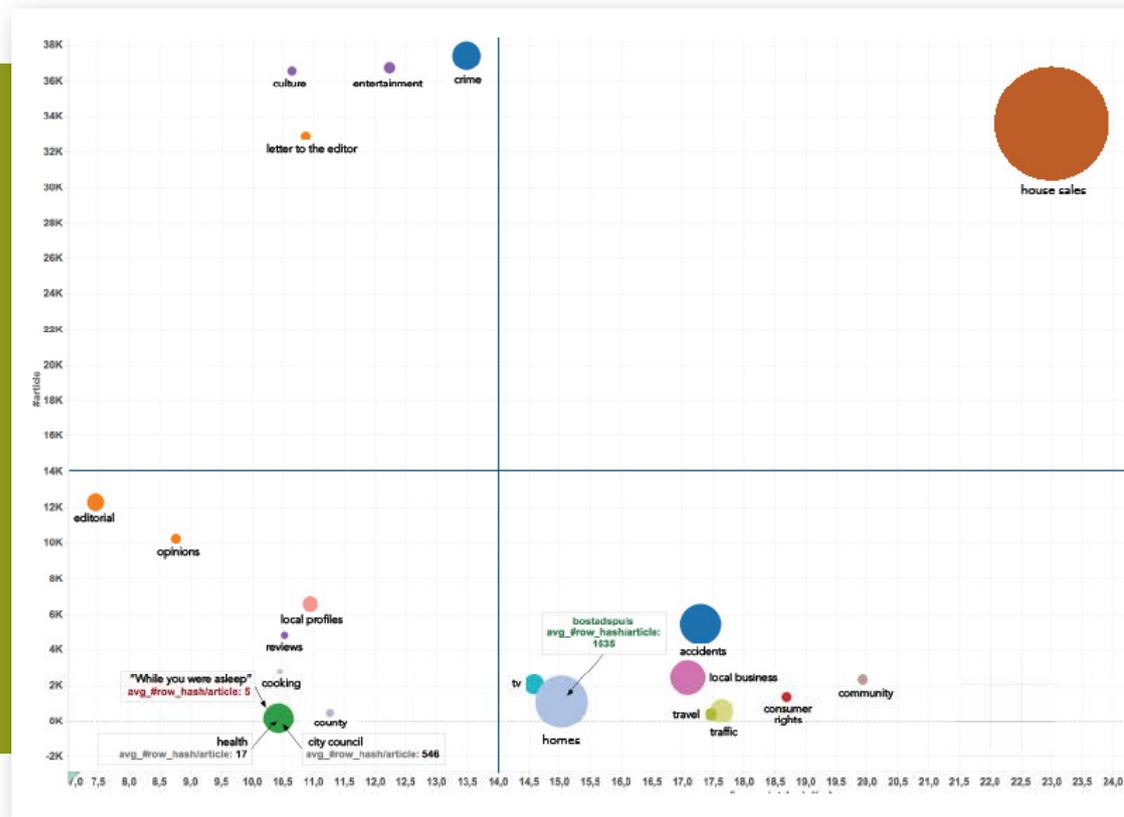
It's the same picture at *The Washington Post*. “We've started surfacing content to subscribers that they wouldn't necessarily otherwise see,” says VP Marketing Miki Toliver King. “Most

people come to us for our politics content and opinions. We recently launched a rebirth of our food section, around casual meal preparation and tutorials, and now we're letting our subscribers know that this is part of the value we offer them.”

Several of the publishers we've talked to find that the content that converts is indeed very similar to what paying subscribers subsequently consume. One of them is the Norwegian local media group Amedia. “What converts and what retains is pretty much the same thing,” says CDO Pål Nedregotten. “It's basically about local value. If we provide local value for any given audience segment that we're targeting, we will most likely have success.”

Some find that there's a certain, but not general, overlap between converting content and content that drives retention.

Swedish local media group **MittMedia** has found that their robot generated editorial about property sales are the most consumed types of articles by subscribers (x-axis). Thanks to the automated creation, it's been possible to increase the volume of texts significantly (y-axis: 1,000s of articles).



At German quality daily *Süddeutsche Zeitung*, they use a Content Performance Indicator to keep track of what's what. "It depends on the stories," says Johannes Hauner, Head of Product at *SZ*'s digital unit. "There have been stories that were really successful in converting users but not that popular among subscribers and vice versa. And some stories are very successful in both categories. Generally, articles that are exclusive to us are successful for both. If we have a long read focused on politics, it'll work well for our subscriber base, however, in terms of conversions it will depend on how exclusive/long the same story is. For us it's very important to have a focus on not just what converts, but also what subscribers read."

At *Svenska Dagbladet* the content that converts is different from what's consumed by logged-in subscribers. "We can't just focus on producing articles that convert. We've analysed this, and there is definitely content that's anti-churn," says Editorial Head of Premium Anna Careborg (see Insight, next page).

The content that engages your paying subscribers doesn't necessarily have to be particularly exclusive or costly to produce. Swedish local media group MittMedia are co-founders in United Robots, a start-up that produces automated editorial from big data sets using Natural Language Generation.

In autumn 2017, MittMedia launched comprehensive property sales coverage using this technology and a partnership with Google. For every house sold in all its local markets, the bot identifies an angle (e.g. the most expensive house sold this year in village X), creates a short text, and pulls an image from Google Streetview. In Sweden, names of buyers are a matter of public record, which adds to the value of this content. Not only has this type of content generated several hundreds of new paying subscribers, it's also the most consumed type of content by existing subscribers.

Understanding what content drives retention is very much tied to the value proposition and your promise to your readers. Don't make assumptions about your key content simply based on what moves the needle on sales. As with everything in the digital subscription economy, it's about analysing and acting on your customer data throughout the customer journey.



Anna Careborg

Editorial Head
of Premium,
Svenska Dagbladet

Focus on anti-churn content

The premium team at Swedish *Svenska Dagbladet* has understood what content is needed for retention – and it's not necessarily the same as what converts.

At Swedish quality morning title *Svenska Dagbladet*, part of Schibsted, the content that converts is different from what's consumed by logged-in subscribers.



The Basics: SvD

- Swedish quality morning paper, predominantly subscribed
- Hybrid paywall model
- Launched digital subscription in 2013
- 57,000 digital-only subscribers (165,000 incl print)
- Daily reach (print): 376,000
- Weekly uniques: 2 million

“We can't just focus on producing articles that convert. We've analysed this, and there is definitely content that's anti-churn,” says Editorial Head of Premium Anna Careborg. Together with a data analyst at *SvD*, she's developed a content matrix, and there's a quadrant of types of content with low conversion rates but high logged-in value.

In simple terms, need-to-know material converts (related to how to live your life, understand the world) while nice-to-know (guides, arts, reviews) converts badly but is key for retention. “We're constantly tracking how logged-in users behave, and there are certain topics that are very much part of our DNA that engage our subscribers. We develop approaches and services specifically to drive engagement of logged-in users, like our weekly Premium quiz.”

Careborg was inspired by a visit recently to US magazine *The Atlantic*. “They're doing some really interesting things around relevance and have found that it sometimes trumps timeliness – their readers don't punish them for publishing old articles, rather thank them for being relevant. When are we relevant for our readers, and how do we measure this – is that even possible to do?”

The screenshot shows the homepage of Svenska Dagbladet. At the top, there is a navigation bar with the site name and various sections: Nyheter, Näringsliv, Kultur, Ledare, Debatt, and Tidningen. A search bar and a menu icon are also present. The main content area features a large image of two hands shaking, with the headline "Handskakningsdomen: Är 40 000 orimligt mycket?". Below the headline is a sub-headline and a small photo of a man. To the right, there are several smaller news items with their own images and headlines, such as "20-åring häktad för bilbränderna i Göteborg" and "Efter scenraset: Oklart om fredagens show blir av". At the bottom right, there is a section for "Mest visade tv-klipp" and a "shpock" advertisement.

As an initial step towards building engagement through relevance, Careborg’s team was joined by two cross-departmental editors, who are each responsible for one section of the content matrix. “They collaborate with the editorial departments to create and promote our most valuable journalism.”

The focus on topics, rather than department specific subjects, has led to increased cooperation between departments – covering the same story but creating different types of content and perspectives. For example, a series of articles on the Swedish housing market from the financial point of view (the Business department) and the psychology angle (the in-depth section within the Arts/Culture department).

“This work has really had an impact. Comparing the autumn of 2016 with the same period in 2017, the number of pageviews – the relevance – increased significantly. For our Financial section’s Saturday Deep Dive articles, for example, the increase was 223 percent. The number of irrelevant jobs – according to a limit we’ve set for what’s worth covering – have halved and the number of articles reaching the top level in terms of unique visitors, conversions and pageviews have doubled,” Careborg says.



Maximising revenue vs. maximising volume

Due to the relatively low cost of retaining existing customers versus acquiring new ones, it's essential to consider the retention opportunity in relation to your basic growth strategy. Many of the publishers we've talked with are shifting their main focus to maximising revenues rather than primarily chasing subscriber numbers.

In the subscription economy, sustainable growth equals building long-term relationships with your customers and continuously evaluating how you can mutually extract increasing value from that relationship. In other words, from a publisher's point of view, it's about maximising the life-time value of each customer – while keeping them happy by providing more and better products and services suited to their needs.

While digital subscriber numbers have been an industry benchmark of success during the past few years, many publishers are now shifting strategies from volume to revenue; from sales to retention. Scandinavian media group Schibsted's new SVP Consumer Tor Jacobson has set a goal of 1 bn NOK (\approx €100 mi) digital subscriber revenue by 2020 for their seven news titles in Norway and Sweden (see Insight overleaf).

The price impact – or not

Price is of course a key part of this strategy, and publishers are testing to identify the sweet spot. It may be that a higher price point will generate lower sales – and indeed more churn – but that it constitutes higher long-term value for the company.

There are publishers who find the opposite to be true. *Dagens Nyheter* in Sweden have two packages at two price points, 179 and 99 SEK (\approx €18 / €9). “We found that the higher priced package generated more churn, and that even if that package initially provided higher revenues, it might be more profitable in the long term for us to focus sales on the lower priced product, because customers stay longer,” says Head of Premium Erik Ask.

For Danish quality daily *Politiken*, the volume vs revenue question is not an either-or. In spring 2016, the publisher changed from a metered paywall model to a premium one and subsequently the digital subscription price

was significantly increased (to about €40/month). And yet, since the change, sales have improved considerably, resulting in higher subscriber numbers as well as revenue. “If you want to transform your newspaper you can do it the easy way, with a short term strategy of selling your product for less than you require to cover your costs,” says Digital Director Troels Behrendt Jørgensen. “Or you can do it the hard way, telling people ‘Our journalism costs this much.’ There’s no way around it – if we want to produce our quality journalism, this is what it costs. I believe that to do your transformation in an honest way, this is how you should do it. If we succeed, we’ll still be here.”

German quality daily *Süddeutsche Zeitung* is on the revenue track too, with the relatively high price of €34.99/month. With its unique investigative journalism, the Munich based publisher reaches both a regional and a national audience.

“Over the past couple of years, we’ve definitely been focused on growing the revenue, which is one of the reasons for our price point,” says Johannes Hauner, Head of Product at *SZ*’s digital unit. “The German market is different to many internationally in terms of national news sites. It’s not a monopoly or duopoly, we have at least four or five big competitors. We are successful in this highly competitive market by being focused on growing a very loyal subscriber-base.”

Mather Economics, a consulting firm specialised in pricing strategy, found in tests with media clients that long-term subscribers were much less affected by price increases than new subscribers, and that price elasticity may therefore be a possible way to grow revenue without upsetting subscriber volumes.

The advertising conundrum

A strategy focused on maximising reader revenue of course carries with it a potential impact on traffic numbers – i.e. uniques and pageviews – and therefore on the advertising business. However, for many publishers, this appears to be a bit of a non-issue. Schibsted’s Jacobsen says that as they’ve been able to drive more digital subscriptions, and their users are increasingly logged in, they’ve in general been able to maintain the level of uniques (see Insight on next page).

In the long-term, the Customer Life-time Value of loyal subscribers will for many publishers make up for any impact on traffic/advertising. Loyal users bring in by far the biggest portion of digital revenues – through their subscription contributions as well as through volume of content (pageviews) consumed.

This has been true for *The New York Times* for some time. In 2016, the company made more money from its 1.85 million digital subscribers (\$232 million) than from all of its 122 million non-subscribing visitors (\$208 million). The average annual revenue per non-paying visitor to *The New York Times* – i.e. who was only monetised through advertising – was \$1.70, while a digital subscriber brought in \$125 per year. At *The Boston Globe*, the 90,000 heaviest users (2 percent of traffic) bring in 86 percent of the publisher’s \$40 million digital revenue (subs + ads).

Many publishers (with premium model paywalls) have indeed created a premium environment relatively free of advertising with limited impact on revenue. French publisher *Le Figaro*, with 14 million monthly uniques, has found that, so far, moving users up to their premium product has not had a detrimental impact on advertising revenues, despite the fact that paying subscribers are given an ad-free experience.

Says Gilles Corbineau, Director of eBusiness & Digital Subscriptions: “Premium sessions represent less than 3 percent of the total. We stand by our decision to give digital subscribers an ad free experience. It does not affect our ad revenue, and in every study we’ve done, because they pay, they’ve asked to see no ads. The message is very clear.”

Whatever the specifics of your deployment, at its core, your revenue strategy needs to have that all-important long-term relationship with your customer. Retention and revenues go hand in hand.



Group-wide team and a 100M euros revenue goal



Tor Jacobsen

SVP Consumer,
Schibsted

Scandinavian media group Schibsted has appointed a group-wide SVP Consumer Revenues, and while volumes are still important, there is now a target of €100 mi digital subscriptions revenues by 2020.

As of October 2017, Schibsted's newly formed Media division has an SVP Consumer Business, Tor Jacobsen. It's a new role, spanning the group's news brands across Sweden and Norway and signalling the next phase of an already successful reader revenue strategy.



The Basics: Schibsted

Schibsted Media's Consumer Business includes the following titles across Norway and Sweden:

- Reach based / Single copy sold: Aftenbladet (SE), VG (NO)
- Subscription based: Svenska Dagbladet (SE), Aftenposten (NO), Stavanger Aftenblad (NO), Fædrelandsvennen (NO), Bergens Tidende (NO).

Jacobsen says the priority now is retention.

"We've been very conversion driven, but the focus is moving towards usage, getting customers to stay on our sites," he says. "We have perhaps over focused on sales, true for most of our brands, and a lot of sales are often deal driven, which produces high churn. The goals going forward will be more about life-time value of users, for both our subscription and non-subscription news brands."

At WAN-IFRA's Digital Media Europe (DME) conference in Copenhagen in April, Jacobsen announced that Schibsted has now set a reader revenue target for 2020 – 1 billion NOK (just over €100 mi). The announcement followed some internal discussions in his newly formed cross news brand Consumer Revenue management team.

"We're in a phase now where we need to be revenue/value focused," he said. "On the other hand, the market is a relatively new one, so volume is still important. Plus volume – the number of digital subscribers we've reached – has more of an impact in terms of how we communicate to advertisers, competitors, press – and internally. So, while we'll need strategies to grow both, generally over the next two-three years we will increasingly be value/revenue driven."

The newly formed team consists of top Consumer business management from Schibsted Norge Abonnementsmedia (the four Norwegian subscription titles), *Svenska Dagbladet*, *Aftonbladet* and *VG*. The group also includes representatives from Finance, HR, Product/Tech & Strategy as well as Offline.

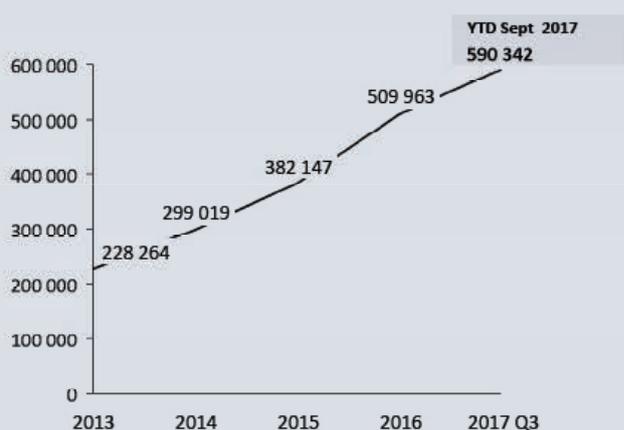
“It’s key that we collaborate in an efficient way. Our Norwegian Subs group for the four subscription newspapers has produced big benefits. The consumer business is becoming increasingly specialised around e.g. data, CRM, customer experience and sales, and we need to work more efficiently by sharing best practices instead of working in silos,” Jacobsen says.

According to Jacobsen, the focus on driving subscription sales has, in some cases, helped offset the impact on the advertising business.

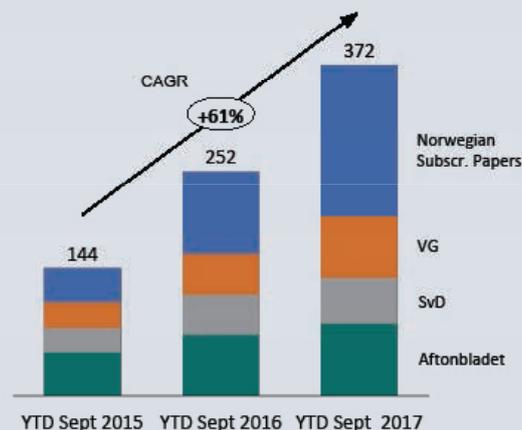
“All the subscription newspapers in Norway have turned up the share of premium on the homepage and are monitoring the traffic,” he says. “Because we’ve been able to drive more digital subscriptions, and our users are increasingly logged in, we’ve in general been able to maintain the level of uniques.”

Schibsted is experiencing an explosive growth in digital subscribers and digital subscription revenues

Total number of digital subscribers
Aftonbladet, VG, SvD and the Norwegian Subscription Newspapers



Digital subscription revenues
YTD Sept, 2015-2017 (MNOK)



For Schibsted, revenues are now growing faster than the digital subscription base resulting in higher average revenues per subscriber (ARPU).



Churn

Measuring, predicting and preventing

So far we've covered mainly how to build retention in your customer base – by listening to your customers in how you develop your products and services, by driving engagement and so on. This chapter is focused on those you may lose despite your best efforts, on how you can identify them in time and what to do to make them want to stay.

Measuring churn

There is no clear benchmark for churn – indeed it's one of the trickiest KPIs to nail down. Added to that, once you've decided on a meaningful way to measure it, taking relevant actions based on the results is much less straightforward than boosting slumping sales. And be aware – low churn numbers sound good, but they could be related to low sales activity, which of course means low growth.

Again, there are as many ways of measuring churn as there are publishers. A basic measure might be **how much of the total base leaves in a given week or month**. *The Boston Globe* does this – for each week.

“We look at what percentage of our total base leaves each week. Our churn rate in that context is about 0.6–0.7 percent – in that range.

So that's on the overall population, the net impact.

We also look at our new subscriber churn rate – how that measures over 90 days, 180 days and 1 year time frame. By that measure, we keep about half of our new subscribers by the end of the first year,” says CRO Peter Doucette [he left the company at the end of June].

Some publishers focus specifically on the **churn among daily active subscribers**. Schibsted has this as a focus, because daily active paying subscribers is one of their top KPIs.

Looking at the **retention of new subscribers** is another key metric; i.e. how many of a given cohort are still there going from trial to fully paid subscription.

Says Miki Toliver King, VP Marketing at *The Washington Post*: “We look at how many monthly subs who subscribed in particular month, e.g. Jan 2017 – are still subscribing by a given month down the line. So e.g. in March 2018, we're looking at the 14 month retention

rate, 9 month, 6 month retention rate for the January '17 cohort. We've not announced the retention rates publically, but I can tell you that our 12 month retention rate 6 months ago was about 6 percentage points lower than our 12 month retention rate is today."

Some publishers are looking at churn from the other way around, i.e. they try to **pin-point where/why segments of subscribers fall off** in order to take proactive action.

Of course churn also needs to be **measured for any subscription campaign** that is done, and while that figure speaks less to the overall picture of the value of your product, it's part of what should inform how you develop your onboarding process and anti-churn actions (more below).

Predicting churn

To predict potential churning customers, you use the data you have, including customer data (what have they done since subscription, the digital engagement, their complaint history) and demographic data. Churn is not particularly difficult to predict – the tricky part is knowing what to do once you've identified that someone is going to churn.

Many publishers are developing churn prediction models. As mentioned, **inactivity** is generally a top churn predictor. Says King: "The greatest predictor is the measurement of a customer's engagement; if they haven't visited us in past 30 or 60 days etc, they

are more likely to cancel their subscription. One way we tackle this is by exploring ways of communicating with our subscribers beyond passively waiting for them to come to our site."

According to Ted Kudinoff, Newsroom Head of Premium at Sweden's *Aftonbladet*, the top predictor of churn is how many premium articles subscribers consume per unit of time.

"Frequency is also key, as is whether they've downloaded and are using the app – consumption across several devices reduces the risk of churn."

Other key factors that, as a rule, affect retention:

How/where a subscriber converted is a high predictor of churn. Customers who come in because they are convinced by the content or services such as topic based emails, tend to have better retention than users who convert on **deal-driven promotions**.

But even when users convert on content, there's cause for concern. France's *Le Figaro* asks customers to answer a few questions at the end of the subscription sign-up process, and have found out that 43 percent of them had had no plans to buy a subscription when they came to the website, but were converted by a particularly interesting article.

"The good thing is that they subscribe for a good reason – our journalism. The problem is that when they subscribe to get access to a particular article they are probably not planning to stay with us for very long. That's our challenge on the engagement side," says Gilles Corbineau Director of eBusiness & Digital Subscriptions.

"Frequency is also key, as is whether they've downloaded and are using the app – consumption across several devices reduces the risk of churn."

Ted Kudinoff, Newsroom Head of Premium, Aftonbladet





“We make it easy to come and go, which has contributed to us attracting 19-year-olds to pay – audiences who’ve hardly ever been customers of ours.”

Robin Govik, Chief Digital Officer, MittMedia

There will most likely even be differences in retention based on what **type of content** / topic the subscriber converted on. At Sweden’s MittMedia, e.g., CDO Robin Govik says that users who convert on sports coverage have higher churn rates than people who came in through local business content. All this information needs to form part of the plan to prevent churn.

Some publishers have found that for digital subscriptions, **telemarketing is a predictor of higher churn than when customers convert on site**. There’s no guarantee a customer who has been sold a subscription through analogue telemarketing has any genuine digital behaviour – which means there’s a big gap to bridge in order to get them to engage with your content online. Some publishers with hybrid paywall models find that users who convert on the meter have lower churn rates than users who bought in on a particular premium article.

“If you hit the meter, that indicates that you already consume a lot of content,” says Anna Careborg, Editorial Head of Premium at *Svenska Dagbladet* in Sweden.

And if you manage to drive **sales through Facebook**, it’s generally true in the industry that these customers churn at relatively higher rates.

The Netflix effect

One factor that has more to do with customer satisfaction than purely churn is how easy it is to drop in and out of a subscription. It’s been notoriously difficult to cancel digital subscriptions with traditional news publishers. It’s hardly conducive to win-back when you have to place an actual phone call to a customer service centre opt out – and that’s if you can find the phone number in the first place.

However, on 1 July, California passed a law that aims to help consumers in instances of auto-renewal by forcing publishers to get consent to start charging the full price after a trial. The law also states that when you buy a subscription online you shall “be allowed to terminate the automatic renewal or continuous service exclusively online.” No more phone calls, in other words. It may behoove the wider industry to voluntarily follow this path.

“Our Plus customers are people who are used to buying digital content services, like Netflix,” says Robin Govik at MittMedia. “They are used to it being super-easy to become a customer, and equally easy to cancel – they have this in-out behaviour. We make it similarly easy to come and go, which has contributed to us attracting 19-year-olds to pay – audiences who’ve hardly ever been customers of ours.”

Le Figaro in France takes a similar approach – please see Insight on page 38.

Churn prevention

If you're able to identify the threshold where someone's heading into the churn danger zone, it allows you to have automated responses, messages, marketing on website, and personalisation to try to prevent churn from happening.

The onboarding process for new subscribers is key in terms of driving retention. It's all about getting readers to engage with your content and if they aren't, you need to have a plan in place for how to get the right content in front of them through emails, or if they are using your app, through push notifications.

Svenska Dagbladet has found that a collaboration with local media group NTM in Sweden has been mutually fruitful. "We've provided them with some of our premium content every week, which has provided them with added value for their local readers and reducing churn. From our point of view, it's exposed NTM readers to the journalism that *Svenska Dagbladet* does," says Anna Careborg.

At Schibsted's four subscription-based newspapers in Norway, they've implemented a churn prediction model, which is used as they've been testing ways to prevent customers from cancelling their subscription.

"We're setting up the logic to automate some of the tests we've been successful with, so that they run continuously," says Kristina Stamnes, Head of Data and Insight. "We're covering every customer in a certain situation. So, it may be people with high churn rates, or people who have already cancelled, who will get a certain communication. For example, someone who has put in a stop will get an offer in the days leading up to that date to extend the subscription at a reduced price."

Anti-churn actions should extend beyond responses to subscribers who are in imminent danger of leaving. There are lots of opportunities to remind your customers of the value you provide. *The Washington Post* recently sent out a message to all readers who were nearing their first anniversary as subscribers. It was a "The year in review" email, reminding customers of all the great stories the publisher had covered since they came on board. "The idea was to get them to say, 'Wow, *The Washington Post* have published some great journalism this year,'" says Miki Toliver King. The email was made up of 12 different blocks and was very graphically and photography focused. "It was a small thing, but a good reminder and a 'thank you for being with us for a year'." It was sent to first year customers and included a 10 percent discount offer on year two.

Passive churn - fixing the basics

Churn is not all about engagement and value, there are other, more mundane reasons it happens. A big one is when customer credit card expirations lead to payment fails.

According to Peter Doucette, for *The Boston Globe*, dealing with this problem has had the single biggest impact on retention (see Insight on next page). At Sweden's *Dagens Nyheter*, they've made an effort to move people from monthly invoices to direct debit payments. "It's a boring fix, but it's had a big impact," says Head of Premium Erik Ask.

Understanding when and why customers churn depends on thorough analysis of your data. There are a plethora of possible ways to measure and predict churn, the key is to develop a strategy to be proactive about it. In 2019, WAN-IFRA plans to publish recommendations and benchmarks for churn measurement as an extension of this report.



Building retention through clever funnel tactics and anti-churn actions

With 95,000+ digital only subscribers, *The Boston Globe* is one of the US' largest regional publishers in terms of volume as well as revenues. 2017 was the publisher's best year ever; the volume of subs was up 35 percent year-on-year and the revenues a bit more than that. One significant reason for the success has been the systematic work to reduce churn.

Chief Consumer Revenue Officer Peter Doucette [who recently left the company], says his team found that retention is improved when users **come in through a specific process**.

“It's a nurturing process that starts when someone registers on our site,” he says. “We follow their behaviour and preferences and send out specific newsletters based on their inferred interests, pushing relevant content to get them engaged. We know that that journey, from anonymous, to known, to newsletter reader to subscriber is the highest value journey that we have. About 40 percent of conversions happen this way and 60 percent happen on site. But when we talk about retention and stickiness, we know that we're better at finding loyal subscribers through that approach.”

The onboarding process is also key. In autumn 2017 *The Globe* began implementing a new onboarding programme that's tracking the subscribers' behaviour. Users engaging on a high level post conversion are left alone. Those who are not are sent a series of weekly themed communications. Week one is an explainer about how to learn more about the breadth of content on offer, week two getting to know and understand *The Globe* columnists and different voices, week three is an introduction to lifestyle features and so on.



The Basics: The Boston Globe

- US regional publisher
- Metered paywall model
- Launched digital subscription in 2011, hard paywall first three years.
- 95,000 digital only subscribers
- Total number of subscribers: 260,000
- 500,000-600,000 daily uniques on bostonglobe.com



DAVID L. RYAN/GLOBE STAFF

The Legislature is in formal session for 18 months out of every 24, but remains in “informal” session even after it has supposedly called it quits.



By [Jeff Jacoby](#) | GLOBE COLUMNIST AUGUST 12, 2018

“We’ve seen really good success with this programme in terms of identifying, in a simple way, low engaged users and then nurturing them through a communications stream through which they hopefully discover content that they’d missed.”

Churn also happens simply because customer payments fail. According to Doucette, for *The Boston Globe*, dealing with this problem has had the single biggest impact on retention.

“The **total customer process** is so significant,” he said. “Three to four years ago we revamped it and built competence in-house. About 50 percent of our digital subscriptions cancellations back then were involuntary – we couldn’t process the payment. Through a variety of techniques including predictive expiration dates and credit card updaters, we got that figure down to 20 percent. That’s a huge opportunity for publishers.”

Part of The Boston Globe’s onboarding process includes making subscribers aware of the different columnists and opinion content available.



Re-evaluating churn – digital consumers come and go



Gilles Corbineau

Director of eBusiness & Digital Subscriptions, Le Figaro

At French quality daily *Le Figaro* digital audiences consumption habits are informing how churn is measured and valued. The publisher is responding to the Netflix effect.

As France’s largest news site, *Le Figaro* attracts a wide audience. The publisher takes a purely data driven approach to digital subscriptions: when a new user comes to the site, the company gathers behavioural data on that person for up to 6 months or even a year before pushing a suitable subscription offer their way.

Understanding not just what content premium customers like, but also how they consume it, informs *Le Figaro*’s growth – and churn – strategy. Mobile is playing an increasingly important role.

“We see a big shift of the usage to mobile devices – all our growth now comes from mobile,” says Gilles Corbineau, Director of eBusiness & Digital Subscriptions.

Growth is especially significant from mobile web, which may be explained by the fact that newsletters link to the website. However, the engagement rate is higher in the apps. “Heavy users in the apps are highly likely to subscribe, so they are very important to us.”

There’s a big increase of sales in-app and this portfolio is becoming increasingly significant.

But there are downsides to having users buy in through the apps: the revenue is lower due to the rev share, there’s less user data available, customers can’t receive newsletters and so on.



The Basics: Le Figaro

- French national news publisher (subscription + single copy sales)
- Premium paywall model
- Launched digital subscription in 2015
- 88,000 digital only subscribers
- Total number of subscribers: 200,000
- Total paid circulation: 309,000

“Significantly, churn is also higher because users don’t get the full offer of our services, and they are more selective in the content they consume,” Corbineau says.

As a result, *Le Figaro* have changed the way they think about churn. “We monitor how many subscribers we keep every month, the number of days a subscriber stays with us, and the number of days between two subscriptions. In other words; people subscribe to a promotional offer and cancel several times, but at some point the time lapse between two subscriptions shortens and they finally stay with us. We’ve seen that after four subscriptions, which are not necessarily back-to-back, they tend to become loyal subscribers.”

“I think that we need to have a very different approach to churn,” Corbineau says. “There’s a structural change in how the younger generation behave, and it makes how we used to measure churn irrelevant in many cases. For example, we are convinced that the easier it is for people to subscribe and unsubscribe, a bit like on Netflix, the more likely it is that they will come back to us. Of course, we also need to work on ways to get out of the pure promotional subscription trap. We need to test different offers, maybe based on editorial packages, for example during election periods – anything that can drive other reasons to stay than the promo prices period.”

There are publishers who – for a reason – only allow (e.g.) one promotional subscription period per user, per year. It may be a good idea to test and possibly re-evaluate how trial subscriptions are working for you.

“People subscribe to a promotional offer and cancel several times, but at some point the time lapse between the two subscriptions shortens and they finally stay with us.”

Gilles Corbineau, *Le Figaro*





Organisation

Getting EVERYONE onboard

Gone are the days when the digital subscription business was an outlier in the news organisation. As this report has shown, to be successful, it's essential that customers are given a holistic experience – and for that to happen, all internal stakeholders need to work in tandem.

The importance of working with customer retention across the organisation cannot be stressed enough. Newsroom, Product & Tech, Marketing, Data & Analytics and Customer Services all need to be involved. There are different models for how this is done.

Some publishers, such as Sweden's *Aftonbladet*, have a **permanent top management group** specifically for the premium offering. *Aftonbladet*'s premium team, which is made up of the editorial + business heads of premium, the head of customer experience, the marketing director, editorial heads of entertainment and sports, the head of CRM and the head of data analysis, meet every second week. They have been given quite an extensive mandate, so where they used to have to clear actions with the publisher's top management group, they can now implement plans independently.

More common is that publishers work in a more project based fashion with a head of premium or a customer revenue officer acting as the **bridge between departments** to make sure everyone is moving towards the same goals.

In the case of France's *Le Figaro*, that bridge person is a **Customer Experience Manager**. In 2016, *Le Figaro* in Paris started a project focused on customer experience: from customer acquisition to subscriber usage of the premium product. They appointed a Customer Experience Manager, Pascale Leveque, who ensures customer respect and satisfaction. Subscriber management remains in the subscription marketing department. "But now we have a dedicated person who gets up in the morning and says, 'Are subscribers treated well?'" says Gilles Corbineau, Director of eBusiness & Digital Subscriptions. "Because sometimes fighting churn does not necessarily take into account the customer's experience."

Every department at *Le Figaro* is involved and Leveque is in charge of providing everyone with reports on customer satisfaction, requests, etc.

“We share a UX dashboard that everybody in the company can consult. It includes all the topics that are important to monitor: conversion funnel, experience in the premium area, newsletters, site, apps, mobile web site, PDF. Usage data, key metrics, satisfaction and feedback are published monthly,” says Corbineau.

Pascale Leveque sits in a sort of satellite position – in that she belongs neither to the editorial staff nor to the marketing department – to be the voice of the customer. She used to work for the research department within the advertising division FigaroMedias. “In her Customer Experience role she reports to our Deputy CEO, Jean-Luc Breysse. It’s a little bit like *The New York Times*, which has a director of Customer Care,” says Corbineau.

Most of the publishers we’ve talked with have either specific retention teams or heads of customer relationship who take over responsibility once a reader converts.

At the Danish quality daily *Politiken*, the new holistic customer approach means they’ve set up a **retention team within marketing**. It used to be that there was a customer service team working days and a telemarketing team working evenings. Now, if a customer calls to cancel a subscription, they are passed on to the retention team, “where the mindset is based more on sales than customer service – and their job is to work on churn specifically,” says Digital Director Troels Behrendt Jørgensen.

When it comes to the content/journalism side of things, publishers have different philosophies. (This pertains mainly to publishers with premium paywall models,

though even with a metered paywall, publishers need to understand what content works in terms of conversion and retention.) Broadly, they fall into two camps:

- Successful premium content needs specific development and subsequent analysis.
- Premium content should be the job of all journalists and not be handled by a separate team.

The first group of publishers include Scandinavian local media groups Amedia (64 titles in Norway) and MittMedia (28 titles in Sweden), who collaborate on their premium strategies, and who have both set up central Content Development teams.

In MittMedia’s case, it’s made up of a head of content development, two reporters and two data analysts. Their task includes generating some common content that can be published across the group. However, the primary objective is to develop the way journalism is done, testing it and coaching editors and reporters across the group.

Among those publishers who believe in totally integrating the premium content is Danish *Politiken*. Here, all content is born equal, only later do editors decide what goes behind the paywall.

“Creating specific teams may well produce a short term effect, but at the detriment of the rest of the staff, who would not feel included. [Digital subscriptions] is a common project, and we want our reporters to think of the website just like they do print; an opportunity to contribute to our business’ survival,” says Jørgensen.

In terms of newsroom involvement in the digital subscription business, there are publishers who believe making editorial KPIs (beyond perhaps basic traffic figures) available to everyone would distract journalists from their work. In other words, it should be the editors’ job to manage business goals, while reporters should be shielded from such concerns.

An example of Le Figaro's UX dashboard

EXPERIENCE CLIENT PREMIUM – TABLEAU DE BORD DES PERFORMANCES / EVOLUTIONS/mois vs cumul / VS OBJECTIFS						
ce que nos abonnés Premium disent : Voix du Client (via MyFeelBack) et ce qu'ils font : Usages (via GA / SRC)						
mars-18						
Parcours de souscription (fixe+mobile)			Site Abonnés (fixe+mobile)			
		mois	vs cumul	objectif		
Voix du client	Très satisfaits	46,0%	1,0%	50	Voix du client	
	Très satisfaits Rapidité perçue	46,0%	-0,4%	50		Très satisfaits
Usages	Très satisfaits Clarté offre	38,7%	10,0%	35	cumul juin 2017	
	Abonnés nouveaux mois	4 600	1,0%		NPS	
	Taux conversion tunnel abonnement	2,40%	100%		Visites	
	Taux conversion articles fermés	0,000%	0%		Durée visites (min)	
					Pages vues	
					Pages vues / Visites	
					Taux de rebond	
Paint activés (action volontaire)						
Espace Client et Service Relation Client						
		mois	vs cumul	objectif		
Voix du client	Très satisfaits téléphone	46,0%	1,0%	50	Voix du client	
	Très satisfaits rapidité réponse téléphone	47,0%	1,0%	50		Très satisfaits application
	Très satisfaits solution de connexion par téléphone	46,0%	-0,4%	50		NPS
	Très satisfaits accueil par téléphone	71,0%	0,0%	70		One shot fev
	Très satisfaits solution FAQ (à lancer)	%			One shot Sept	
Usages	Visites Espace client	volume			Usages	
	Visites FAQ	volume			Visites	
	Appels traités sans attente	100%	100%		Durée visites (min)	
	Nb contacts tel Motif Connexion	500	1,0%		Poids visites onglet Premium	
	Poids des appels Motif Connexion	10%	1,0%			
	Nb contacts Motif Résiliations tel+email+courrier	1 000	0%			
Application bleue abonnés connectés						
		mois	vs cumul	objectif		
Voix du client	Très satisfaits (à lancer)	%			Voix du client	
	Facilité d'utilisation (à lancer)	%				Très satisfaits application
Usages Mülbris	1ère ouverture de l'appli	600	100%		Usages	
	Téléchargement PDF	100 000	0,0%			Visites
	via appli blanche IOS	500 000	1,0%			Durée visites (min)
	via appli blanche Android	40 000	0,0%			Poids visites onglet Premium
	via site	100 000	10,0%			
Useuse /PDF						
		mois	vs cumul	objectif		
Voix du client	Très satisfaits (à lancer)	%			Voix du client	
	Facilité d'utilisation (à lancer)	%				Très satisfaits application
Usages Mülbris	1ère ouverture de l'appli	600	100%		Usages	
	Téléchargement PDF	100 000	0,0%			Visites
	via appli blanche IOS	500 000	1,0%			Durée visites (min)
	via appli blanche Android	40 000	0,0%			Poids visites onglet Premium
	via site	100 000	10,0%			
Newsletters Premium						
		mois	vs cumul	objectif		
Voix du client	Très satisfaits Lettre Figaro Premium	70%			Voix du client	
	NPS	40				Très satisfaits application
One shot Mars					One shot Mars	
						NPS

At **Le Figaro**, all departments have access to the UX dashboard, which is “owned” by the company wide UX Director, reporting directly to the deputy CEO. The objective is to make sure retention efforts are aligned with customer needs/wishes.

More common, however, appears to be to increasingly involve journalists in the reader revenue strategy and objectives. Beyond setting premium KPIs for editorial teams (or even individually), publishers are taking a variety of actions, including:

- Appointing **Premium Ambassadors** in the newsroom – journalists or editors who are particularly apt for the task, who can advise and encourage colleagues and build trust between editorial and business.
- Provide **training to journalists**, based on engagement insights and the work of content development teams e.g.
- **Regularly communicating** goals and development around your premium strategy to the newsroom.

In terms of optimising the digital subscriber business and experience, the main challenge for almost everyone is related to technical limitations. It's difficult giving customers a holistic experience if systems don't talk to each other. The topic of the technology of paid content is an extensive and complex one that WAN-IFRA will cover further during the coming months.



About the Author



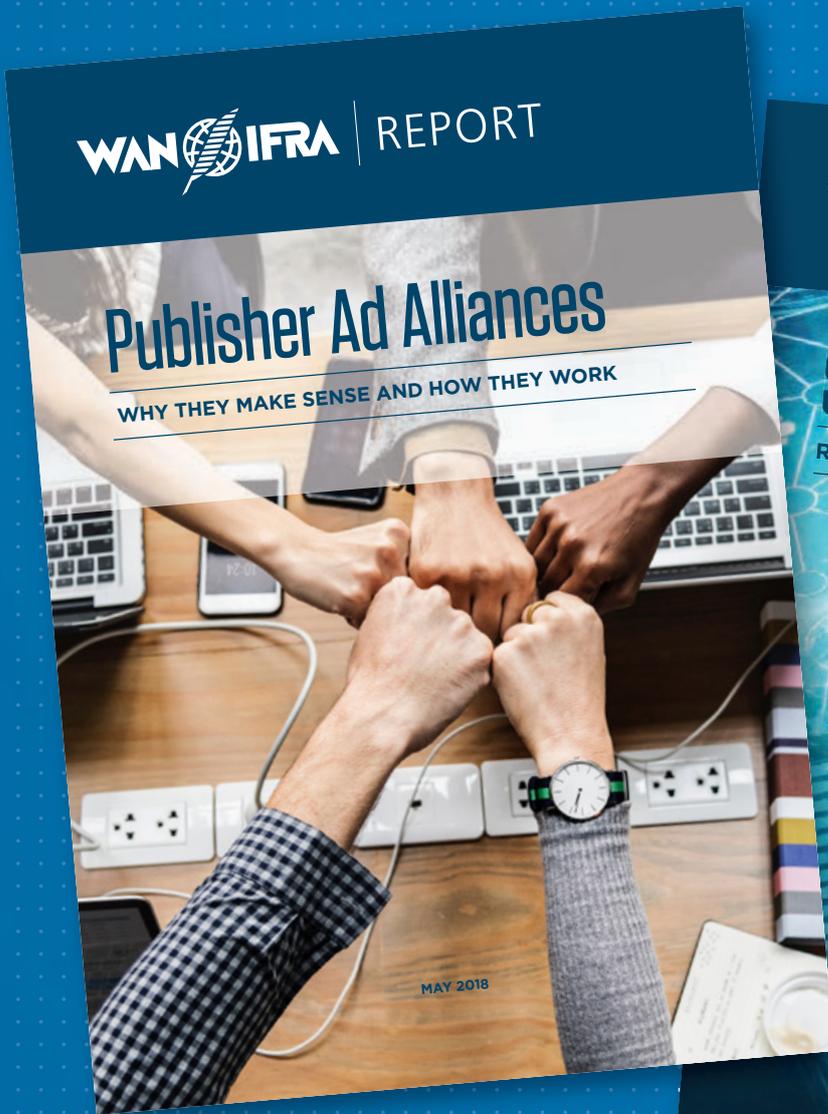
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Cecilia holds a BA in journalism from the University of Gothenburg in Sweden. After spending more than 20 years living and working in the UK, she recently returned to Sweden where she works as a digital media journalist and translator.

Cecilia has been part of the core team for the WAN-IFRA exec programmes on digital revenues and mobile platforms (now eRev) since the launch in 2006, covering industry reader revenue developments closely.

She has been a correspondent for World News Publishing Focus for the past 20 years, as well as being involved in WAN-IFRA research projects and has written numerous Special Reports, including Data Privacy, Ad Blocking and World Press Trends 2017.



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