

CUTTING EDGE APPROACHES TO DRIVING SUBSCRIPTIONS

Jeff Sonderman, Deputy Director, American Press Institute

Moderator: John P. Murray ,VP Audience Development News Media Alliance



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It pays to subscribe to *The Dallas Morning News*. The Plugged In program is your ticket to exclusive experiences that you can't find anywhere else.



“Raising the Bar in Acquiring and Retaining Audience”

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- Driving Digital Subscription Growth
- Retaining Readers through Cost Effective Service Improvements
- Cutting Edge Approaches to Driving Subscriptions



“Monetizing with High Integrity Metrics – Changes in AAM Reporting”

- AAM Brand View: What You Need to Know Today to Position Your Products for Tomorrow
- Preparing for Launch: The Nuts 'n Bolts of AAM Brand View

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Cutting edge solutions to driving subscriptions

News Media Alliance webinar - Aug. 31, 2017

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The American Press Institute advances an innovative and sustainable news industry by helping publishers understand and engage **audiences**, grow **revenue**, improve **public-service journalism**, and succeed at **organizational change**.



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Deputy Director
American Press Institute

Helping modern journalism thrive through the right blend of technology, audience engagement, data-driven content strategy, integrated business models, and transformative leadership.

Worked as a writer, editor, manager, coach, trainer, speaker, and consultant with diverse types of news publishers.

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Agenda

- The current landscape of paying for news and opportunities
- The 3 types of news subscribers and how to target them
- Discussion and next steps

Paying for News

Why people subscribe and what it says about the future

- Interviews in 3 cities
- National survey of 2,100+ adults



The Media Insight Project

AMERICANPRESS
institute

AP

NORC
at the UNIVERSITY of CHICAGO

53%

of all adults pay for news

54%

of payers have a newspaper subscription

Young people do pay for news

Contrary to myth...

- 37% of adults under 35 subscribe to news
- 46% of those get newspapers

And social is a path to subscription

- 2 in 3 young payers get news on Facebook multiple times a day, 4 in 10 on YouTube
- Many subscribe because noticed a source on social

Different ages, different news topics

Young payers more likely to follow:

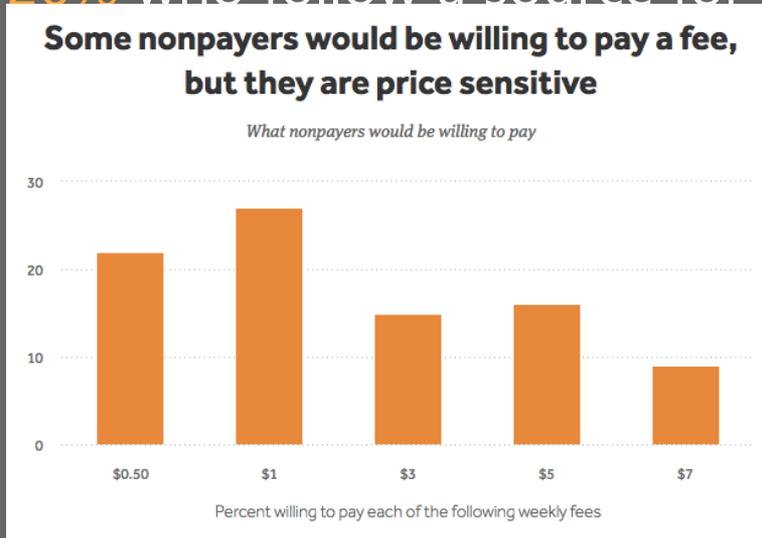
- Science and Technology
- Social Issues
- Schools
- Crime / safety
- Lifestyle
- Hobbies
- Entertainment

Older payers more likely to follow:

- National politics
- Local politics
- Health / medical

Many non-payers could subscribe

- 52% of non-payers are “news seekers”
- 26% who follow a source for free say they are likely to pay



Why people subscribe to newspapers

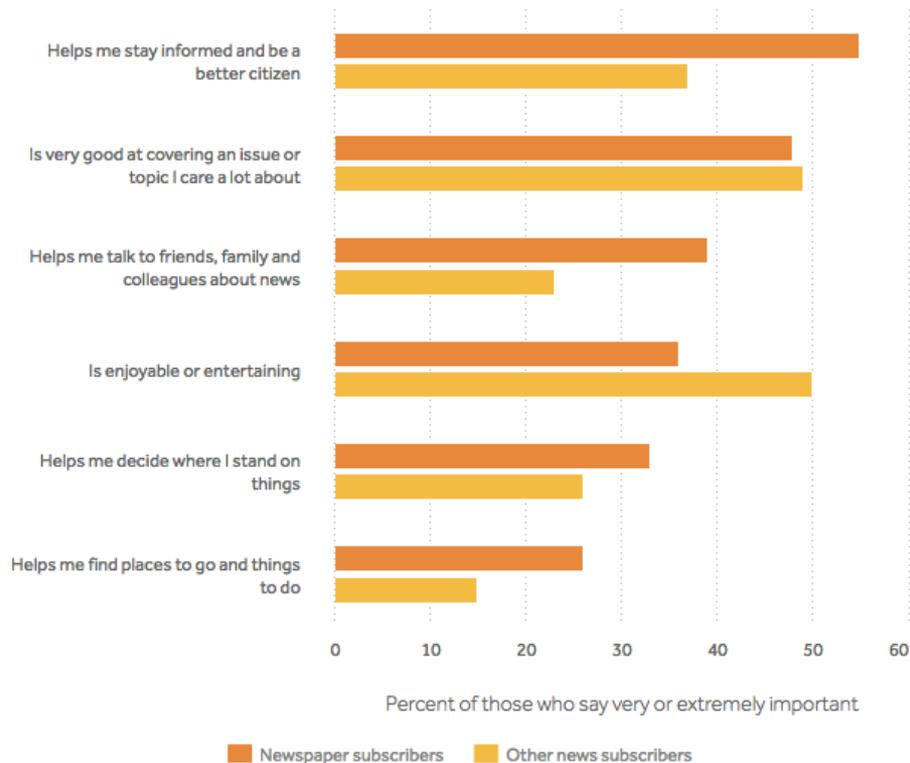
1. **Civic reasons**: Stay informed, be a better citizen (55%)
2. **Subject expertise**: Coverage of a passion topic (48%)
3. **Social flow**: Something to talk to family / friends about (39%)

Why people subscribe to newspapers

1. **Civic reasons**: Stay informed, be a better citizen (55%)
2. **Subject expertise**: Coverage of a passion topic (49%)
3. **Social flow**: Something to talk to family / friends about (39%)
4. **Fun**: It's entertaining (36%)
5. **Civic again**: Help decide where I stand (33%)

Newspaper payers see different benefits

Newspaper subscribers place high importance on their source being informative, less on being entertaining

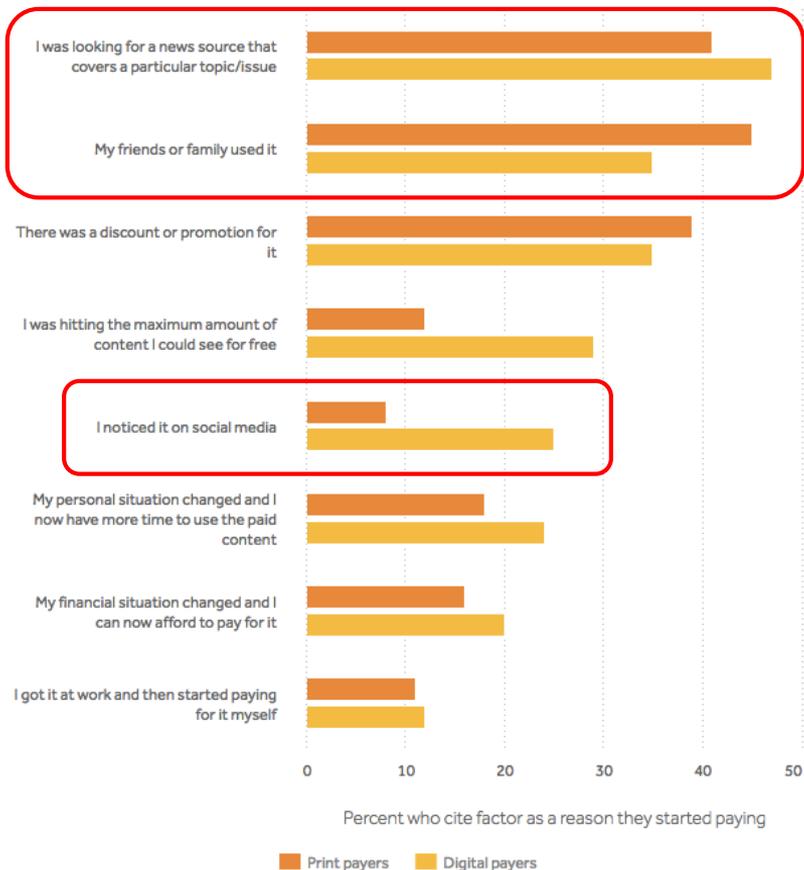


What triggered these subscriptions

1. **Social flow**: because friends and family do (46%)
2. **Subject expertise**: for coverage of passion area (42%)
3. **Marketing**: Saw a discount promotion (37%)
4. **Lifestyle change**: New job, retired (25%)
5. **The meter**: kept hitting the content limit (19%)

Print and digital payers have different reasons

News content and price are key factors leading both print and digital users to pay



Newspaper payers have different reasons

Newspaper subscribers are more likely to have started paying because their friends and family used it

Why people started paying for a source



Analytics back this up

We tracked what
subscribers read



Metrics for News

Subscribers are civic-minded

More likely than others to read civic information and commentary:

- Local government coverage
- Candidate endorsements
- Editorial cartoons

Subscribers are franchise-driven

More likely than others to read...

- Coverage of local sports teams
- Your longest & deepest reporting

73%

of subscribers cite
“franchise topic” coverage
as a key reason they pay

(Metrics for News surveys in 9 markets)

**Half of non-subscribers
would pay if the paper
got better at covering a
topic they care about**

(Metrics for News surveys in 9 markets)

Implications for publishers

1. Quality is critical
even as newsrooms
contract

**Build your brand on
franchise topics**

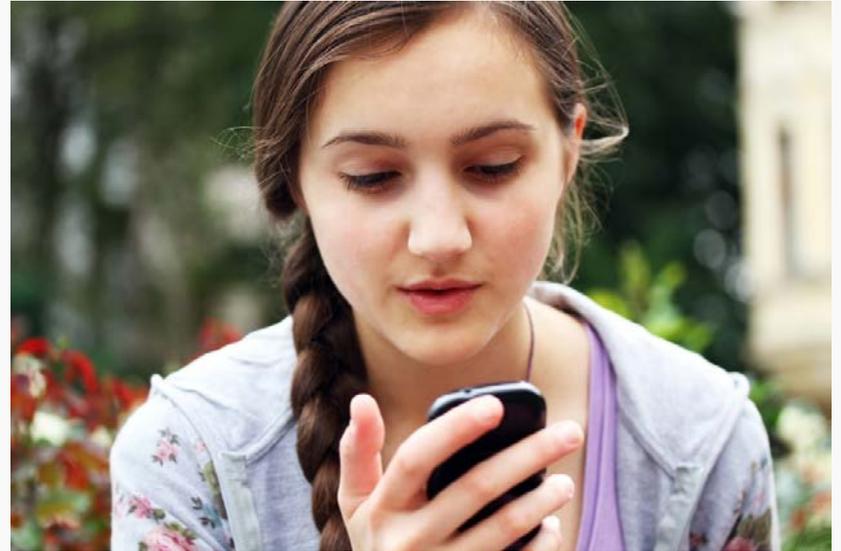
**The top motivations
for paying include
reliable information,
subject expertise
and entertainment**

**2. The young will pay
for news, but...**

They're different

These relationships begin through **social media** and friend referral, then build through **frequent interaction**

They feel good about **supporting your mission**

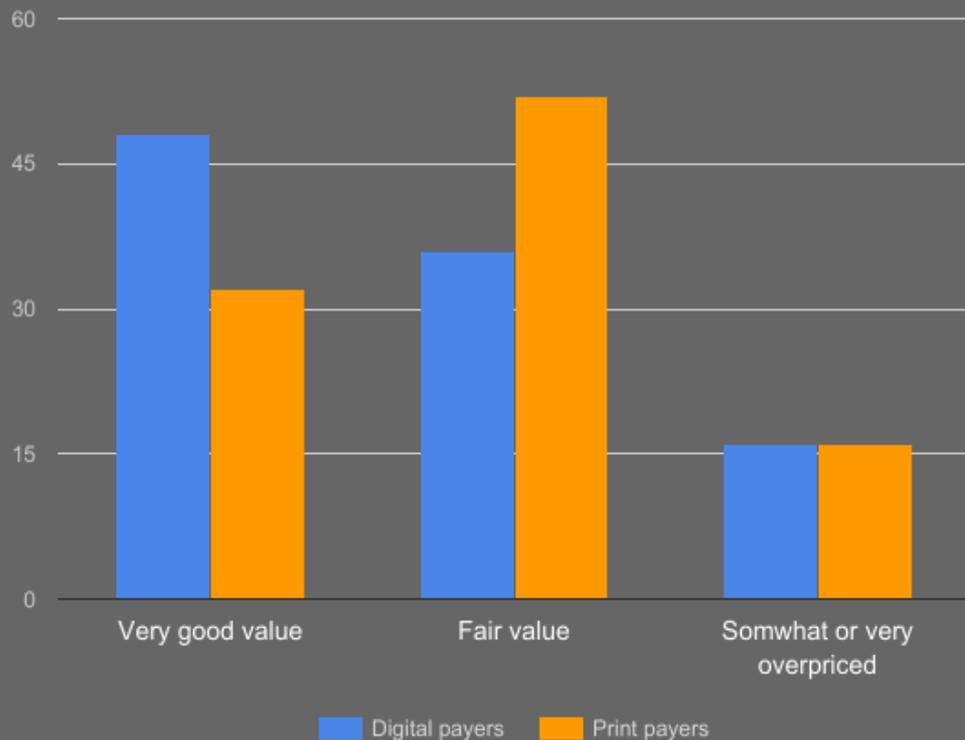


**3. Changes in life
situation are an
opportunity**

**First job or
last job (retiring)
= more likely to pay**

**4. Outlets may have
more price elasticity
online**

More price elasticity among digital subscribers



What subscribers say about value

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The 3 types of news subscribers

Human-centered design ‘archetypes’

Stanford d-School trained Tran Ha conducts deep interviews with 15 news consumers and explores human / emotional / psychological factors that affect subscription decisions

Creates easy-to-use reader “archetypes” to help publishers understand how to move readers through the funnel



Purpose of archetypes

- Provide news publishers with greater detail into the mindsets of news consumers
- Highlight areas of opportunities and useful problems to solve, which will help to inform product development, content, distribution and other strategic decisions
- Describes behavior and motives, not demographics
- Complements surveys and other quantitative methods

Type A

Reluctant to pay

- News is “nice to have”
- A commodity easily obtained for free
- May be loyal to an outlet but still not pay
- Wants control, transactional, no-strings-attached

Type A example

“

I've always shied away from subscribing to things because I feel like it's a big sink and you don't realize it. And suddenly it all adds up.

— Vivek, 25, engineer from Mountain View, Calif.

Type A implications

- Make it easy to cancel, and emphasize that up front
- Offer one-time payment options with no commitment
- Monetize their loyalty in other ways — registration, ad targeting, events, etc.

Type B

Driven by practical utility

- Small, curated number of publications to which they subscribe and are loyal
- Willing to pay, but price-sensitive
- More likely to subscribe to specialty publications and magazines
- “Local” may be seen as a specialty, but go further

Type B example

“

I have a very small subscription list because I've realized through the years the things that I really use and the things that I really want.

— Anne, 37, new mom who lives in Chicago

Type B implications

- Provide excellence in some areas, not just adequacy in all
- Consider limited subscriptions to verticals, or at least promote the verticals included in your subscription
- Get lists of relevant magazine subscribers in your area
- Appeal to value, offer introductory discounts

Type C

Mission driven

- View their support of journalism as a moral duty
- Subscription decisions are emotional not practical
- Subscribes to the highest number of publications
- Will continue to pay for subscriptions even if they aren't using them
- Support organizations whose values align

Type C example

“

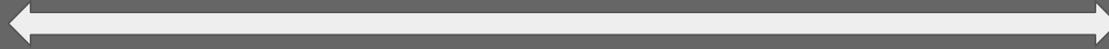
[Subscribing to news and donating to news organizations] makes me feel like at least I'm doing something, you know? The world would be a better place, the country would be a better place if people were well informed.

— Connie, 60, Fairfax, Calif.

Type C implications

- Tout your mission, your values, your community role
- Build real relationships and interaction
- Allow people to pay more, “donate” to the cause
- Reward them with appreciation, inclusion

Motivations summary



Type A

Reluctant to pay

Type B

Willing to pay for
practical value

Type C

Wants to pay for
mission support

Other themes we heard

1. Commitment angst
2. Family tradition and social influence
3. How “special” is a publication?
4. Post-election “bias” concerns
5. Print / digital / audio usage driven by circumstances

Reader revenue program next steps

- Personas of different reader types (full release soon)
- Testing different marketing approaches
- Recent subscribers survey*
- Reader revenue working group*

* you can participate



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Questions?

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Thank You!