

A vibrant nighttime photograph of a city skyline, likely San Diego, with numerous skyscrapers and buildings illuminated with various colors of lights. The lights are reflected in the calm water in the foreground, creating a colorful, shimmering effect. The sky is dark, and the overall scene is a classic city-at-night aesthetic.

# Subscription Revenue Optimization Panel

2018 Key Executives MEGA Conference  
San Diego, California

Aaron Kotarek, VP/Circulation, Oahu Publications Inc. (Moderator)

Troy Niday, Chief Operations Officer, Sonoma Media Holdings

Curtis Huber, Director of Circulation, Seattle Times

Brian Howell, Director of Consumer Revenue, tronc



# Consumer Revenue Strategies

K e y   E x e c u t i v e s

## Mega-Conference

**San Diego, CA  
February 27, 2018**

**Sonoma  
Media**  
Investments LLC

The Press Democrat  
PETALUMA  
**ARGUS & COURIER**

The Sonoma  Index-Tribune

NORTH BAY  
**Business Journal**

**sonoma**  
magazine

 **LA PRENSA  
SONOMA**  
laprensasonoma.com



# Sonoma Media Investments



# Our Story

Sonoma Media Investments  
Founded November 2012

## LOCAL OWNERSHIP

- ❖ Investment stays local
- ❖ Service stays local
- ❖ Decisions made locally
- ❖ More responsive to customers' needs

## OUR UNIQUE ADVANTAGE

- ❖ We reach this influential market like no other Bay Area Media
- ❖ Multi-platform, multi-media solutions
- ❖ 150 years experience in traditional media combined with today's innovative digital technology
- ❖ We understand the market needs
- ❖ We support the community

**The Press Democrat**  
WEDNESDAY, NOVEMBER 14, 2012 WWW.PRESSDEMOCRAT.COM SANTA ROSA, CALIFORNIA

## 'Historic moment'

Press Democrat again locally owned after sale to investors completed



Sonoma Media Investments General Counsel Douglas Rouse, left, founder Dorian Anderson, CEO Steve Felt and investor Gary Nelson announce their group's purchase of the Santa Rosa Press Democrat Media Group on Thursday.

By NIVAN MCGRATH  
THE PRESS DEMOCRAT

**T**wenty-seven years after The Press Democrat was sold to the New York Times, it returned to local ownership Thursday as a present group of power brokers and wealthy investors closed a deal they said will protect the paper's legacy of quality local journalism.

The purchase of The Press Democrat, publisher Anne Curran and the Redwood Press Group, from Fort Collins-based Holladay Media was completed shortly before noon. The buyers, Sonoma Media Investments, a new group formed in 2011 to buy the twice-weekly Sonoma Index-Tribune newspaper and Northern California.

Publisher Anne Curran, who announced the deal a short time later to employees, who erupted in applause. He called the Press Democrat and Argus-Courier "a long-term investment that help define the history of Sonoma County," and said he was gratified to see their presence.

"This is kind of an historic moment," Rouse said. "This is a big deal."

Part of the impending sale and disclosure of the key players was announced last week. They included Rouse, and Sonoma-based developer Dorian Anderson, who bought the Santa Rosa Press Democrat's distribution firm, Redwood Investments, and will be chief operating officer for the North Coast consortium being formed by Rouse, Felt, and Nelson.

Rouse, who will become the paper's general counsel, and Steve Felt, a former San Francisco Chronicle publisher who is chief executive officer, will be chief operating officer.

**SONOMA COUNTY SUPPORTERS**  
An community investors group in Sonoma County for the press.

**TIMELINE**  
Press Democrat through the years.

**ONLINE**  
For a photo gallery, go to [pressdemocrat.com](http://pressdemocrat.com)

**NEW OWNERS SHARE BELIEF IN PAPER'S FUTURE**  
By BRETT WILKINSON  
THE PRESS DEMOCRAT

**A** partnership of fifteen local business and community leaders, the new owners shared personal accounts of their ties to the paper and of their belief in its local mission and prospects as a business.

"They believed they would remain from investing with news, and editorial coverage, and they expressed confidence in their ability to serve the people with more attention back to the news, one of the historical roots of the Press Democrat."

TOBY T. NICK, NICK, JR.

TOBY T. NICK, NICK, JR.

# Increased Reliance on Consumer Revenue

- Industry Transition to Consumers Funding the Journalism
- NYT Subscription Revenue Surpassed \$1 BILLION in 2017
  - 2017 INMA World Congress
    - 70% of total Rev
    - Planning for 100% Consumer Funded
- SMI – Last Three Years
  - Circ. Volume Down 9% per year & Revenue Up 4% per year
  - Adv. Losses Slightly Better than Industry Average
  - Consumer Rev Focused Org
- Corporate Culture Change - New Mantra: Consumer Rev Focused Company

# Options Beyond Sub Renewal Pricing

## Home Delivery

- Premium Days: Net Impact, Billing and T&C Transparency
- Fees: Activation, Deactivation, Billing...
- Membership Events...
- The Impact on Average Yield of Introductory Pricing

## Single Copy

- Alignment w/ HD Pricing
- Overall Profitability / Assertively Rightsizing The Channel

## Other Print

- NIE
- Mail Subs
- Hotel / Amenity Programs

# Options Beyond Sub Renewal Pricing

## Digital Only Consumers

- Pricing: Don't Undervalue Your Content via intro and renewal pricing
- Be Smart About Paymeters / Paywalls. Be Data Driven
- Don't Give All Your Content Away on Social Media
- Consider Segmented Price For Each Unique Digital Channel
  - Online, Mobile, Tablet, App
  - Bundle them
  - If Included with Print consider unbundling.



# Don't Forget to Value the Consumer

It is “CONSUMER” Revenue After All /

- Avoid perception (reality) of Paying more and getting less
- Audience Dev Professionals: Advocate – Advocate – Advocate!
- Publishers – Investments in Content are Investments in growing consumer revenue



# The Seattle Times

February 27, 2018

# Context

- “Audience First” revenue model. Circulation represents for 60% of overall company revenue
- 1.8 Million strong print and online reach within DMA
- Sunday print 213K; Daily print: 138K
- Metered paywall launched - March 2013
- 35M Monthly pageviews
- 8M Monthly unique visitors

# The Seattle Times

## CONTENT DISTRIBUTION PLATFORMS

- 7-day print product
  - Home delivery and single copy
  - Print replica (Olive)
- Website—seattletimes.com
- Mobile web
- Newsletters
- Social media
  - Facebook
  - Twitter
- E-readers (Nook, Kindle)
- iOS and Android native apps



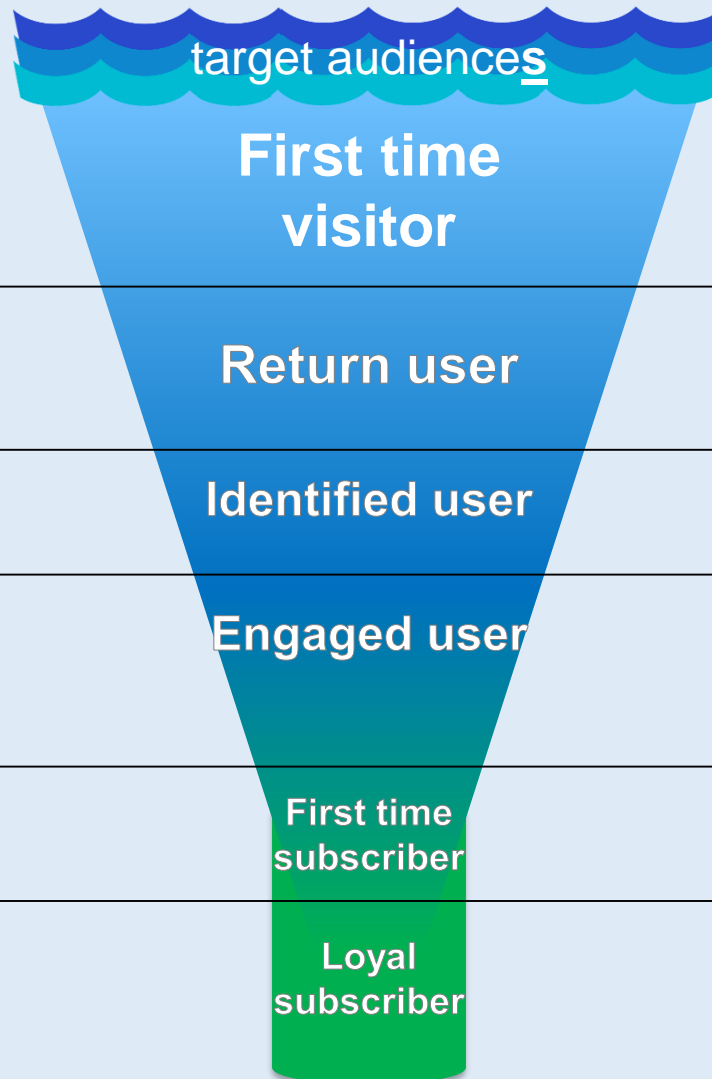
# 2018 Priorities

## HIGH LEVEL STRATEGIC INITIATIVES

- Grow digitally-motivated subscribers
  - Force more buying decisions
  - Conversion rates
- Mitigate 7-day print volume losses with continued aggressive rate strategies
- Dramatically grow 7-day print subscriber digital engagement
- Grow digital audience and digital subscriptions through an integrated audience development plan
  - Content that drives subscriptions and deepens engagement



## Digital subscription funnel



8M UNIQUE VIEWS

MULTIPLE  
BROWSERS

PRIVATE  
BROWSING

250K  
WALL HITS

MULTIPLE  
DEVICES

CLEAR  
COOKIES



# 5 Key Areas of Focus:

- Content that resonates with readers and engages them to the point they subscribe
- Force more buying decisions
- Conversion rates
- Subscriber retention
- Data driven decision making

# SUBSCRIBER REVENUE GROWTH STRATEGIES

Brian Howell

Director, Consumer Revenue

[brian.howell@tronc.com](mailto:brian.howell@tronc.com)



# LEVERAGE YOUR DATA

Digital or print



# LEVERAGE YOUR DATA

Digital or print

Acquisition





# LEVERAGE YOUR DATA

Digital or print

Acquisition

Renewal



# LEVERAGE YOUR DATA

Digital or print

Acquisition

Renewal

Customer Service





# ACQUISITION

Optimize your channels



# ACQUISITION

Optimize your channels

Prioritize your market segments





# ACQUISITION

Optimize your channels

Prioritize your market segments

Choices = retention



# RENEWAL PRICING

“They won’t pay”





# RENEWAL PRICING

“They won’t pay”

Core market



# RENEWAL PRICING

“They won’t pay”

Core market

Business Rules





# RENEWAL PRICING

“They won’t pay”

Core market

Business Rules

EZPay vs Term



# RENEWAL PRICING

“They won’t pay”

Core market

Business Rules

EZPay vs Term

Frequency





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Digital Engagement





# RENEWAL PRICING

“They won’t pay”

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Tenure

Digital Engagement

Bills



# CUSTOMER SERVICE

Monitor your reverts





# CUSTOMER SERVICE

Monitor your reverts

Monitor your reps



# CUSTOMER SERVICE

Monitor your reverts

Monitor your reps

Monitor your retention





# CUSTOMER SERVICE

Monitor your reverts

Monitor your reps

Monitor your retention

Test your save offers



# OTHER CONSIDERATIONS

Centralized vs Market Level



# OTHER CONSIDERATIONS

Centralized vs Market Level  
Modeling





# OTHER CONSIDERATIONS

Centralized vs Market Level

Modeling

Predictive Analytics

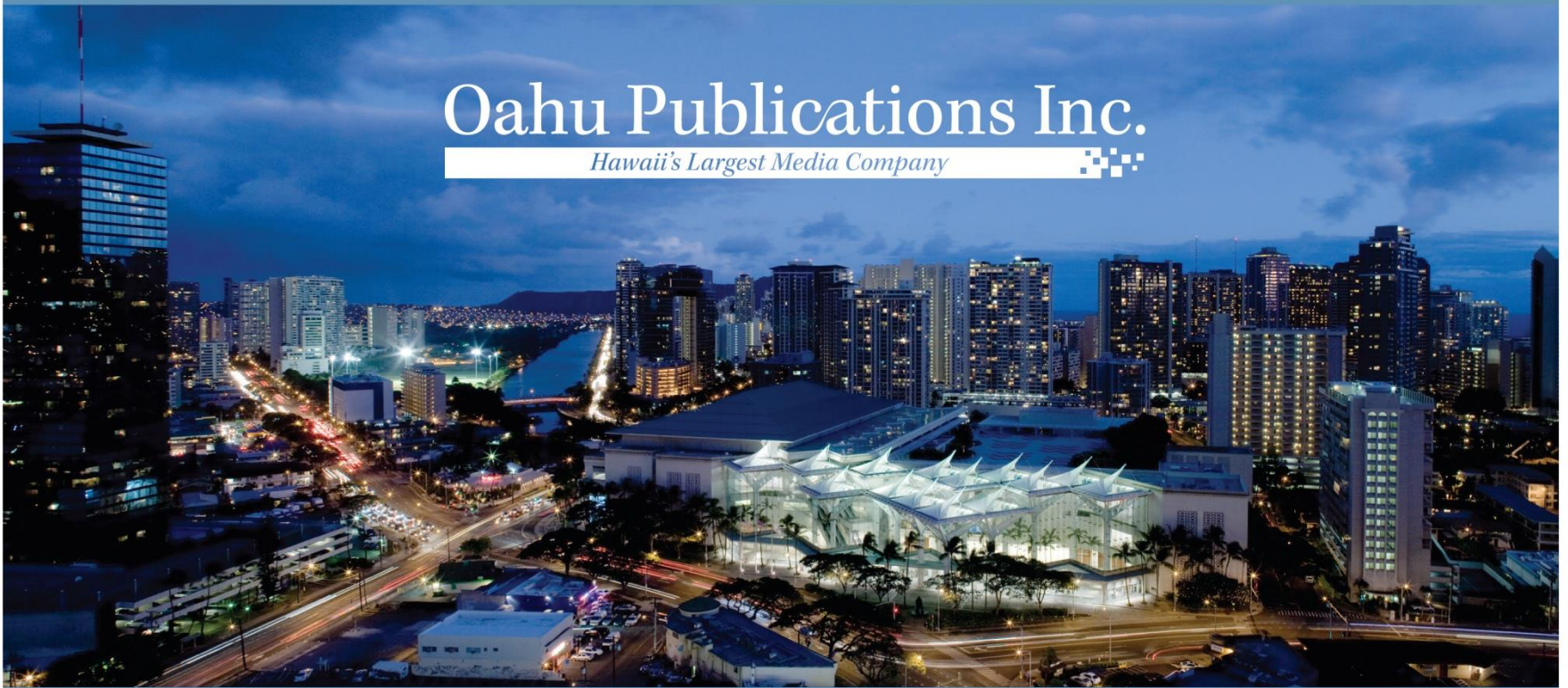






# Oahu Publications Inc.

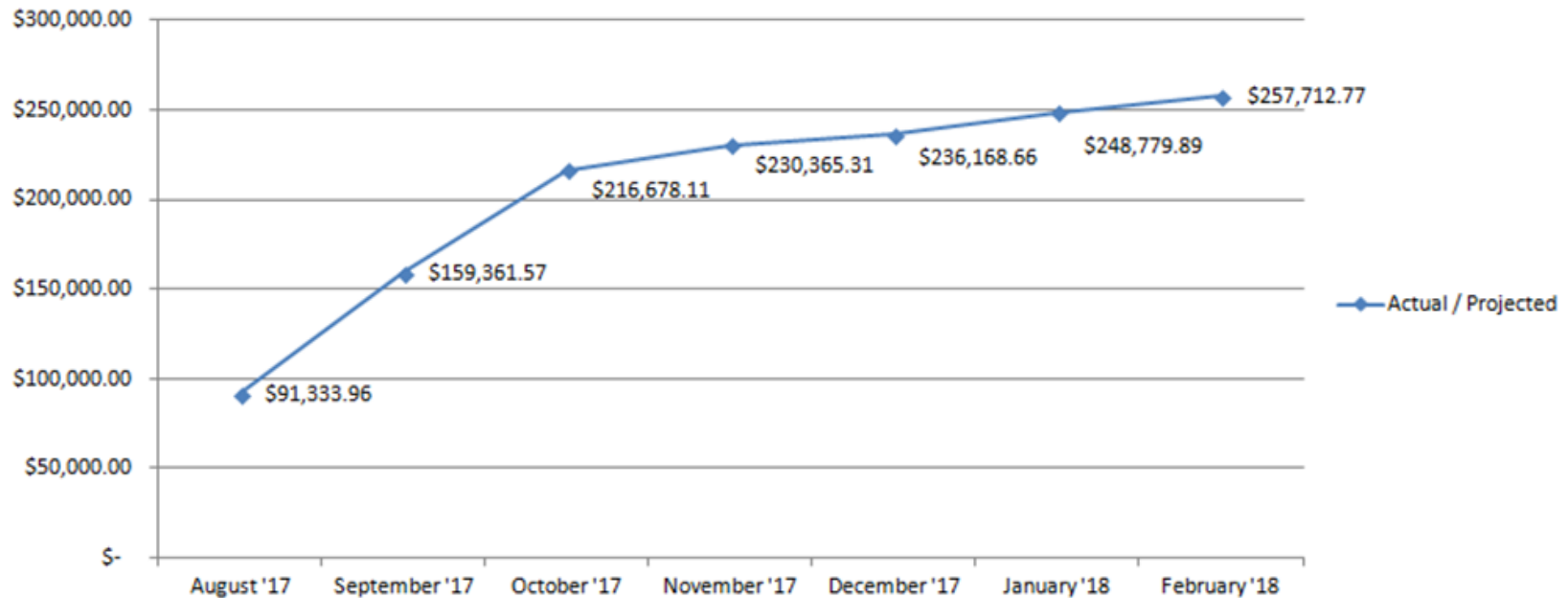
*Hawaii's Largest Media Company*



**Consumer Revenue Optimization**  
**MEGA Conference, San Diego CA**  
Aaron J. Kotarek - Vice President, Circulation

# Supplementary Content PRICING ACTION

**PROJECTING \$2.795MM IN ANNUALIZED INCREMENTAL REVENUE**



## Monetized Content:

- 36 Page Star-Channels TV & Entertainment Magazine
- 20 Page CRAVE: Cook, Eat, Drink Section
- 2 Pages of Focus On Japan Content

**Oahu Publications Inc.**

*Hawaii's Largest Media Company*

# Mather Segmented Renewal Pricing

## Stop Analysis Last 12 Months

### Honolulu Star-Advertiser

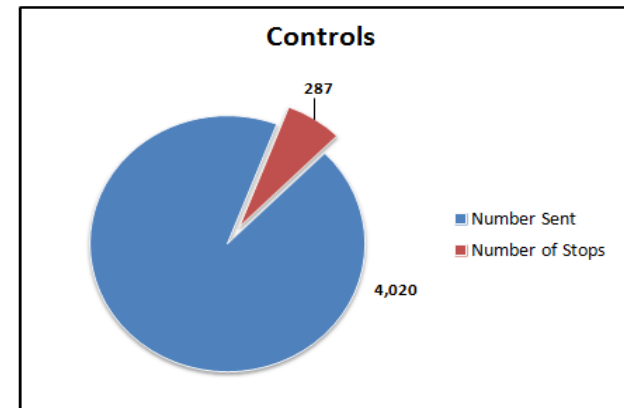
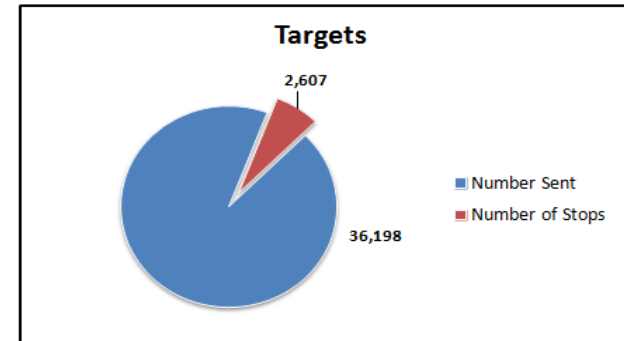
	Summary	
	Number Sent	Number of Stops
Targets	36,198	2,607
Controls	4,020	287
Total	40,218	2,894

Stop Rates	
Target	7.20%
Control	7.14%
Mather Incremental Stop Rate	0.06%

Assumptions	
Assumption	Description
1	This report only considers targets sent by Mather. It is not representative of the entire subscriber base in the market.
2	This report incorporates data for expires over the last 18 months.
3	The average % increases displayed in the Price Sensitivity tables are gross increase measures. The gross increase is the percentage difference between the renewal price sent by Mather and the price paid by a subscriber at the time of targeting.

Key Terminology	
Metric	Definition
Targets	The number of subscribers targeted for pricing by Mather.
Controls	The number of eligible subscribers for pricing that were withheld for comparison.
Target Stop Rate	The number of targets that have stopped out of total number of targets sent.
Control Stop Rate	The number of controls that have stopped out of total controls withheld for comparison.
Mather Incremental Stop Rate	The difference in the target stop rate and the control stop rate. This metric represents the volume impact of Mather pricing.
Average % Increase	This is the average price increase applied to Mather targets over the course of the pricing program. The actual increase applied to each target is determined using the Mather pricing algorithm, which incorporates subscription and demographic characteristics.
Elasticity	Elasticity is a measurement of price sensitivity. Higher elasticities indicate greater sensitivity to pricing. This metric is calculated using the average percentage increase and the incremental stop rate.

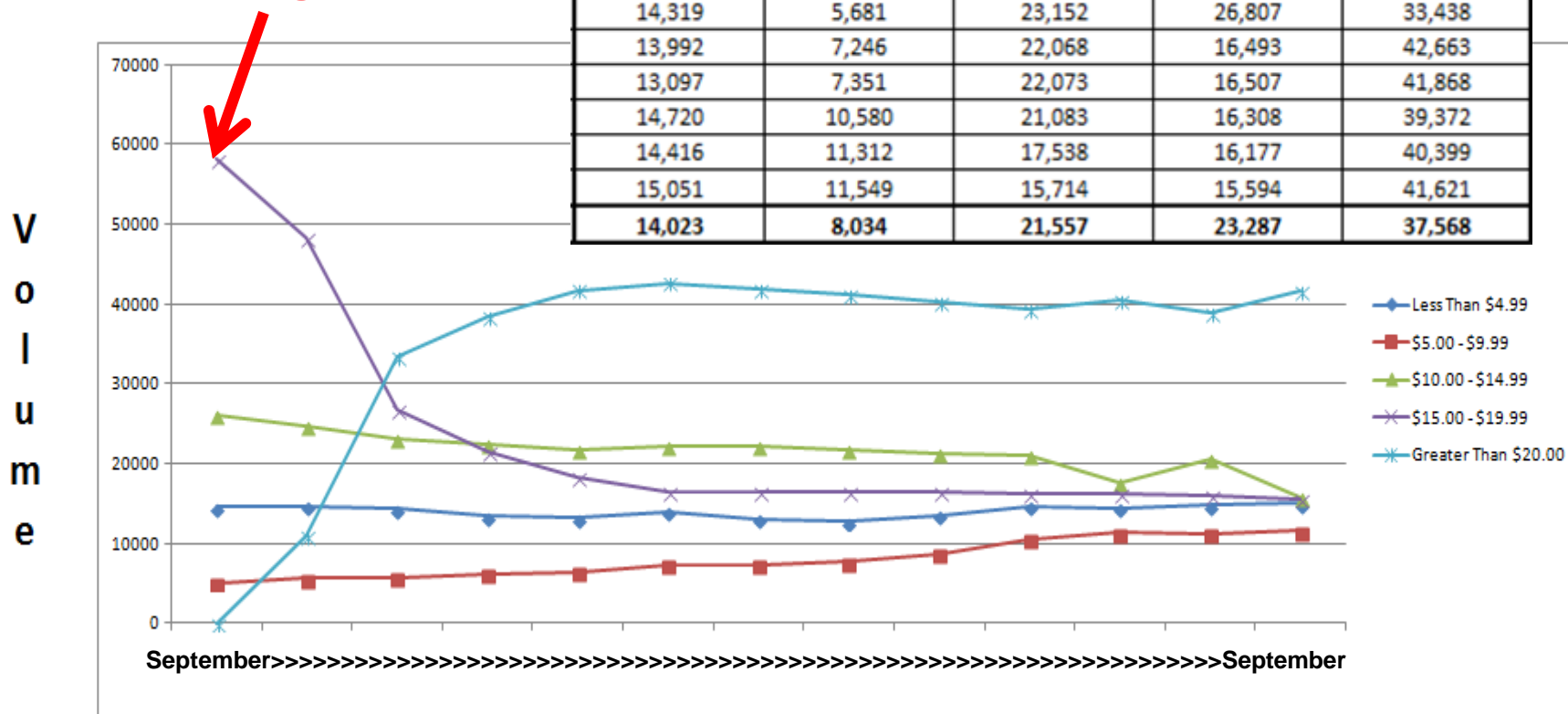
mather:





## Subscribers by Rate: One Year Snapshot

# Mather Pricing Launch





# Aggressive Stop Saving Measures Are Imperative

## “THE NINE BARRIERS”

1. We **FIRST** rebut any rate adjustment objection(s) with **CONTENT**
2. Remind subscriber that **FULL RATE** for their particular subscription package is \$X representing a discount of Y%
3. Promote value of the All Access Subscription Package
4. Offer a premium
5. Negotiate a “slight” rate concession with the intention of garnering an incremental increase from subscribers previous rate
6. Offer both slight rate reduction & premium
7. If subscriber does not accept then revert to previous rate
8. If subscriber still states they want to stop, offer to downgrade their subscription package to a Weekend, Sunday Only or Digital Only package
9. Final Offer: Opt-in with approved script for Midweek

**WITH GREAT PACKAGES COME GREAT VALUE.**

Star-Advertiser

HOME AT LAST

The value of a Star-Advertiser subscription has never been greater. We never take your loyalty for granted. That's why we continue to invest in award winning journalism and advertising value.

Monday – Sunday Home Delivery	\$429.00
Unlimited Access to Digital Suite	\$215.40
StarCHANNELS TV Magazine	\$155.98
MidWeek	\$149.99
Washington Post Digital Access	\$99.00
Convenient Home Delivery Service	Included
Uncomplicated Digital Experience	Included
\$1,000's in coupon savings	Included
Crave	Included
Sunday Star Magazine	Included
Focus on Japan	Included

**Annual Subscription Value: OVER \$1000!**

www.staradvertiser.com

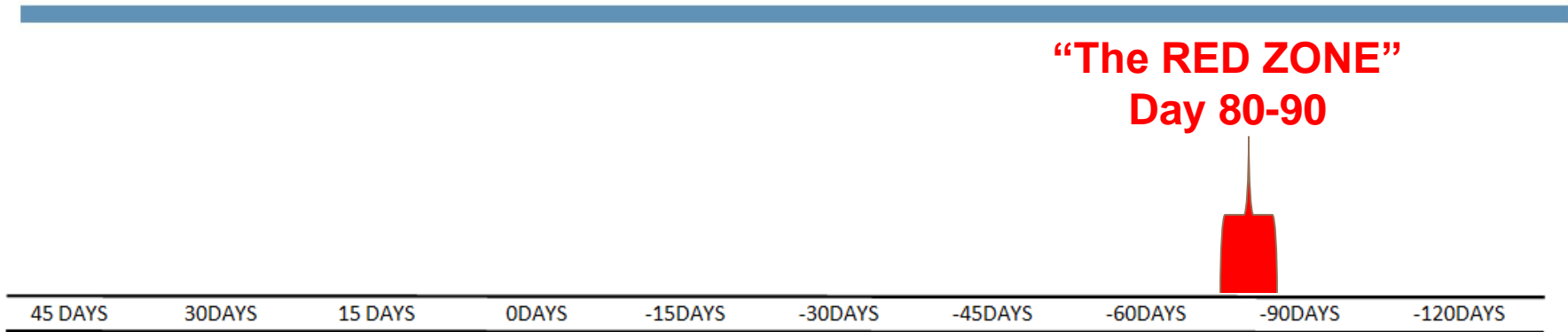
Print Replica e-Edition

Mobile and Tablet

Washington Post

# “Red Zone” Grace Period - Case Study

Using Data to Change Tactic



**Internal Data Revealed 11% Chance of Reaching Subs in Grace Between Day 80 and Suspension**

- Made a Decision to Incentivize Expiring Subscriber to Contact Us
  - Voice Mail Detailing a Promo Rate & Premium In Return For a Call Back
- Our Calculations Determined It Was More Profitable in the Long Run to Keep a Core Subscriber at Discounted Rate w/Premium Than to Reacquire a Replacement Unit
  - 26% of all Voice Mails Yielded Return Calls
  - Lowered Suspends by 9%
  - Converted 41% of the Red Zone Records Contacted to Perpetual Pay Program to Avoid Future Expire

# “Red Zone” Grace Period - Case Study

Core Subscriber Concession vs. Unit Replacement

## Core Subscriber Concession

- DS, \$19.95/mo. (\$239.40/yr.)
- \$20.00 Gift Card
- New Rate: \$17.95/mo.
- Retention CPO: \$60.00
- Annualized Pre-Print Rev: \$57.35

**Retention of 80+%**

***Annualized Sub Revenue: \$192.75***

**WINNER**

## Unit Replacement

- DS, \$12.95/mo. (\$155.40/yr.)
- Premium: \$10.00 Gift Card
- Acquisition CPO: \$80.00
- Annualized Pre-Print Rev: \$57.35

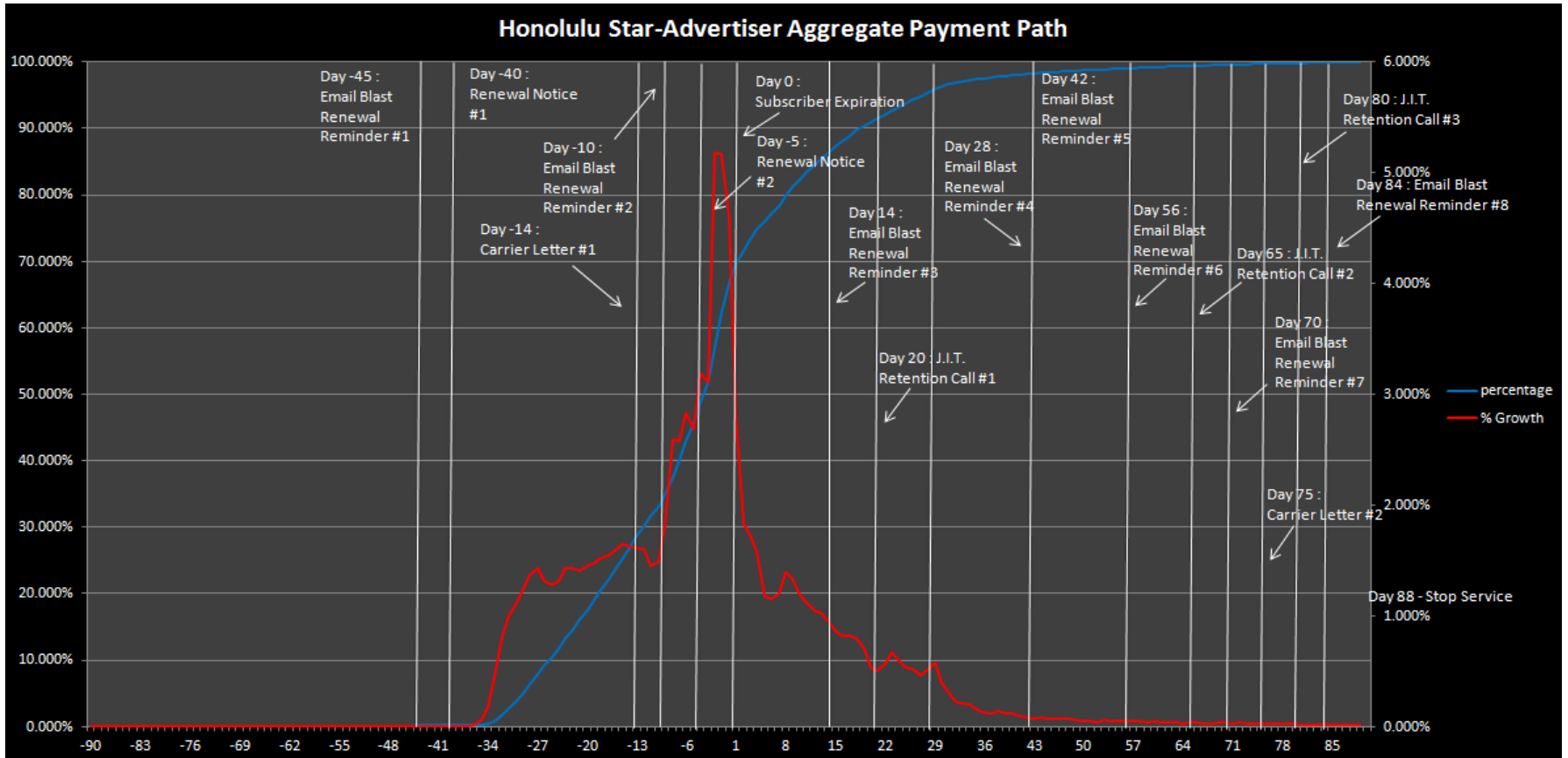
**Retention of 60+%**

***Annualized Sub Revenue: \$122.75***



# 3 Year Aggregate Payment Path Analysis

## Pre-July 24<sup>th</sup> Change in Retention Touch Points

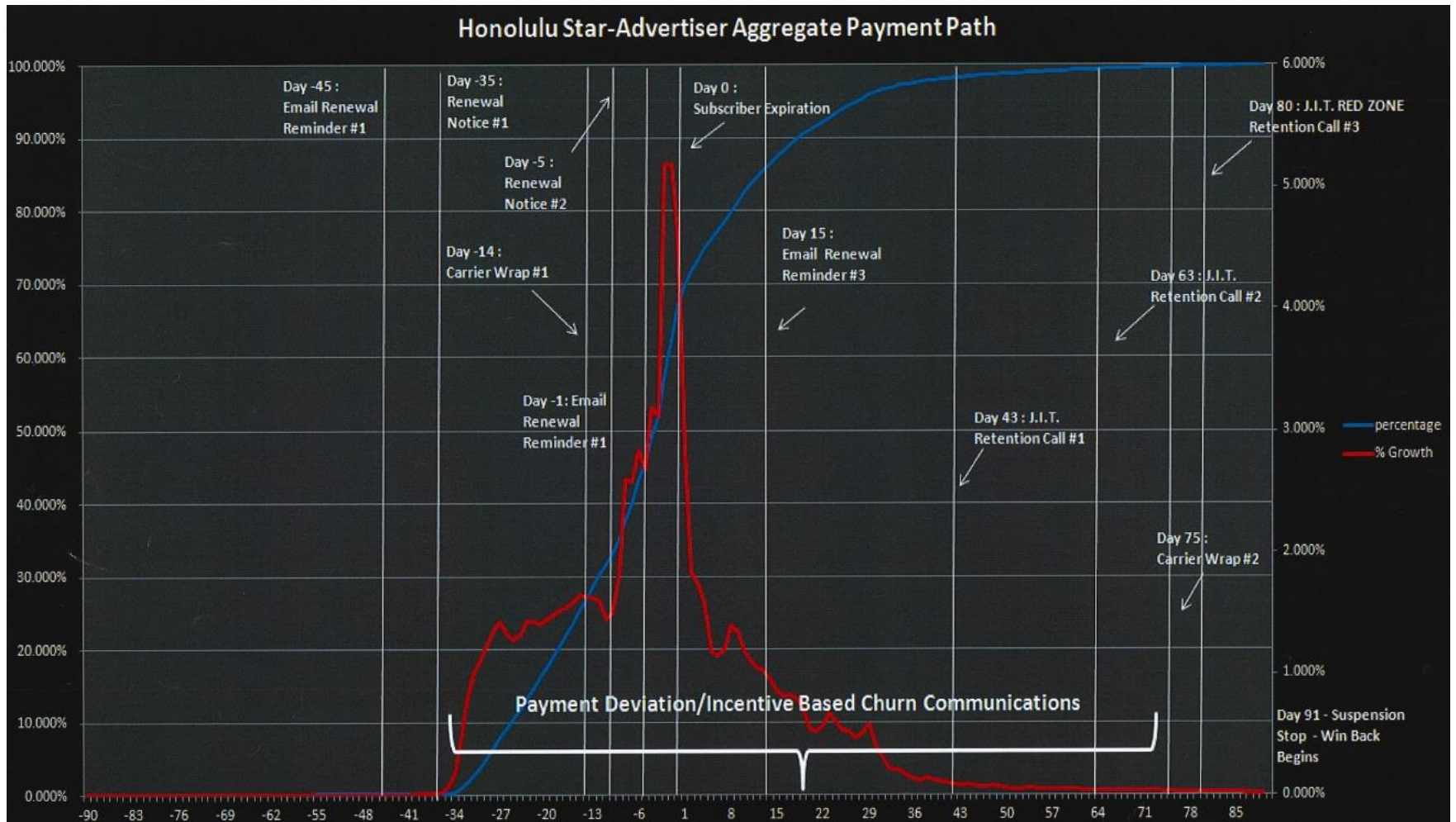


\*3 Year Payment Path Analysis Performed by Mather Economics

500 ALA MOANA BOULEVARD • SUITE 7-500 • HONOLULU, HAWAII 96813  
PHONE 808.529.4700 | OAHUPUBLICATIONS.COM

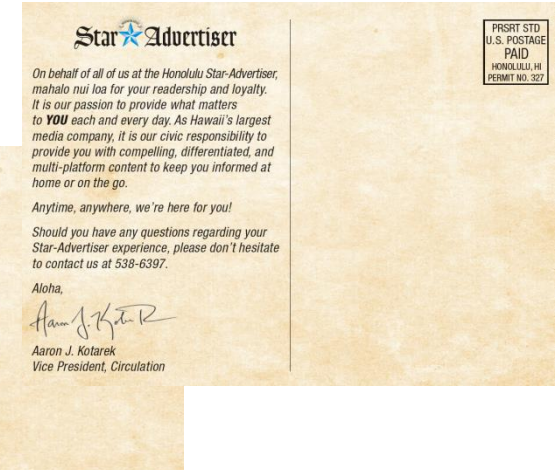
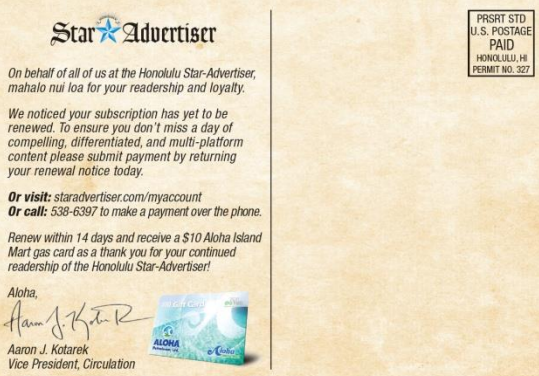
**Oahu Publications Inc.**  
*Hawaii's Largest Media Company*

# Post-July 24<sup>th</sup> Change in Retention Touch Points



# Incentive Based Churn Campaign

Customer's Lifetime Value (CLV) Score Determines Churn Tendency



## 5 Segments Based on Propensity to Churn

1. Control Group
2. No Premium
3. Mobile Pocket
4. Portable Car Charger
5. \$10.00 Gift Card



# Dynamic Messaging Payment Deviation

Deviation in Past Payment Behavior is a Significant Predictor of Churn



**Analyzing Payment  
Patterns of Individual  
Subscribers Allows for  
Custom Communication**

## For Example:

John Doe is a Term subscriber

Over the past 3 years, Mr. Doe has always renewed his subscription between **Days 8 - 26** in the grace period

**Day 27:** No payment yet to be received

**Days 28 - 80:** Customized snail mail and email messages are pushed out to Mr. Doe seeking payment to avoid interruption in service

