The Keys to Keeping Digital Subscribers – and their Revenue

Tim Franklin, Senior Associate Dean, Leader, Medill Local News Initiative
Edward C. Malthouse, Research Director, Spiegel Research Center
Amalie Nash, VP/Local News, USA Today Network
Christine Taylor, Managing Editor, Chicago Tribune
Medill Local News Initiative
An R&D Project to Help Sustainability, working with partners like:

San Francisco Chronicle

Chicago Tribune

USA Today Network

Newsday

Northwestern
WHAT WE FOUND

1. Frequency of website visits is the most important predictor of subscriber retention.
2. Page views and time spent on a newspaper’s website are not an accurate predictor of subscriber retention, and in some cases, it even has a negative effect.
3. Reading differentiated content is associated with retention.
4. Readers using adblocking software are significantly more likely to stay.

HOW TO GROW READER RETENTION IN SIX EASY STEPS

To help local media organizations transition to a subscription-based business model, the Spiegel Research Center created a six-step process to serve as the roadmap for making this shift.

1. DECIDE YOUR DESIRED
2. IDENTIFY
3. FIND WHAT BEHAVIORS DRIVE

https://localnewsinitiative.northwestern.edu/
https://spiegel.medill.northwestern.edu/what-causes-subscribers-to-pay-for-news/

@LocalNewsIni
@LocalNews Initiative
Medill News Leaders Project 2019
Sustaining the Business of Local Journalism
https://localnewsinitiative.northwestern.edu/
There’s rising urgency about the crisis in local news, with the next 3 to 5 years being seen as pivotal.

The transition to a consumer-pay system is seen as a key pathway for a sustainable business model for local news.

There’s an accelerating trend to reduce print frequency to cut manufacturing and distribution costs.

There’s a rapidly growing universe of nonprofit local news organizations helping fill the void.

The business model for local television news is on the cusp of its own major disruption.
Data scientists and researchers from Medill’s Spiegel Research Center analyzed more than 13 terabytes of integrated reader and subscriber data from 16 local news organizations.

Medill’s Knight Lab conducted human-centered design research.

The findings are challenging conventional wisdom about strategy, organization and metrics for success.
“This research is really a paradigm shift . . . It’s a big shift, a huge kind of shift in mission.”

- Tom Rosenstiel, Executive Director, American Press Institute
The New Paradigm of Readership in Local News

Edward C. Malthouse
Erastus Otis Haven Professor of Integrated Marketing Communication
Professor of Industrial Engineering and Management Science
Research Director, Spiegel Center on Digital and Database Marketing
Northwestern University
The new paradigm for local news

- Offer differentiated content
- Focus on regularity of reading
- Retain Subscribers Revenue - costs
- Become a service platform
- Reader Revenue (lifetime value)
- Foundations / Major donors
- Ad revenue

Create great reader / user experience
The importance of high retention rates

<table>
<thead>
<tr>
<th>Retention Rate ($r$)</th>
<th>Expected Payments</th>
<th>Lifetime Value (LTV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>.9</td>
<td>10</td>
<td>$92</td>
</tr>
<tr>
<td>.92</td>
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<td>.995</td>
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<td>$673</td>
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<tr>
<td>1</td>
<td>Forever</td>
<td>$1,010</td>
</tr>
</tbody>
</table>

- LTV: discounted sum of future cashflows due to relationship
- Expected number of payments = \( \frac{1}{1 - r} \)
- This assumes \( m = $10 \) revenue per month and a monthly discount rate of \( d = 1\% \)
- Lifetime revenue increases quickly with small changes in the retention rate (when it is high, but not low)!
Trial offers

Worth every penny: 1¢/day

3 months of digital access for 95¢

SUBSCRIBE TODAY

There’s a lot going on: the approaching elections, local policy, business buzz, lifestyle trends, sports scoops and more. Move beyond just keeping up. Dig into the topics that matter most to you.

$3 for 3 Months
Limited-Time Offer*
Offer Ends Soon
Save 90%

Subscribe Now

What’s included?
Includes full access on your desktop, tablet, and mobile devices every day. The e-Edition, a digital replica of the print edition, is included.

Northwestern MEDILL
CENTER FOR JOURNALISM MEDIA INTEGRATED MARKETING COMMUNICATIONS
New subscriber contact strategy

Segment 1 - Inactive

Segment 2 - Active reader

Objective 1 - Help them find stories

Objective 2 - Expand engagement

Contact 1

Contact 2

Segment 1 - Inactive

Segment 2 - Active reader

Rate Increase

Trial

Subscription

Payment
Thank you for being a subscriber. Here are some of our most-read stories today. Check them out.

A 90-year-old North Dakota woman lost $400K — her life savings — to a Jamaican lottery scam. She’s been paid back just $287.

A 90-year-old North Dakota woman who was robbed of her life savings by a Jamaican lottery scam says she has been paid back only $287 of the $400,000 she's owed. Edna Sc...

Senate Majority Leader Mitch McConnell says Kentucky Gov.
Studying what drives retention

• We have 19 news organization partners
  – Seven large-city news organizations
  – 12 small-market news organizations in the Midwest

• For each paper we have ...
  – Subscriber records for many years
  – Click-stream reading data for roughly two years (13 TB)
  – In some cases, subscriptions to newsletters

• Estimate multivariate survival analysis models predicting the time until churn (canceling) for subscribers, including controls and reading behaviors as lagged, time-dependent covariates
Definitions

- **Hard churn**: cancel subscription payments
  - Directly linked to financial outcome
  - Difficult for organizations to join it with reading data
  - Too late—subscribers give early-warnings signals that relationship is at risk

- Need a leading indicator of hard churn:
  - **Regularity**: number of days per month with any reading
  - **Intensity**: number of page views per day of reading
  - **Depth of reading**: time per article
  - **Breadth**: reading many subjects versus few

\[
\text{time} = \frac{\#\text{days}}{\#\text{days}} \cdot \frac{\#\text{PV}}{\#\text{days}} \cdot \frac{\text{time}}{\#\text{PV}}
\]

regularity \quad \text{intensity} \quad \text{depth}
Reading **regularity** drives retention

**One Larger Market**

**12 Smaller Markets**

Number of days reading per month

Percent canceled

Days read last month

Percent canceling this month

Northwestern
Regularity reflects habit

• Habit: something that you do often and regularly, sometimes without knowing that you are doing it

• A news organization that becomes part of a reader’s habit becomes essential to that person’s life

• Low regularity indicates a “soft churn”
Predict **churn** among digital-only subscribers:

<table>
<thead>
<tr>
<th></th>
<th>Big Market A</th>
<th>Big Market B</th>
<th>Big Market C</th>
<th>12 Small Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regularity (Days)</strong></td>
<td>-10.3</td>
<td>-8.5</td>
<td>-5.5</td>
<td>-9.6</td>
</tr>
<tr>
<td><strong>Intensity (PV/day)</strong></td>
<td>13.5</td>
<td>2.6</td>
<td>-0.8</td>
<td>4.4</td>
</tr>
<tr>
<td><strong>Depth (Time/PV)</strong></td>
<td>2.1</td>
<td>3.6</td>
<td>1.6</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Breadth</strong></td>
<td>-7.2</td>
<td>0.37</td>
<td>4.3</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Mobile</strong></td>
<td>-3.025</td>
<td>5.3</td>
<td>1.2</td>
<td></td>
</tr>
</tbody>
</table>

Green is good (retention)  
Red is bad (churn)

Z-scores for slopes predicting churn

**Regularities drives retention**  
**Extent & Depth drive churn**  
**Mobile varies by market**

Key question: why would page views be associated with churn?
Column: ESPN should drop Booger McFarland and Joe Tessitore as ‘Monday Night Football’ announcers

By PHIL ROSENTHAL
10:00 AM
Test of ad-interference hypothesis

- Predicting churn from reading and control variables
- Regularity strongly associated with retention
- After controlling for regularity, there’s a positive association between extent and churn—**the more people read, the more they churn**
- Adding an ad-blocker*extent interaction, along with control variables, the effect of extent on subscription canceling is reduced for those using ad blockers!
Predict **churn** among digital **subscribers**
Differentiated versus commoditized

<table>
<thead>
<tr>
<th></th>
<th>Big A</th>
<th>Big B</th>
<th>Big C</th>
<th>Small 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>-8.71</td>
<td>2.12</td>
<td>-2.30</td>
<td>-2.33</td>
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<tr>
<td>Home page</td>
<td>-3.69</td>
<td>1.26</td>
<td>-0.86</td>
<td>-1.29</td>
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<tr>
<td>Differentiated</td>
<td>-6.75</td>
<td>-3.60</td>
<td>-2.02</td>
<td>-0.78</td>
</tr>
<tr>
<td>Commoditized</td>
<td>33.3</td>
<td>-0.80</td>
<td>-2.45</td>
<td>-4.28</td>
</tr>
</tbody>
</table>

- Mobile varies by market
- Differentiated drives retention
- Commoditized varies by market

- Other drivers of churn (in some markets): Nascar, horoscopes, certain syndicated columnists, recipes
- Other drivers of retention: local food, local entertainment, certain local columnists
How to drive regularity and avoid overload?

News briefings?

Search of Gilroy gunman’s home finds white supremacy materials, ammo boxes, gas mask
By Matthias Gafni, Dustin Gardiner, Tatiana Sanchez and Karen de Sa
Investigators who searched the Nevada home of the Gilroy Garlic Festival shooter found items suggesting he was considering a massive attack.

Mass shootings in California: Rare but increasingly deadly
By Joaquin Palomo
A Chronicle analysis found that over the past two decades, there have been at least 67 mass-casualty shootings in California, claiming a total of 251 lives.

Interactive map: How the Gilroy Garlic Festival shooting unfolded
Our online graphic shows what happened during Sunday night’s mass shooting at the Gilroy Garlic Festival. Three people were killed and 12 wounded by a 19-year-old man who had grown up in the south Santa Clara County city.

Gilroy Garlic Festival shooting puts other Bay Area food, music events on high alert
By Swadlena Wu
When thousands descended on Gilroy, the attendees’ expectations included music and food, not a gunman who would kill three and injure a dozen more.

Marianne Williamson’s fans made her the ‘orb queen’ of the 2020 campaign
Her first debate won her many devotees, from iconic meme-makers to earnest occultists.

To deter migrants, Trump administration builds elaborate scaffolding at the border, and on the books
By Nick Miroff • Read more

Warren and Delaney had a good night. CNN had a terrible one.
Opinion • By Jennifer Rubin • Read more

If the U.S. economy is in good shape, why is the Federal Reserve cutting interest rates?

It’s been an eventful week in UK politics, to put it mildly.
Prime Minister Theresa May began the week hoping to push through her vision for Brexit. Days later, she survived a coup from within her own Conservative party.
But how did this happen? What does it mean? And what comes next?

Politics is all about numbers and dates.
This week, 650 members of the UK parliament were supposed to vote on the deal Theresa May struck with EU members on how exactly the UK should leave the EU.

Instead, 317 Conservatives had a vote of no confidence in her leadership. She won, but by only 200 votes to 117, leaving her weakened and her party more divided than ever.

What’s next?
The government must hold a vote on Mrs May’s deal by 21 January or come up with another plan. But with little chance of her winning such a vote and no sign of a Plan B, this looks like a profound political crisis.

How significant was this week?
Testing Newsletter Hypothesis: Org D

- We have 5,878 digital-only subscribers from another news organization and know their subscriptions to 10 different newsletters.
- The table gives panel-data slopes predicting regularity of reading from newsletter dummies- indicating that the newsletters increase engagement with content and this decreases churn.

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Regularity</th>
<th>Slope(SE)</th>
<th>Z Value</th>
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</thead>
<tbody>
<tr>
<td>Local list</td>
<td></td>
<td>0.5370(0.0199)</td>
<td>26.93</td>
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<tr>
<td>Sports</td>
<td></td>
<td>0.2491(0.0152)</td>
<td>16.43</td>
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<tr>
<td>Business</td>
<td></td>
<td>0.0392(0.0234)</td>
<td>1.68</td>
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<tr>
<td>Breaking news</td>
<td></td>
<td>0.2863(0.0139)</td>
<td>20.64</td>
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<td>Entertainment</td>
<td></td>
<td>−0.0523(0.0253)</td>
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<td>Politics</td>
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<td>−0.1501(0.0253)</td>
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<tr>
<td>Family</td>
<td></td>
<td>0.3414(0.0208)</td>
<td>16.44</td>
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<tr>
<td>“Now”</td>
<td></td>
<td>0.6470(0.0097)</td>
<td>66.65</td>
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<tr>
<td>Travel</td>
<td></td>
<td>−0.0516(0.0249)</td>
<td>−2.07</td>
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<tr>
<td>Real estate</td>
<td></td>
<td>−0.0220(0.0264)</td>
<td>−0.83</td>
</tr>
</tbody>
</table>
Testing newsletters: Org B

- 13,439 new subscribers, control for seasonality and device
- The number of newsletter signups is associated with reducing churn (z=-2.66)
- The number newsletter opened is associated with reducing churn (z=-2.92)
- The number of newsletter clicks is weakly associated with reducing churn (-2.14)
In 3 years:

- Reader equity $4.54M
- 10,780 subscribers
Acquire 200 Trial Subscribers Each Month

In 3 years:
- Reader equity increases from $4.5M to $5.4M
- Subscribers increase from 10,780 to 15,110

<table>
<thead>
<tr>
<th>Pros L</th>
<th>Pros H</th>
<th>Trial L</th>
<th>Trial H</th>
<th>Full L</th>
<th>Full H</th>
<th>Churn L</th>
<th>Churn H</th>
<th>Total</th>
<th>Sub Rev</th>
<th>PVs</th>
<th>Other Rev Value</th>
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<td>0%</td>
<td>0%</td>
<td>0$</td>
<td>-</td>
<td>163.6</td>
<td>$0.33</td>
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# acquired/month
- 0
- 0
- 100
- 100
- 0
- 0
- 0
- 0
- 200

Ad $/PV 0.002

New transition matrix after adding the change in P

The following summarizes the state of your database in 3 years (36 months)

<table>
<thead>
<tr>
<th>Registered prospect</th>
<th>Trial subscribers</th>
<th>Full-price subs</th>
<th>Churned</th>
<th>Total</th>
<th>Reader Equity</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>424</td>
<td>14,686</td>
<td>18,090</td>
<td>33,200</td>
<td>$5,375,840</td>
</tr>
</tbody>
</table>

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INTEGRATED MARKETING COMMUNICATIONS
What if we cut advertising by half?

In 3 years:
- Reader equity decreases from $5.4M to $5.3M

<table>
<thead>
<tr>
<th></th>
<th>Pros L</th>
<th>Pros H</th>
<th>Trial L</th>
<th>Trial H</th>
<th>Full L</th>
<th>Full H</th>
<th>Churn L</th>
<th>Churn H</th>
<th>Total</th>
<th>Sub Rev</th>
<th>PVs</th>
<th>Other Rev Value</th>
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<tr>
<td>Pros L</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Pros H</td>
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<td>0.0%</td>
<td>0.0%</td>
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<td>$0.00</td>
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<td>$1.00</td>
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<td>0.0%</td>
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<td>0.0%</td>
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<td>0.0%</td>
<td>0.0%</td>
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<td>$163.60</td>
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<td>$0.16</td>
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</table>

# acquired/month | 0 | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 200 | Ad $/PV | 0.001 |

New transition matrix after adding the change in P

<table>
<thead>
<tr>
<th></th>
<th>Pros L</th>
<th>Pros H</th>
<th>Trial L</th>
<th>Trial H</th>
<th>Full L</th>
<th>Full H</th>
<th>Churn L</th>
<th>Churn H</th>
<th>Churn rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros L</td>
<td>63.6%</td>
<td>8.0%</td>
<td>8.8%</td>
<td>9.3%</td>
<td>5.3%</td>
<td>4.1%</td>
<td>0.8%</td>
<td>0.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Pros H</td>
<td>16.6%</td>
<td>60.8%</td>
<td>1.7%</td>
<td>15.0%</td>
<td>0.8%</td>
<td>4.7%</td>
<td>0.1%</td>
<td>0.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Trial L</td>
<td>0.0%</td>
<td>0.0%</td>
<td>8.2%</td>
<td>3.1%</td>
<td>56.1%</td>
<td>26.7%</td>
<td>4.7%</td>
<td>1.3%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Trial H</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.0%</td>
<td>1.6%</td>
<td>15.0%</td>
<td>77.5%</td>
<td>1.3%</td>
<td>3.6%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Full L</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>83.4%</td>
<td>11.9%</td>
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<td>0.4%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Full H</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>18.1%</td>
<td>78.6%</td>
<td>1.0%</td>
<td>2.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Churn L</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.6%</td>
<td>0.2%</td>
<td>1.3%</td>
<td>0.3%</td>
<td>91.8%</td>
<td>5.7%</td>
<td>97.6%</td>
</tr>
<tr>
<td>Churn H</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.7%</td>
<td>1.0%</td>
<td>0.2%</td>
<td>1.0%</td>
<td>25.9%</td>
<td>71.3%</td>
<td>97.1%</td>
</tr>
</tbody>
</table>

The following summarizes the state of your database in 3 years (36 months)

<table>
<thead>
<tr>
<th>Registered prospect</th>
<th>Trial subscribers</th>
<th>Full-price subs</th>
<th>Churned</th>
<th>Total</th>
<th>Reader Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>424</td>
<td>14,686</td>
<td>18,090</td>
<td>33,200</td>
<td>$5,305,956</td>
</tr>
</tbody>
</table>

Northwestern MEDILL CTR. OF JOURNALISM MEDIA INTEGRATED MARKETING COMMUNICATIONS
But retention rates should increase

<table>
<thead>
<tr>
<th></th>
<th>Pros L</th>
<th>Pros H</th>
<th>Trial L</th>
<th>Trial H</th>
<th>Full L</th>
<th>Full H</th>
<th>Churn L</th>
<th>Churn H</th>
<th>Total</th>
<th>Sub Rev</th>
<th>PVs</th>
<th>Other Rev Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros L</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0</td>
<td>$</td>
<td>-</td>
<td>$0</td>
</tr>
<tr>
<td>Pros H</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<td>$</td>
<td>-</td>
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<td>0%</td>
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<td>1%</td>
<td>-1%</td>
<td>-1%</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>-1%</td>
<td>-1%</td>
<td>$</td>
<td>1</td>
<td>$278.5</td>
</tr>
<tr>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>-1%</td>
<td>-1%</td>
<td>$</td>
<td>12</td>
<td>$4.2</td>
</tr>
<tr>
<td>Full H</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>-1%</td>
<td>-1%</td>
<td>$</td>
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<td>$250.7</td>
</tr>
<tr>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0</td>
<td>$</td>
<td>-</td>
<td>$2.1</td>
</tr>
<tr>
<td>Churn H</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0</td>
<td>$</td>
<td>-</td>
<td>$163.6</td>
</tr>
</tbody>
</table>

# acquired/month | 0 | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 200 Ad $/PV | 0.001

New transition matrix after adding the change in P

<table>
<thead>
<tr>
<th></th>
<th>Pros L</th>
<th>Pros H</th>
<th>Trial L</th>
<th>Trial H</th>
<th>Full L</th>
<th>Full H</th>
<th>Churn L</th>
<th>Churn H</th>
<th>Churn rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros L</td>
<td>63.6%</td>
<td>8.0%</td>
<td>8.8%</td>
<td>9.3%</td>
<td>5.3%</td>
<td>4.1%</td>
<td>0.8%</td>
<td>0.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Pros H</td>
<td>16.6%</td>
<td>60.8%</td>
<td>1.7%</td>
<td>15.0%</td>
<td>0.8%</td>
<td>4.7%</td>
<td>0.1%</td>
<td>0.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Trial L</td>
<td>0.0%</td>
<td>0.0%</td>
<td>8.2%</td>
<td>3.1%</td>
<td>57.1%</td>
<td>27.7%</td>
<td>3.7%</td>
<td>0.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Trial H</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.0%</td>
<td>1.6%</td>
<td>16.0%</td>
<td>78.5%</td>
<td>0.3%</td>
<td>2.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Full L</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>84.4%</td>
<td>12.9%</td>
<td>3.3%</td>
<td>-0.6%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Full H</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>19.1%</td>
<td>79.6%</td>
<td>0.0%</td>
<td>1.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Churn L</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.6%</td>
<td>0.2%</td>
<td>1.3%</td>
<td>0.3%</td>
<td>91.8%</td>
<td>5.7%</td>
<td>97.6%</td>
</tr>
<tr>
<td>Churn H</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.7%</td>
<td>1.0%</td>
<td>0.2%</td>
<td>1.0%</td>
<td>25.9%</td>
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<th>Churned</th>
<th>Total</th>
<th>Reader Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>368</td>
<td>20,119</td>
<td>12,714</td>
<td>33,200</td>
<td>$</td>
<td>6,494,831</td>
</tr>
</tbody>
</table>

In 3 years:
- Reader equity increases from $5.3M to $6.5M
- Subscribers increase from 15,110 to 20,487
The effects of pricing

<table>
<thead>
<tr>
<th>Price per Month</th>
<th>Retention Rate</th>
<th>Expected Payments</th>
<th>CLV</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6</td>
<td>98.5%</td>
<td>64.6</td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td>97.2%</td>
<td>35.2</td>
<td></td>
</tr>
<tr>
<td>$15</td>
<td>96.3%</td>
<td>27.1</td>
<td></td>
</tr>
<tr>
<td>$20</td>
<td>95.7%</td>
<td>23.5</td>
<td></td>
</tr>
</tbody>
</table>

- As price increases the retention rates go down
The effects of pricing

<table>
<thead>
<tr>
<th>Price per Month</th>
<th>Retention Rate</th>
<th>Expected Payments</th>
<th>CLV</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6</td>
<td>98.5%</td>
<td>64.6</td>
<td>$238</td>
</tr>
<tr>
<td>$10</td>
<td>97.2%</td>
<td>35.2</td>
<td>$263</td>
</tr>
<tr>
<td>$15</td>
<td>96.3%</td>
<td>27.1</td>
<td>$323</td>
</tr>
<tr>
<td>$20</td>
<td>95.7%</td>
<td>23.5</td>
<td>$384</td>
</tr>
</tbody>
</table>

- As price increases the retention rates go down
- But CLV increases!
- You should test this, but sites may be undervaluing their content
Implication

• Make sure consumers derive value regularly
  – Understand your value proposition
  – Email updates and newsletters are an obvious way to drive regularity, but they should be tested

• Pay attention to the user experience.
  – Test effects of advertising and apps

• Not all page views drive retention
  – Test effects of commoditized vs. local content
On becoming a service platform

• Focus on creating value for readers
• Then you will become a trusted, regular destination, and can act as a broker for the user
• Other organizations will pay for access to readers
• The secret is having the reader’s trust (and data)
Dear Subscriber,

Your annual subscription to The Crossword is up for renewal and will be charged for your next annual cycle.

Charge Date for Renewal: 12/18/2019

Service Period: 12/21/2019 to 12/20/2020

Amount: $19.97

Thank you once again for being a subscriber.

If you have any questions, please contact us at customercare@nytimes.com or 1-800-NYTIMES (1-800-698-4637).

Sincerely,
The New York Times
Greenwich Village Food Tour: Old, New and Delicious

Arts, Food and Markets of Mexico City

The Secrets of Marrakesh

Classic and Creative Philly

City Tours

Arts & Culture

Food & Wine

History & Context

City Tours

Arts & Culture

Food & Wine

History & Context

City Tours

Arts & Culture

Food & Wine

History & Context
Antarctica and Climate Change

Antarctica, the most remote continent on earth, is also at the heart of study and concern about climate change. Join two New York Times science writers, Henry Fountain and James Gorman, on this 13-day expedition to the heart of the Antarctic Peninsula. Discover how climate change may alter its role in the global ecosystem.

Visiting Antarctica is almost like stepping back in time, to when the world was new. There are no human sounds in this land of primeval beauty, only the wild cries of birds, seals and whales echoing across a vast expanse of land and sea. Travel to this magical land during the austral summer, when the days are long and relatively mild, when seabirds are courting, and as massive icebergs thaw into sculptures of brilliant form and color. Because much of this journey will be at the mercy of weather and ice conditions, landings on certain sites and the observation of certain wildlife cannot be guaranteed. But that also makes each trip unique.

Itinerary

1. Welcome to the Bottom of the World
2. Tierra del Fuego
3. Environmental Research at the Extreme
4 - 5. Crossing the Drake Passage
6 - 10. Exploring the Antarctic
11 - 13. Back Across the Drake Passage

Departures

Dec 8–20 2019
Select dates and pricing

Cost

Superior Stateroom from $14,005
Deluxe Stateroom from $14,875
Prestige Stateroom from $16,290
Deluxe Suite from $23,480
Prestige Suite from $26,995
Single Supplements:
Superior Stateroom $10,680
Special Welcome Offer

Enjoy Our Top 12 Holiday Reds
ONLY $69.99 plus BONUS Bottles & Glasses

SAVE $180