

digital subscriber and remnant advertising revenue. Over the next 2 years the [BN]Tech team developed a proprietary IP-based paywall that largely closed the leakiness in The Buffalo News paywall, achieving consistent year-over-year growth in digital-only subscribers In May 2018 we began talking with other publishers who were experiencing the same lackluster growth in their digital-only subscribers. In 2019 we are continuing to build out the [BN]Tech platform and actively working with many publishers to help show them the value of our technology.

{BN]Tech Whitepaper for The Buffalo News: <https://bntech.io/wp/thebuffalonews2018.pdf>

In 2017 and 2018, we also launched 5 new weekly publications, starting with The Hamburg Sun and expanding “The Suns” into four other local markets. The idea was to create a weekly local newspaper that covered things like high school sports and other local news, specifically targeted to neighborhoods where people lived. We have seen extremely strong advertiser support and circulation among those products has been growing steadily. In an environment where starting a new print publication almost seems counterintuitive, we have found a niche that wasn’t served well in our community and we’ve seen the people and advertisers in those communities, rally around those products and help support their growth.

Additionally, both in print and online we’ve started many new innovative ad products. For example, online we created a new “top hat” ad unit, which has is nearly always sold out and has proved to be a highly sought-after ad unit amongst our local advertisers because of its high impact and placement on our pages. In print, we have started offering gate-fold and spadia ad units to our advertisers and even wraps of our front page. All these premium ad positions have had a significant impact in our ROP and banner revenue in 2018 and we expect that to continue in 2019.

BUSINESS MODEL TRANSFORMATION

Digital Revenue:

My digital revenue was 5.9 percent of my TOTAL REVENUE over the past 12 months. Digital revenue at my company grew 200 percent this past year over the previous year. Consumer Digital Revenue at The Buffalo News has grown more than 200% since 2016 and in 2018 we had a \$310,000 increase (or 110% increase) in digital subscription revenue over 2017. Digital Banner Revenue at my company grew 24% in 2018 over 2017 as a boost from new ad units, like our top hat and photo gallery interstitials.

NON-CORE REVENUE

Have you diversified your revenue in other ways beyond print and digital, such as events or agency services (PR work, logo development, competitive media placement, etc.)?

Yes

No

If yes, what percentage of your total advertising revenue comes from these streams? 8%

What do you expect it to be in three years? 12%

Please provide any additional details or comments that you would like the judges to consider (300 words or less, suggested).

At The Buffalo News, we have created several different non-traditional revenue models, from a Digital Agency, to Commercial Printing and our latest initiative, [BN]Tech, which is selling technology tools that have proven to be so successful for The Buffalo News, that we have developed them to be used by other newspapers so that they can see the same success. Our first offering is our state of the art paywall technology, which tracks users by IP address, instead of the traditional cookie tracking methods. It has shown to be a huge success helping us to drive digital subscriptions and coupled with our other digital subscription initiatives (newsletters, content changes, data driven decision making), we have successfully been able to grow digital subscribers.

AUDIENCE DEVELOPMENT

Please describe any innovative audience approaches your company has taken that has allowed your company to reach more readers, new audience segments (for example: Millennials, sports fanatics, etc.) or improve subscriber engagement. How has this impacted subscriptions, open rates, social shares or total audience? (300 words or less, suggested)

Our biggest success was an update to the way we went about targeting users to drive subscriptions. We changed our paywall model to be weekly, instead of monthly which most publishers follow, to help drive readers to develop a habit of coming back to the Buffalo News on a regular basis. As we tightened our meter, those users who had developed a habit of reading us online, then started subscribing. Coupled with the new paywall technology, which didn't have any of the loopholes that existed in other paywalls, users were forced to subscribe to continue to enjoy our content.

In the fall of 2018, we used data from an internal metrics tool to identify non-subscribers based on content preferences and usage. Those non-subscribers were targeted with alternative messaging prior to reaching the meter limit via a banner at the bottom of the page. Some messaging focused on the civic value of local journalism, while others demonstrated the cost/benefit of a monthly subscription. Other non-subscribers were given an alternative meter rate. This would not have been possible, or measurable, without the technology we had developed.

In the newsroom, we launched seven newsletters including a weekday round-up of the most interesting news in the region, sports verticals, weekly things-to-do and a short-run newsletter following an investigative series. These newsletters enticed non-subscribers to click on more articles and was also a big contributing factor to our subscriber growth.

SALES & MARKETING APPROACH

Which of the following applies most to you?

_____ We have trained all sales executives how to sell digital products.

_____ We have a separate staff to sell digital and/or new initiatives.

X We have specialized people who sell the complicated stuff and help the rest of the staff sell our new and/or digital product mix.

Please describe any innovative sales and marketing approaches you have taken that have helped your company improve the trajectory of your revenue (300 words or less, suggested)

This past year we re-branded the name of our in-house digital agency to One News Digital. The goal was to have a fresh, new look that would speak to advertisers and tell them we were more than just a newspaper, In addition to the new branding, the digital sales team launched new social media pages for One News Digital to engage followers and attract new clients. Digital banner ad sales this year (owned and operated inventory) are up 30% compared to 2017. The success is due in large part to a new fixed ad unit (Top Hat) which has been in high demand. We changed the pricing structure for our premium inventory and increased rates which also contributed to the increased revenue in 2018.

ORGANIZATIONAL & COMPANY CULTURE TRANSFORMATION

Please describe how your company has changed its organizational structure, work environment and/or rewards to encourage innovation. (300 words or less suggested)

In early 2018, our executive team met for a retreat to talk about new initiatives and plans for 2018 and how we can make some major changes to the organization in a short period of time. We walked away from that meeting with a strategic plan focused on growing the entire organization together and working towards a new culture at the News focused on measurable analytics and success. Some of those initiatives included starting [BN]Tech, our in-house technology division at the News, creating new ad units that local advertisers wanted and are now in high demand and starting weekly hyper-local newspapers that were focused on covering our micro communities in a way that the regional newspaper could not. We also developed some new ROP advertising opportunities, like spadias and gatefolds, that we had never been able to do before. We moved away from the idea that programmatic advertising and vendors were going to sustain the business and really took control of our own future instead of putting that in the hands of vendors and revenue that we didn't have control over. We accomplished nearly all those things throughout 2018 and 2019 is looking much brighter for us because of those changes, despite the challenging environment.