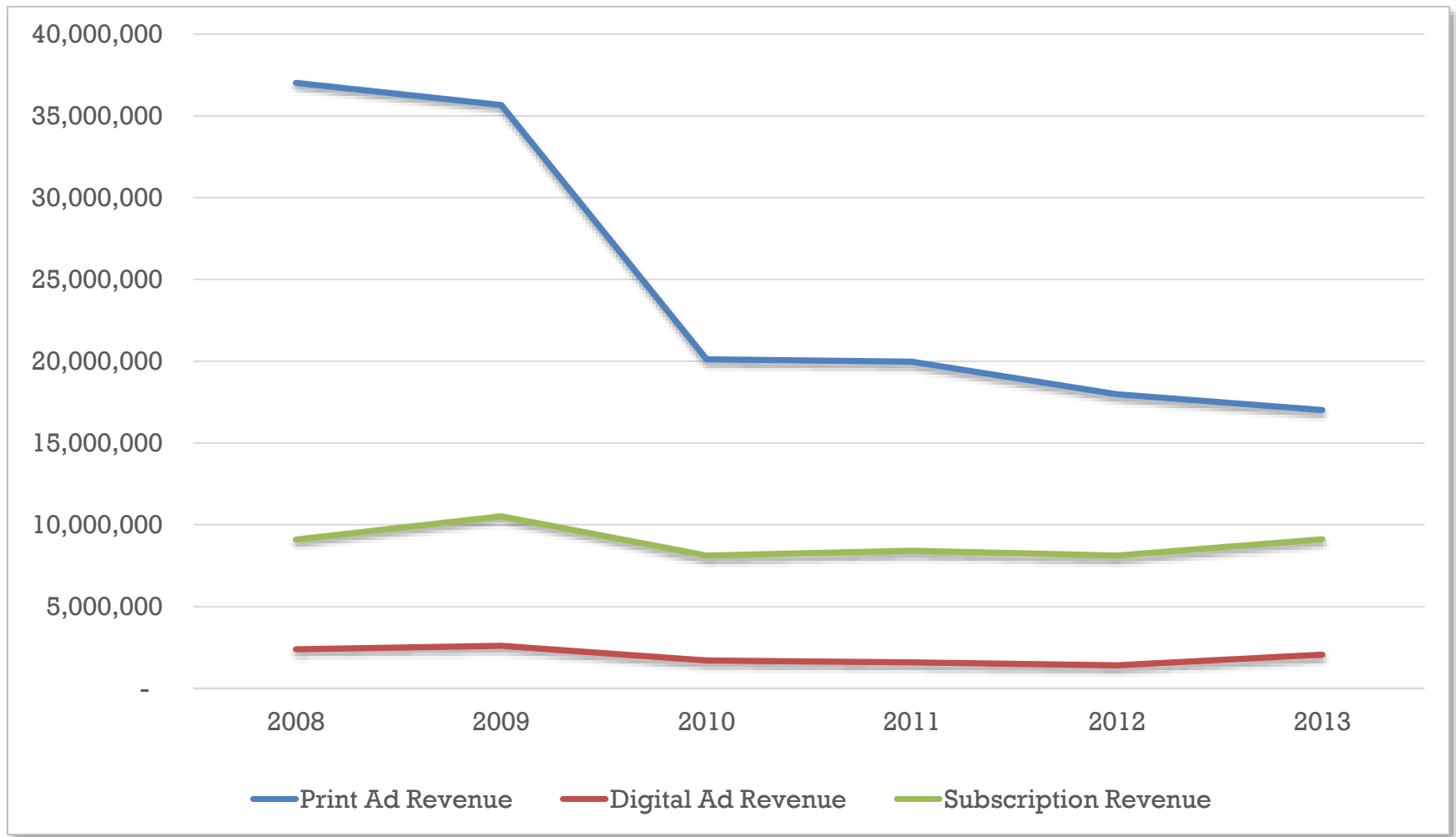


Membership Models

The intersection of brand engagement
and audience monetization



Newspaper Revenue Trends (2008-2013)



Source: Inland Press Association

Our best response?

Paid content models: the new rage...

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MARCH 7, 2013, 12:54 P.M.



The newsonomics of Why Paywalls Now?

Paywalls are generating real money for American newspapers in 2013. But would they have in 2007, or 2002, or 1997?

By **KEN DOCTOR**

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Though it's spring training season, forget Moneyball — think Paywall. The money now flowing into newspaper companies due to paywalls is getting to be seriously countable.

THE WALL STREET JOURNAL

Sunday, October 14, 2012 6:27 PM EDT

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Paywalls Giving Newspapers Chance at a Comeback

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by KEACH HAGEY

The newspaper industry's turn toward "paywalls," that is, charging for online access, has been a hit with at least one important constituency: investors.

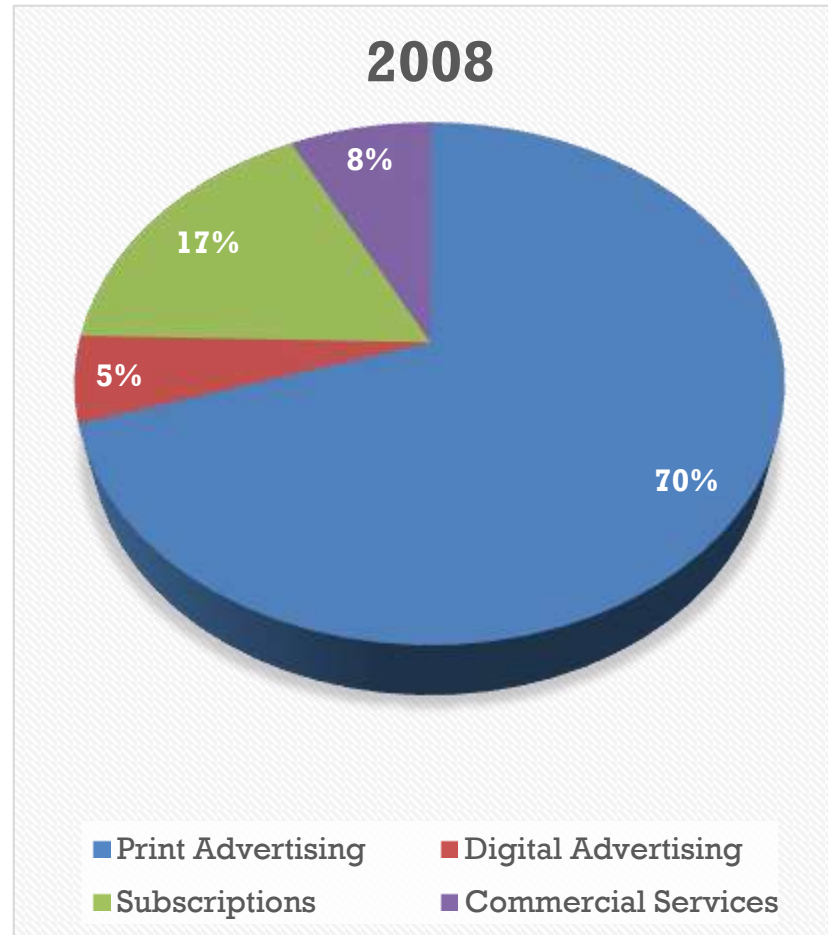
Newspaper stocks are up 50% to 80% in the past year, despite uncertainty about the long-term financial impact of digital subscription policies.

Some of that uncertainty should start to lift in coming weeks, as newspaper publishers, starting with [Gannett Co.](#) [\[GC+1.87%\]](#) on Monday, report third-quarter earnings. The results will give the clearest idea to date of how the paywalls are working.



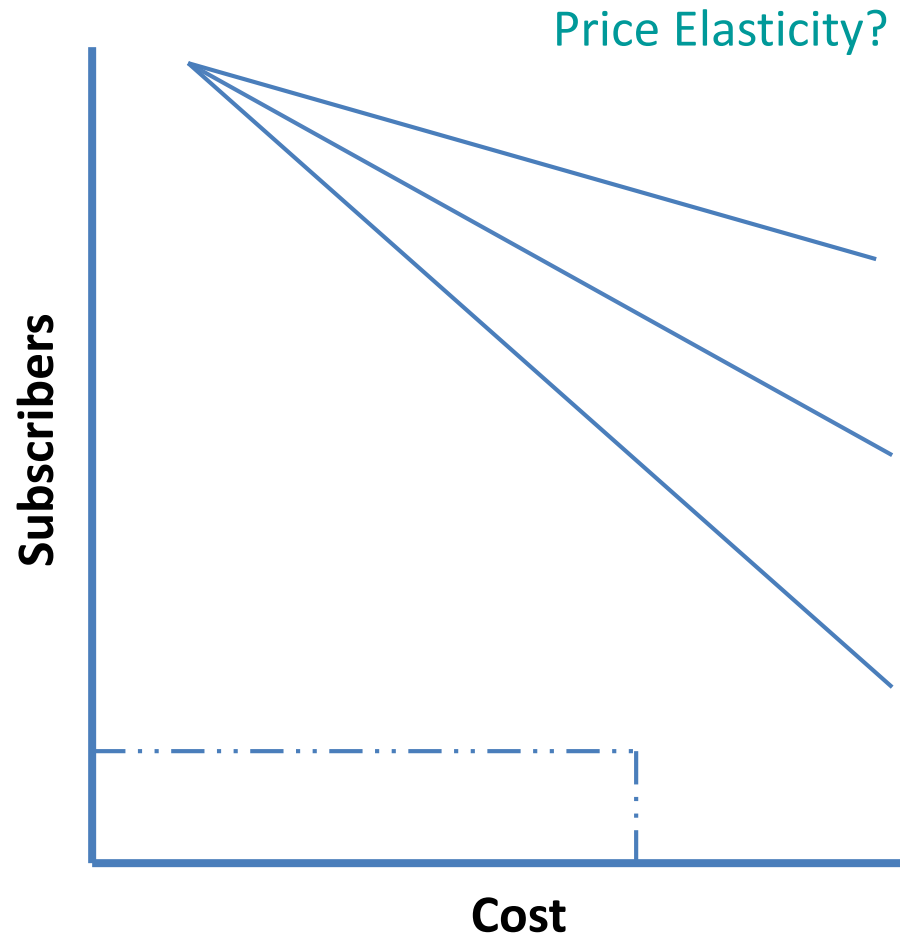
Hinkley, Allen & Snyder LLP ► Attorneys at Law

Newspaper Revenue Allocation



The slippery slope of paywalls

- ❖ Only a small audience will pay meaningful dollars
- ❖ Small audience weakens our appeal to advertisers
- ❖ Small audience undermines BIG Data...and little data
- ❖ Small audience erodes the value of the brand



The dilemma

Not necessarily a sustainable plan...

future of media / media / reuters

The paywall mirage: More are paying for news, but most aren't and likely never will

by Mathew Ingram JUN. 20, 2013 - 12:41 PM EDT

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A+ A

SUMMARY: A Reuters Institute study shows that more people are paying for their news, particularly on tablets and phones — but it also confirms that the vast majority of readers aren't paying and most say they likely never will.

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The Reuters Institute for the Study of Journalism study that looks at the attitudes of consumers of traditional news outlets, and says there has been

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Gannett earnings report hints at a coming problem with paywalls



by Rick Edmonds
Published Feb. 4, 2014 4:54 pm

By virtue of tough expense control and the acquisition of Belo Corp. TV stations, Gannett reported decent fourth quarter and full-year financial results yesterday. Its share price was off .06 percent for the day.

But the report included some dicey details for the company's newspaper operations, suggesting challenges ahead for Gannett and the industry in 2014.

- Circulation revenues were up for the year (1.1 percent) but down for the fourth quarter (-1.6 percent) compared to the same period in 2012. CEO Gracia Martore explained in a conference call to analysts that the company has now "cycled through" the lucrative introduction of paywalls together with bundled print + digital subscriptions at its 80 community newspapers.

This raises the concern that capturing revenue from new digital subscribers and pairing "all access" print/digital bundles with a big price increase could be a one-time revenue event. Gannett not only failed to continue gaining circulation revenue at the end of the last year, it lost a little, as these subscriptions came up for renewal.



The newsonomics of zero and The New York Times

For the top newspaper, the revenue decline has — for now, — been modest. But what do the trend lines tell us about how the industry will look in 2016?

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ber.

Times Co. — the United States' second largest newspaper — with 2012, as it reported revenues last week. The year's anomalous 53rd accounting week is taken into account, a variety of zero, especially when we look at NYT's revenue down 0.7 percent.

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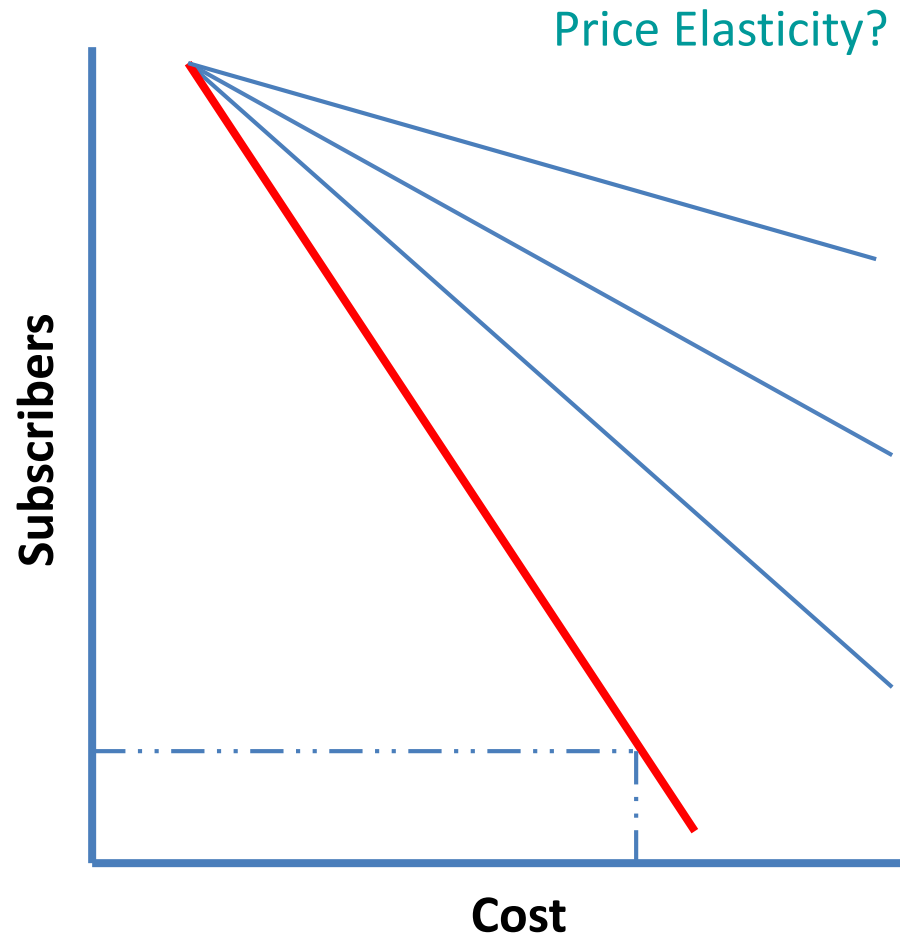
Sochi photo coverage takes 'patience, planning, logistics'

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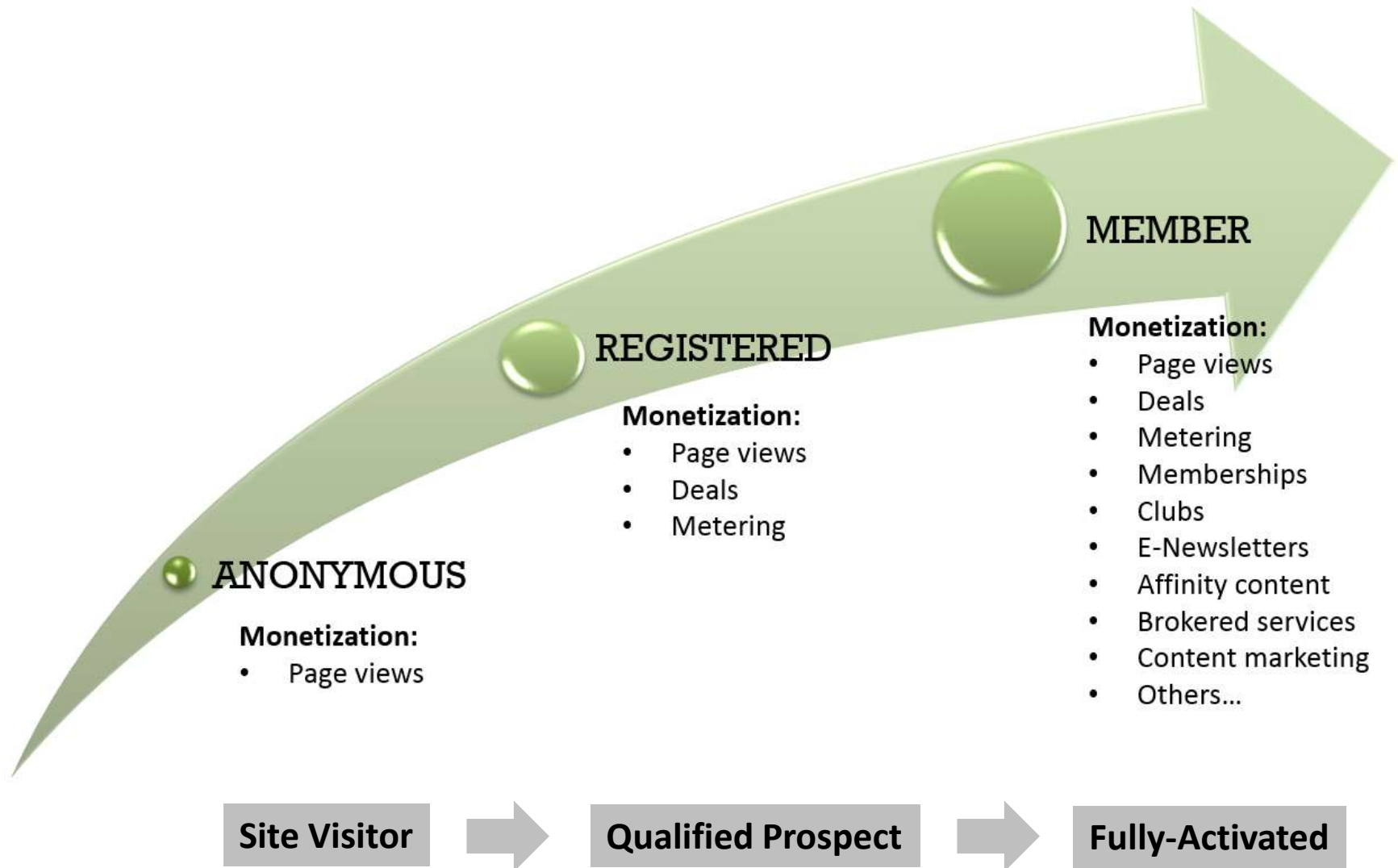
The slippery slope of paywalls

- ❖ Only a small audience will pay meaningful dollars
- ❖ Small audience weakens our appeal to advertisers
- ❖ Small audience undermines BIG Data...and little data
- ❖ Small audience erodes the value of the brand
- ❖ **These factors and the continuous pressure to raise prices compromise our competitive advantage of efficiently connecting local merchants with high-potential consumers**



The alternative

A consumer monetization hierarchy...



The Day Publishing Company

CASE STUDY

Three-year brand repositioning



“A hub of distributed content and conversation with a local connection from a trusted source.”

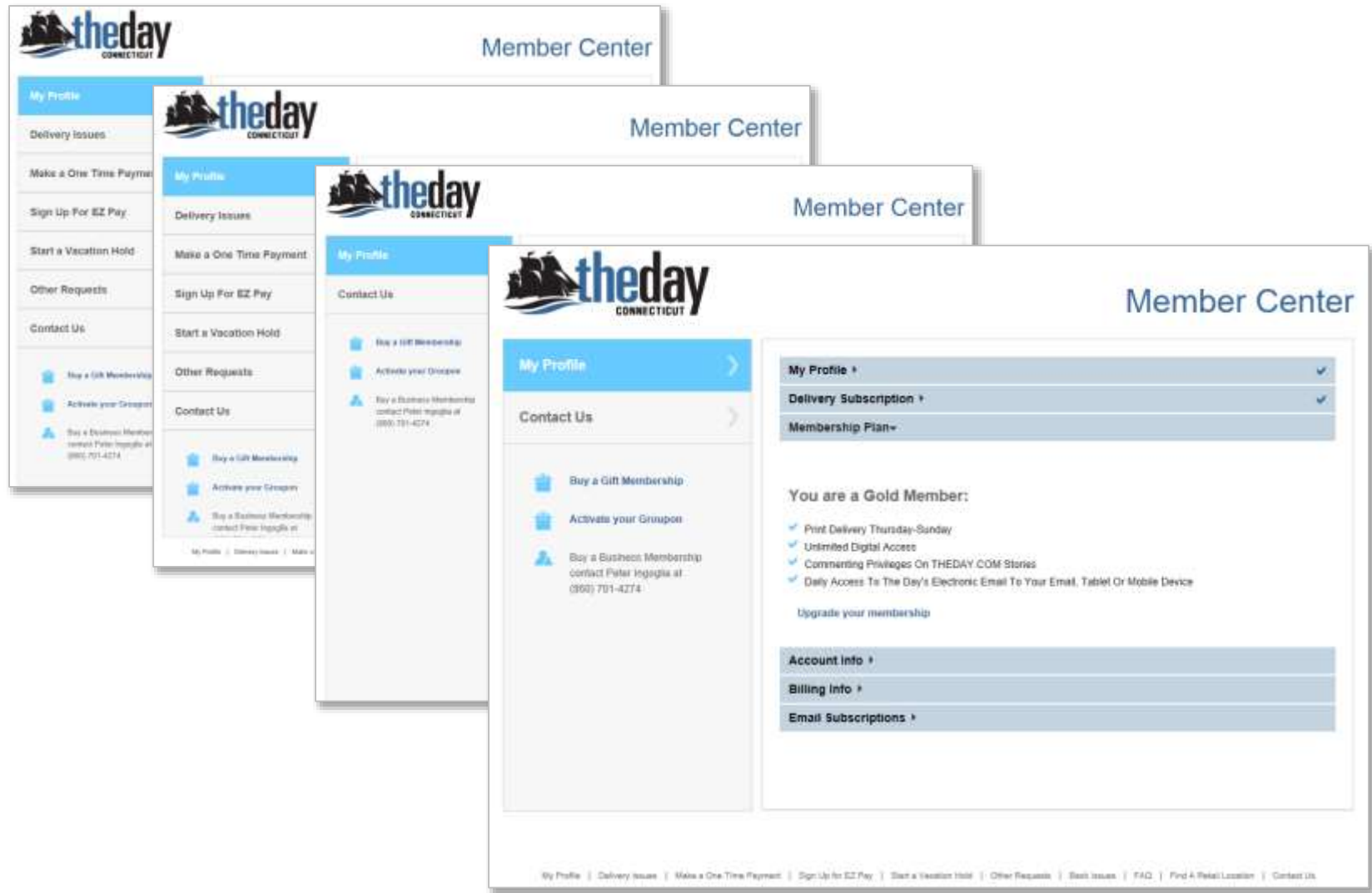
Four strategic imperatives

1. Unify the content management and digital publishing infrastructure
2. Derive a fair value from proprietary content and services
3. Create a customized user experience, with single sign-on authentication
4. Build synergistic business model that regards customers as strategic assets

Stakes in the ground

- ❖ We will preserve our direct relationship with the reader
- ❖ We will be ubiquitous in the market
- ❖ We will create a “blue ocean strategy” rendering the competition irrelevant

Metering: a tactic supporting the strategy



Rewards: create value for our members

The image displays three overlapping screenshots of the 'THE DAY PASSPORT' website, illustrating the rewards and membership benefits offered to members.

Top Left Screenshot: The main header features the 'THE DAY PASSPORT' logo and navigation links: EXPLORE, DREAM, DISCOVER, ABOUT PASSPORT, PARTNERS, and CONTACT US. The main content area is titled 'MEMBERSHIP IS MORE REWARDING' and includes a 'Join Now' button. A circular logo on the right says 'THE DAY PASSPORT 1890 EXPLORE DREAM REWARD'. Below the main banner, there are two sections: 'EXPLORE REWARDS' and 'DREAM GIVEAWAYS'.

Top Right Screenshot: This view shows the 'EXPLORE REWARDS' section. It includes a 'All Rewards' filter, a 'Rewards by Category' list (All Categories, Dining, Entertainment), and a 'Rewards by Partner' section. A featured reward is 'Rock Ages' at the Garden Arts Center, with a 'Join Now' button.

Bottom Screenshot: This view shows the 'DREAM GIVEAWAYS' section. It features a large image of 'Disney On Ice Mickey & Minnie's Magical Journey' and a text box stating: 'Win four complimentary passes to Disney On Ice Mickey and Minnie's Magical Journey'. Below this, it lists the dates and times for the performances: Wednesday, December 28 at 1 p.m. or 7 p.m.; Thursday, December 29 at 11 a.m. or 3 p.m.; and Friday, December 30 at 1 p.m. The bottom of the page includes the 'Disney On Ice' logo and contact information for Feld Entertainment.

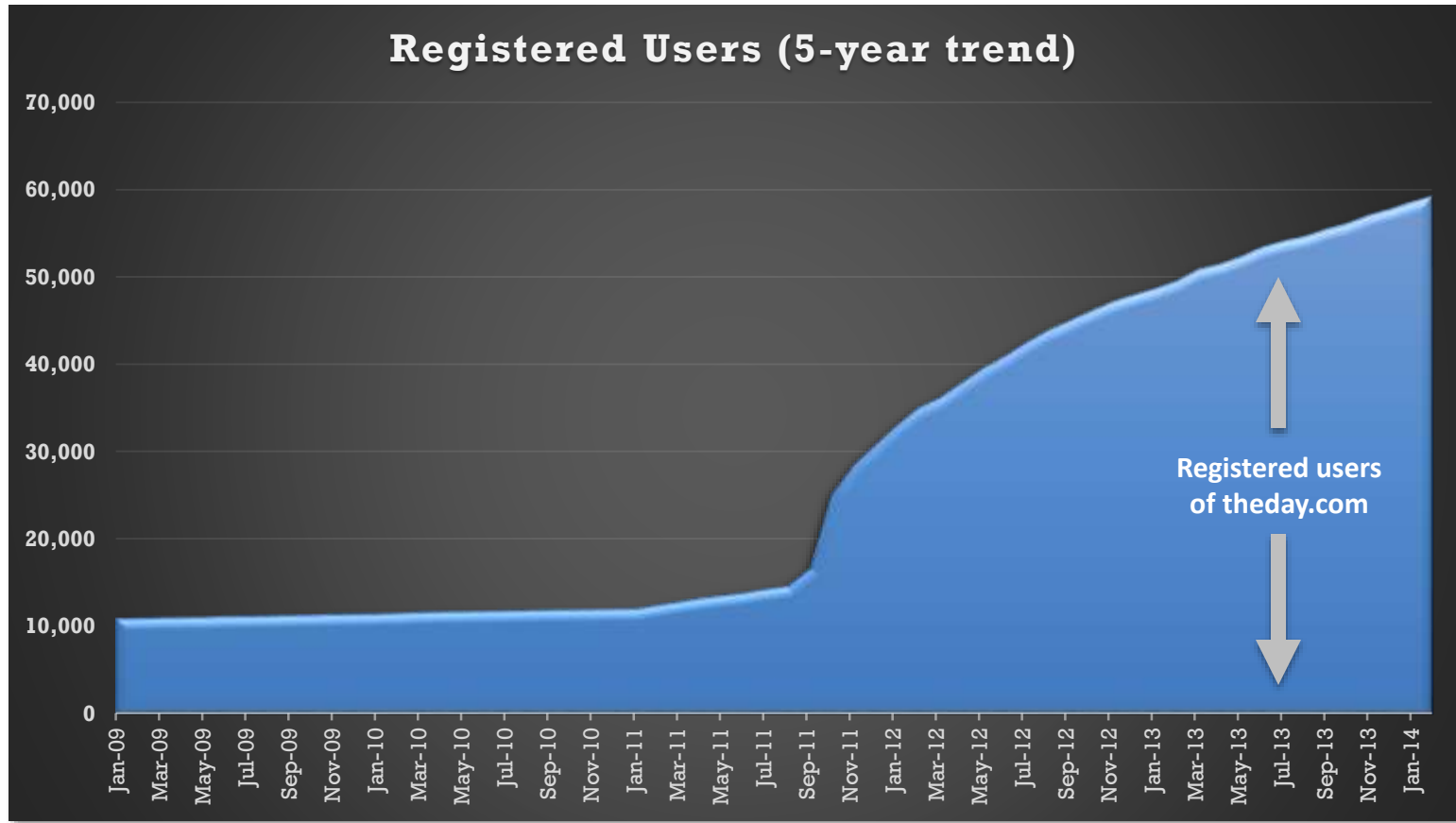
Technology: leverage our competitive advantage



Results

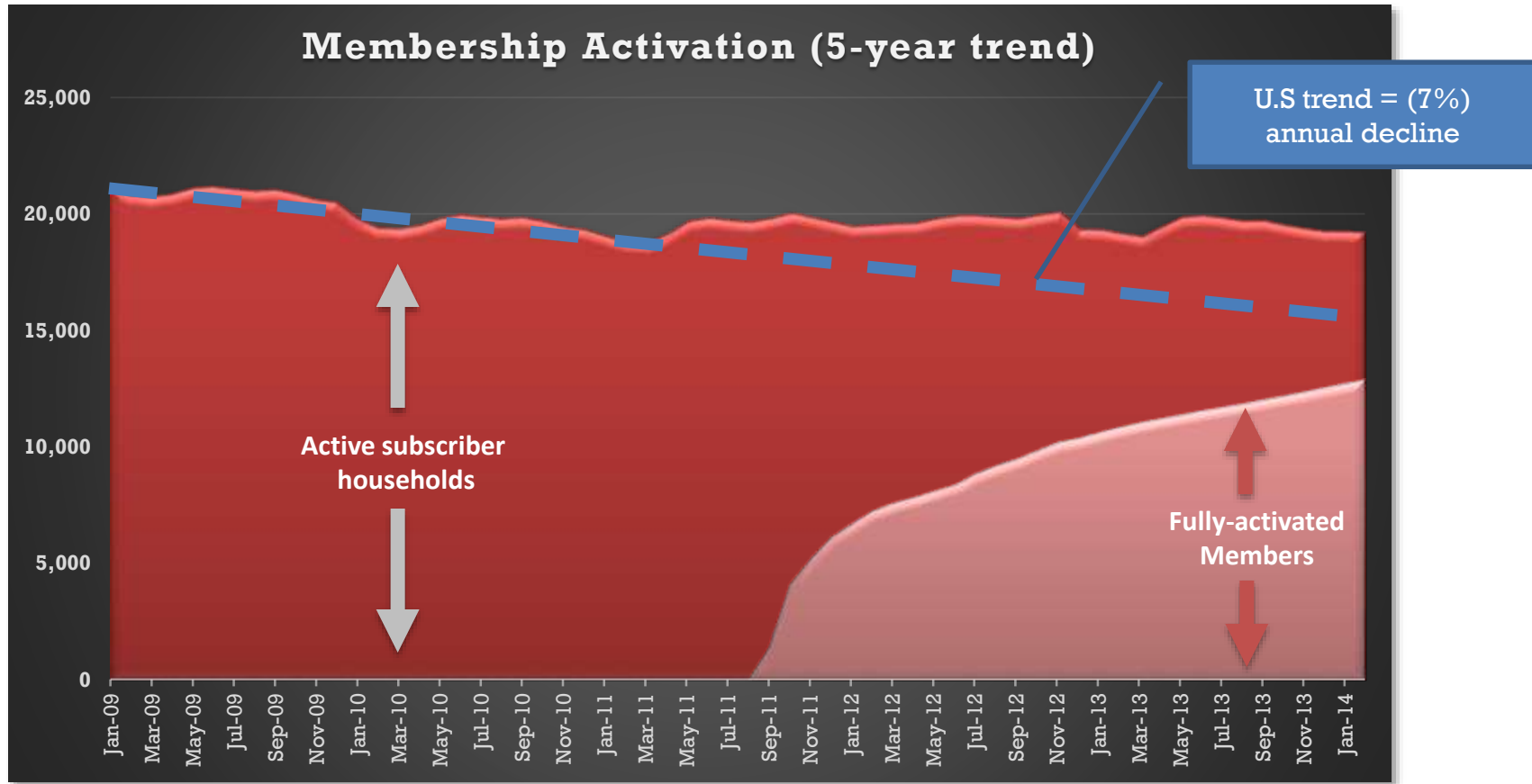
+329%

Anonymous visitors manifest themselves



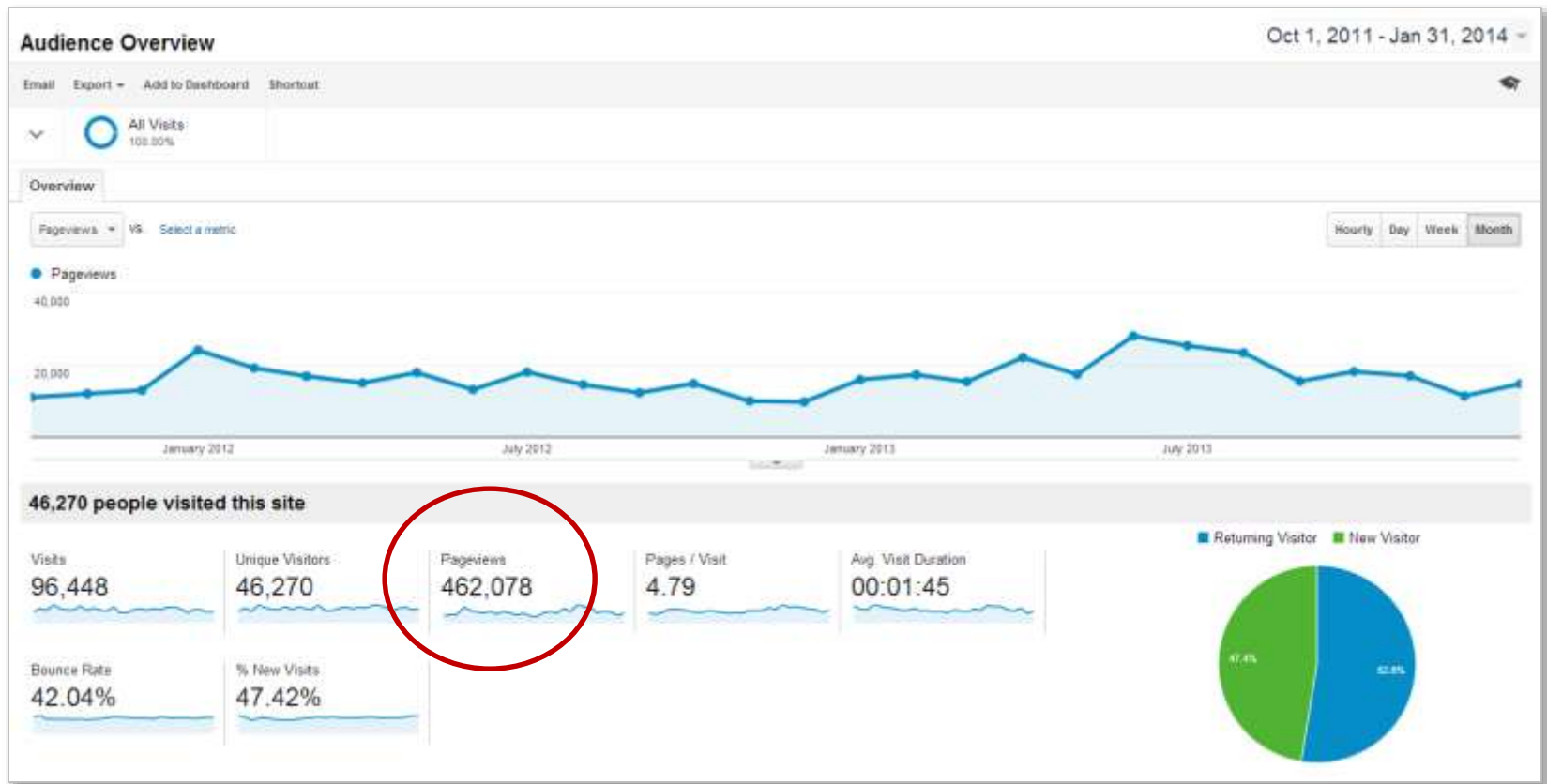
+71%

All-access content + rewards drive activation



462,078

Sustained interest in membership rewards



89,658

High / frequent benefit usage feeds database

Passport Manager				
Select an action				
Rewards Giveaways Events Statistics				
View current rewards				
Total: 216				
Name	Drawing Date	Entries	Winners	Others
Pair of movie passes to Regal Cinema	Mar 11, 2013	276	Print CSV	Print CSV
Two tickets to Brett Emot	Mar 11, 2013	90	Print CSV	Print CSV
Two tickets to Pink!	Mar 15, 2013	251	Print CSV	Print CSV
Two tickets to Julian McCullough	Mar 18, 2013	96	Print CSV	Print CSV
Family four pack of tickets to the Harlem Globetrotters	Mar 22, 2013	131	Print CSV	Print CSV
Two tickets to Lenny Clarke	Mar 25, 2013			
\$20 Target gift card_0313	Mar 27, 2013			
Two tickets to Paula Poundstone	Mar 29, 2013			
Two tickets to Elvis Lives	Mar 29, 2013			
Two tickets to Rachel Feinstein	Apr 1, 2013			
Kidsploration VIP Ticket Package	Apr 11, 2013			
Two tickets to Lisa Williams	Apr 11, 2013			
Duplicate of Two tickets to Lisa Williams	Apr 11, 2013			
Win Two Tickets to Nick Di Paolo!	Apr 15, 2013			
\$25 Ashlawn Farm gift card	Apr 19, 2013			
Duplicate of \$25 Ashlawn Farm gift card	Apr 19, 2013			
\$50 Home Depot Gift Card	Apr 19, 2013			
Two tickets to HAIR	Apr 19, 2013			
Win Two Tickets to Chris D'Elia!	Apr 22, 2013			
Two tickets to T. S. Mont Sixel	Apr 22, 2013			
Two tickets to Tracie	Apr 26, 2013			
Two tickets to Mozart's Don Giovanni	Apr 29, 2013			
\$10 Gift Card to Sea Swirl!	May 3, 2013			
\$25 Stop and Shop gift card	May 3, 2013			
Win Two tickets to Dannel Rawlings	May 7, 2013			
Win a Seasons Pass to Wild 'n Wacky Wednesdays!	May 8, 2013			
Win a Family 4 Pack to Waterford Speedowl	May 8, 2013			

First Name	Last Name	Email	Reward
Michelle	Ahlcrona	skigirl220@gmail.com	25AshlawnGiftCard
Christopher	Cannon	cannoncc00@gmail.com	25AshlawnGiftCard
Thomas	Cannon	tcannon@tvconnect.net	25AshlawnGiftCard
Kathryn	Shorey	bikermama45@hotmail.com	25AshlawnGiftCard
Yvonne	Breaault	yjb29@aol.com	25AshlawnGiftCard
Eileen	Johnson	ecjmc2111@yahoo.com	25AshlawnGiftCard
Ben	Baldwin	bhbaldwin@hotmail.com	25AshlawnGiftCard
Jeremy	Lessard	jeremyjlessard@sbcglobal.net	25AshlawnGiftCard
Scott	Schneeberg	scottschneeberg@gmail.com	25AshlawnGiftCard
kathleen	haack	haa8thm@aol.com	25AshlawnGiftCard
Marc	Vaillancourt	jvaillan@juno.com	25AshlawnGiftCard
Bev	Nichols	banich84@gmail.com	25AshlawnGiftCard
T	Kr	kyanka@yahoo.com	25AshlawnGiftCard
Robert	Graham	rgmegraham@comcast.net	25AshlawnGiftCard
Dennis	Duhamel	dennisduhamel@sbcglobal.net	25AshlawnGiftCard
nan	PATTI	NPATTI@COMCAST.NET	25AshlawnGiftCard
jennifer	smith	jenniferfariello@gmail.com	25AshlawnGiftCard
Teresa	Peracca	teresa.peracca@pfizer.com	25AshlawnGiftCard
dorothy	crawford	crawfordclocks@gmail.com	25AshlawnGiftCard
terry	reilly	sreilly8083@comcast.net	25AshlawnGiftCard
Lisa	Fedechko	chilgirl@yahoo.com	25AshlawnGiftCard
Donna	Scherer	donna.scherer@monsanto.com	25AshlawnGiftCard
Roberta	Felitto	rfelitto1@gmail.com	25AshlawnGiftCard
william	walsh	jwalsh125@comcast.net	25AshlawnGiftCard
Melissa	Miller	melissa.l.miller@pfizer.com	25AshlawnGiftCard

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THIS WEEK'S REQUIRED

MEMPHIS
NOV 28 - NOV 30, 2014
 Curator: Kelly Carver
 Curator's note: Memphis is interesting in the Garden this weekend.

ROCK AGES
DEC 3 - DEC 5, 2014
 Curator: Kelly Carver
 Curator's note: Rock is always in the Garden this weekend.

ROCK AGES
DEC 3 - DEC 5, 2014
 Curator: Kelly Carver
 Curator's note: Rock is always in the Garden this weekend.

The BIG BOOK of Gardening
DEC 12 - DEC 14, 2014
 Curator: Kelly Carver
 Curator's note: The Big Book of Gardening is always in the Garden this weekend.

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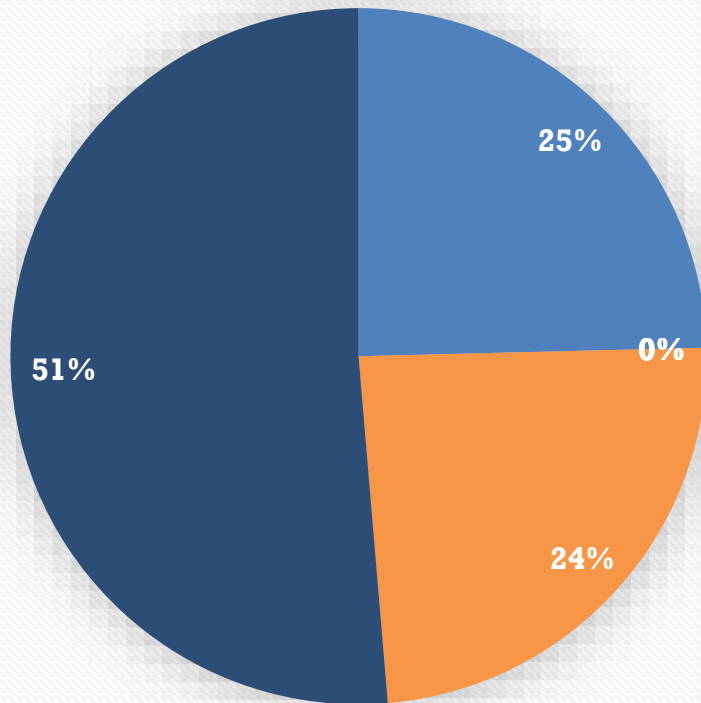
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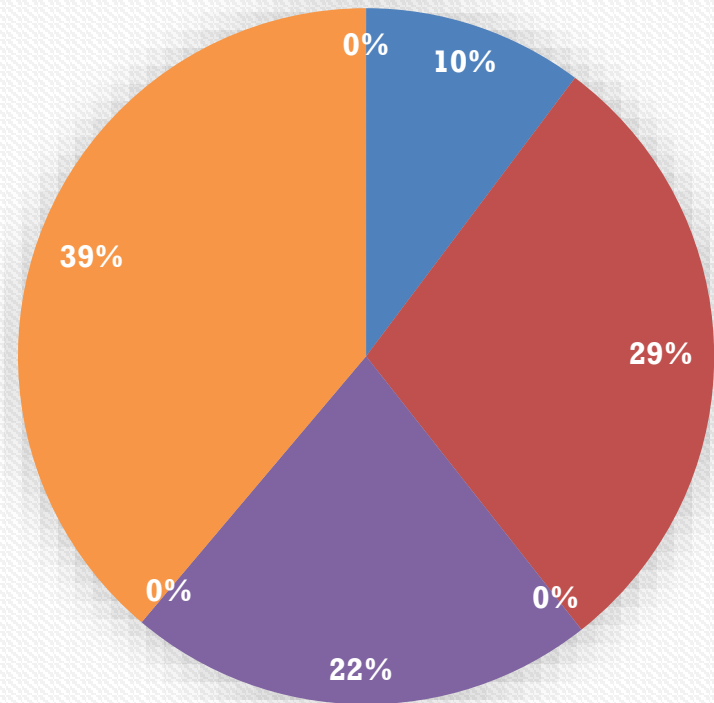
51%

Half of all new starts are fulfilled through web portal

New Starts by Channel - 2013



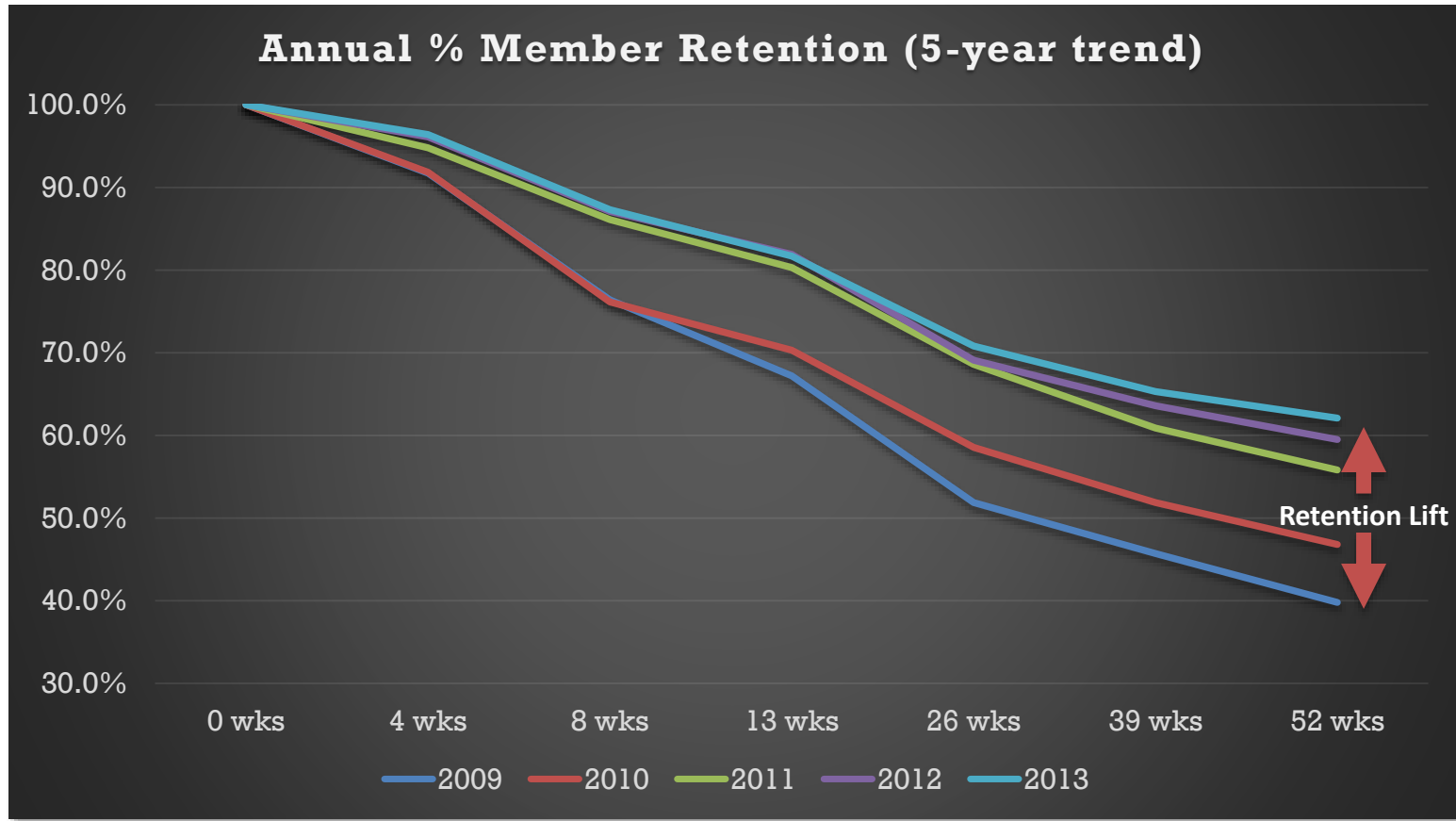
New Starts by Channel - 2009



■ Direct Mail ■ Door Crewing ■ Field/Sampling ■ Kiosk
■ FSI / ROP ■ Telemktg ■ Email-Web

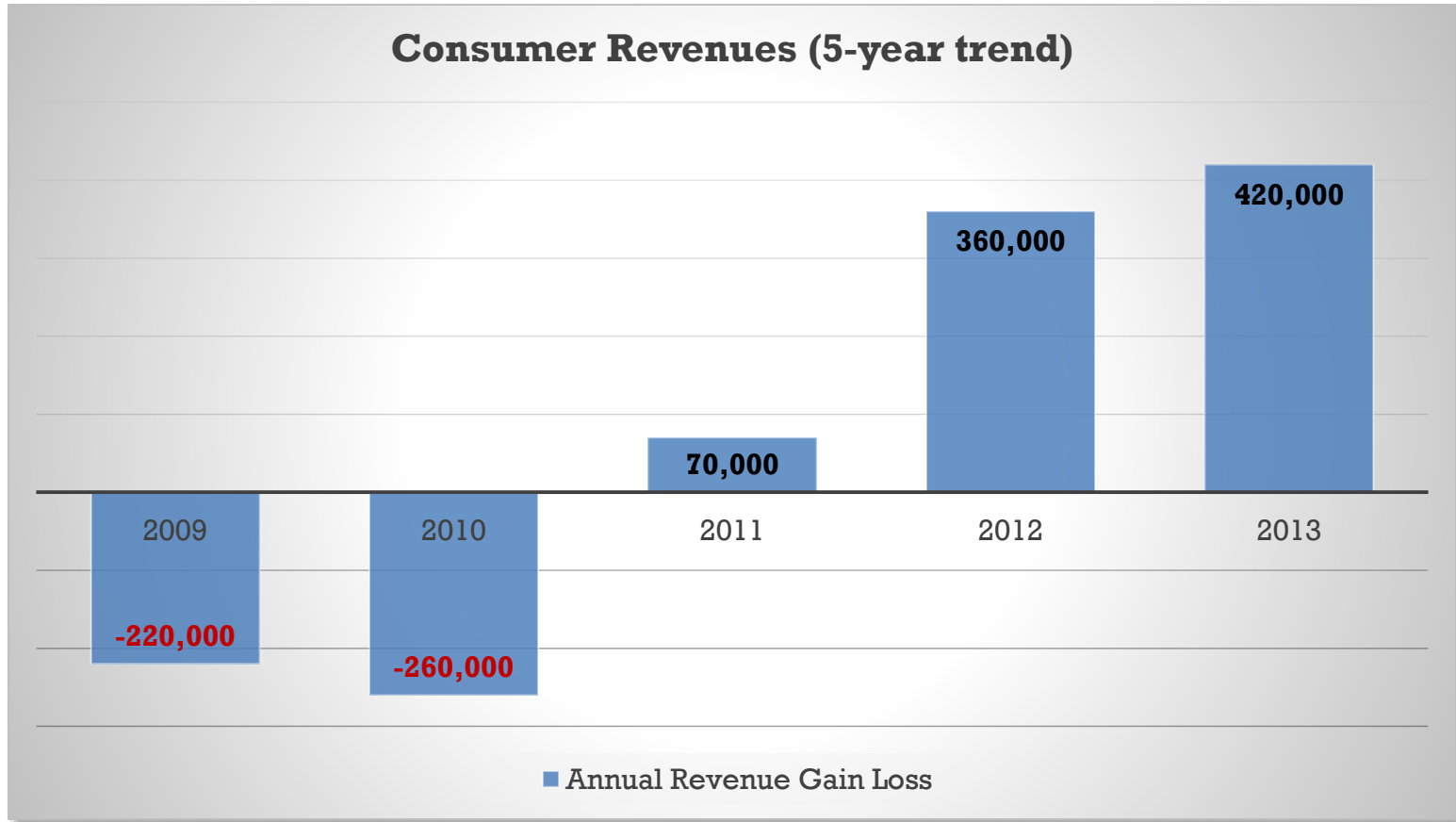
+56%

Higher value proposition drives retention gains



+\$850,000

Achieved consistent revenue growth



100%

A new business model

OLD PARADIGM: static subscription profile

“customer 12,343 or 29,562”

40 Cove Road
Stonington, CT 06371

Telemarketing Start
October 3, 2010



Eligible for e-Edition but
unclear whether he uses it

Active Mon-Sun Subscriber
Enrolled in EZ Pay since 2011

Wet paper delivery
Complaint last Tuesday

NEW PARADIGM: dynamic member profile

“Carol and Michael Wiggins”



Born in 1958

Homeowners in Stonington, CT

Signed up for Deal of The Day and activated six offers in the past year

Signed up for mobile breaking news alerts

Reads Grace and Sound & Country magazines online

Custom Town Page: Stonington

Indexes high for Interest in Community

Indexes high for International travel

Born in 1954

HH Income > \$150,000

\$780.16 in Consumer Revenues since 2009

Two-week vacation every July since 2009

Registered for weekly Business e-newsletter

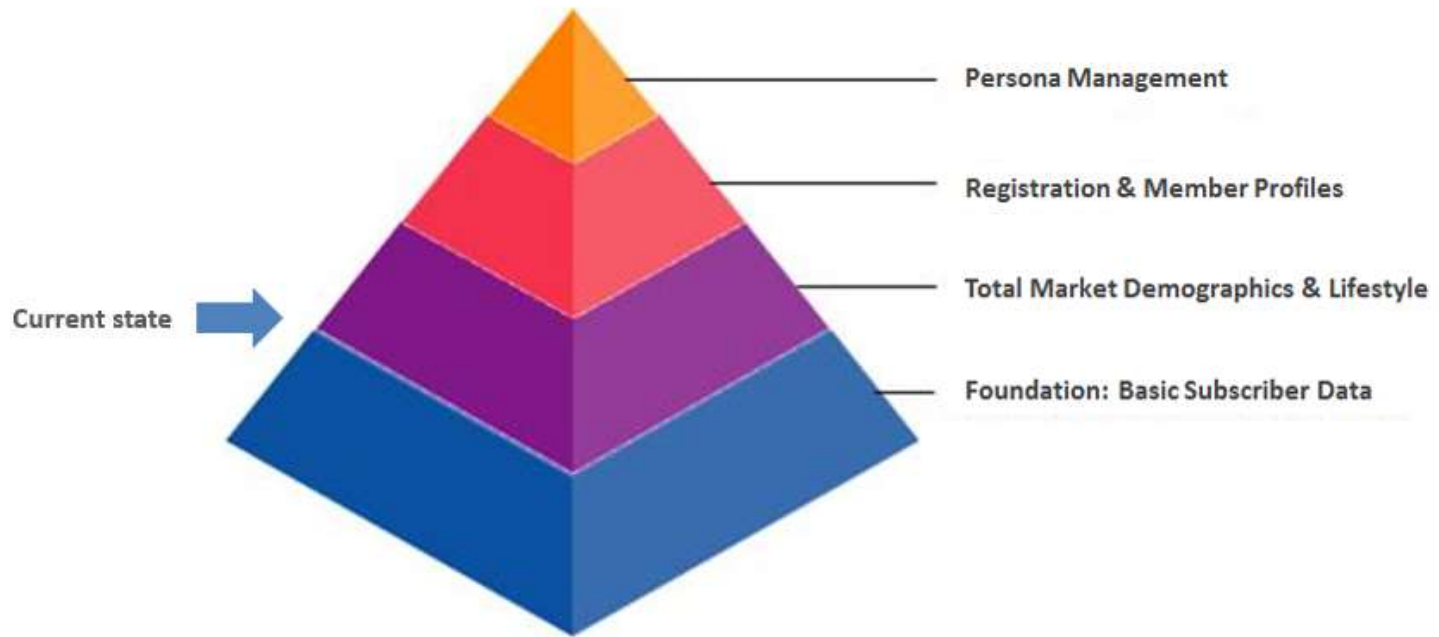
Acxiom Lifestage: 15M – Mature Wealth

Downloaded tickets for Eastern CT Symphony via Passport Rewards site

Registered as “LymeMom” on theday.com website

Active Platinum Member (Mon-Sun) on EZ Pay since 2011

The Path to Customer Intelligence



Subscriptions, registration and metering are customer intelligence tactics supporting a broader strategy: the transformation from an address-based subscription model to a user-based content access and service model. Customers are no longer commodities, but strategic assets.

Thank You

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daniel.williams@leapmediasolutions.com
www.leapmediasolutions.com