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**FT** STRATEGIES

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# REDEFINING RETENTION: DRIVING LOYALTY ACROSS THE CUSTOMER LIFECYCLE

Subscriptions Lab 2022-23 North America





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# EXECUTIVE SUMMARY

Customer retention was a key driver behind the Financial Times (FT) reaching 1 million paying *digital subscribers* in 2022. This achievement was built on the success of reaching 1 million *paying readers* in 2019 (across both print and digital), a task that would have been exponentially harder without the organization's focus on ensuring that a high proportion of readers continuously renewed their subscriptions.

Retention is typically defined as the rate at which customers stay with a business or product for a given period. And as businesses like the FT have discovered, focusing on achieving a strong retention rate has an incredible return on investment. Depending on the industry surveyed, studies indicate that acquiring a new customer can cost between five and 25 times more than retaining an existing one.

At FT Strategies, the consultancy arm of the FT, we have worked with many publishers transitioning from advertising-led to subscription-led business models. We have found that many publishers are still focusing on factors contrary to a good retention strategy. For example, many publishers still prioritize:

- Traffic over engagement (despite engagement correlating strongly with retention)
- Acquisition over longevity (despite the higher ROI offered by retention)
- Dealing with churn reactively, versus proactively taking steps to retain subscribers (despite 'winback' being much harder than reducing churn in the first place)

By focusing on short-term goals, publishers stand to lose out on a much bigger prize. Therefore, the North America Subscriptions Lab redefines retention as something to focus on throughout the entire customer lifecycle. We believe that to focus solely on the point of cancellation is to miss your biggest opportunities to retain audiences.

With the support of the Google News Initiative, the North American Subscriptions Lab sought to address these challenges with 12 participating publishers. The program ran from September 2022 to March 2023. This report captures our **key learnings**:

## Excellence in retention comes from a long-term mindset.

It's not enough to focus on retention at the point it is measurable – that is, at the point of cancellation.

## A focus on lifetime engagement is key to driving retention.

Many publishers and newsrooms are instead focusing on short-term metrics, such as top-of-funnel traffic.

## There are key leverage points for each stage in the customer lifecycle.

For example, subscriber onboarding should focus on encouraging new readers to use features that drive engagement. Typically, that might include signing up for newsletters, app download and opting in to notifications.

## Having a strategic focus on subscriptions, alongside a culture of experimentation, is critical to success.

Many of the publishers on the program commented on how the program helped them address this. Case studies at the end provide practical examples of experiments that you can do yourself to improve the lifetime value of your readers as well as other subscription strategies

#### HOW RETENTION IS CALCULATED

$$\text{Retention Rate (Customer)} = \frac{\text{Non new users this period}}{\text{Total users last period}}$$

#### Example: calculating an annual retention rate for a fictional business

Number of customers at the end of 2022 (e.g. 14,000)  
 Subtract customers acquired in 2022 (e.g. 4,000) = 10,000  
 Divide by total users at the end of 2021 (e.g. 12,000) = 83% retention

### The ROI of retention: Improving retention by 10% can double LTV\*

ARPA	129£	ARPA	129£
Gross margin	70%	Gross margin	70%
Churn	20%	Churn	10%
LTV	451.50£	LTV	903£
80% retention rate		90% retention rate	

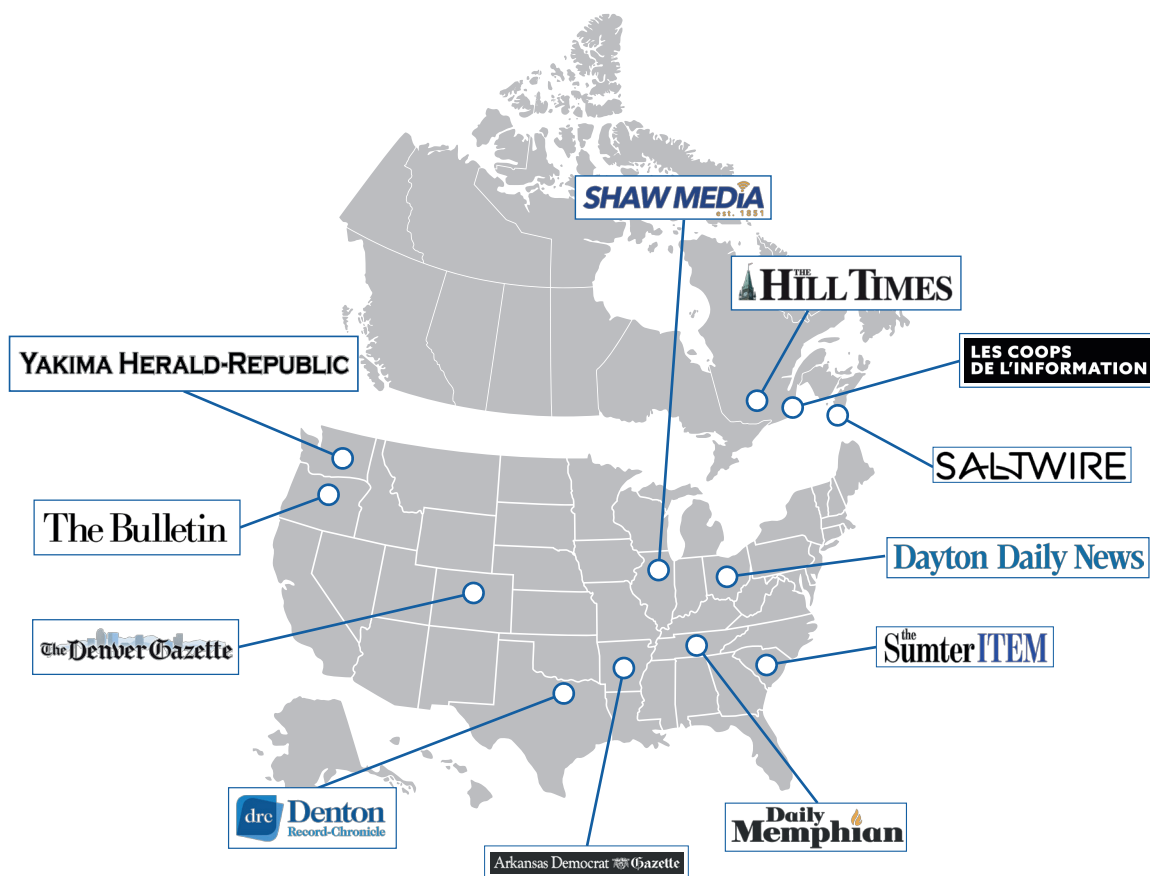
\* There are various ways to calculate LTV. These vary depending on the type of business model and whether you are calculating a historic or predictive value. In this case, we've opted to use a predictive formula used in SaaS business.

As you can see from the above example, a small improvement in retention rate can have a significant impact.



## SUBSCRIPTIONS LAB OVERVIEW

The Subscriptions Lab North America 2022 cohort was comprised of 12 news publishers across the United States and Canada. This included a mix of national, regional and local publishers.



Guided by FT Strategies, the 12 publishers created a North Star goal for their organization. Based on this North Star, each publisher developed a sustainable and reader-centric subscription business strategy. Publishers then conducted experiments to test their key assumptions and make concrete steps toward their desired outcome.

## Outcomes

Each publisher left the 2022 program with:

<b>Audience*</b>	A comprehensive diagnostic of reader engagement, subscriber acquisition, and retention trends, provided by FT Strategies and Google News Consumer Insights (NCI). This included an 'NCI Audit', a service that connects with each publisher's analytics to provide additional data and insights that help build sustainable digital businesses.
<b>North Star goal</b>	A clear, actionable target for the business to work towards over the next 3-5 years
<b>Product insights from running 2-6 experiments</b>	Key hypotheses were tested with real customers to kick-start growth initiatives and cultivate a culture of experimentation
<b>Internal alignment</b>	A governance plan to help the entire business understand and support the North Star goal



## Our Approach

Subscriptions Lab is an immersive and intensive six-month experience. Our objective is to engage a group of selected publishers in a journey in which they define an ambitious vision for their digital subscription business. We also help them build the engine that will take them to their goal. The program addresses each aspect of digital subscriptions, from traffic acquisition to subscriber retention, and the organizational skills publishers need to succeed. Participants receive dedicated 1:1 support from Google, FT Strategies and America's Newspapers experts. By bringing together a range of regional publishers, each participant is also able to learn from the shared experiences across the cohort.

## Previous Subscription Labs

To learn more about the methodology used in Subscriptions Lab, please refer to the following reports from the previous editions run by FT Strategies in Europe and Asia:

- [The Path to Subscriber Conversion: The Outcomes of the India GNI Subscriptions Academy](#) (2023)
- [Organising for Subscriptions Growth](#) (2022)
- [The Art and Science of Experimentation for Growth](#) (2021)
- [Towards your North Star](#) (2020)



PART ONE

# RETENTION SPOTLIGHT

## Introduction

Maintaining a loyal customer base is crucial for all businesses. And in digital subscriptions, retention is a particularly significant factor. It's one thing to sign people up for a trial or promotion, but to build a sustainable business you need to provide enough value for them to stay.

Participants in the Subscriptions Lab – particularly those with well-established subscription models – were keenly aware of the significance that retention played in their business's success. Despite that knowledge, many had historically focused their efforts to improve retention at the point that it is most measurable: the point of cancellation.

Short-term thinking about retention opens publishers up to several commercial risks:

- **It is far harder (and more expensive) to win back lost customers than keep existing ones,** as teams at the FT have repeatedly found in their research.

- **Churn is hard to predict, particularly if it is caused by events outside of your direct control** (disruptions to the wider economy, for example). Building a strong relationship with your customers while they are happy can help mitigate the impact of these events on your retention rate.
- **By focusing on people that are already unhappy, you are neglecting to address the root causes of customer dissatisfaction and frustration**

Instead, retention should be considered in the context of your subscriber's entire lifetime. At the FT, experiments and data analysis have shown a strong correlation between engagement and retention. It's an intuitive discovery: those who use your products most frequently and deeply, are likely to be getting the most value and are thus less likely to cancel compared with less engaged users.

For that reason, we have built an engagement-centric model of retention (see below). Of course, that does not mean that engagement is the only factor. People may also choose to stay because of:

- Social or emotional attachment to your brand
- An exceptional experience
- Low price

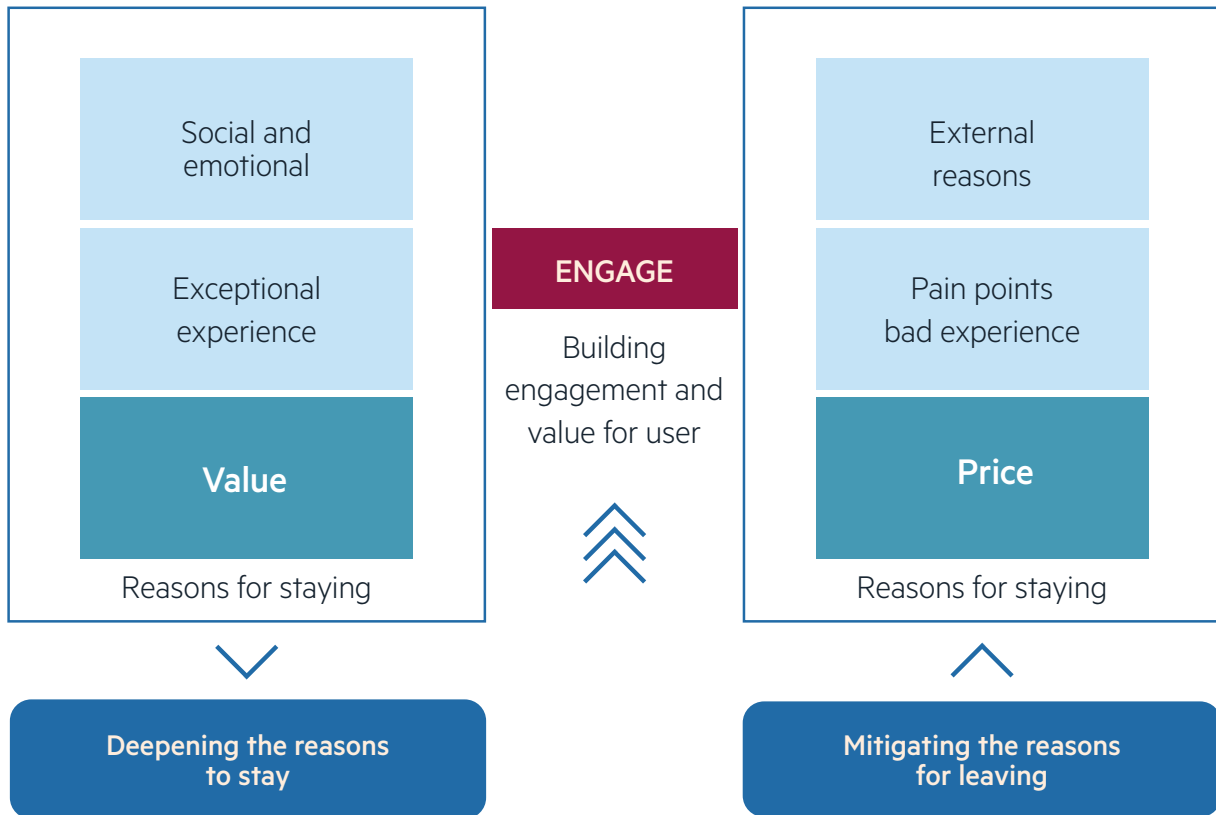
And people might choose to leave because of:

- A change in personal circumstances
- Poor user experience
- High price

Having a holistic model is important. As we found on the Subscriptions Lab, many publishers have historically paid too much attention to a single factor – typically, price. This can lead to oversimplistic strategies to reduce churn (for instance, deep discounting). Retention is about far more than making sure the price is right – it's typically a combination of all of these factors that makes the difference.



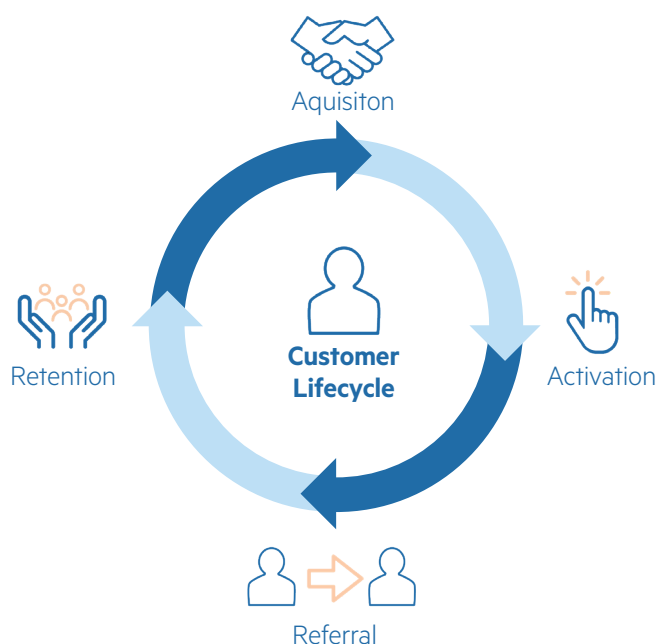




## Our framework: retention across the reader lifecycle

Our framework for optimizing retention focuses on three stages in the customer lifecycle: Early (representing acquisition and activation), in-life, and winback. At each stage we have defined:

- **Key leverage points:** there are proven methods that can help you drive retention across the lifecycle
- **Success metrics:** To optimize retention in the long term, it is important to track a set of metrics across the lifecycle. These metrics are strong predictors of retention
- **Advanced and dynamic approaches:** Technically sophisticated publishers can use data analytics to drive more personalized techniques



	Early	In-life	Winback
<b>Key leverage points</b> include:	<ul style="list-style-type: none"> <li>Onboarding (email and onsite)</li> <li>Access model</li> <li>Annual offers</li> </ul>	<ul style="list-style-type: none"> <li>Newsletters</li> <li>Push notifications</li> <li>On-site recommendations</li> <li>Multiple reach re-engagement campaigns (newsletters, social media, etc)</li> </ul>	<ul style="list-style-type: none"> <li>Cancellation flow</li> <li>Winback email campaign series</li> </ul>
<b>Success metrics</b> include:	<ul style="list-style-type: none"> <li>Annual plan conversions (vs monthly plan conversions)</li> <li>Trial conversion rate</li> <li>Feature adoption rates</li> </ul>	<ul style="list-style-type: none"> <li>Engagement. This can be measured with various analytics metrics (such as active days or return visits), or using a compound metric such as RFV (Recency, Frequency and Volume)</li> <li>Propensity to 'X' (where 'X' can be actions such as 'churn', 'renew' or 'upgrade')</li> </ul>	<ul style="list-style-type: none"> <li>Save rate</li> <li>Resubscribes</li> </ul>
<b>Advanced and dynamic approaches</b> include:	<ul style="list-style-type: none"> <li><b>Dynamic paywalls</b> allow you to focus on converting the most engaged users, who will be easier to retain. This also allows you to build habits in less engaged users before pushing them to convert</li> <li><b>'Educate and reinforce'</b> loops have been found to improve onboarding at the FT. In this model, you guide users through a feature, then send an email or onsite message acknowledging their usage of the feature. This design pattern can help embed behaviors among customers</li> <li><b>Dynamic onboarding</b> is a smart way to drive adoption. You track feature usage, and then promote and re-promote features that have not been used</li> </ul>	<ul style="list-style-type: none"> <li><b>Lapsing engagement models</b> allow you to segment subscribers by engagement level, and then provide personalized interventions. For example, when engagement drops for a reader, an email reminder about their product might be triggered</li> <li><b>Price sensitivity models</b> can help you take a segmented approach to your pricing strategy. For example, customers deemed at high sensitivity to a price change might receive a lower increase in their subscription plan</li> </ul>	<ul style="list-style-type: none"> <li><b>Customized cancellation flows</b> can provide a better chance of saving a customer. For example, you might use a personalized offer based on their current price point.</li> <li><b>Dynamic winback offers</b> can be based on customer profile. For example, an offer sent to a lapsed Premium customer could suggest that they rejoin on a lower-priced tier</li> </ul>



## EXAMPLES FROM SUBSCRIPTIONS LAB AND THE FT

### Retention in early life

An essential place to start implementing long-term thinking around retention is addressing early churn. As with the wider market, a common challenge faced by publishers on this program is losing subscribers early in the customer journey. Industry research has indicated that loyalty is especially fragile in the first 24 hours, where up to one-third of active churn takes place ([Piano](#)).

#### Tactic 1:

##### Email onboarding (The Denver Gazette)

To build retention in early life, it is critical that readers appreciate the full value of your subscription product, and start using the features that have a positive impact on engagement (e.g. newsletters, notifications, mobile app, etc). One of the simplest ways to drive this behavior is to create an email onboarding experience.

Early churn was a pressing pain point for The Denver Gazette. Building on the publication's unique strength in newsletters, the team designed a series of onboarding emails encouraging users to register, use the app, and sign up for newsletters. These emails were well-received with a 50% open rate and a 3.5% click-through rate. However, it remained a challenge to drive these subscribers to take further action, with registrations (11%), app downloads (5.6%) and newsletter sign-ups (2.4%) remaining low.

As a next step, the team is planning to adopt a more dynamic approach. For example, onboarding messages will recur as reminders, depending on whether readers complete the action.

#### Tactic 2:

##### Onsite messaging (The Memphian)

The Memphian has an engaged audience overall, but readers are unlikely to use newsletters, social channels or download the app. Given the publisher's high traffic levels, the website acted as an optimal place to drive usage of these additional channels.

New subscribers were shown a sequence of five on-site messages over four weeks. These messages encouraged them to download the app, sign up for the newsletter, follow socials, donate, upgrade, and gift a subscription. Early results have been positive, with the messages receiving a click-through rate of 12.3%. There are also positive signs that on-site messages have increased awareness of features and engagement with them.

#### Tactic 3:

##### Dynamic paywalls (The Financial Times)

The FT has found that a dynamic paywall can play a crucial role in addressing early churn. Experiments have shown that if the publication were to force users to convert on their first visit, the FT would lose out on 79% of conversions. Instead, the paywall is shown to users that are known to be building a habit with the product, and have a high 'propensity to subscribe'.

For example, a user that has read a wide breadth of content, registered for one or more newsletters, and has downloaded the app has a high likelihood to subscribe. These high-usage readers are also more likely to be retained in the long term. Readers who are earlier in their customer journey are shown the paywall less often, allowing them to continue testing out content and reducing the risk of early churn.

The FT has also found that users are 36% more likely to convert when the paywall presents a topic that matches their interests (versus a 'one-size-fits-all' article or topics).

## HABITS THAT LEAD TO IN-LIFE ENGAGEMENT

Data analysis at the FT has shown that the following habits have the greatest impact on driving long-term engagement:

- Signing up for the app & receiving push notifications
- Organically following topics on myFT
- Signing up for newsletters
- Engaging with comments
- Reading on a Saturday or Sunday
- Reading the FT across multiple devices
- Viewing graphics / visual journalism

Readers that complete the above actions are easier to retain and generate higher lifetime value.

## In life retention

The best long-term strategy to drive retention for ‘in life’ subscribers is to focus on engagement. In multiple studies, the FT has found that engagement drives higher retention and hence greater customer lifetime value. Optimizing engagement levels was an underlying challenge for several of the publishers in the Subscriptions Lab North America 2022 cohort.

### Tactic 1: Optimizing subscriber newsletters (The Hill Times)

Newsletters are a reliable channel to drive subscriber engagement and lifetime value. The Hill Times prioritized three newsletter optimization experiments. The hypotheses tested were:

- We can **drive higher open rates** if we change the time that the ‘Today’s Headlines’ email is sent (see Case Studies, p.X)
- We can **increase the click-through rate to the website** if we reduce the amount of article content shared in newsletter snippets
- We can **increase newsletter sign-ups** if we autofill a logged-in reader’s email into the newsletter sign-up form

Going forward, the publication is planning to improve its newsletter analytics and conduct user research with readers to understand how to further optimize its newsletter strategy.

### Tactic 2: Encouraging on-site recirculation (Le Nouvelliste)

Le Nouvelliste is especially strong at the top of the funnel, with a demonstrated ability to drive substantial unique visitors to the website. Unfortunately, many of these readers have low session duration. We co-designed

an experiment to encourage on-site recirculation. We hypothesized that adding more links to internal articles would encourage users to stay on the site for longer. To execute the experiment, we identified five journalists in the Le Nouvelliste newsroom to include more links throughout their articles for one month.

## Winback

It is inevitable that some customers will actively decide to cancel their subscriptions. At this point, there are still strategies publishers can implement to improve their overall retention rates.

### Tactic 1: Understand the reasons for churn (Denton Record-Chronicle)

The Denton Record-Chronicle has committed to digital growth, but a lack of data has prevented a deep understanding of its audience. For instance, the publisher had never captured any data to understand the reasons for churn. To address this challenge, we co-designed a survey for recently canceled subscribers.

The results yielded 55 responses and unearthed a variety of potential reasons for churn. Factors include: political positioning, price and involuntary reasons such as card declines. Going forward, The *Denton Record-Chronicle* is planning to take action on these suggestions. For example, they are planning to introduce seamless payment processes to minimize involuntary churn.

### Tactic 2: Mitigations at the point of cancellation (Financial Times)

The Financial Times has experimented with the cancellation flow to proactively improve retention rates. For example, when the offboarding flow was redesigned to include ‘save’ offers and

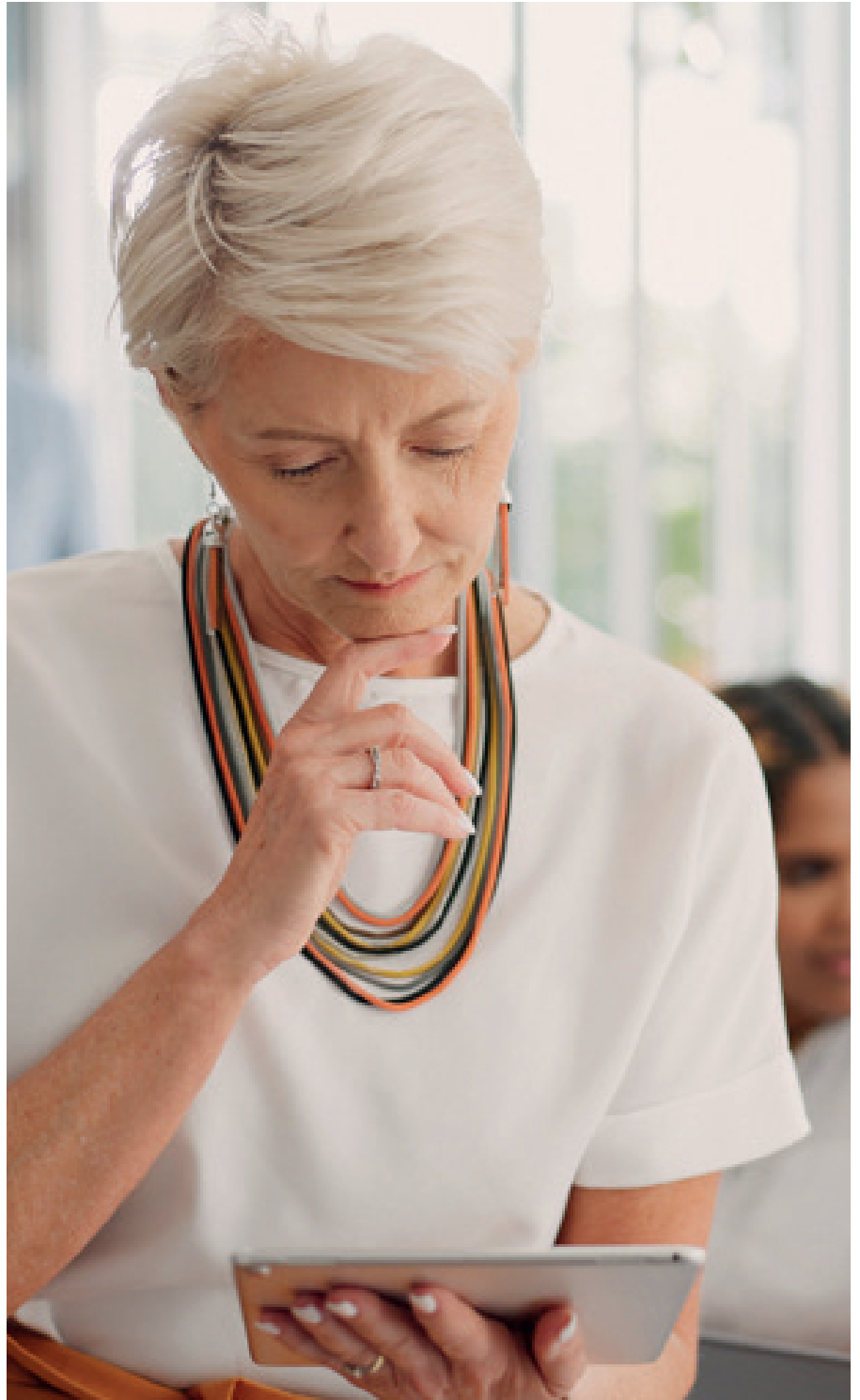


messages from key journalists, the save rate doubled: 6% of people who started this flow decided not to cancel, compared with 3% previously. Other successful tactics have included bespoke prize freezes and ‘fear of missing out’ messaging (for example, messaging reiterating product features and brand values). When people leave nonetheless, the Financial Times aims to retain ex-subscribers as registered users – reducing the friction required to resubscribe, and allowing bespoke winback campaigns.

## Conclusion

Retention is a critical factor in building a sustainable digital subscription business. Publishers should focus on retaining subscribers from the early stages of the customer journey and consider their entire lifecycle. Thinking longer-term, it becomes clear that the best retention model is an engagement-centric one.

The Subscriptions Lab explored several successful methods for optimizing retention, such as dynamic paywalls, educate and reinforce loops, lapsing engagement models, and price sensitivity models. Retention is one of the shared challenges that led us to create FT Strategies. We’d be delighted to hear from you if you would like to work together to increase customer lifetime value at your business.



PART TWO

# CASE STUDIES

# Le Nouvelliste

## How the Le Nouvelliste used annual offers to drive Lifetime Value

### About

Le Nouvelliste is a regional publication serving French-speaking Canada in Quebec and Eastern Ontario. Focused on serving the local community, Le Nouvelliste is one of six publishers who are members of the National Independent Information Cooperative (CN2i), an employee-owned news cooperative.

### Challenge:

Le Nouvelliste launched its subscription model two years ago, with the goal of becoming fully sustainable with digital-only revenue by 2024. To reach this ambitious goal, Le Nouvelliste needed to further monetize their digital subscriber base, while maintaining a low churn rate.

### Highlighted Experiment:

The majority of Le Nouvelliste's subscribers are on the monthly plan. However, many other publications have found that annual pricing leads to users with higher LTV and lower churn. To take advantage of this opportunity, Le Nouvelliste launched an experiment to optimise upselling engaged monthly subscribers to the annual plan. The team launched an A/B/C test in which three emails were sent with identical copy aside from the offer. The three variations were:

1. Focusing on the existing cost-savings of the annual subscription, with no additional offer;
2. 25% off for the first year
3. 33% off for the first year.

### Impact:

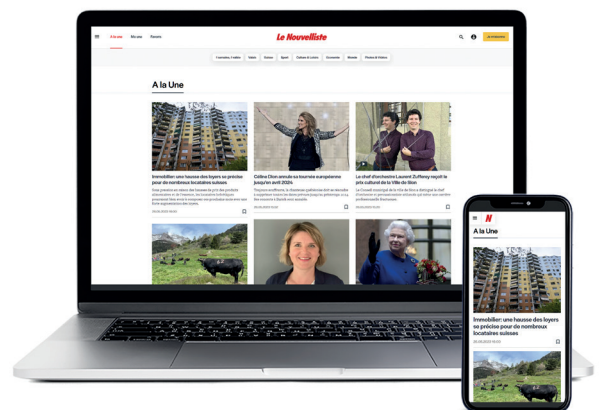
Across the three email offers, the average conversion rate was 14%. The results broke down as follows:

- 12% for no additional discount
- 13% for 25% off
- 16% for 33% off

Due to the high discount of the second and third offers, the first offer saw the highest net increase in annual revenue (5.2%). In total, the net increase in revenue was \$1,997.92. The experiment highlighted the opportunity to conduct a wider upselling campaign to all active monthly users.

“We now have more means to achieve our goals via experimentation, giving us the leverage to test small things and see if we are going in the right direction.”

MARC GENDRON, SENIOR DIRECTOR,  
DIGITAL GROWTH, LE NOUVELLISTE





# SALTWIRE

## New social formats attract and engage a new target audience for SaltWire Network

### About:

SaltWire Network provides local news, opinions, and more for the communities of Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador. The network was created in 2017 when *The Chronicle Herald* acquired 27 local publications from Transcontinental. Pre-2017 the network's publishers had a strong print presence, faced limited local competition, and had established strong trust with their core audiences. Since then, the market has shifted: digital readership is growing, and new players are offering related services. SaltWire has led an expansion into digital, and the current offering is a website and app complemented with legacy print products.

### Challenge:

With the creation of the new SaltWire brand and the shift to digital, the organization identified a need to diversify its reader base. At the onset of the program, SaltWire's analytics showed that 65+ readers led in session duration, while 35-54-year-olds had a larger share of users but lower engagement. This segment was particularly high risk to engage with competing digital properties. As such, SaltWire decided to focus on attracting more of these readers onto the website and increasing their engagement.

### Highlighted Experiment:

The SaltWire team saw an opportunity to attract and engage their target demographic using social channels. The team opted to test alternative story formats (versus regular post templates) on their Instagram channel for one month. The team hypothesized that engagement on alternative story formats would be drastically higher than regular posts, and would lead to an increase in social traffic on their website, particularly from the target demographic.

### Impact:

SaltWire saw an incremental uplift in engagement on their posts that used alternative story formats. Furthermore, there was a significant increase in website visits and sessions from Instagram compared to the same period last year.

“Showing the importance of testing was huge for our team as we weren’t really testing at all before. If we were, we weren’t being smart with testing. This has led the social team to test and implement other initiatives, showing a great change in mindset. I am confident it will have a lasting impact”

KATIE MCRAE, MANAGER, MEMBER EXPERIENCE, SALTWIRE NETWORK



# Dayton Daily News

## Streamlining checkout flow to convert readers to subscribers at Dayton Daily News

### About:

The Dayton Daily News is a local news provider serving Dayton and the larger southwest Ohio region. Founded in 1898, the publisher's revenue has historically depended on print and advertising. This changed in 2021, with the launch of a new hybrid paywall.

### Challenge:

After two years of operation, the Dayton Daily News team reviewed their paywall's performance against industry benchmarks. They discovered that checkout starts were below industry averages. The team saw a pressing opportunity to optimize their paywall.

### Highlighted Experiment:

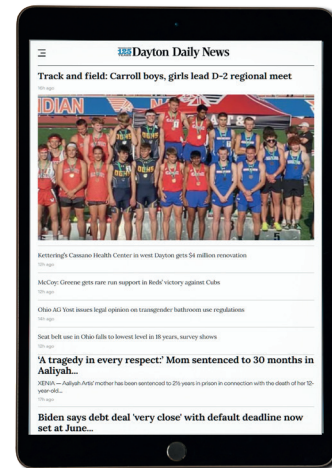
To address the low number of starts, the user experience was streamlined by decreasing the number of steps required to reach the checkout. Subscription offers were also placed directly on the paywall utilizing a 3-panel design. By reducing the number of touchpoints and encouraging people to choose the digital-only annual subscription package, the team theorized that the path to subscriptions would be simplified and in turn, drive conversions.

### Impact:

Although the new flow had fewer checkout starts than the standard flow during the control period, it did result in an increase of sales for the publisher's annual package. As a result of this increase, the publisher made these changes permanent.

**"All of our new tactical initiatives for the year have been inspired by the workshop sessions with FT Strategies."**

**BARBARA KEDZIORA, DIRECTOR OF MARKETING**





## Driving engagement by optimising Shaw Local's newsletters

### About:

Shaw Media operates a portfolio of local newspapers and news websites for audiences in Illinois and Iowa. In December 2020, the Shaw Local brand was launched as the digital presence for all publications in the group. Since launch, the number of digital subscribers has grown to ~20k for the Illinois publications.

### Challenge:

Because of the numerous titles within Shaw Local, the publisher has over 50 newsletters (by far the most in the cohort). Hundreds of thousands of readers receive these newsletters, but performance (particularly CTR) showed room for improvement. One potential driver for this may be that only the newsletter sender name appears as the title name (e.g. 'Herald News'). The team hypothesised was that the experience of receiving many emails with the same subject might be lowering the desire to open them.

### Highlighted Experiment:

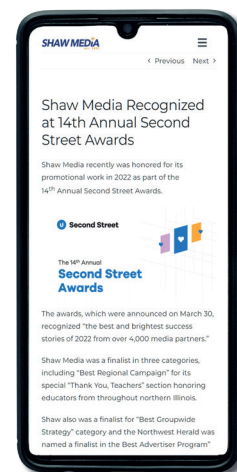
To help their audience distinguish between newsletter types they personalized the sender name with the content subject (e.g. Herald News Sports). The largest audience segments are sports and breaking news readers, those newsletters were tested first.

### Impact:

Thanks to previous efforts to drive newsletter performance, there was a positive increase in open rates and click-through rates, which made it hard to see the direct impact of these changes. This test is the first in a series of newsletter tests aimed at optimizing the readers' newsletter experience. From January to February overall traffic decreased but the percentage of traffic from newsletters increased by 20% for all readers and 23% for new readers. This shows the importance of driving engagement via newsletters for new and loyal readers, particularly in times of traffic fluctuation.

**"We appreciated the focus you provided. You gave us a nice framework that we were able to respond to, and had some traction on our end because of that."**

**DENNIS ANDERSON, VICE PRESIDENT OF NEWS & CONTENT DEVELOPMENT**



# the Sumter ITEM

## How The Sumter Item embraced a long term plan for subscriptions growth

### About:

The Sumter Item has been serving Sumter County and the surrounding area in South Carolina since 1894. The Item, as it's commonly referred to, publishes a print newspaper five days a week and posts news online daily. The Item is a small operation, and although its team is agile and open to trying new strategies, they have previously found it challenging to create a long-term vision for becoming a digital-first news provider.

### Challenge:

Through the Subscriptions Lab, The Item set a goal of increasing digital subscribers by 900% in the next 3 years. Together a roadmap was formed with desired outcomes and prioritized hypotheses that they believe will help them achieve this goal. In a bid to rapidly grow their digital subscriber base, they want to convert print subscribers while also developing a B2B offering.

### Highlighted Experiment:

To kick start their B2B offering, the team created a sponsor-a-teacher offer. This was targeted at businesses, who were asked to pay for 10-50 local teachers' subscriptions. In return, each sponsoring business received an advertisement.

### Impact

Several hundred local teachers signed up for the opportunity to receive a sponsored subscription and with only one email outreach, 3% of these teachers received sponsorship from businesses. Over the summer, the Item will continue to build relationships with their local businesses through calls, emails, and in-person visits – hopefully resulting in 100% of these teachers being sponsored. Most importantly, The Item was able to use this process to create a longer-term roadmap to digital sustainability, with a clear set of objectives that they want to achieve each year.

“We’ve never thought about an organizational business strategy that includes the newsroom that goes beyond a year. It was intensive, but necessary to force us to think about where we can be more innovative in terms of long-term sustainability. We didn’t have as many quick wins, but it was comforting to think about the longer plays and set up our governance structure.”

KAYLA GREEN, EXECUTIVE EDITOR







## The Hill Times deepens engagement with a small tweak to newsletters

### About:

The Hill Times is a Canadian twice-weekly newspaper and daily news website, published in Ottawa, Ontario, which covers the Parliament of Canada, the federal government, and other federal political news. Founded in 1989, the publication features political news items and public policy briefings, lists, surveys, feature stories, profiles, opinion columns, and analysis.

### Challenge:

According to News Consumer Insights data, The Hill Times had a brand-lover audience size of less than 0.5%. This means less than 0.5% of readers were visiting their website 15 or more times within a month. To create a stronger habit with their loyal readers, the publisher had to find ways to bring them back more often.

### Highlighted Experiment:

The team hypothesized that their daily newsletter 'Today's Headlines' was being sent too late in the morning. The team changed the send time from 7am to 6am. After this change, subscriber open rates increased on average by 33% and the click-through rate increased by 54%. By making this slight change in the send time, more readers have ended up on-site, increasing subscriber engagement.

### Impact:

While overall traffic for this publisher has slightly decreased over time, the proportion of traffic coming from newsletters has shown an increase of 49%. This indicates that optimizing newsletters should increase engagement for middle-of-the-funnel readers, instilling a more regular habit.

“Being part of this program has been great because it’s been sparking more conversation between editorial and the rest of the business. We are seeing a lot of opportunities bringing those best practices to life and now we are at the beginning stages of some of these.”

SAMANTHA WRIGHT ALLEN, DIGITAL EDITOR



# YAKIMA HERALD-REPUBLIC

## Fighting churn with longer trials and higher prices at Yakima Herald-Republic

### About:

The Yakima Herald-Republic is the largest media outlet in the Yakima Valley. In addition to the daily newspaper and website, the Yakima Herald-Republic's operations include El Sol de Yakima, a weekly Spanish language newspaper, Central Washington's largest offset commercial printing operation, an extensive commercial distribution arm, Yakima magazine and several other highly-regarded niche publications and websites.

### Challenge:

While Yakima has been effective at converting subscribers through trials and discounts, churn continues to be a major obstacle to sustainable subscription growth.

### Highlighted Experiment:

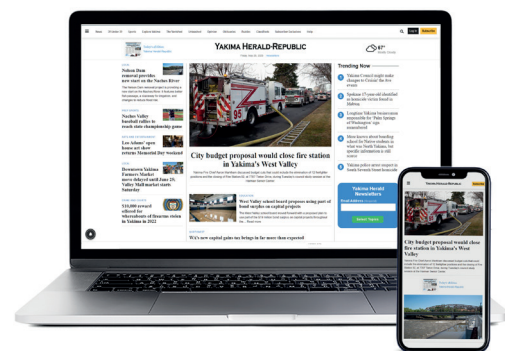
At the start of the Subscriptions Lab Yakima offered a \$1.99 for 1-month trial. The team believed this led to a perception of low value and “popcorn-like” behavior (readers effectively paying per article, and not becoming loyal subscribers). In response to this, Yakima introduced a \$9.99 three-month trial rate that transitioned to an annual rate of \$129. At the end of this experiment, 74 trial subscribers successfully converted over to the annual price, representing an 81% trial retention rate.

### Impact:

This experiment resulted in approximately \$10,000 of immediate revenue. At the time of writing, there are still 110 remaining trialists – with the potential to generate an additional \$12,000. By allowing time for deeper habits to form with their products, Yakima were able to achieve a higher conversion rate and increase lifetime value.

“I think the program was amazing for us. It helped drive focus in some areas where we needed to figure out the best path forward. I think it added focus and direction so I really appreciated that”

CHARLES HORTON, DIRECTOR OF AFFILIATES



## Arkansas Democrat-Gazette

### Building a data-driven culture at the Arkansas Democrat-Gazette

#### About:

The Arkansas Democrat-Gazette was founded in 1878 and is currently the oldest continuously published newspaper west of the Mississippi. In December 2010, the publication launched an iPad app with a digital replica of the printed newspaper and in 2019 converted to a digital model where the newspaper is delivered daily to the iPad app and home-delivered on Sundays with subscribers having the option to receive an iPad to use as part of their subscription.

#### Challenge:

Previous digital transformations had faltered after key personnel left the organization, resulting in institutional knowledge being lost. The team recognized that culture change should be the primary focus of their North Star program.

#### Highlighted Experiment:

The Arkansas Democrat-Gazette wanted to build a culture of data-informed decision making. To achieve this, the publisher recognized that a critical first step was to build trust in key metrics and increase their utilization by the newsroom team. In the previous year, editors were accessing the analytics platform less than 3-4 times a year. We held training sessions on the tool with editors, explaining its importance and providing concrete examples of how to use it. This training was intended to increase usage and drive greater engagement from editorial staff.

#### Impact:

Usage of analytics increased to an average of 3 logins per month, showing a significant improvement. At the beginning of the experiment, the majority of editors self-reported that they did not feel confident with using data tools. Bringing together editors who are consistent users to share their experiences provided a positive learning environment and increased their confidence in using metrics by 20% based on a newsroom survey.

“Any time we put something in place that makes us reflect on how we do business, how we reach customers and how we grow our knowledge for our staff, is great. This program is going to continue to open our eyes to new opportunities. This pushed us to look at things differently and we’re going to rely on this structure quarterly and annually moving forward.”

BARRY ARTHUR, DIRECTOR OF AUDIENCE TECHNOLOGY



# The Bulletin

## Instilling a digital-first mindset in The Bulletin's newsroom

### About:

The Bulletin is Central Oregon's most comprehensive source of news and information. Published seven days a week in print and online, The Bulletin covers news, business, sports, arts, entertainment, culture and more in Deschutes, Crook and Jefferson counties. Since its acquisition in 2019, The Bulletin has doubled in size and recognized the importance of digital revenue to the publication's long-term sustainability

### Challenge:

While senior leadership have shown a willingness to transform into a digital-first publication, that mandate had not reached the rest of the organization – particularly editorial staff. Through internal surveys and interviews conducted during the Subscriptions Lab, the core team discovered that the daily e-replica of the print paper was the furthest extent that most editorial team members were thinking about digital audiences. While the e-replica has been an important product for The Bulletin, the publication is looking to deliver new digital experiences for customers.

### Highlighted Experiment:

To improve the likelihood that reporters would think critically about how their stories translate to digital channels, The Bulletin required City Desk editors to complete a digital story budget for each article that highlights the potential for distribution across Instagram and newsletters along with digital assets such as photos and videos.

### Impact:

By the end of the six-week experiment, 60% of staff had started using the new tool. During staff meetings, editors reported recognizable excitement about the new story budget process. Mike Gordon, the Deputy City Editor, shared his feedback about the experimentation process: 'The digital budget helps us focus on daily web play and posting schedules without the distraction of print production schedules. I love how it makes the reporters think about how social users will see and experience their stories and how it lets us think of the best time to post a story to maximize views.'

“This has given us a framework. Another program we participated in gave us very generic information, not dialing into the issues or the opportunities that we specifically have and this has helped dial in. One thing we haven't done much of before is experiments or testing so this process has helped us significantly with that.”

HEIDI WRIGHT, PUBLISHER





## The Denver Gazette

### How The Denver Gazette used data to define newsletter topics and boost engagement

#### About:

The Denver Gazette is a digital-native challenger publication founded in 2020. The Gazette is an offshoot of the Colorado Springs Gazette, a well-established newspaper that is one of the largest newspapers in the American Mountain West. The Gazette, founded in 2020, competes in a large and saturated market. It publishes articles across all news content verticals, with extensive coverage in local news, sports, politics, business, outdoors, and opinion.

#### Challenge:

The Gazette successfully grew its digital subscriber base during the pandemic. However, growth has stalled, with subscriber numbers hitting a plateau at 7,000. While traffic levels have remained stable (at around 0.3m users), conversion rates on the site have fallen. The publication's challenge is to better engage existing readers in its content. It currently ranks towards the low end of the Subscriptions Lab cohort across several key traffic metrics.

#### Highlighted Experiment:

Newsletter traffic is a significant strength for the Gazette; newsletter readers are a highly engaged source of traffic, and convert at above-average rates. The team saw an opportunity to launch two newsletters, covering skiing and option – two topics that The Gazette has seen high engagement with previously. The goal was to drive engagement and conversions.

#### Impact:

Both the opinion and the ski newsletter were well-received, with high open rates (46% and 45% respectively) and click-to-open rates (12% and 5% respectively). Nearly 10,000 users were signed up across the two newsletters during the limited period, indicating the significant opportunity that these audiences presented. The newsletters were read over 4,000 times. The publisher also gained insight into reader interests and is considering ways to better monetize readers via content verticals.

“The introduction of the experiment process will greatly increase our ability to pivot to actions that work for our business and audience.”

CHANDRA ROCHE, DIGITAL AUDIENCE TEAM





## How adjusting The Daily Memphian's value proposition for registration led to increased conversions

### About:

The Daily Memphian was founded in September 2018 as a digital-only daily newspaper in Memphis, Tennessee. The publisher focuses on essential local, community, and regional stories, providing both day-to-day news coverage and more in-depth pieces. The newspaper's mission-driven subscription model has been extremely successful. It has been praised by industry experts across the country as a new way forward for local news. The publisher has a committed readership and strong culture of experimentation.

### Challenge:

The Daily Memphian is struggling to find new growth opportunities, having grown its subscriber base from nearly 8,000 subscribers at the start of 2019, to over 16,000 at the start of 2022. Growth in subscribers has since plateaued, and the publication is likely approaching market saturation. The publication's challenge is to better engage its readers, drive greater revenues from its existing audience, and convert more of its unpaid audience.

### Highlighted Experiment:

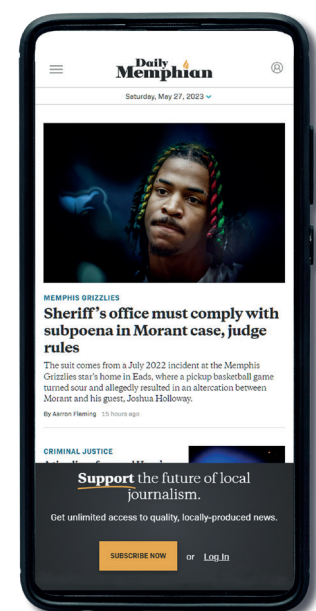
The Memphian sought to focus on the value proposition of registration. This allowed the publisher to tackle two challenges. Firstly, there is significant anonymous traffic on the website which need to be better understood. Secondly, converting registered users into paid subscribers is difficult, meaning that this group represent a bottleneck in the funnel. The team was curious if their registration limit of three articles was too tight. They hypothesized that allowing users to view six articles would allow registered users to better engage with the contentm allow the Memphian to better understand its registered users, encourage anonymous users to register, and ultimately drive paid conversions from registration.

### Impact:

The publisher saw a substantial increase in conversions among registered users from 2.6% to 4.4%. Engagement data on registered users (compared to other categories of users) was not easily accessible, which has made it difficult to robustly assess this trend in more detail. Nonetheless, the experiment has led to a positive impact and the team is continuing to invest in understanding this part of the funnel.

**“The GNI Subscriptions Lab helped us see our digital subscription offerings in a whole new light. As a result, we’ve launched a series of efforts to accelerate our conversions. Some of those efforts have been quick, relatively simple changes that have had a measurable positive impact on revenue. Other efforts are more complicated, but the Lab helped us see the need to make them priorities over the medium and long term.”**

ERIC BARNES, CEO AND EXECUTIVE EDITOR





## Converting print readers to digital at the Denton Record-Chronicle

### About:

The Denton Record-Chronicle is a legacy newspaper that serves the city of Denton, Texas and its county. Founded in 1903, the publication has changed dramatically over the years in terms of its coverage and function in the community. It continued to serve as a key resource of information for people in and around the Denton community, a city of 140,000.

### Challenge:

Over the past decade, the publication has faced a significant decline in its circulation and print subscriptions. The print subscriber base has declined from 5,000 to 1,700 since March 2019, while digital subscriptions hit a peak of 2,000 in August 2021. Digital subscriptions had largely risen up until August 2021, but have now also begun to fall. The Record-Chronicle, under new management, has made a bold commitment to reviving its digital proposition, rebuilding its newsroom, and eliminating its print edition by the end of the year.

### Highlighted Experiment:

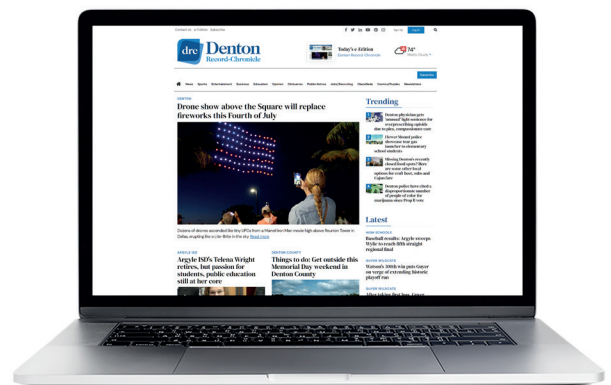
In support of the publication's commitment to transition to being a completely digital publisher by the end of the year, the Record-Chronicle decided to pilot a stop-and-save offer to encourage print readers to migrate to digital. Print readers were targeted with an offer to save on their subscription by switching to digital (the alternative was to face a rate hike for their print subscription). If they did not want to subscribe digitally, they were asked to commit to pre-paying for their print subscription through the end of the year. The offer was sent out via postal mail and email.

### Impact:

Over 730 people were sent a physical offer, with more than 125 converted and saved at the time of writing (with more responses likely in the coming months). The lifetime value of these readers is significant, and the conversion rate was higher than the publication expected. These offers will be re-sent to people who did not act on the first mailer. The clickthrough rate on the email offer was almost 10%, with a resend of the email having a clickthrough of nearly 5%. This was substantially higher than previous newsletter offer open rates for the publisher, which were typically around 1%

**“[This process] has taught our team so much, brought us together and helped start a good North Star goal we can focus on!”**

**BILL PATTERSON, PUBLISHER AT DENTON RECORD-CHRONICLE.**



# ACKNOWLEDGEMENTS

## FT STRATEGIES

### FT Strategies:

FT Strategies is a boutique consulting firm within the Financial Times. Staffed by the experts who successfully transformed the FT's business model in the face of disruption, FT Strategies works with organizations looking to innovate using data, helping build sustainable digital businesses. Find out more at [ftstrategies.com](http://ftstrategies.com).

### The Financial Times:

The Financial Times is one of the world's leading business news organizations, recognised internationally for its authority, integrity and accuracy. The FT has a record paying readership of more than one million, three-quarters of which are digital subscriptions. It is part of Nikkei Inc., which provides a broad range of information, news and services for the global business community.

## Google News Initiative

### Google News Initiative:

The Google News Initiative represents Google's largest-ever effort to help journalism thrive in the digital age. Through its partnerships, programs and products, the Google News Initiative works with thousands of organizations worldwide to support quality independent journalism, financial sustainability, and development of new technologies that drive innovation. Google allocated \$300 million over three years to energize these collaborations, and to lay the foundation for new products and programs for a diverse set of news publishers, to benefit the entire ecosystem. This includes supporting thought leadership on topics like consumer revenue, advertising and data that are critical to the future of the news industry.

## America's Newspapers

### America's Newspapers:

America's Newspapers is committed to act as a champion for the newspaper industry and the communities that they serve. They provide research, education, and practical information aimed at optimizing newspapers' business operations, deepening their community engagement and enhancing the quality of their journalism.

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