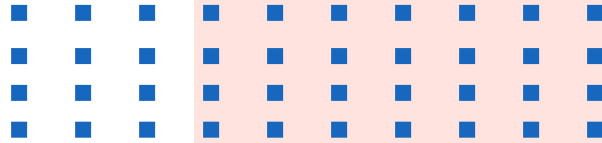


17th September, 2019



ACE Empower programme 2019

Recurring revenues and digital

Meet the team



Robyn Bosley

Guardian Media
Group



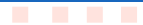
Matt Jones

Telegraph Media
Group

What models do newspaper and magazine publishers use to balance revenues, and what do they look like in two years time?

Our discussion points:

1. Current models
2. What will the landscape look like in two years time
3. What this means for the industry



What is recurring revenue?

“the portion of a company’s revenue that is expected to continue in the future” - investopedia

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“income that a business can count on receiving every single month” - zuora

“segment of a company’s revenue that is stable and likely to occur on a continuous basis” - investorwords

Current models

Newsstand

- Pricing strategies are a tried-and-tested method of generating revenue

Retail spends

- Partnerships designed to drive sale / subscriptions
- Shop & save, Waitrose promotion, WHS Travel water

Advertising

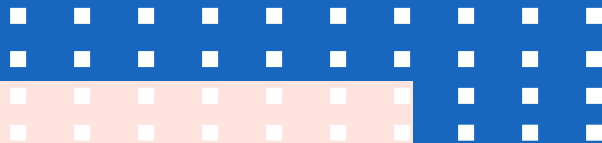
- Print and digital
- Sponsored content

Subscription Schemes

- Difference lengths of subscription packages
- Different type – digital or print

Digital paywalls

- Hard paywalls
- 'Freemium' or X number of free articles per week/month
- Free



Current models

Bulk copy / free distribution

- Manipulates ABC headline figure for advertising
- Brand awareness / activity

Events

- Further increase brand awareness
- Marketing to a publisher's target audience
- Increase circulation

Contributions

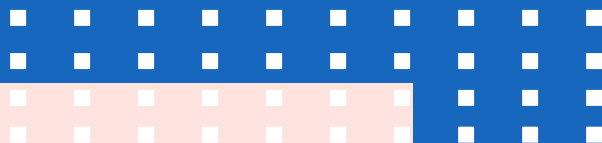
- Different amounts
- Frequency
- Membership

Incentives

- Events, competitions, discounts & office tours

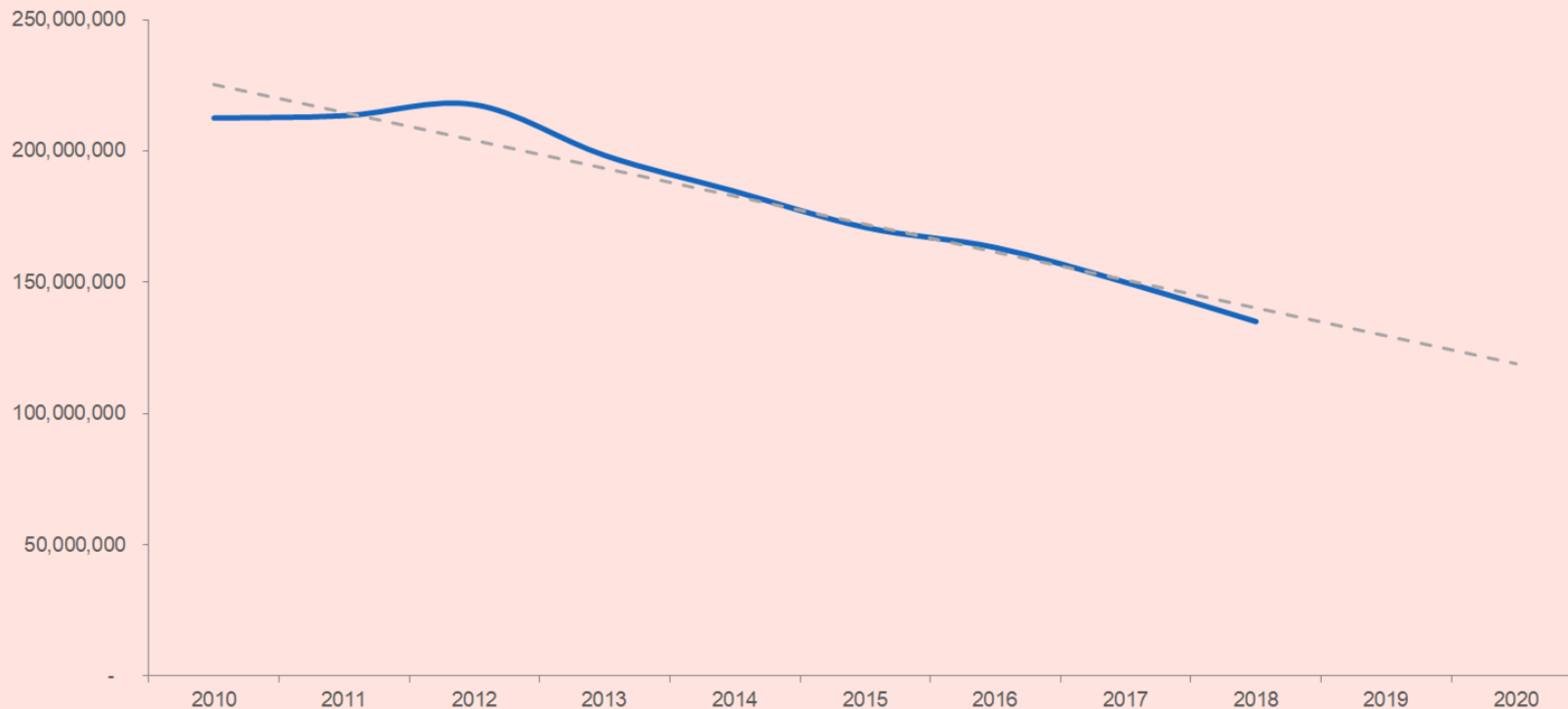
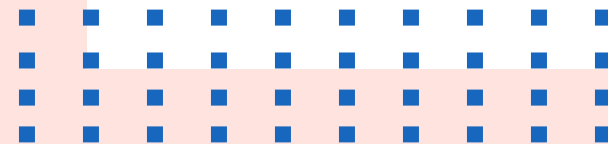
Commerce

- Travel, Dating, Books, Merchandise



Current sector analysis

National UK newspaper industry average circulation

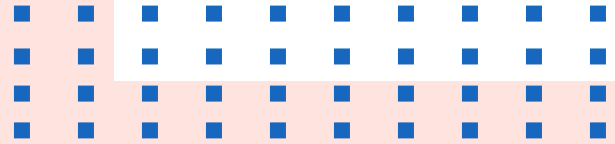


Source: ABC

Current sector analysis

UK national newspapers – cover price and retail term changes

Jan 2011 – Jul 2019



M-F
+62%

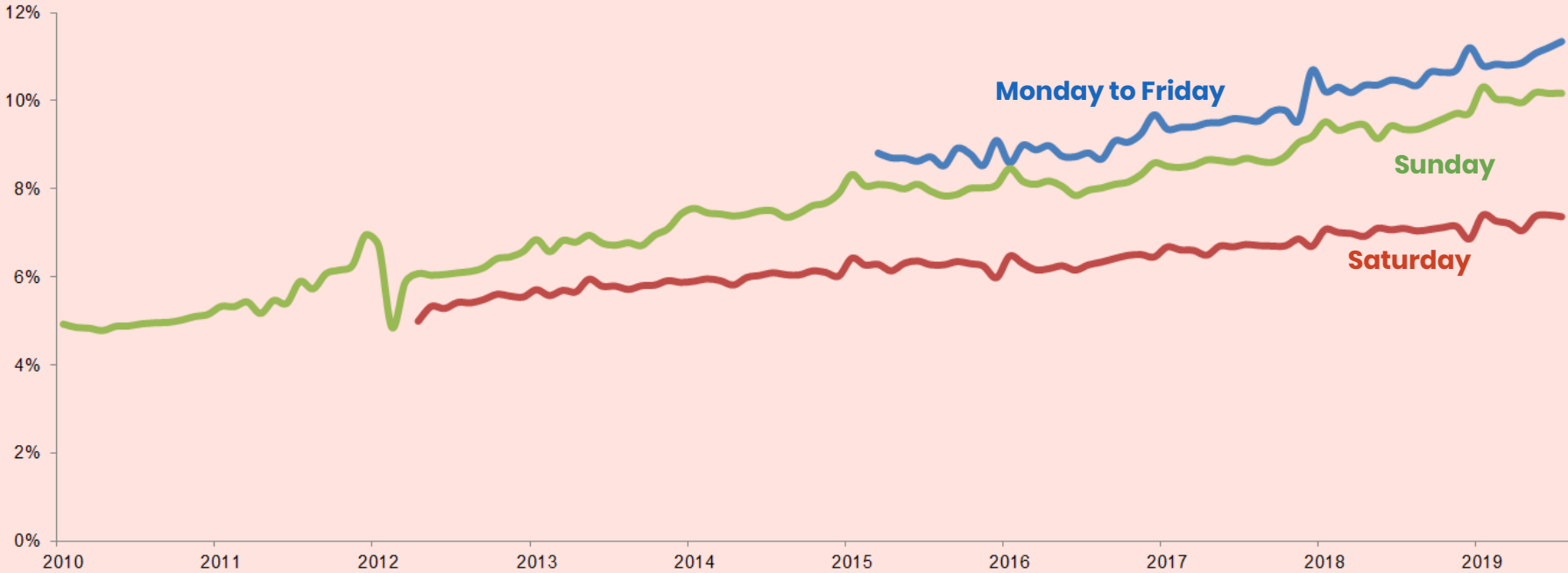
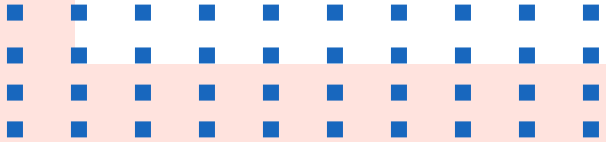
Sat
+41%

Sun
+33%

Retailer
value
terms
-2%

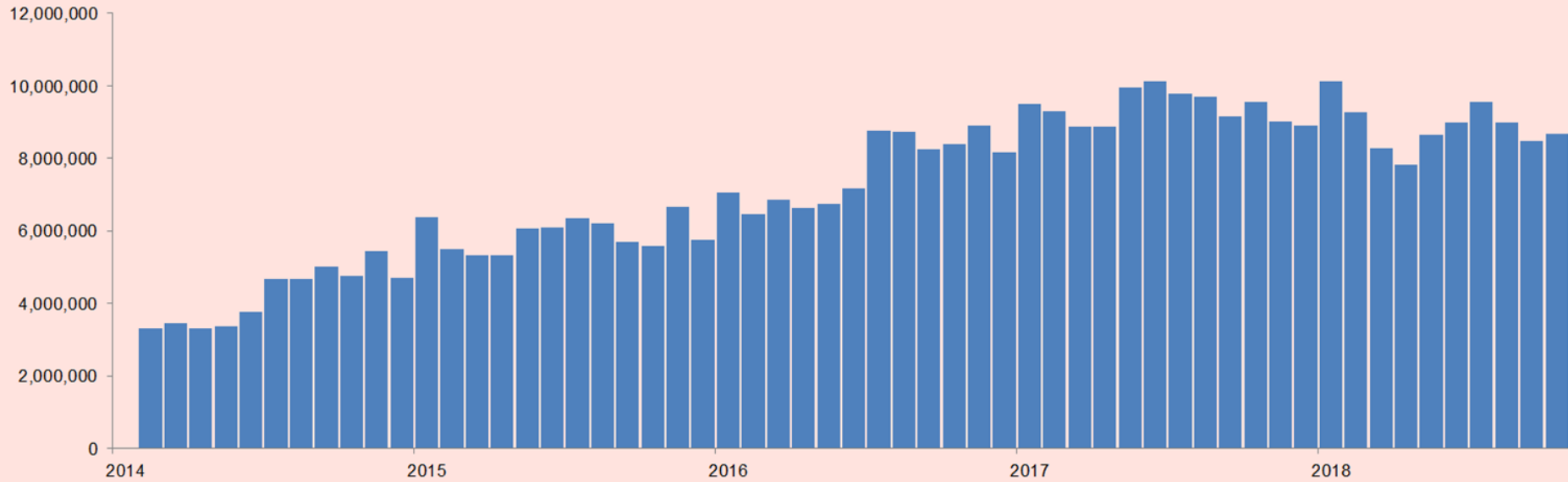
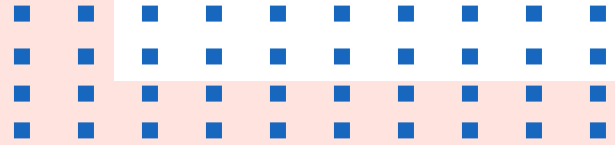
Current sector analysis

% of UK national title circulation made up of print subscriptions



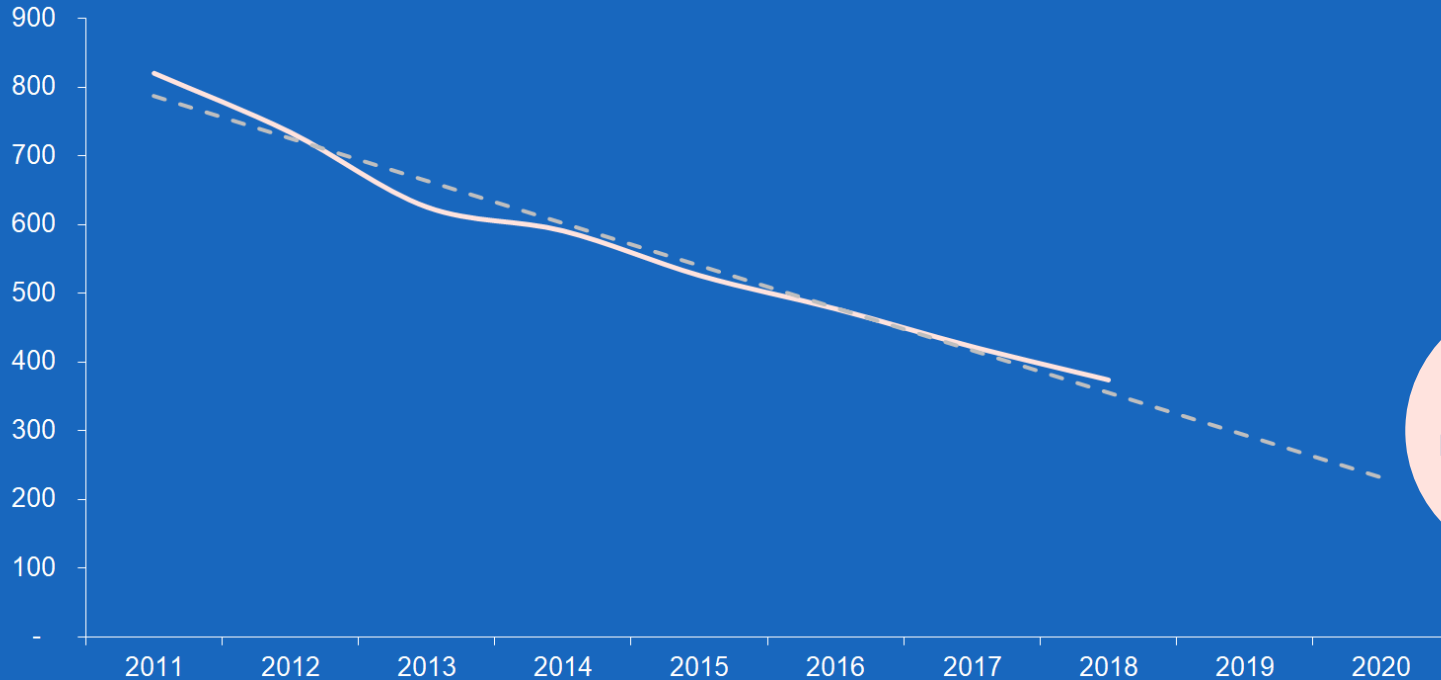
Current sector analysis

UK national newspapers – Reach's unique browser views



Current sector analysis

Magazine print sales in the UK £m



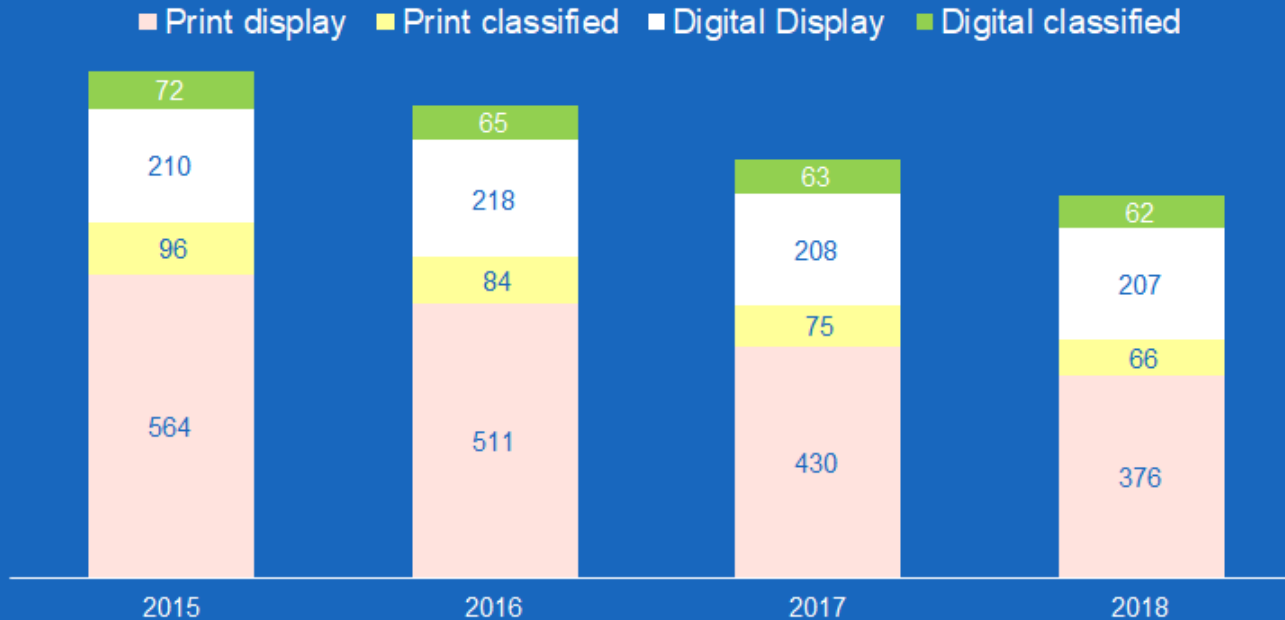
Source: Enders Analysis Aug 18

The predominant frequency change in 2017 was bi-monthly to monthly

Independent publishers with small circulation have seen overall rises year-on-year.

Current sector analysis

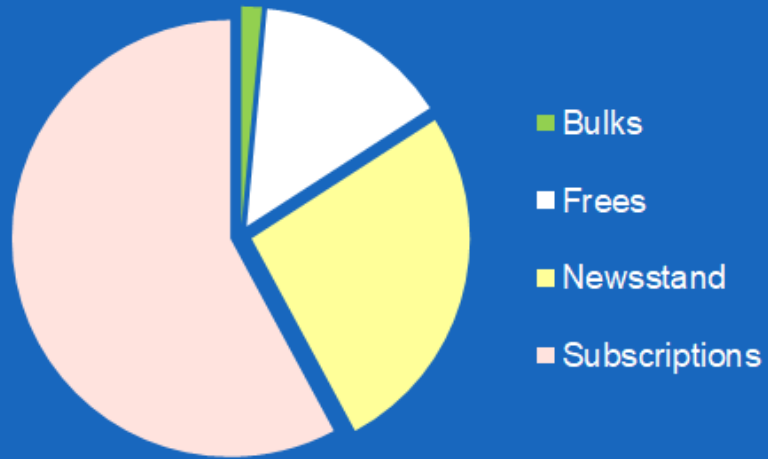
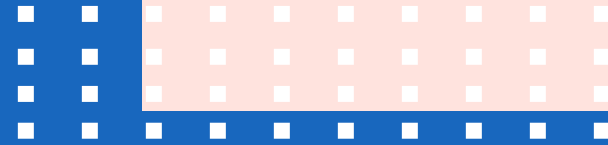
Consumer magazines – Total industry advertising spend by platform £m



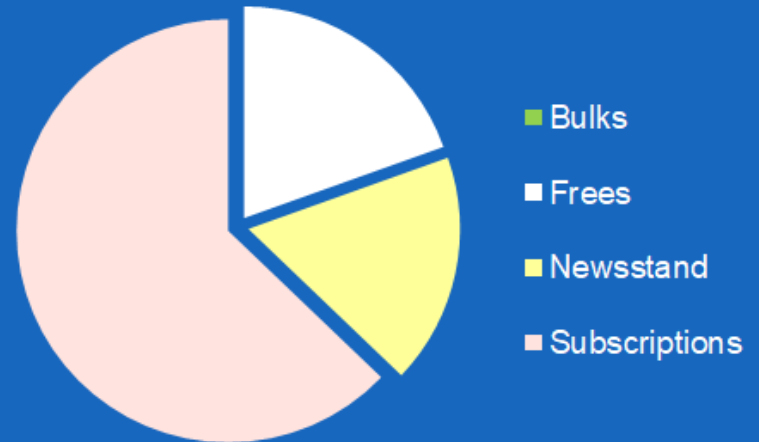
Source: Advertising Association/WARC
Expenditure report (november 2018)

Current sector analysis

Consumer magazine industry - average circulation split

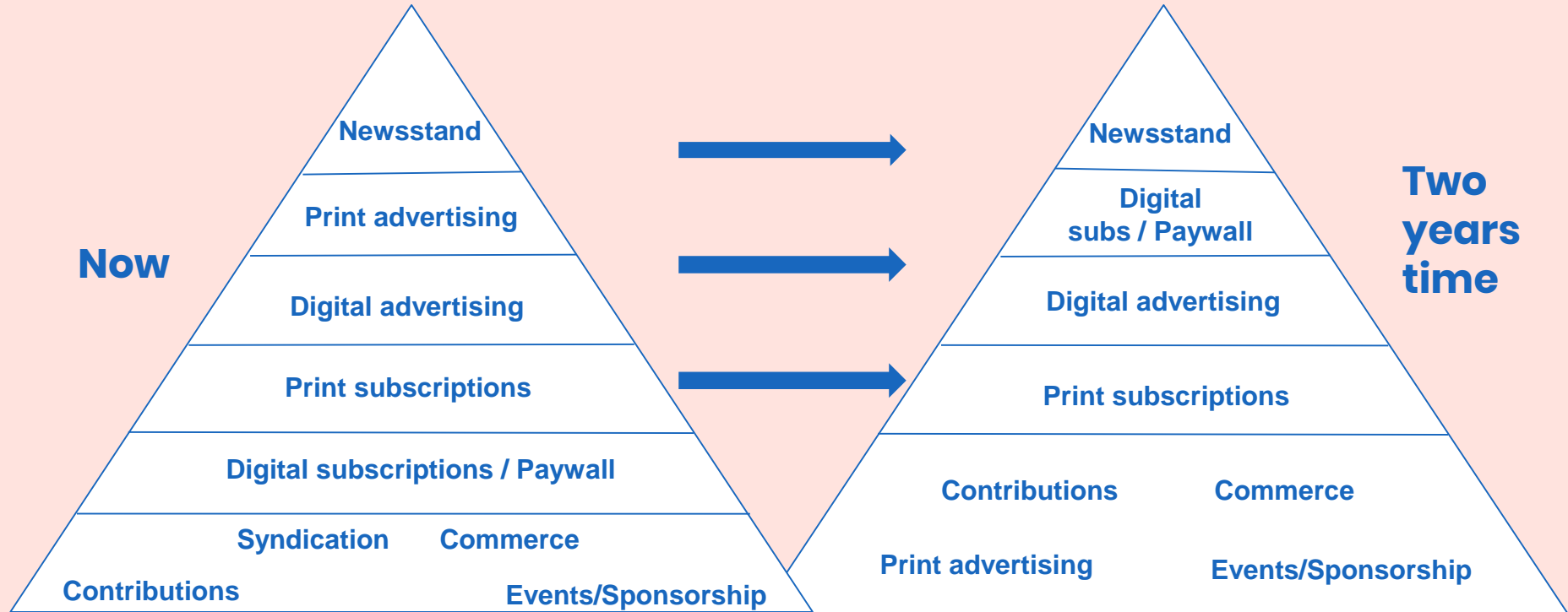
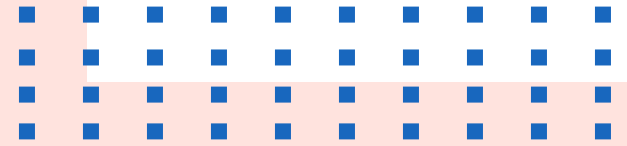


2010

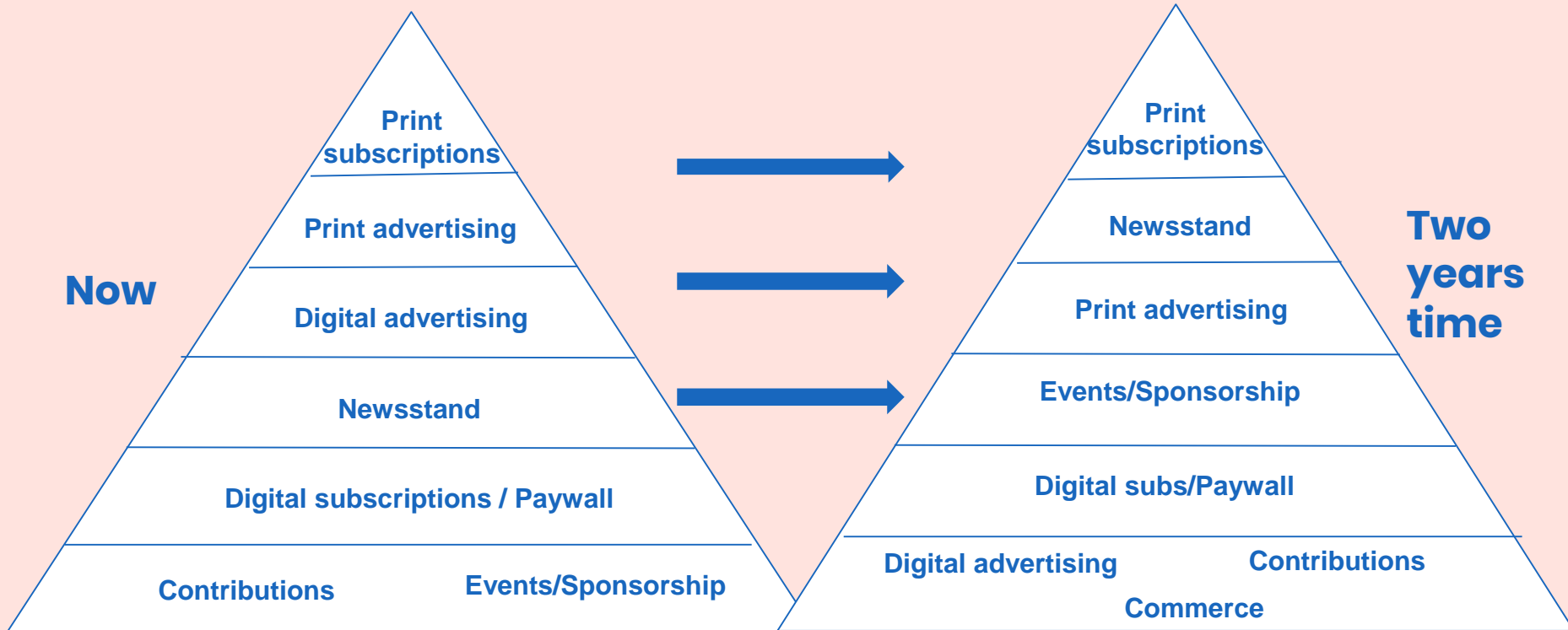
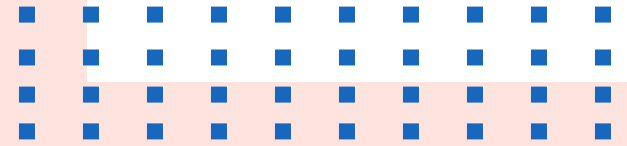


2018

Paper's revenue stream hierarchy



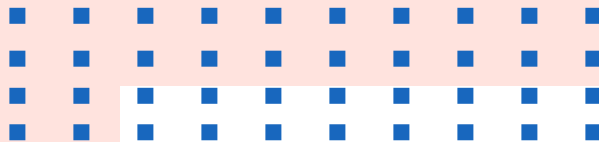
Mag's revenue stream hierarchy



Two years time

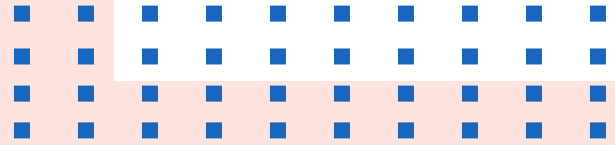
What will the future of print and digital models look like?

- Newsstand pricing
- Paywalls
- Wider subscription package choice
- Print and digital advertising
- Bulks, frees and events
- Commerce



The bigger picture

Importance of data



Who to sell to?



What to sell?



How to sell?



How to retain?



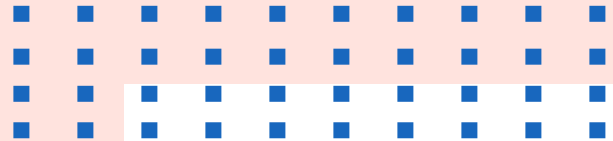
How to keep happy?



The bigger picture

What will the impact on the industries be?

- Data management
- Understanding your customer
- People
- Opportunity costs
- Retail changes
- New emergers/competitors



Summary

What plans & strategies should we be putting in place to optimise print and digital revenues?

- Primarily we believe UK publishers need to focus on consumer-centred fundamentals
- Data to be prioritised – to improve consumer loyalty and maximise revenue. Data will help to define more flexible and attractive subscriptions schemes, increase engagement and add value to the customer
- Focus on customer conversion and retention – either from a casual digital peruser to a digital subscription or a infrequent newspaper buyer to a print subscription package
- A shift in focus to higher quality, less frequent print products



Any questions?

A decorative graphic on the left side of the slide. It features a white rectangular area containing a grid of small squares. The top two rows of the grid are white, while the remaining four rows are light pink. To the left of the white rectangle is a large, light pink triangle pointing towards the bottom-left corner of the slide.

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