

New Trends in Leveraging Customer Data to Drive Business Strategies

November 3, 2014

mather: symposium

DMIG
DISPATCH MEDIA GROUP

The Columbus Dispatch

Our world had to change.

It did beginning in
2006.

2006-2013

- Market Segmentation Data Of Households

2014
Planning
& Budget

- Consumer-Facing Market-Wide Branding Study Conducted

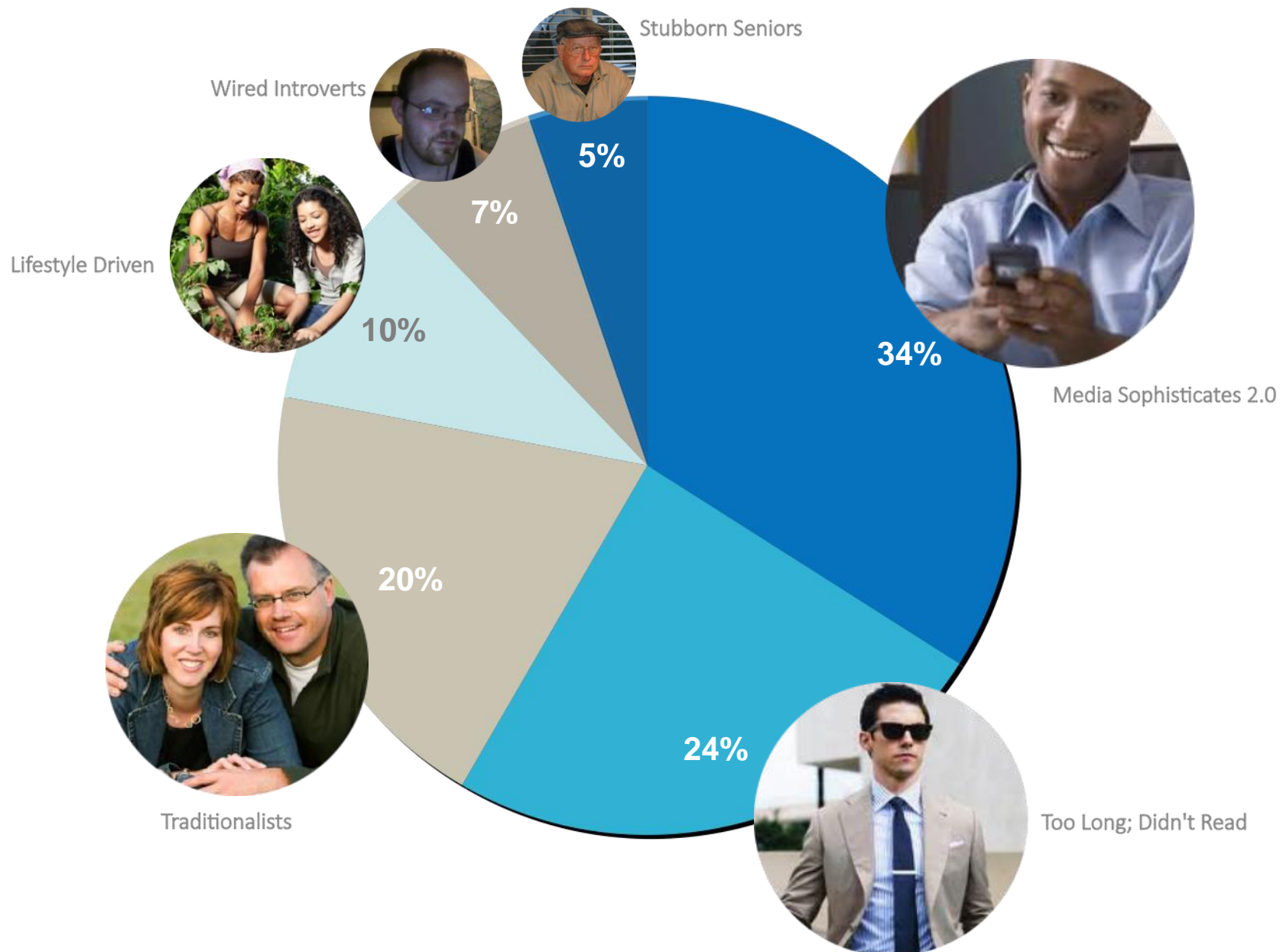
- Included psychographics
- Modeled to the household level

High Level Strategic Planning Process

SWOT Analyses Conducted – Key Strategies

- Add value to Digital D portfolio
- Develop products/services to engage existing audiences and appeal to a new audience
- Capitalize on the fast-growing mobile audience base

Branding Research Market Segmentation



The Columbus Dispatch -- Defining The Brand Platform

Business Strategy


Customer Experience




Functional Benefits: Informed, Insightful, Guide to Life in Central Ohio and its Communities

Emotional Benefits: Empowerment, Serendipitous Experience, Guide to Everything that Matters, Trust

Building Circulation Marketing Based On Data

- 
- Q1 2008** ● Began with Mather Economics
 - Q1 2008** ● Initial targeted pricing tests of 10% average increases
 - Q2 2009** ● Test of 65% price increase beginning with State (early May), then AOZ (late May), then City (mid-June)
 - Q4 2009** ● Implementation of 65% average price increase market-wide (late November)
 - Q1 2011** ● 6% average increases implemented as well as an Upgrade Optimization Program
 - Q3 2011** ● Targeted acquisition via segmented, multi-channel direct response campaigns
 - Q1 2013** ● Pricing slowed due to format change
 - Q4 2013** ● Resumption of full pricing program

**THEN
IN 2014**

- 
- Expand variance in pricing:
 - Create premium service package with premium price point
 - Create basic service package with entry price point
 - Premium (\$10 a week) pricing with select targets

Q3 2014

Paid Content Strategy



Defined Digital Offerings early 2012

- E Edition
- Metered Website
- Mobile Sites/Apps

Pay Meter launched July 2012

- Home Delivery
- **DIGITAL** 
- Total Access

Layered in branded vertical websites August/September

- BuckeyeXtra.com
- BluejacketsXtra.com
- DispatchPolitics.com

Improved Paid Content Strategy








2014: Adopted “All Access” Subscription Model

- Marketing as “Experiences”
- Digital access included with all subscriptions

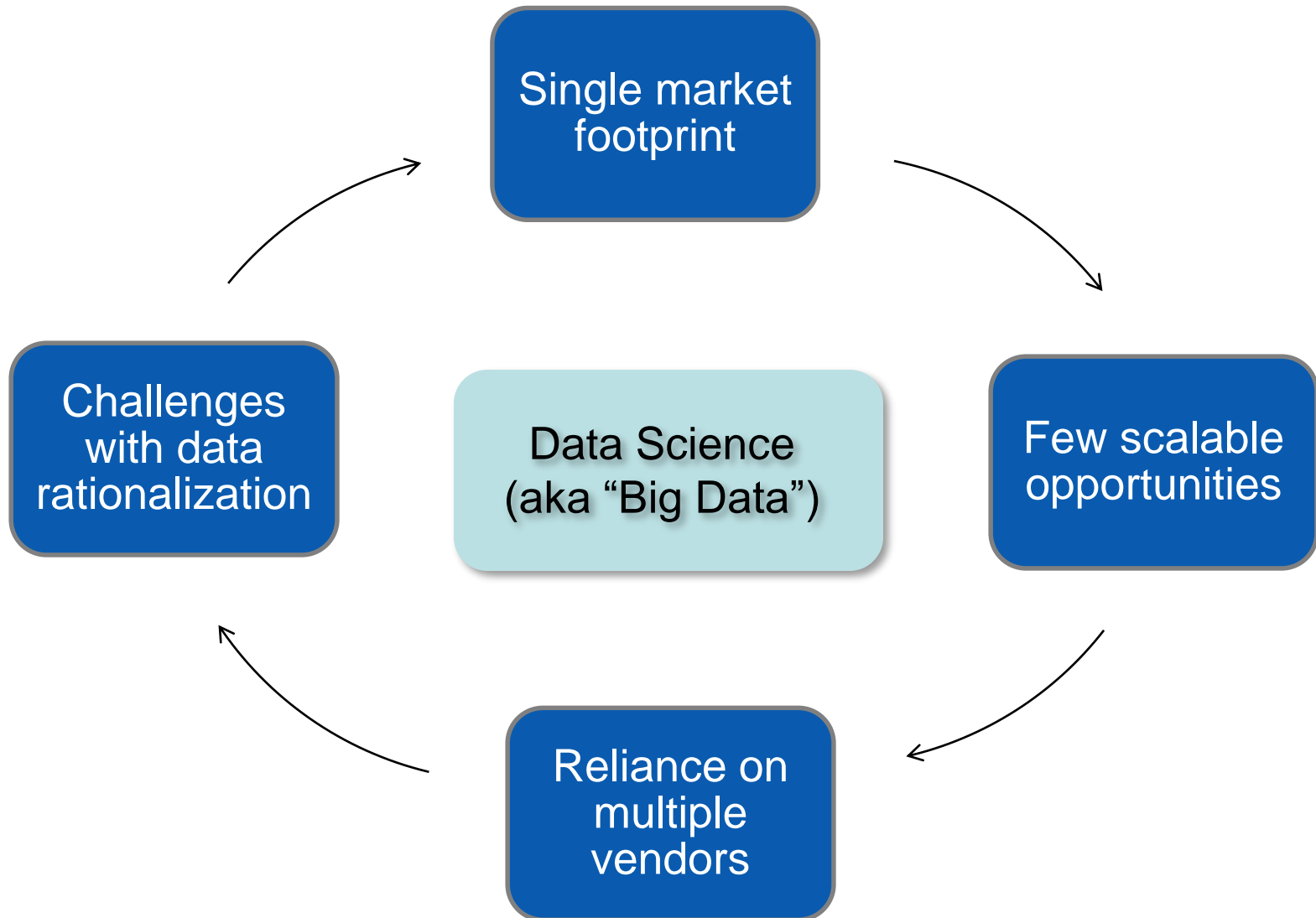
Develop product bundles that appeal to customer segments:

- All Access (Print + Web + Tablet + Smart Phone) – Core, highly engaged customers
- All Digital (Web + Tablet + Smart Phone) – Highly engaged digital customers
- Print + Web – Traditional subscribers
- Web + Tablet – Affluent mid-age subscribers
- Web + Smart Phone – Young subscribers

Which Package Best Suits You?

Digital Experience	Plus Experience	Premium Experience	Platinum Experience
\$9.99 per month	\$16.99 per month	\$24.99 per month	\$29.99 per month
 <p>DIGITAL </p>	 <p>PLUS</p>	 <p>PREMIUM</p>	 <p>PLATINUM</p>
Unlimited Premium Web & Mobile Content + Dispatch Tablet & Smartphone Apps	Wednesday or Thursday & Weekend Home Delivery	Thursday through Sunday Home Delivery	Every Day Home Delivery
E-Edition for PC & Tablet Daily Before 6AM	Digital D	Digital D	Digital D
50,000 Reader Rewards Points	125,000 Reader Rewards Points	150,000 Reader Rewards Points	200,000 Reader Rewards Points
\$10 EZPay Gift	\$10 EZPay Gift	\$10 EZPay Gift	\$20 EZPay Gift
<p>Select</p>	<p>Select</p>	<p>Select</p>	<p>Select</p>

Solution: Data Science (aka Big Data) Connects The Dots



Solution: Tying It All Together

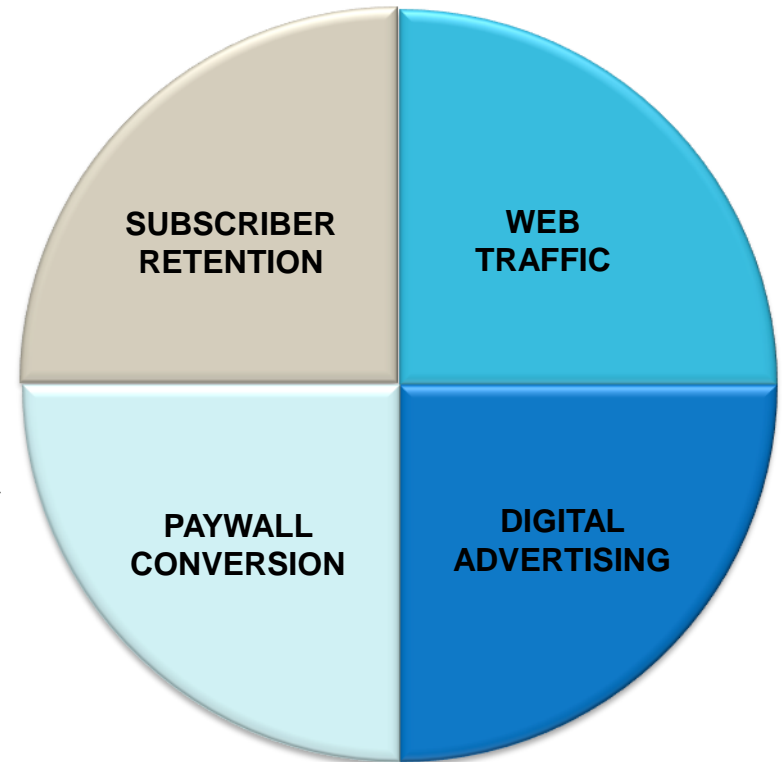
Combine key parts of digital performance metrics and revenue into one consolidated dataset

Visualize reports using consistent categories and level of data across all sources

- Time and resources saved from data correlation across non-combining sources
- One dashboard, one login/password, all data and reporting in a central location

Precise recommendations and analytics to optimize all sides of digital “pie”

- Maintain or improve advertising CPM
- Increase subscriber conversion/retention
- Drive traffic via content timing





2015
Planning
& Budget



Next Steps—**DATA SCIENCE**

- Implement Mather Economics Tracker and Listener
- Being Able To *Identify and Track* Digital Users
- Operationalize CLV (Customer Lifetime Value)
- Implementing Dynamic Metering
- Targeted Renewal Pricing For Digital
- Implementing Dynamic Advertising Rate Card
- Understanding Digital Content Publishing Pacing & Cadence Recommendations

Customer analytics is the provision of retention/churn models, customer lifetime value, acquisition modeling, and other analytics in support of digital revenue generation and optimization.

TAKING HOUSEHOLD LEVEL DATA TO THE INDIVIDUAL LEVEL

Each time a web page is loaded, data is retrieved from and sent to several different systems.

The screenshot shows the homepage of The Columbus Dispatch. At the top, there's a navigation bar with links for Jobs, Cars, Real Estate, Classifieds, E-Edition, Subscriber Services, Register, and Login. Below this is a large blue banner advertisement for Medical Mutual with the text "WE CAN HELP FIND THE PLAN THAT'S RIGHT FOR YOU." and a "Learn More" button. The main headline is "More than 400 evacuated after fracking well blows" with a sub-headline "WEDNESDAY, OCTOBER 29, 2014 03:19 PM". To the left, there's a "LATEST HEADLINES" section with several short news items. Below the main article, there are three columns of related content: "Turner: Ad is racist, sexist", "Celebrate cats with viral videos", and "Rep. Mallory pleads guilty". At the bottom, there's a "TODAY'S TOP VIDEOS" section featuring a video titled "Bexley woman to compete in Pillsbury Bake-Off".



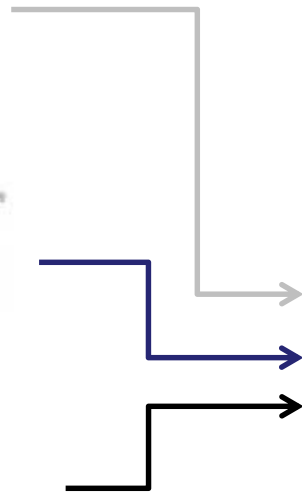
DSI



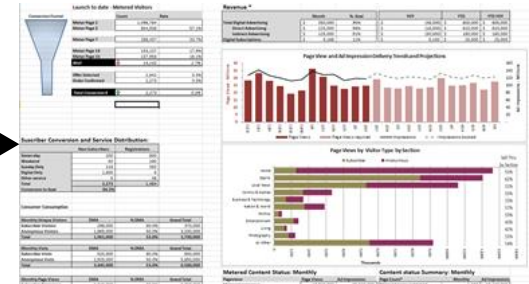
Data from each system is then later consolidated and cross-referenced to provide a full picture of visitor interaction and status



DSI



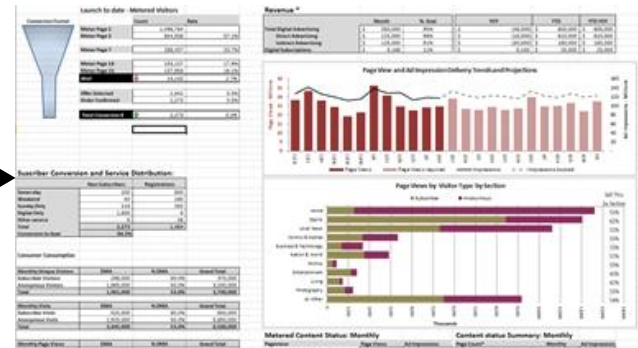
This process presents challenges due to lack of full data sets from providers being readily available in a timely manner.



There can also be issues in being able to cross-reference the data due to post processing by the data provider.

All the tracking data could then be collected, cross-referenced and processed at the same time.

mather:



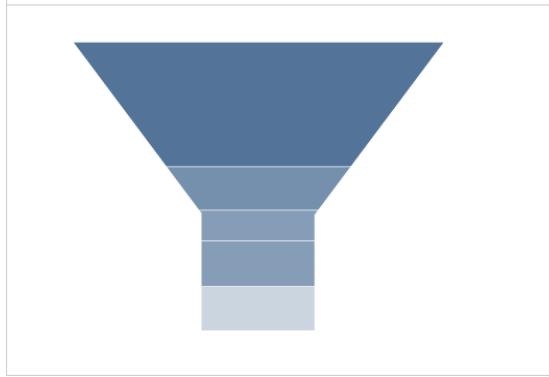
This eliminates latency, margin of error for missing data and dependency on other data service provider for post-processed data.

Applied Digital Analytics – Visualization (Headlines Page)

Home / Overview

- Overview
- Ad Impressions
- Traffic
- Revenue

Meter Page Conversion Funnel (Total) 1,500,000



Data Grouped By:

Day Month

Start: 1/1/2014 End: 1/31/2014

Go

Ad Impressions: 100,000,000

Guaranteed: 45% or 450

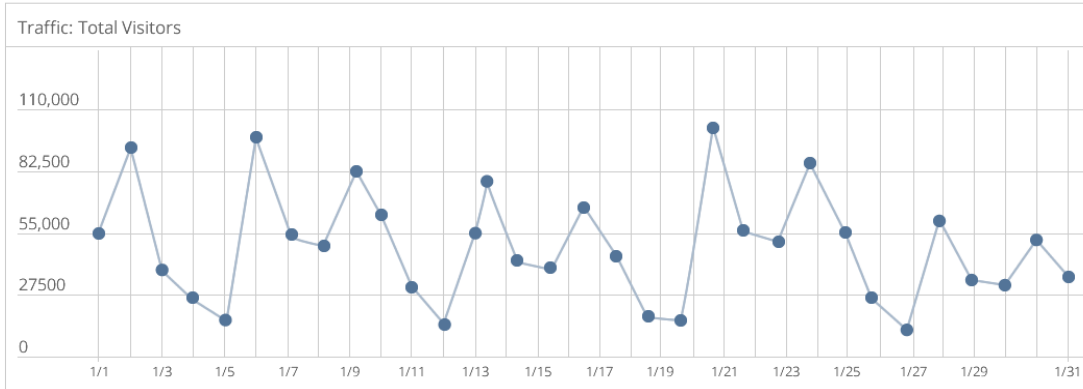
- News: 30,000,000
- Sports: 10,000,000
- Other: 5,000,000

Non-Guaranteed: 55% or 550

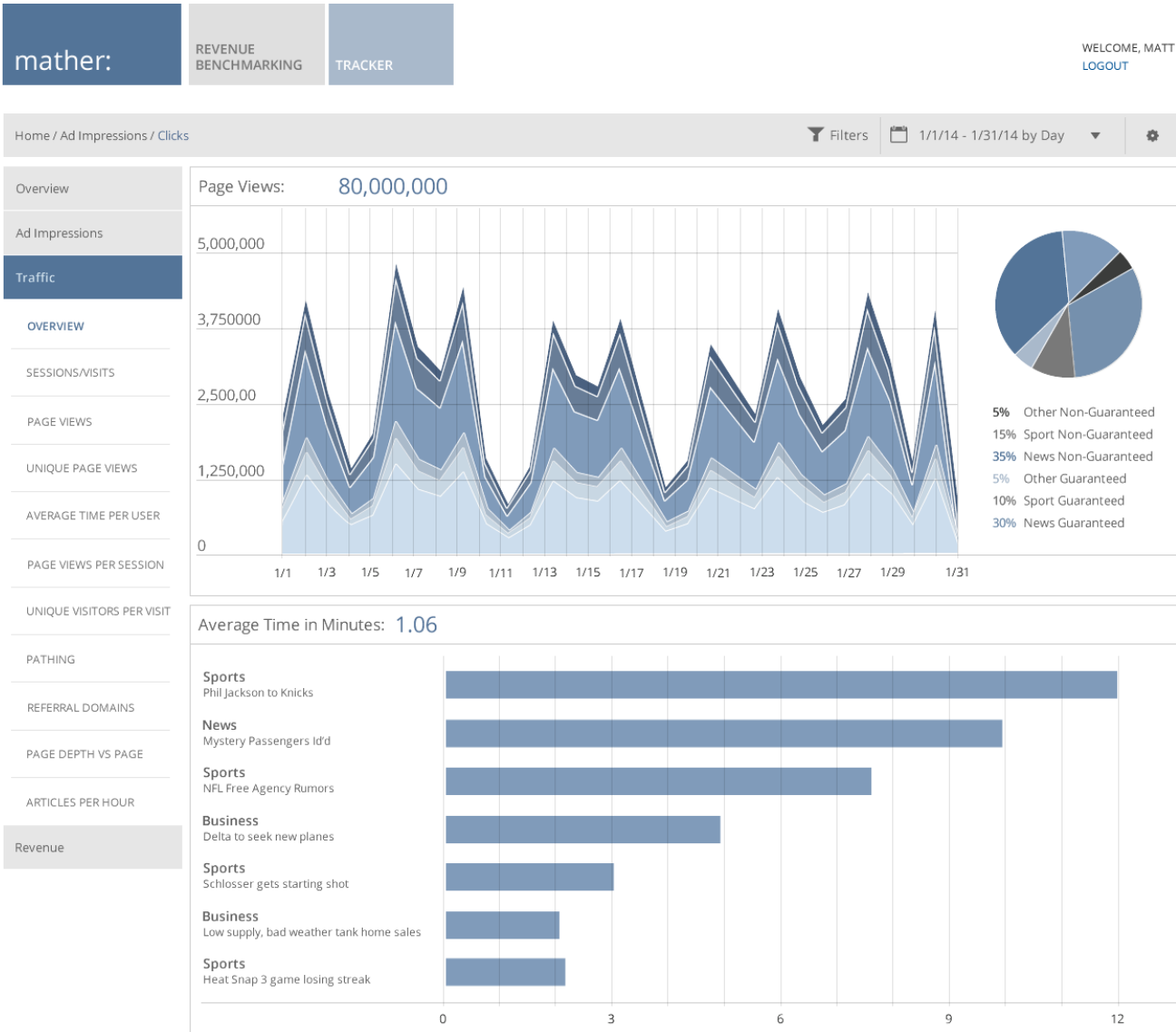
- News: 35,000,000
- Sports: 15,000,000
- Other: 5,000,000

Total Revenues: \$2,764,000

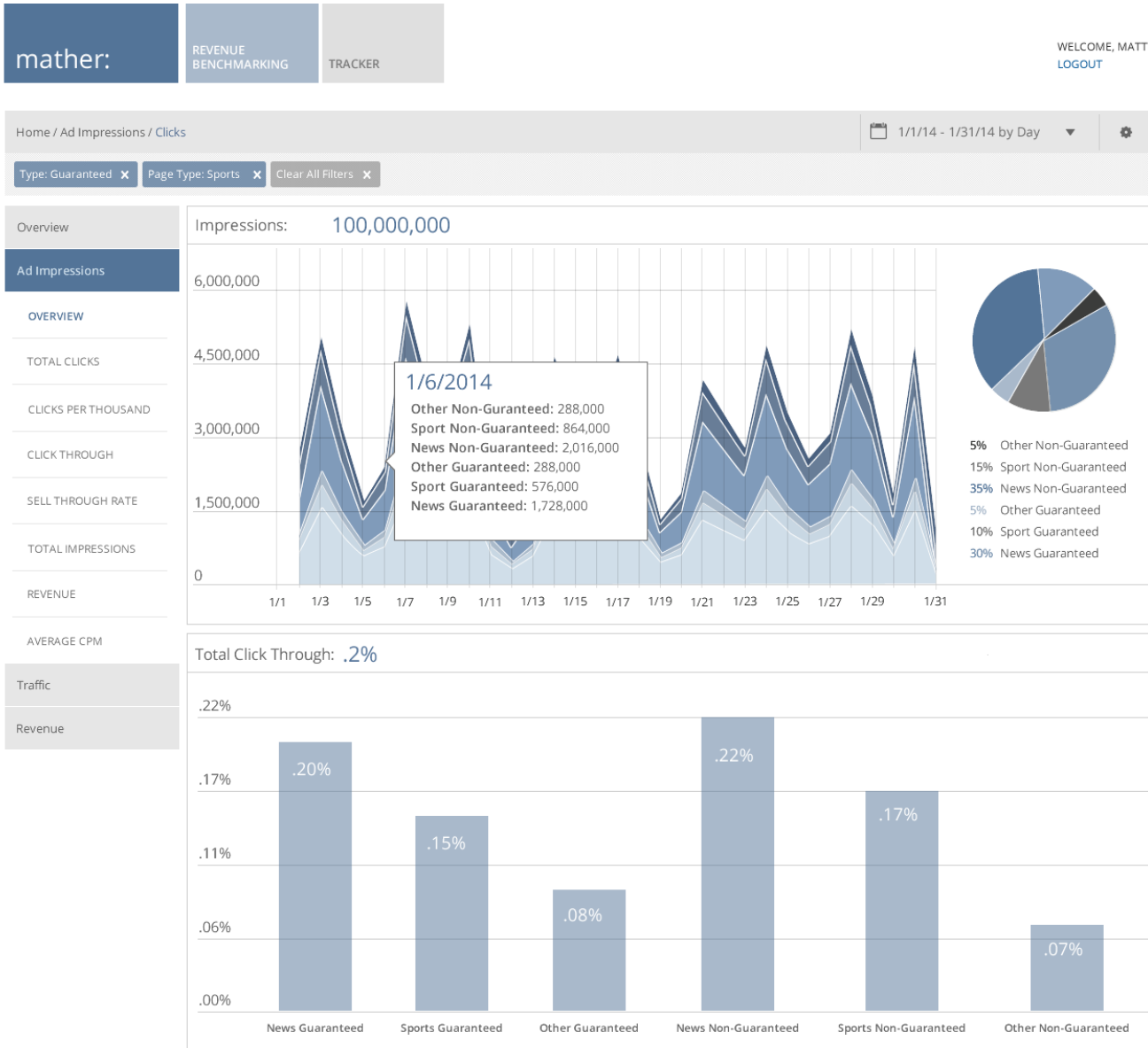
- Advertising:** 14% / \$400,000
- Home Delivery:** 83% / \$2,300,000
- Digital:** 2% / \$50,000
- Advertising:** 1% / \$14,000
- Paywall: 50% / \$7,000
- Google Surveys: 28.5% / \$4,000
- Outbrain: 21.5% / \$3,000



Applied Digital Analytics – Visualization (Traffic Page)



Applied Digital Analytics – Visualization (Advertising Page)



Where Do We Go From Here?

JIM & ANGIE SMITH



Dispatch
subscriber
since 2002

Residents of
Dublin, OH

Family of 5 –
2 kids & a dog

Read
Columbus
Monthly

Reader Rewards
Members

Used dispatch.com
5 times last week

PRIZM Segment:
Kids & Cul de sacs

Purchased OSU
game pic from
photo store

Downloaded
Dispatch Politics
App



PREDICT BEHAVIOR?

Individual Centric Information Architecture

What We Hope To Learn



- Econometric models of propensity to:
 - Subscribe
 - Customer attrition
 - digital site traffic
- Optimal metering algorithm that maximizes expected digital revenue from advertising and audience acquisition.
- Optimal content pacing and cadence algorithm that maximizes total traffic and traffic per content piece.
- Optimal pricing algorithm utilizing the price sensitivity employed in Mather Economics pricing program for each newspaper subscriber.
- Customer lifetime value (CLV) by digital and print customer.
- Incremental revenue model that forecasts incremental revenue by week based on the metering recommendations, advertising rates, customer acquisition, and content pacing. This will include a final report describing the analysis and estimates of digital revenue potential.
- Recommendations for meter levels, advertising rates, customer acquisition offers, and content pacing.
- Regular progress reports showing incremental revenue, customer volumes, site traffic, and other metrics.

Taking Household Level Data to the Individual Level

IN SUMMARY

Strategies Based on Individuals and Their Customer Lifetime Value.

Strategies continuously modified in response to consumer media consumption habits.

Tools and platforms are being used in creative ways to achieve established goals.

We will continue to evolve, adapt and grow ... with data at the foundation of all decision making.

Thank You.

QUESTIONS?

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