Leveraging Technology in Budgeting & Forecasting Subscriber Revenue

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Mather Symposium // Monday, November 3

Mathering

ma•ther•ing

/maTHuring/

Verb

the act of optimizing the amount of money your customer pays you for your good or service

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Verb

the act of optimizing the amount of money your customer pays you for your good or service

"our revenue is up because we started <u>mathering</u> our subscribers last month"

"Brian, our customer service manager wants to know when we'll stop <u>mathering</u> our customers so her call center volume drops"

We use analytics from a variety of sources to test and forecast our marketing initiatives

CHANNEL PERFORMANCE

PAYWALL METRICS

GRACE MANAGEMENT

RENEWAL RATE

We use analytics from a variety of sources to test and forecast our marketing initiatives
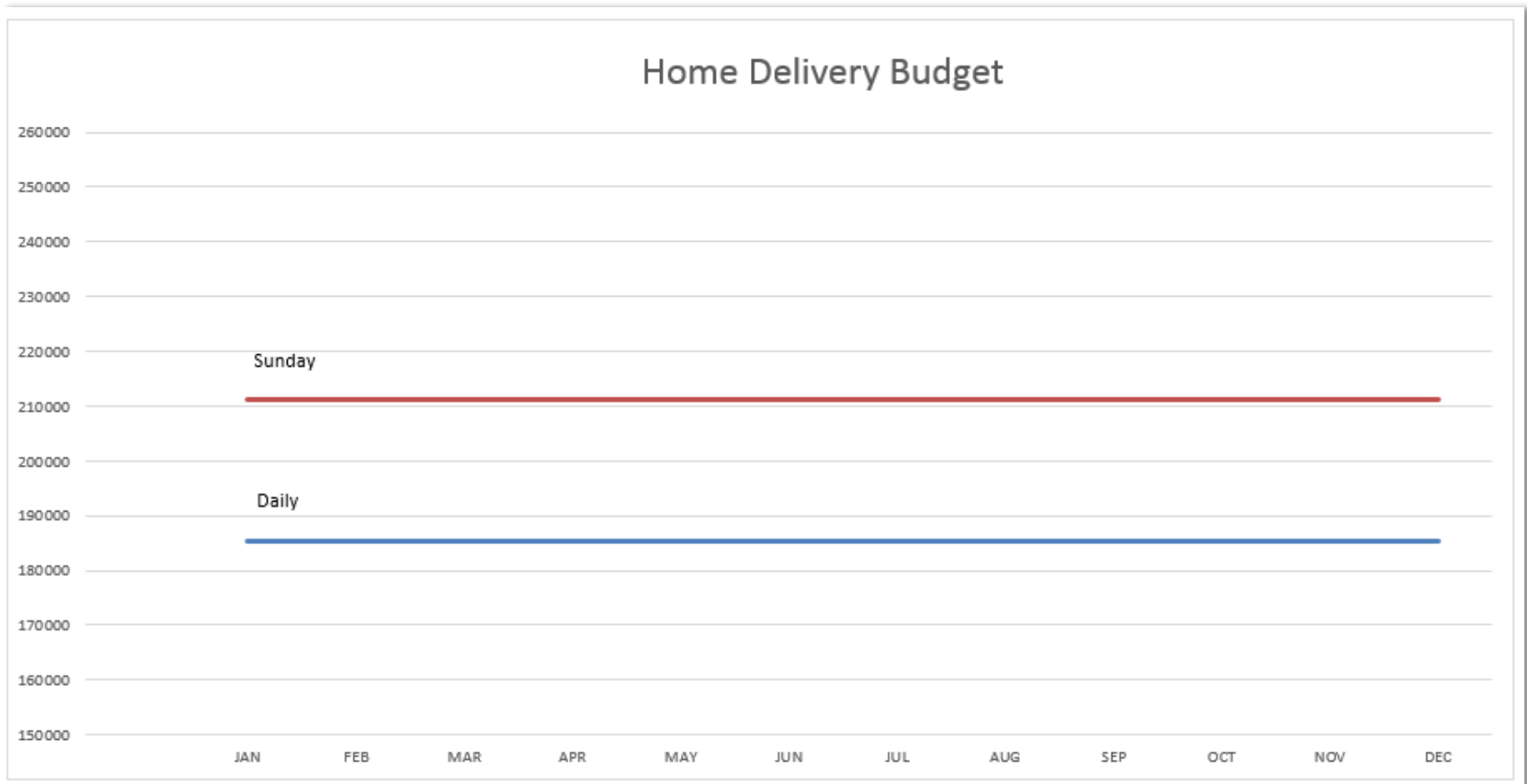
CHANNEL PERFORMANCE

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HOME DELIVERY VOLUME & REVENUE

This is not a forecast…it's a guess

Home Delivery forecast feeds...

HOME DELIVERY REVENUE

→ **DELIVERY FEES**

→ **PREPRINT REVENUE FORECASTS**

→ **PRODUCTION COSTS**

Home Delivery forecast feeds…

HOME DELIVERY REVENUE

DELIVERY FEES

PREPRINT REVENUE FORECASTS

PRODUCTION COSTS
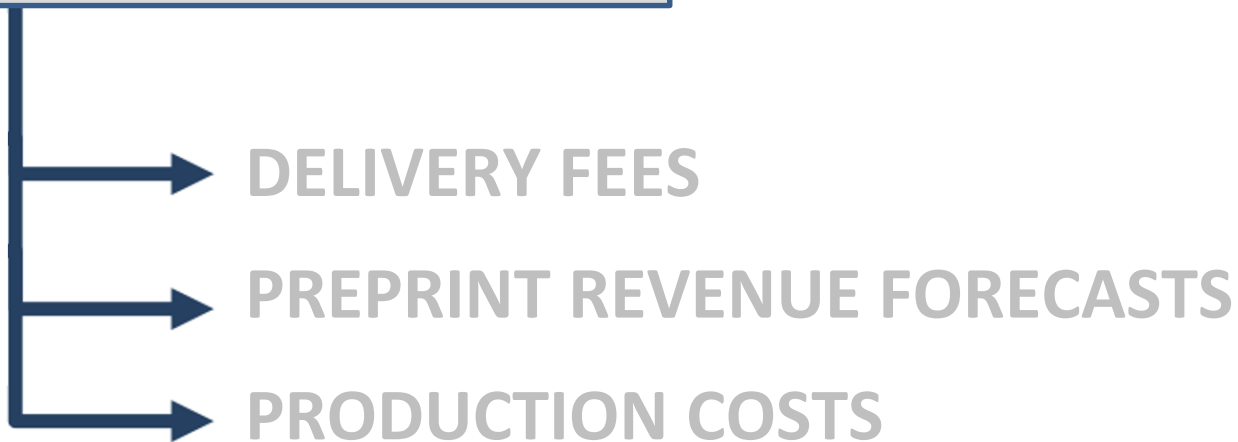
*How much **impact** do these have on your margin?*

*How much **time** is dedicated to forecasting home delivery?*

Ratio based forecast

*Measuring transactional impact on volume not by the
<u>number</u> of transactions, but by the <u>value</u> of each
transaction.*

EXCEL BASED

LINKED BY DAY, WEEK, MONTH, YEAR…

EASILY ADAPTABLE

Ratio based forecast

Establish value ratios for all transactions

PERMANENT STARTS vs STOPS

UPGRADES & DOWNGRADES

VACATION STOPS & RESTARTS

PAYMENT STOPS vs RESTARTS

2,000 starts and 1,500 stops last week <u>doesn't</u> mean you're up 500!

Value ratios...

	MON	TUE	WED	THUR	FRI	SAT	SUN
Daily and Sunday							
Wed through Sun							
Thur through Sun							
Fri, Sat, Sun							
Sunday							

Frequency	Daily Days	"Daily" Days	Value Ratio
Daily and Sunday	6	6	1.000
Wed through Sun	6	4	0.667
Thur through Sun	6	3	0.500
Fri, Sat, Sun	6	2	0.333
Sunday	6	-	-

Volume vs value - example

Starts	#	Value Ratio	Net impact
Permanent	1,650	0.560	924
Vacation Restarts	2,200	0.750	1,650
Payment Restarts	150	0.680	102
Service Upgrades	250	0.220	55
Total	**4,250**	**0.643**	**2,731**

Stops	#	Value Ratio	Net impact
Permanent	1,598	0.610	975
Vacation Stops	1,955	0.610	1,193
Expire Stops	270	0.590	159
Service Downgrades	120	0.310	37
Total	**3,943**	**0.600**	**2,364**

Volume vs value

Starts	#	Value Ratio	Net impact
Total	4,250	0.643	2,731

Stops	#	Value Ratio	Net impact
Total	3,943	0.600	2,364

Gross variance	307		
Value variance			367

Volume vs value

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~~Gross variance~~		~~367~~	
Value variance			367

Volume vs value

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Total	4,250	0.643	2,731

Stops	#	Value Ratio	Net impact
Total	3,943	0.600	2,364

Gross variance	307		
Value variance		0.043	367

0.043 X 6 day unit base = each start is worth 0.258 more than each start

Format the output to monitor your business needs
- Late week
- Sunday

Test and adjust ratios
- Holidays
- Vacation season

Respond to what you learn
- Vacations are huge
- Holiday timing
- Frequency mix

Utilize for "what if" variables
- Budget adjustments
- Grace
- Bonus days
- Upgrades

FEBRUARY			
W/E	early	late	sun
7-Jan	-663	-638	-1125
14-Jan	-201	-176	-718
21-Jan	224	249	437
1-Mar	96	121	334

	FEBRUARY		
Date	PROJ	ACT	VAR
1	149,566	149,787	221
2	149,974	150,275	301
3	172,588	172,786	198
4	179,947	179,846	(101)
5	184,963	184,874	(89)
6	185,222	185,297	75
7	229,455	229,507	52
8	149,365	149,466	101
9	149,773	150,028	255
10	172,387	172,476	89
11	179,771	179,691	(80)
12	184,325	184,264	(61)
13	184,584	184,683	99
14	228,737	228,857	120

Data driven forecast

Home Delivery Budget
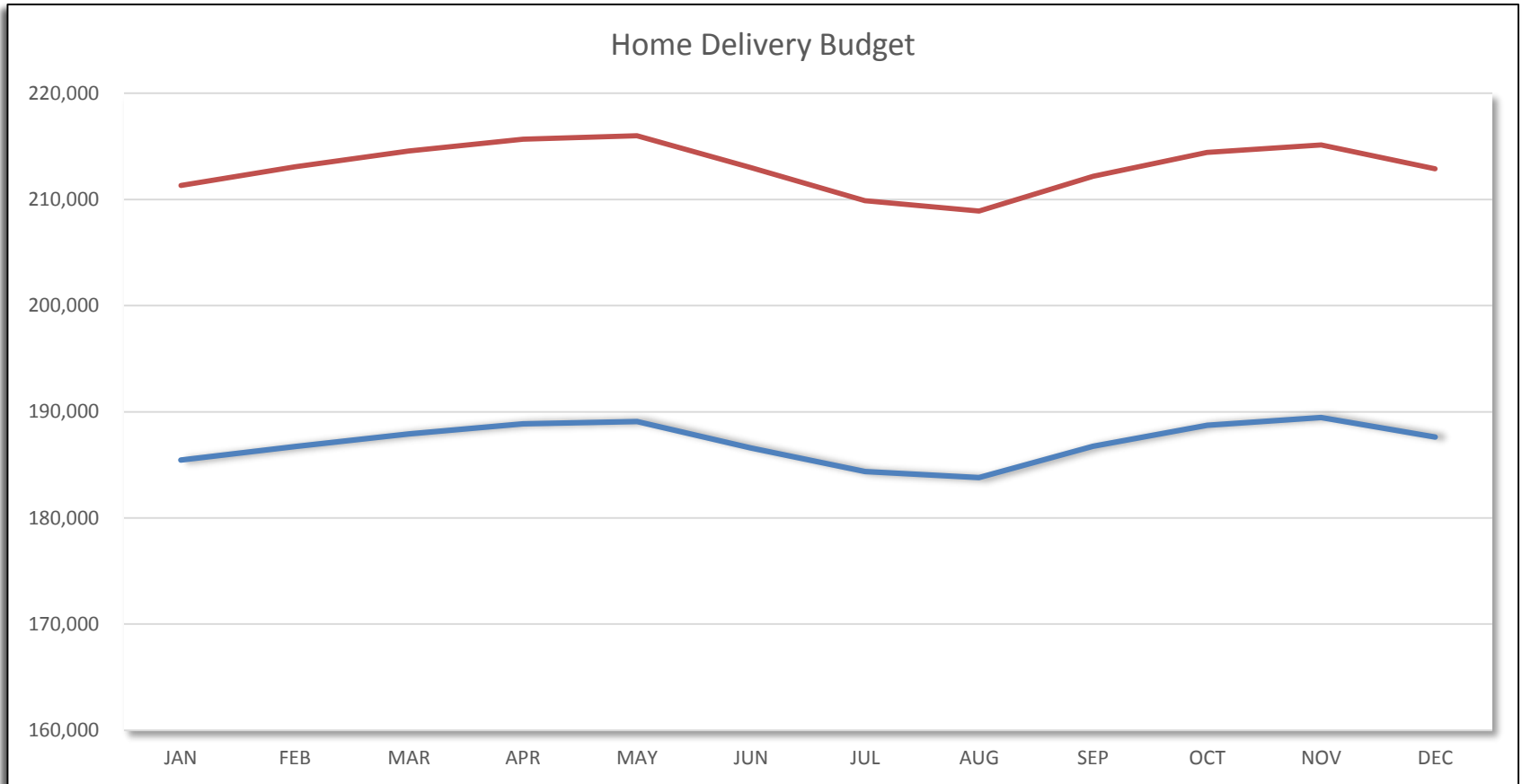
Thank You

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