

# Building Relationships With Data And Empathy

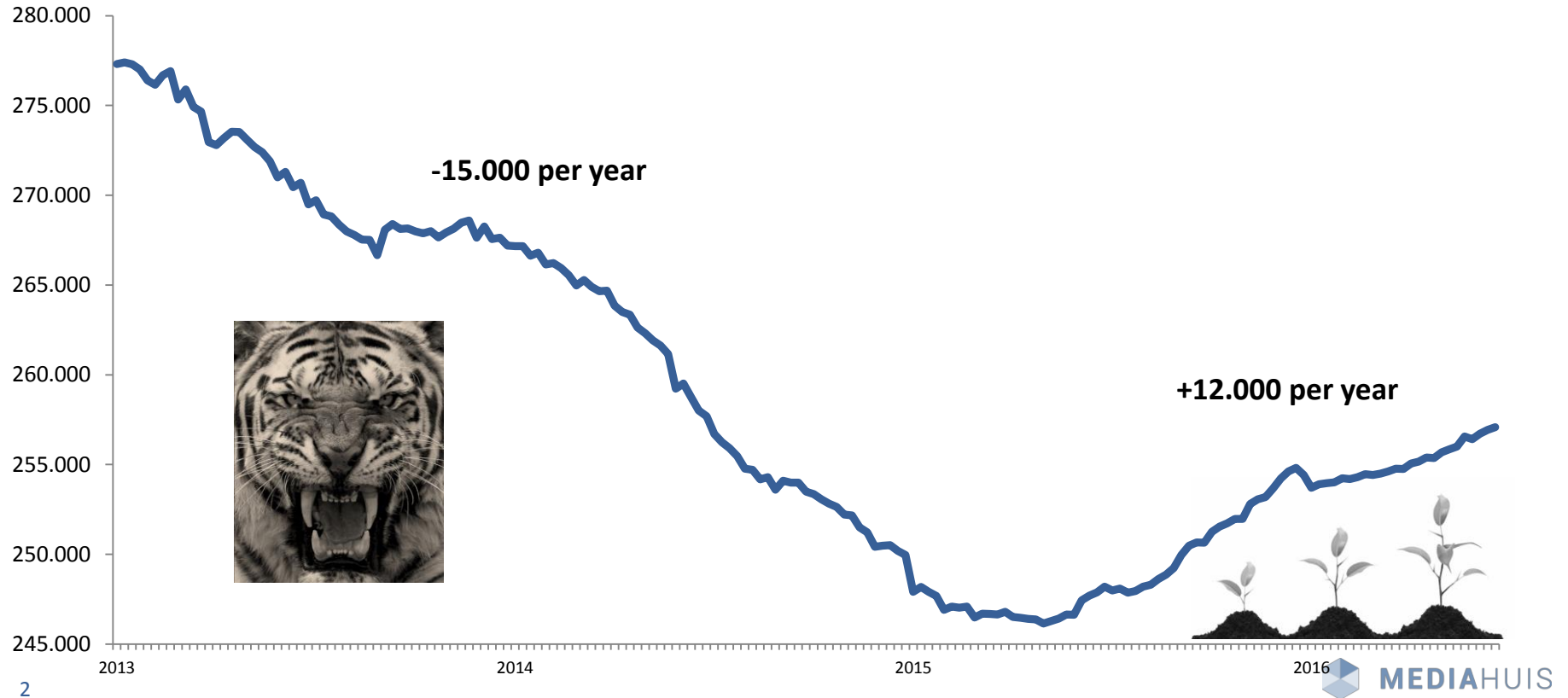
Listen Through Data  
Make Customers Happy  
Grow Recurring Revenue

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From hunting for circulation

to growing relationships



## In the past six months did you

Sit down at a customer's kitchen table

Make an unprofitable decision that is right for the customer

Build a threshold for new customers

Collect less data on customers

Know the exact price elasticity of every customer in your database

Three years ago our answers were *no*

Sit down at a customer's kitchen table

**We were only interested in needs of top management**

Make an unprofitable decision that is right for the customer

**It was all about this year's budget**

Build a threshold for new customers

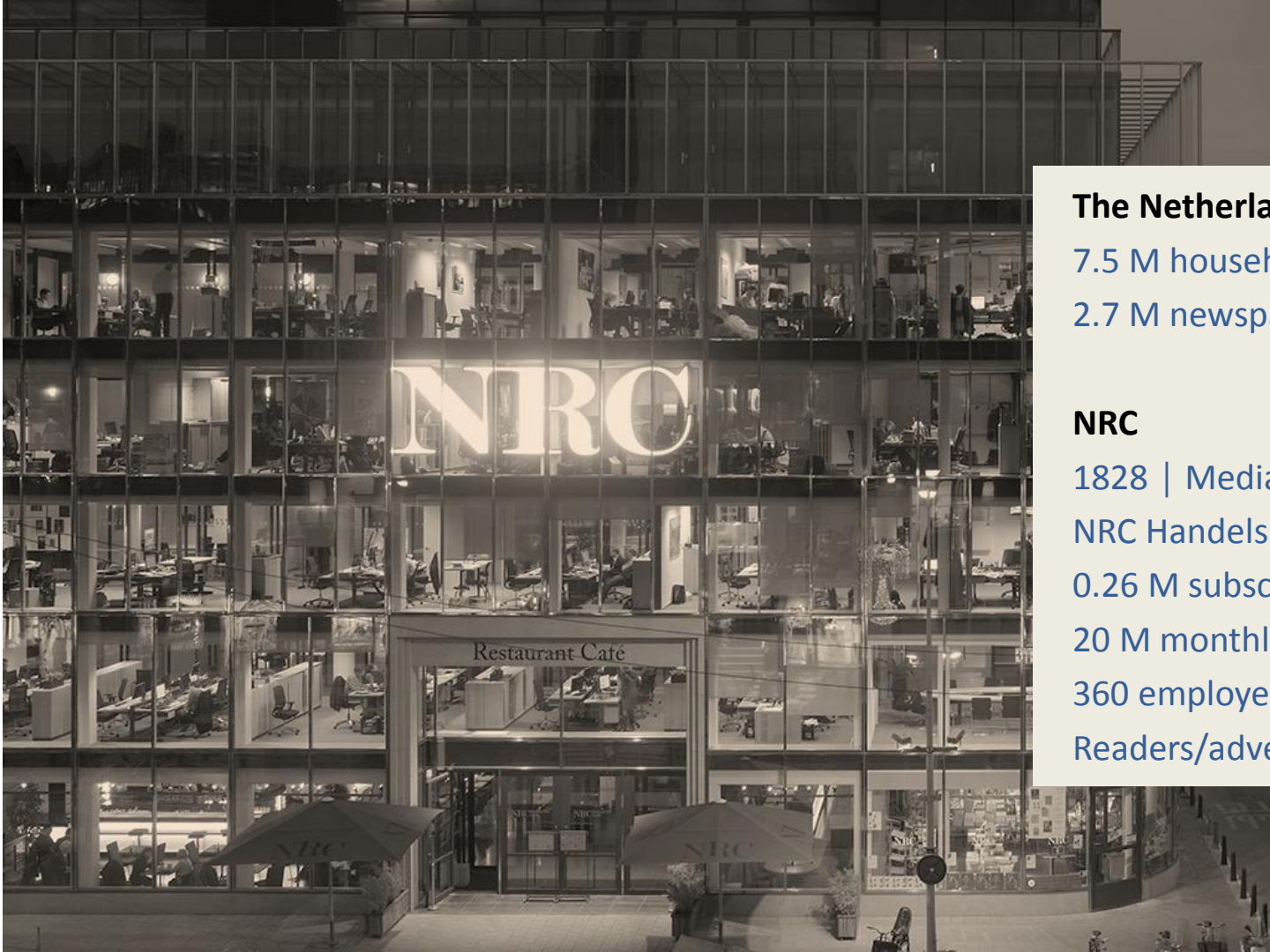
**Always Be Closing**

Collect less data on customers

**We believed big data was the holy grail**

Know the exact price elasticity of every customer in your database

**Gut feeling was our pricing strategy**



## The Netherlands

7.5 M households

2.7 M newspaper circulation

## NRC

1828 | Mediahuis 2015

NRC Handelsblad | [nrc.next](http://nrc.next) | [nrc.nl](http://nrc.nl)

0.26 M subscribers

20 M monthly page views

360 employees | 14 marketing

Readers/advertisers | 81/19

# Agenda

## 1. LISTEN TO CUSTOMERS THROUGH DATA

## 2. BUILD PROFITABLE RELATIONSHIPS

## 3. GROW RELATIONSHIPS WITH SINCERE ATTENTION

## Let business people lead the data teams

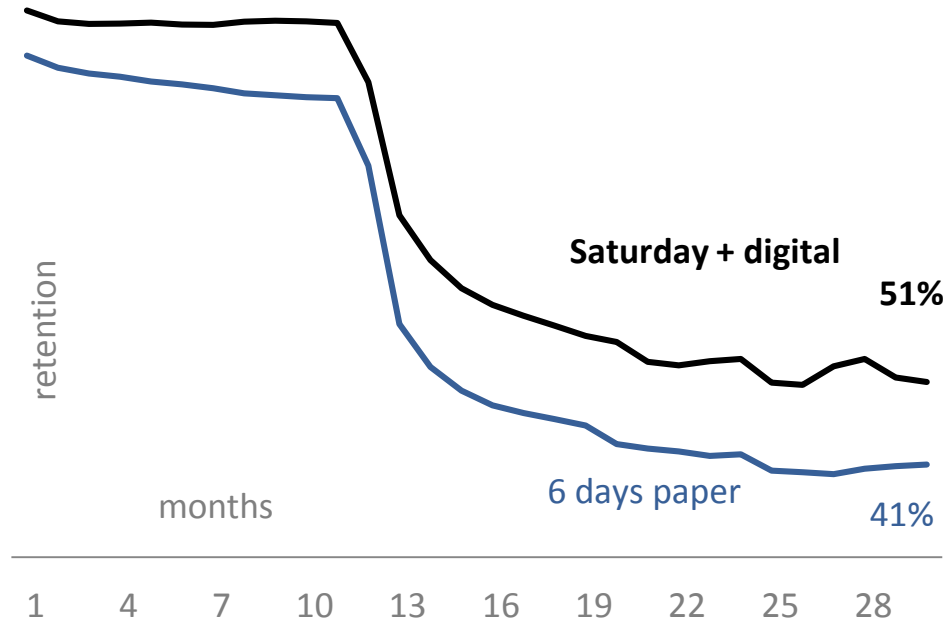
- Analysts get energy from the insight itself, not the improved results
- Do it yourself for you cannot outsource deep learning
- Decentralise to avoid producing junk very efficiently



# It all starts with the right KPIs

Bad decisions we made for the audit bureau standards

- More bonus for 6 days sales





# It all starts with the right KPIs

Bad decisions we made for the audit bureau standards

- More bonus for 6 days sales
- Turn 2 into 3 days without asking
- Give digital for free to paper subscribers with no intention to use digital

## **Core relationships™**

- Every core relationship counts for 1
- Only count those that drive positive value
- Trials with negative margin don't count

# Don't store data if you can't explain why to your mother

## Dropping data connections for ethical reasons

- Complaints
- What you read

## Keep It Simple, Stupid

- Don't build a carport if you don't have a good house yet

## Positive business case

- Data storage is cheap so many collect the lot
- Ask others: did you make money with this data connection?
- Plan how to make money with the data, then work backwards



# Agenda

1. LISTEN TO CUSTOMERS THROUGH DATA

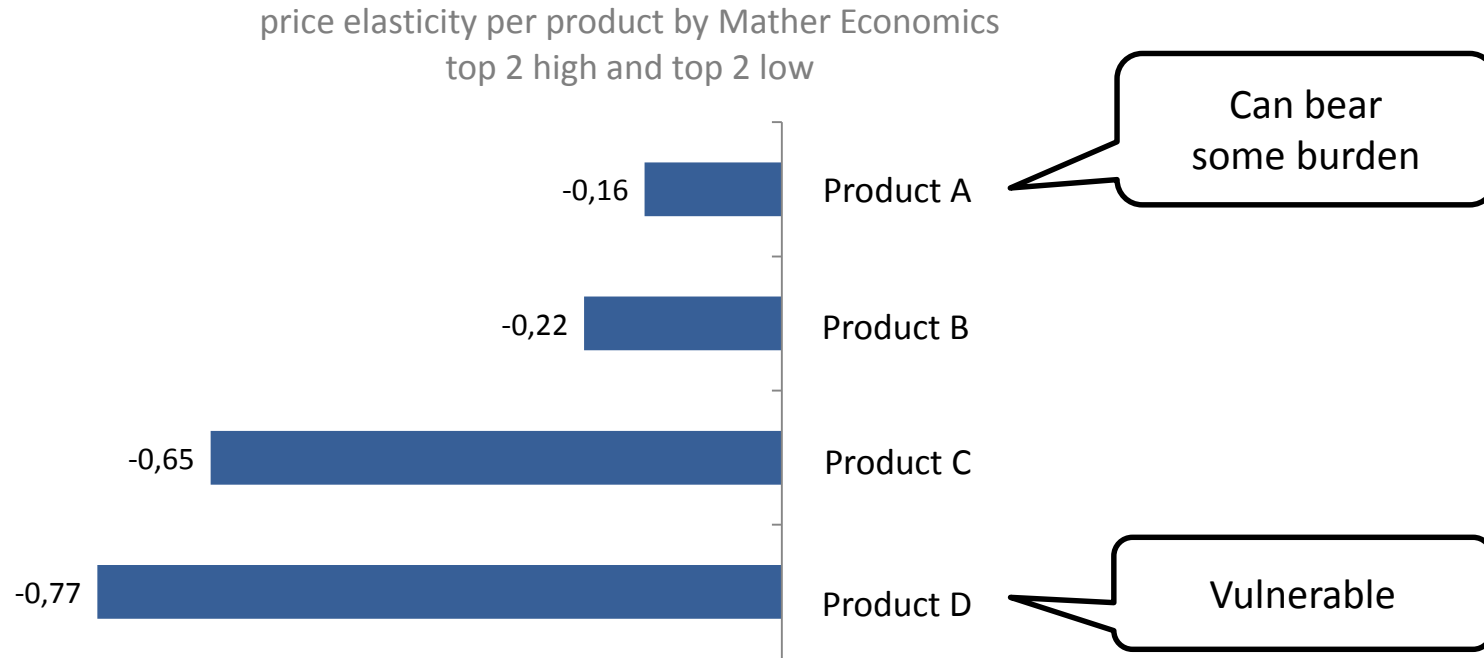
**2. BUILD PROFITABLE RELATIONSHIPS**

3. GROW RELATIONSHIPS WITH SINCERE ATTENTION

## Don't break up over money

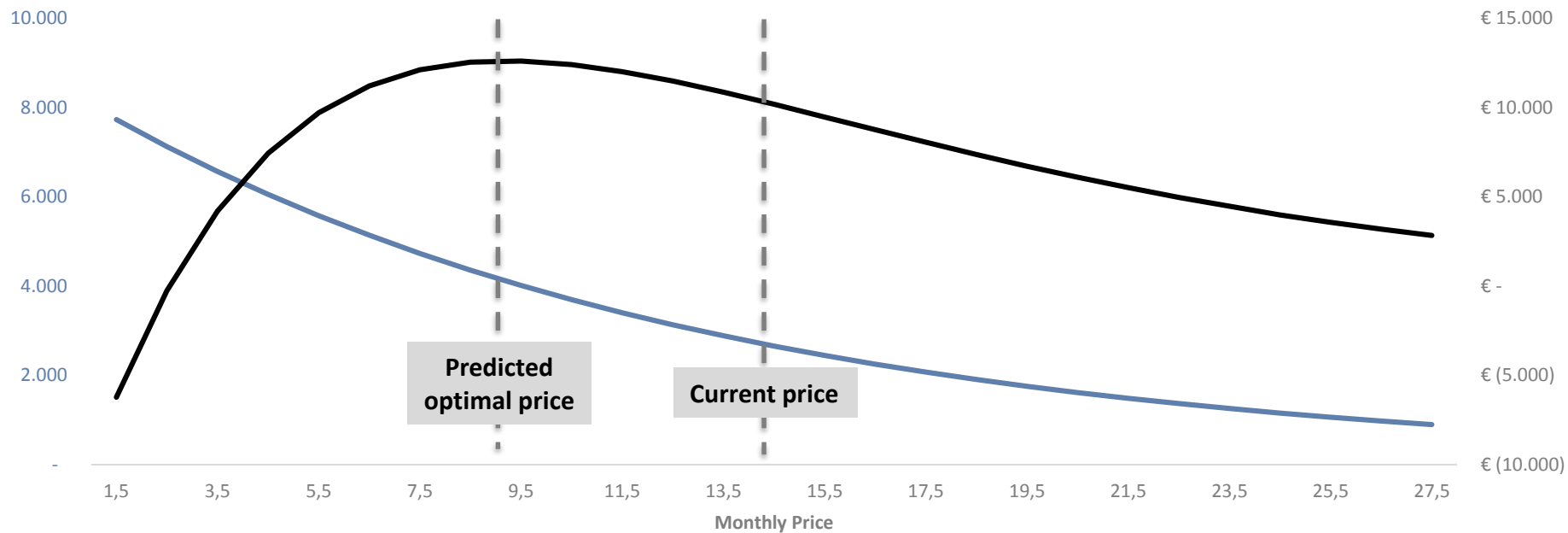


## Increase prices with minimal strain

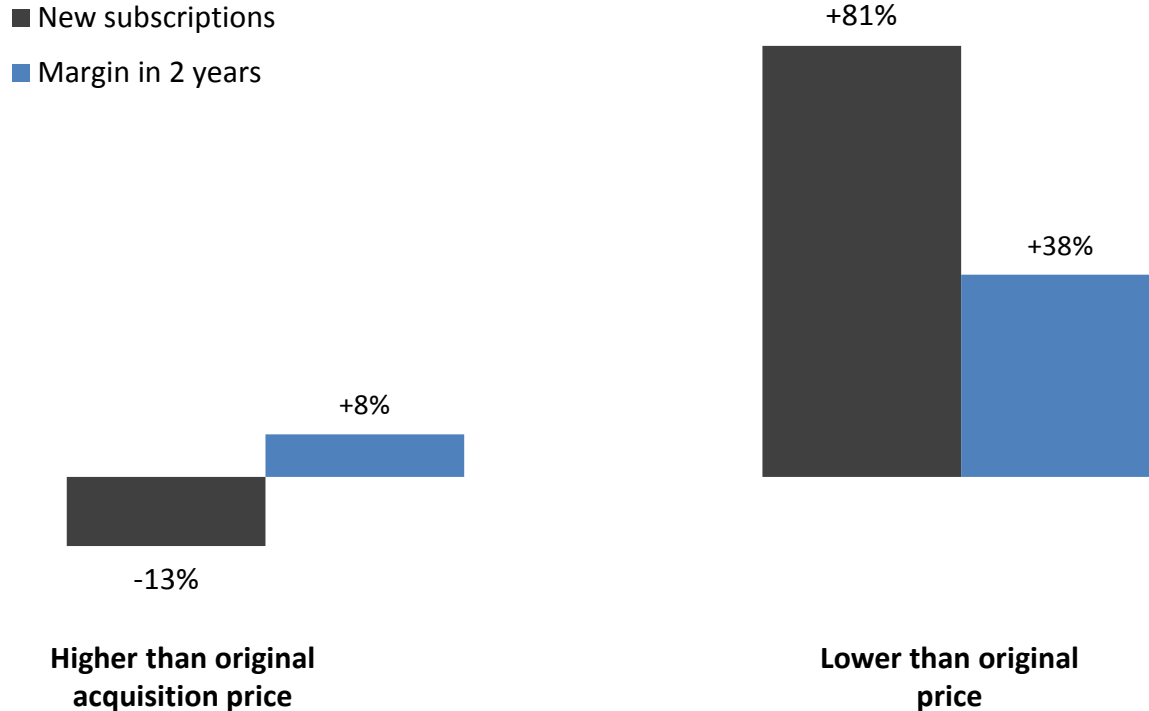


# Balance acquisition price

NRC Saturday + digital Acquisition prediction by Mather Economics



## A/B test: the right acquisition price brings more readers and more money



# Agenda

1. LISTEN TO CUSTOMERS THROUGH DATA
2. BUILD PROFITABLE RELATIONSHIPS

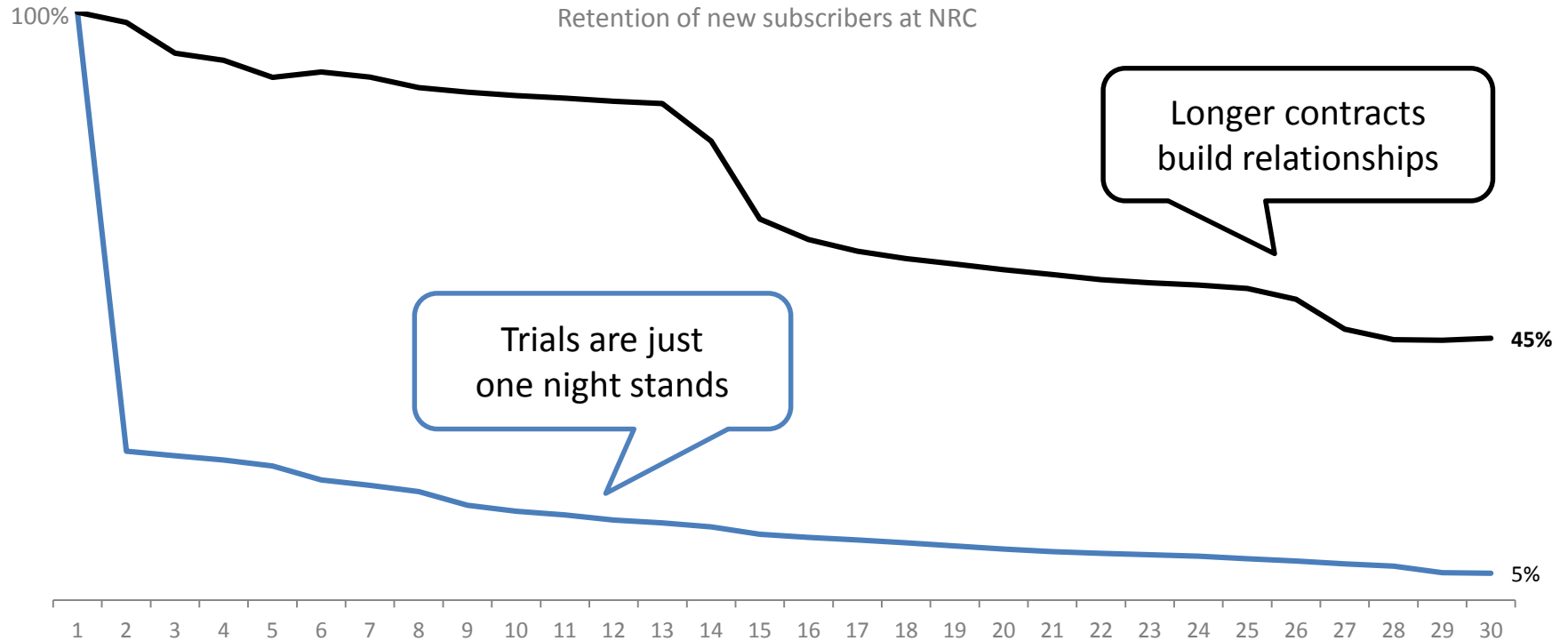
## **3. GROW RELATIONSHIPS WITH SINCERE ATTENTION**



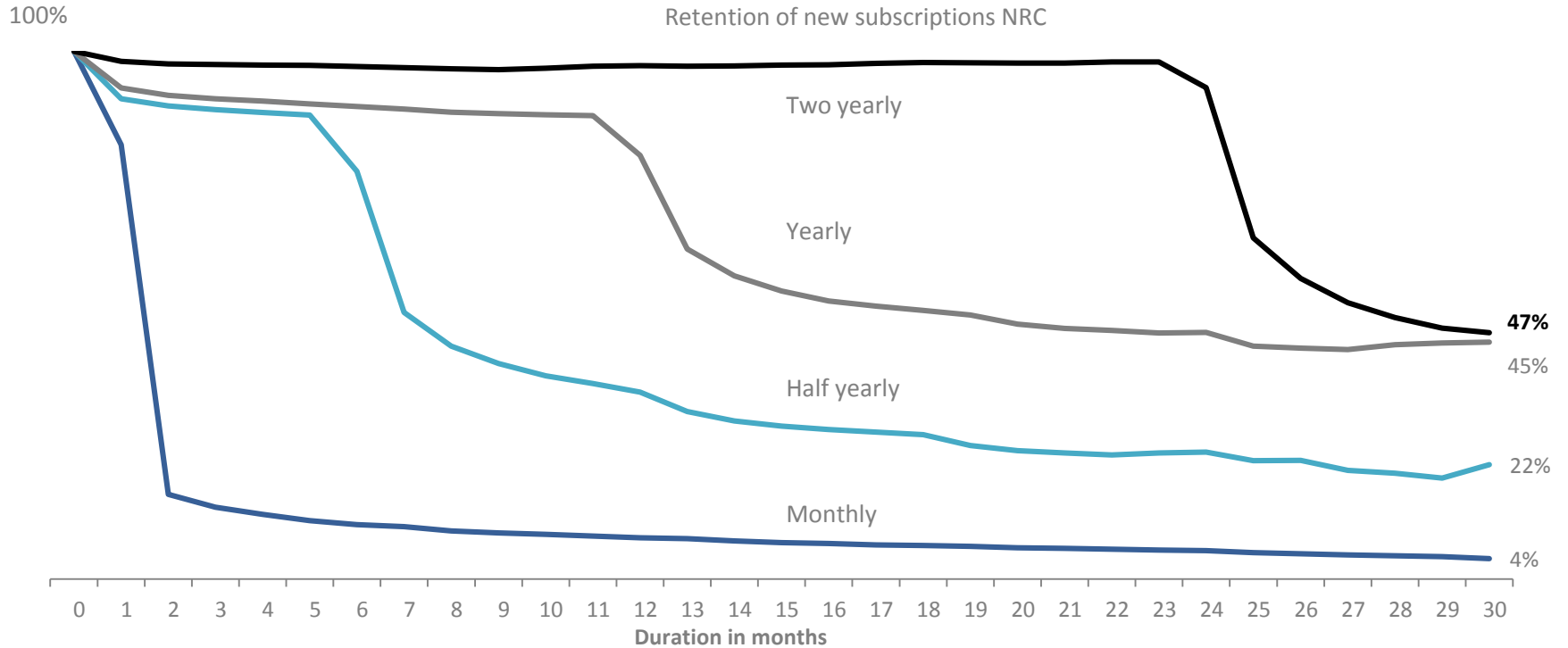
## Stop one night stands, get engaged



# Beware of worthless auto-stop trials




## Longer contracts build stronger relationships



# We dropped trials, quarters, half years and added 2 and 3 yearly contracts

☐  **Donderdag t/m zaterdag** van €35 voor  
Een langweekend de krant lezen en ma t/m za digitaal. € 19,<sup>50</sup> /mnd

☐  **Zaterdag** van €28,50 voor  
De hele week digitaal en op zaterdag een extra dikke weekendkrant. € 14,<sup>50</sup> /mnd

## Hoe lang wilt u deze korting?

[Meer informatie](#)


☒ **3 jaar** POPULAIRE KEUZE van €28,50 voor  
3 jaar lang deze korting € 14,<sup>50</sup> /mnd

☐ **2 jaar** van €28,50 voor  
2 jaar lang deze korting € 14,<sup>50</sup> /mnd

☐ **1 jaar** van €28,50 voor  
1 jaar lang deze korting € 14,<sup>50</sup> /mnd

Welke ingangsdatum zou u willen?

## Uw selectie

**Titel**  
NRC Handelsblad 

**Vorm**  
Krant en digitaal 

**Papieren NRC op Zaterdag** 

**Betaaltermijn**  
Maandelijks

**Looptijd met actietarief**  
3 jaar

**Ingangsdatum abonnement**  
15 augustus 2016

**Maandbedrag** € 14,<sup>50</sup>

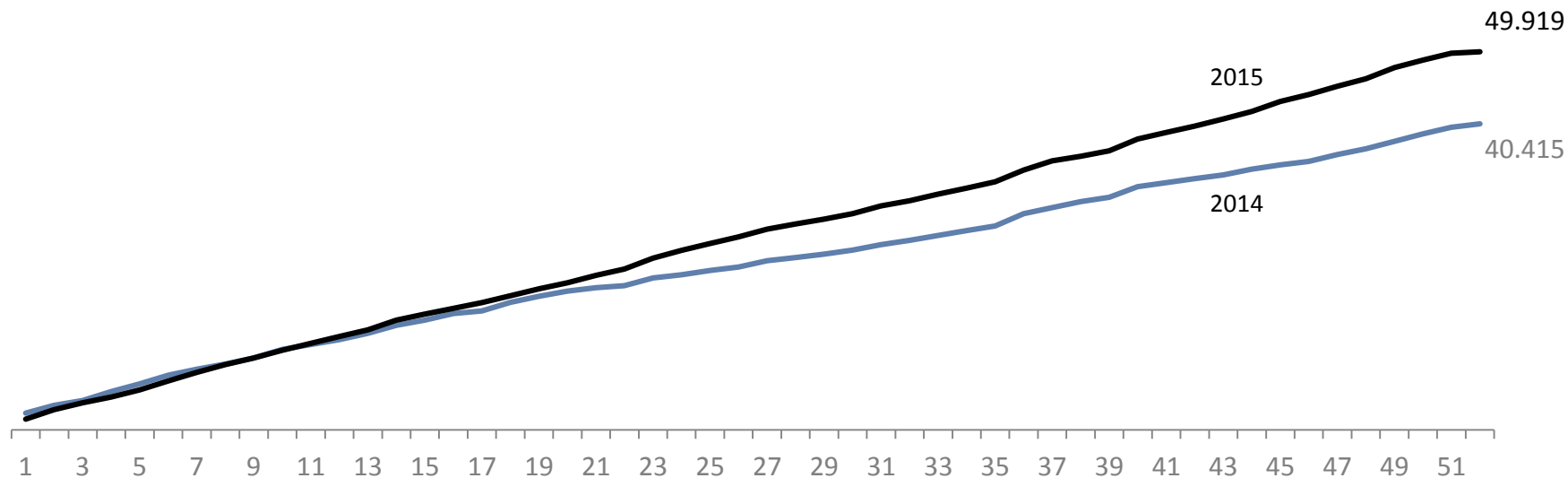
Ga naar uw gegevens >

With this threshold, do we sell less?

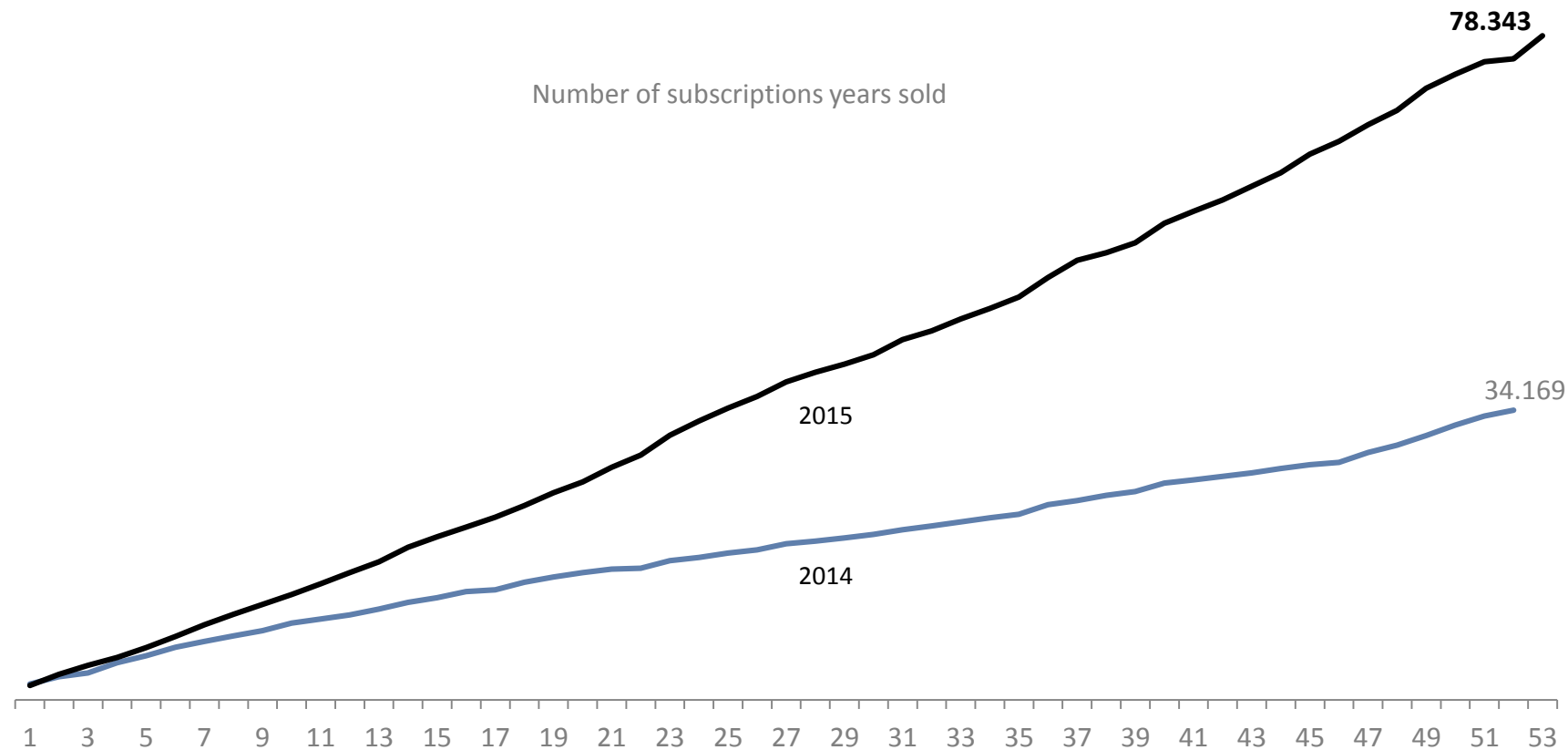
No way José.

## Almost +10.000 more influx than in 2014

Number of new subscriptions sold



+130% contract volume

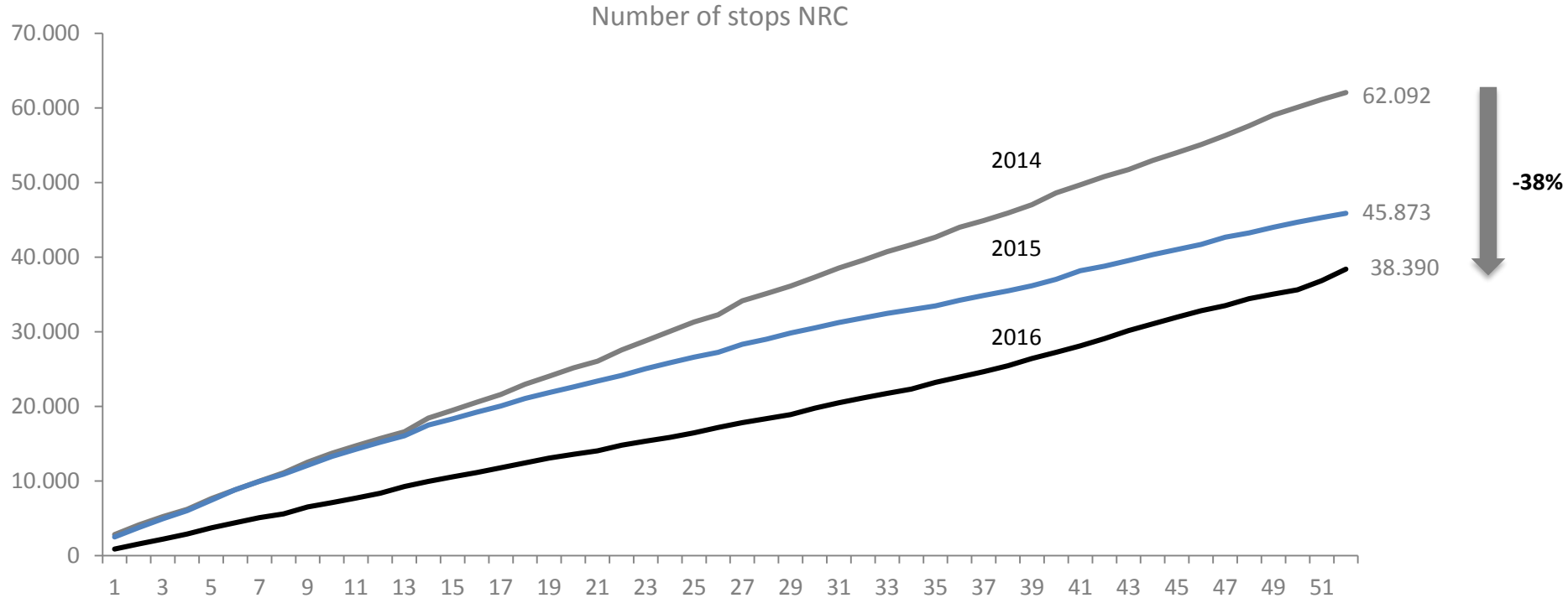


## New KPI: how many years did you sell?





## The biggest payback: 38% decrease in stops



## Sit down at their kitchen table



## Sincere attention is all it takes

You are our favourite subscriber!

And we only met  
four months ago



## Call every new subscriber, reduce cancellations, increase engagement

- Delivery okay?
- Is this the right subscription for you?
- Can we help connect your devices?
- How about your family?

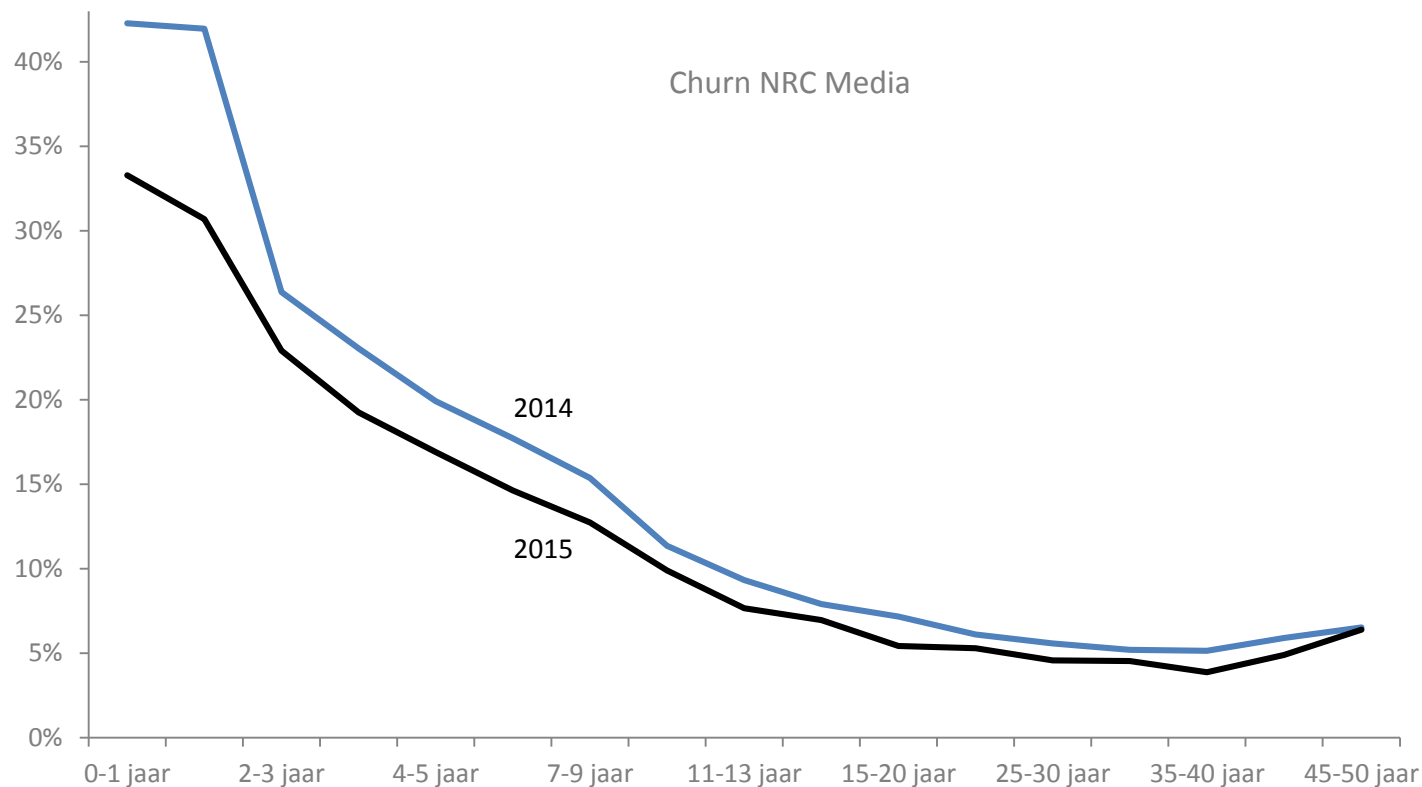


## Holiday breaks made easy

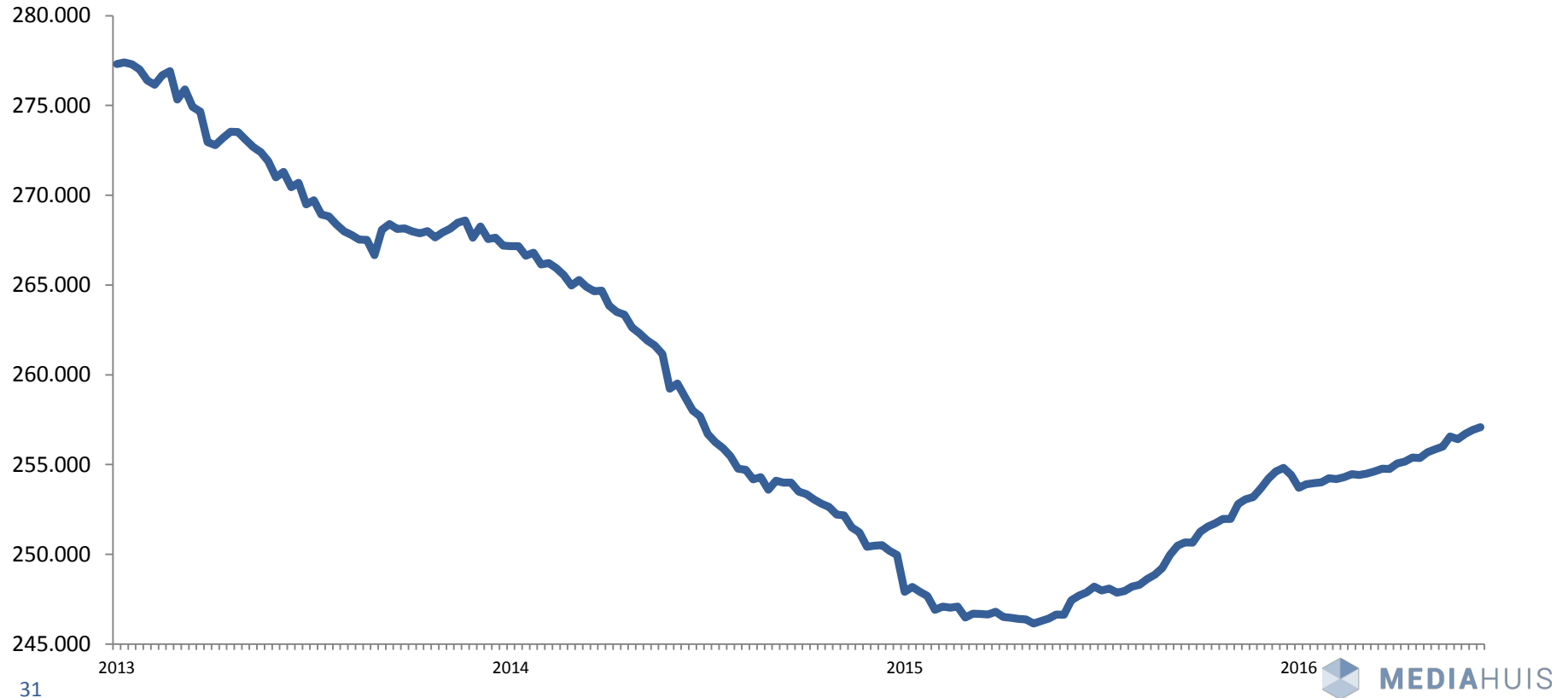
- No more € 10 administrative cost
- Subscriber has free digital access
- Up to 6 month break
- Reminder service
- Welcome back email
- 10.000 extra holiday breaks per year
- Yes, this hurts audit bureau circulation
- Yes, it costs money
- So it's an unprofitable decision
- **But it builds relationships**



## Lower churn in every tenure category

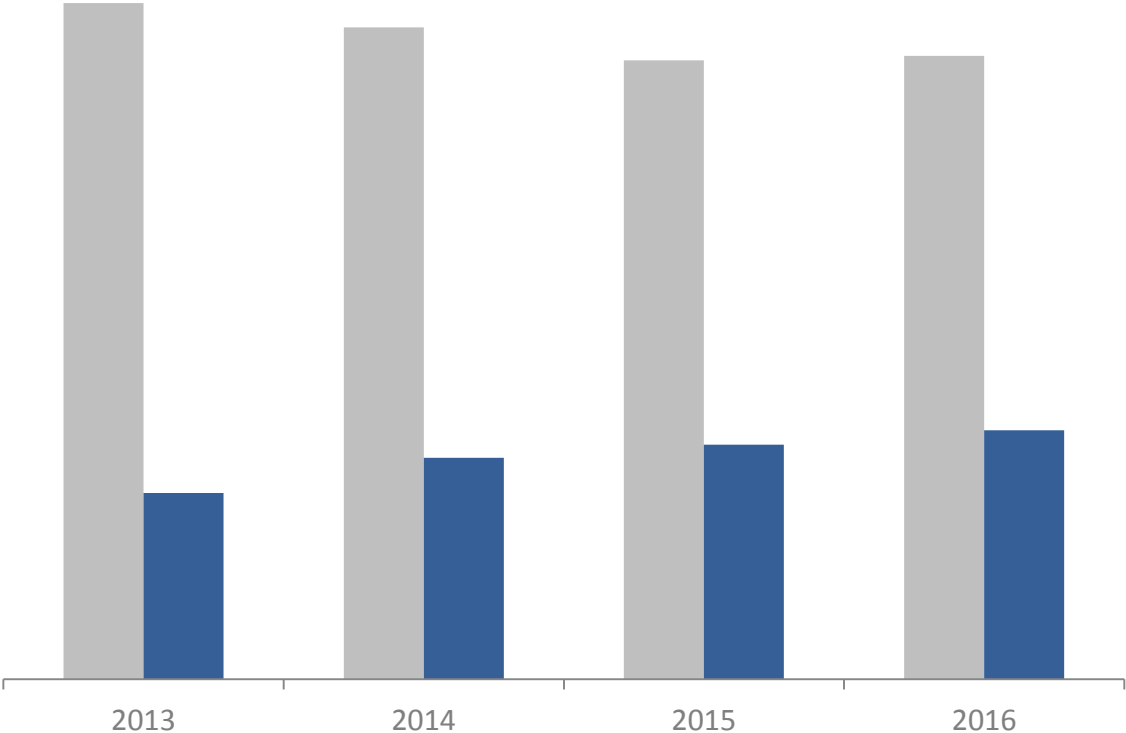


## Growth in number of subscribers



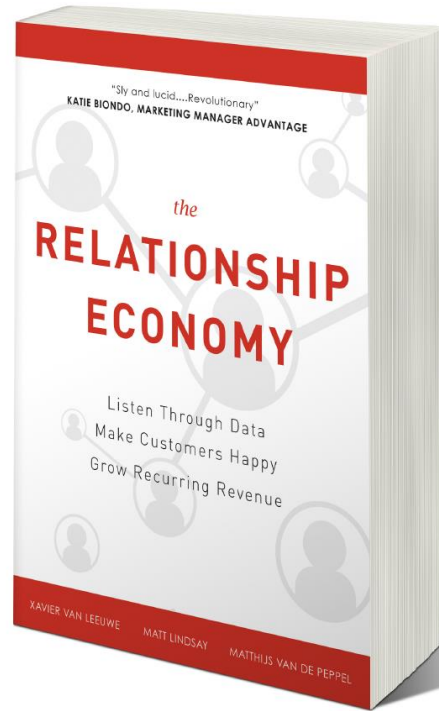
# Growth in gross margin

Revenue and gross margin NRC readers





Our book is out in 2017



## We would love to be of assistance

1. Build more relationships
2. Create the right data team
3. Listen to customers through data
4. Discover the right KPIs
5. Build experiments based on successful examples
6. Discover deeper customer needs

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