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Digital Benchmarking: Audience Metrics

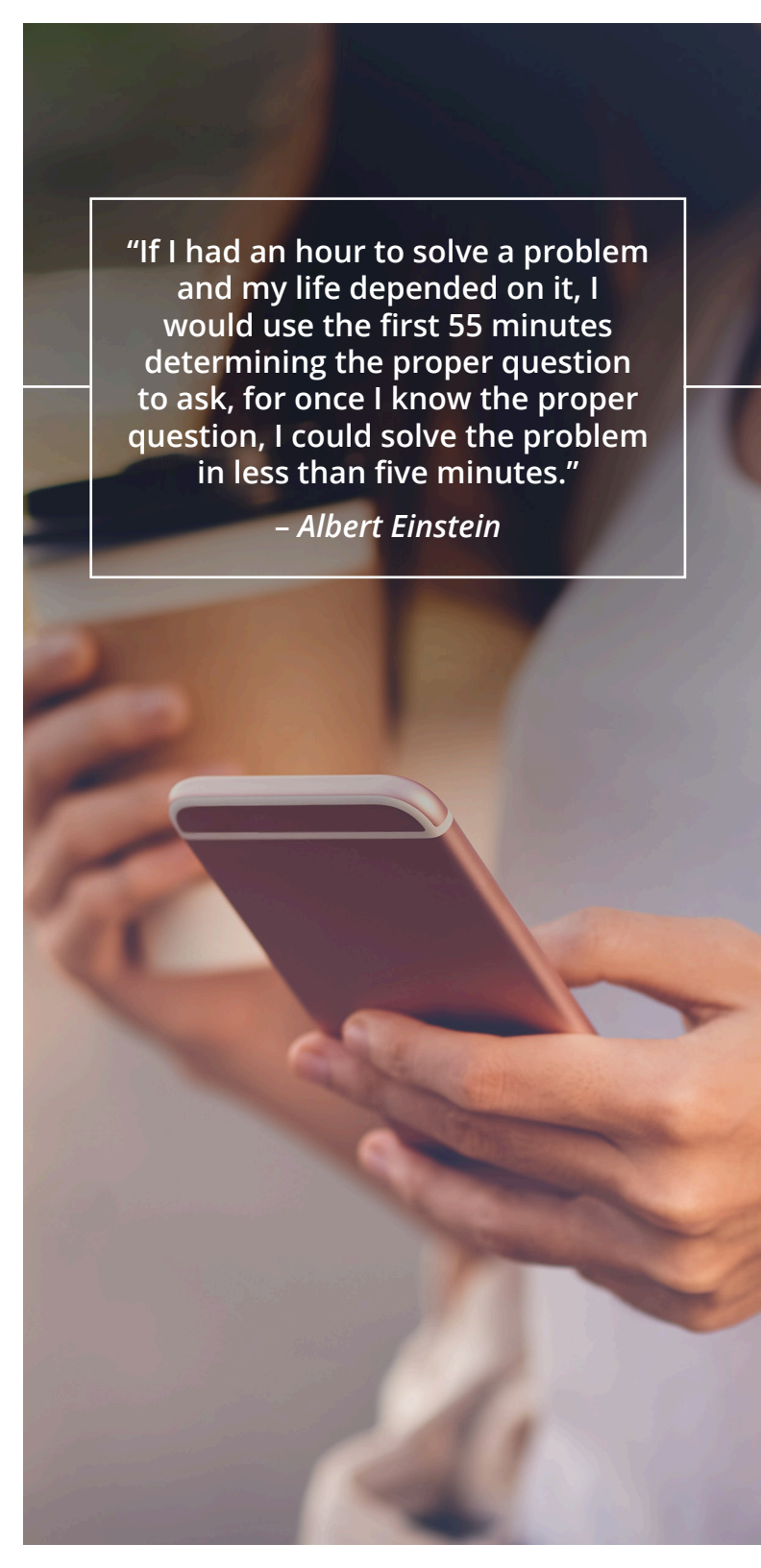
As the industry continues the print-to-digital transformation, the need for industry insights and data is more important than ever. However, high quality data at low cost has been elusive for publishers, often buried in reporting dashboards or inaccessible in data management platforms. Moreover, actionable data and insights to help make decisions is almost nonexistent. To address this problem, Mather Economics has developed the **Listener™ Data Platform**: a digital data capture tool that tracks how users interact with online content and advertising. The distinguishing factor is the data is specifically built to address the future publisher business model.

With this data, publishers can make better decisions and execute their strategy with paid content models, direct and programmatic advertising campaigns, as well as content publication and newsroom optimization. Understanding key audience metrics can help grow engagement and paid subscriber conversions, improve advertising yield, and allocate resources within the newsroom producing content that results in more revenue and engagement.

This article will cover some of the basic audience metrics and themes related to audience engagement and paid audience conversion. Future articles will explore advertising benchmarks, content analytics, how to go beyond the benchmarks, and case studies built on top of the Listener™ Data Platform.

DIGITAL BENCHMARKING: AUDIENCE METRICS

*Hilary Walker, Analyst &
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“If I had an hour to solve a problem and my life depended on it, I would use the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes.”

– Albert Einstein

The table below summarizes some of the basic metrics that are relevant to assessing the online audience.

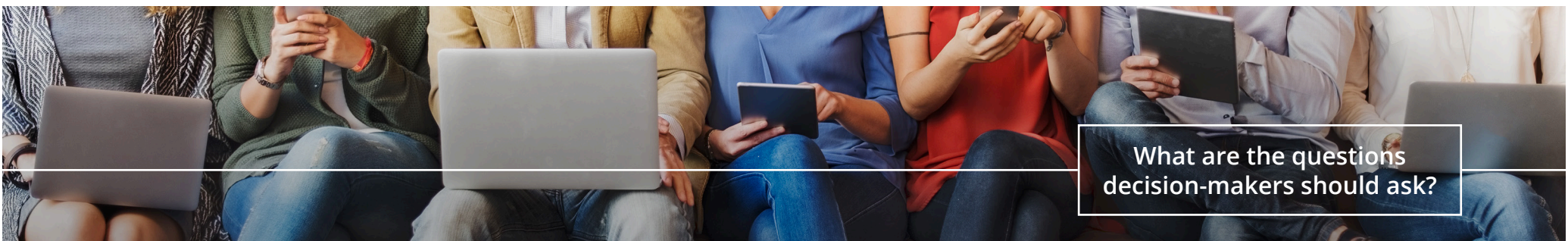
Website Size	Page Views per User	Page Depth	Time Per Page	Time Per Visit	Bounce Rate	Known User Percentage
1-5M PVs	4.83	57.7%	0:02:34	0:06:43	59.9%	.14%
5-10M PVs	4.02	55.9%	0:03:05	0:06:29	69.2%	.51%
10+M PVs	2.95	55.8%	0:02:59	0:04:47	71.0%	.67%

*Note: All metrics are based on the last 30 days

The Metrics

The following are descriptions for the previous metrics:

- **Size:** number of page views (in millions; average per month)
- **Page Views per User:** the average number of pages viewed per user
- **Page Depth:** percentage of the page that is viewed
 - For example, a page depth of 50% indicates that on average, users who access the site are only viewing the top 50% of the content, articles, or other pages being viewed
- **Time per Page:** average time a user spends on any given page (in minutes)
- **Time per Visit:** average time a user spends on the site (duration of a visit or session)
- **Bounce Rate:** number of flybys divided by total users (flybys are users who only view one [1] page per month)
- **Known User Percentage:** percentage of total users that are known (users who actively sign into their account; includes print subscribers, digital-only subscribers, and registered non-paid users)



What are the questions decision-makers should ask?

Utilizing Digital Benchmarks

As Albert Einstein put it: "If I had an hour to solve a problem and my life depended on it, I would use the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes." Therefore, what are the right questions to ask based on the data presented; and more broadly, what are the questions decision-makers should ask? Below are a few questions to help get you started:

- *What is the distribution of page views per user for my website and what kind of content, device, and referrers generate the highest page views per user?*
- *What is the length of articles published, and how does the page depth vary for breaking news vs. longer stories? Is there a difference between mobile vs. desktop devices?*
- *Of the users who are most engaged, what content do they spend the most time reading?*
- *Is my bounce rate high from my local audience or is it mostly non-local, mobile users who are inflating this metric? More importantly, what are my core readers (those who are not flybys) reading?*
- *How aggressive is my registration, newsletter, and paid offer strategy on the website so I can keep growing my known user percentage?*

Overview

Benchmarks reveal the health of the industry and can be a great starting point for publishers to begin asking the right questions. While these benchmarks can be noteworthy and help evaluate a publisher's relative rank in the industry, implementing a long-term strategic decision based on a single metric is unwise. Therefore, digging into the context behind the benchmarks and asking the right questions should be the first step to determine how best to grow, engage, and convert your audience.



TARGETING A CUSTOM AUDIENCE

*Andy Piazza, Vice President &
Tom Slusher, Senior Manager -
Mather Economics*

Improve Performance Yield with First- & Second-Party Data

Demographic data can add enormous value to any organization seeking to better understand and create long-term relationships with its customers. In addition to traditional demographic data (i.e. age, income, zip code, etc.), organizations continue to seek additional information to properly segment their customer base (i.e. behavioral patterns, climate effect, brand loyalty, usage rates, etc.). Along with the growth of technology and social media, marketing terminology has expanded the term “demographics” to include a continuously expanding host of measurable factors. Geography-based data, psychographics and behavioral patterns are all examples of expansions from the traditional definition of “demographic” data.

At Mather Economics, we use our clients’ existing customer transactional, demographic, and behavioral data to predict business outcomes ranging from price-change response (price elasticity) to the likelihood of acquiring a new customer. We also assist our clients with estimating the market potential for new products and services. Many of our clients develop detailed customer segments based on consumption preferences and habits to more effectively market their offerings. As advertising increasingly moves online, opportunities to identify audience engagement and experience increase. Thus, leaving advertisers searching for ways to connect directly with their target audience to drive engagement and revenue.

Our publishing clients typically accumulate vast amounts of customer data. This is considered “first-party” data to the publisher. Many of the advertisers that purchase media space from the publishers also have significant customer data available. This data is considered “first-party” to the advertisers. When data sharing occurs, to identify overlapping audiences and characteristics, it is termed “second-party” data.

Recently, we had the opportunity to partner with one of our clients and two of their local advertisers to operationalize their second-party data.

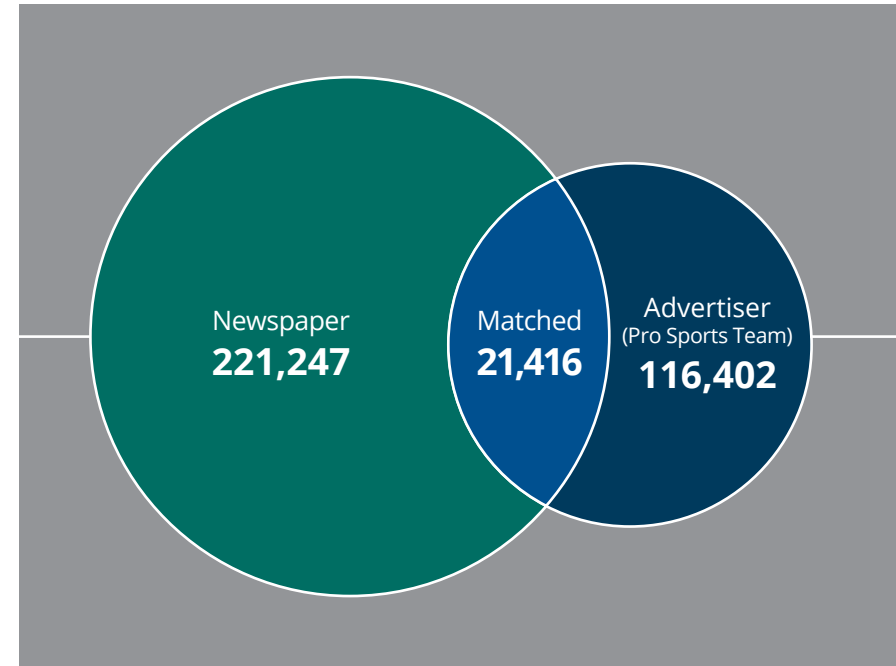
Professional Sports Team


The first application of utilizing second-party data was between the newspaper publication and a professional sports franchise who frequently advertised in the local newspaper. The marketing department at the sports franchise frequently advertised in the newspaper. In this case, the advertiser sought to identify specific individuals which were common to both the advertiser and newspaper databases in order to narrow their targeted advertising for season ticket sales.

That match between databases alone provides an enormous opportunity to the advertiser. In addition to identifying the overlapping audiences, we were able to analyze how this group differs from other individuals in the databases. For example, nearly 75% of matched entities came from only 25 of 400 zip codes in the direct marketing area (DMA) Mosaic groups. Mosaic groups are Experian's classifications of households, based on geographic and individual household data using a method known as geodemographic segmentation. There are 19 Mosaic groups in total, and only four groups accounted for more than half of the matches between the newspaper and sports franchise.

We analyzed the historical and demographic data attached to the newspaper subscriber and the ticket purchaser/prospect data (i.e. season ticket holders, playoff ticket holders, etc.) supplied by the advertiser, to identify the traits that most accurately profile the advertiser's target audience. We then built profiles of their audiences, found "look-alikes" to grow the overlapped audience, and designed programs targeted to current and prospective audiences across multiple channels.

Initial results from the targeted advertising campaign have shown a 15 to 20% increase in engagement over comparable ad sizes, and a 9 to 1 and 18 to 1 ROI in SEO and Display campaigns, respectively.





The combination of first-party data can be significant in targeting and growing audience

Local Auto Dealer

The second application using this approach was with a local auto dealership group. The advertiser had previously been a large account for the newspaper, but had not been an active customer for the past several years. The advertiser sought a data-driven strategy to better connect with their audience and analyze the results. They designed a test to match customers who had previously made purchases with the auto dealer to those in the newspaper's subscriber database.

The results of this second-party shared data allowed the advertiser to identify common characteristics of dealership customers who also held subscriptions to the newspaper. In this situation, we identified which Mosaic groups the matches fell into, which dealership they purchased from, whether they are in the newspaper DMA, and how they engage on the newspaper's website. Then, we used a statistical analysis to segment customers based on their probability of buying a car from the dealership.

The advertiser has subsequently designed direct email and engagement campaigns based on our analysis, and the preliminary

results are positive. So much so, in fact, that the advertiser was convinced by the newspaper's ability to use data-driven strategies and analytics to better connect with their customers. As a result, the advertiser now has a better understanding of their audience and the newspaper has won back a major account.

Summary

These examples show us just how significant the combination of first-party data can be in targeting and growing audience. While demographic data is very helpful to advertisers, direct consumer connection is now more important than ever. Newspaper publications have access to a wealth of behavioral and preference data on their customers that can drive value for advertisers by leveraging the combined data from the two organizations. Using this second-party data improves advertising effectiveness, helps grow the known audience, and strengthens relationships with advertisers. Advertisers and newspaper publications alike can utilize second-party data to create increase revenue opportunities for both organizations.



CALL CENTER ANALYTICS & REVENUE YIELD: *THE MISSING LINK*

Tyler Shiovitz, Analyst & Vadim Radinsky, Analyst – Mather Economics

The Value Add of Call Centers

Nearly every firm is looking for ways to exploit their organization's latent capacity to affect revenue and other operating metrics, however, we find companies seldom consider their call-centers a ripe opportunity for revenue growth.

Customer service is often an under-analyzed and under-reported area for many types of performance improvement projects, and the majority of customer service activity usually takes place in call-centers. That being said, we often find that organizations miss revenue saving opportunities simply because they do not have good data to lead the process of analyzing call center activity.

In many industries, customers who either complain, change their service, or quit altogether, almost always go through a call-center representative before taking that action. That means there is a built-in safety net for customer activity; one that can be measured in order to improve both customer retention and revenue.

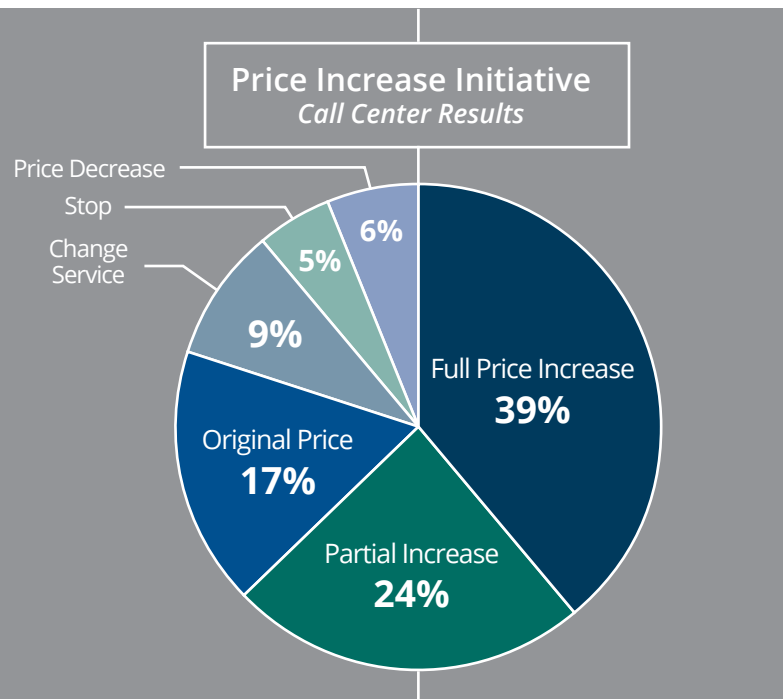
In fact, after one large U.S. cable operator turned to us for a customer service representative (CSR) performance assessment, the improved efficiency and call-level analytics resulted in an incremental revenue gain of \$1.3 million per month.

By linking call-center analytics to the current initiatives as well as overall business data, we are able to leverage three main benefits:

1. *Contextualize current projects, initiatives & behavior*
2. *Understand the factors that drive CSR performance*
3. *Improve customer relationship strategies*

Contextualize Current Projects, Initiatives & Behavior

For many clients who rely on dynamic pricing (or any type of pricing), the call-ins (such as complaints or questions) and how they are handled is paramount to success.



In the example here, we summarize the overall resulting action for customers who called-in about a price increase levied on their regular subscription service. Notice that 39% of subscribers who called-in about their price increase actually ended up paying the entire increase.

That is not a poor number by any means, but it shows us there is opportunity for dollars to be saved on the phone. Many times, organizations already receive some sort of high-level snapshot of how their call-centers are performing. We will discuss here different ways to look at these analytics, and how these frequently missed perspectives can be the missing link to better understanding performance.

Understanding the Factors that Drive CSR Performance

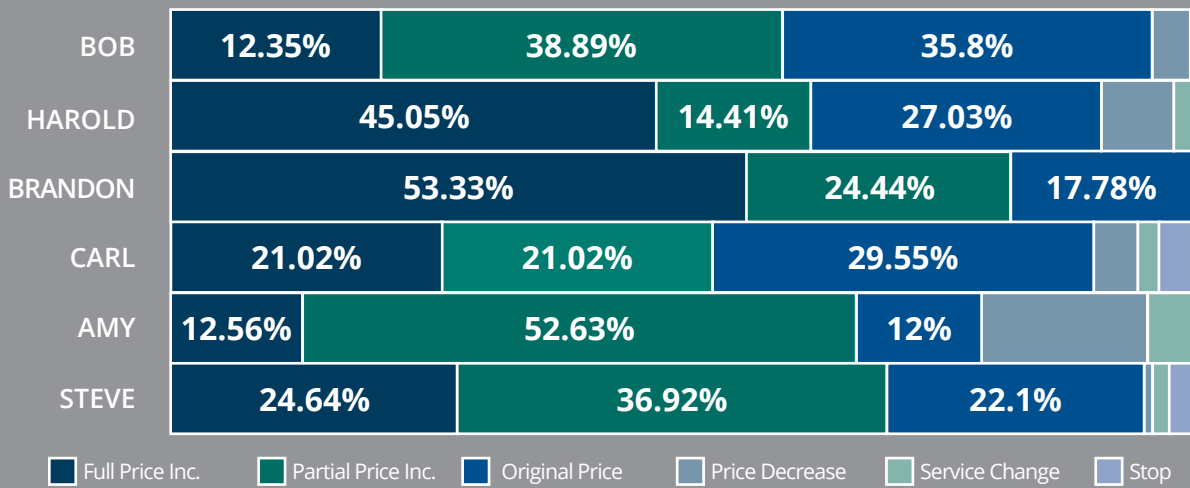
From the example above, if we were to divide all inbound calls by the representative who handled them, we can control for results based on the different representatives' call efficiency. Including incentive items such as gift or rewards cards are also important to account for in this analysis.

At first, it looks like Brandon surpasses Harold in retaining efforts based on their stop numbers, but a deeper look shows that Brandon relied heavily on gift card incentives (costs) and transferring customers to a manager.

CSR	Stops	Reverts	Gift Cards	Transfers
Brandon	3%	2%	23%	16%
Amy	5%	2%	16%	12%
Carl	6%	4%	31%	11%
Harold	12%	11%	8%	7%

These figures can be further quantified, as various price levels come into the mix during a pricing initiative. In the chart below, Amy's calls only resulted in about 10.5% of customers sticking at their full price increase, while Carl kept 21% at their given price. We glean here that Amy does not perform as well as Carl in keeping customers at their full price increase. Perhaps she is reverting to a lower price offering sooner during her conversations with the customer than other CSRs.

Price Increase Initiative - Call Center Results



Inversely, Amy does a better job of keeping more subscribers above their current price; about 20% more of her calls result in at least a partial price increase. After assigning revenue to this observation, she may be making more money from the combination of "Full Price Increases" and "Partial Price Increases". To know if that's the case, we need to understand the magnitude of these changes. The Net-to-Gross Ratio offers an adjustment for magnitude of price manipulation by each CSR.

NET-TO-GROSS RATIO (PRICE INCREASE)

CSR	Active Only	Active & Stops	Active, Stops & Gift Cards
Bob	23.7%	-1.4%	-2.1%
Harold	11%	-15.7%	-16%
Brandon	74.5%	24.4%	22.8%
Carl	44.5%	38.5%	31.1%
Amy	63.5%	63.5%	59.5%
Steve	43.9%	36%	34.5%

The Net-to-Gross Ratio portrays how much of a customer's original price increase was realized after the customer called in to the call center. By comparing the same CSR-level data and further breaking it out below, we gain insight on each CSR's Net-to-Gross Ratio. For example, a \$1 increase that was lowered to \$0.30 would amount to a 30% net-to-gross. If the price remained at \$1, the ratio would be 100%.

The Net-to-Gross Ratios vary significantly. We break this down into three groups:

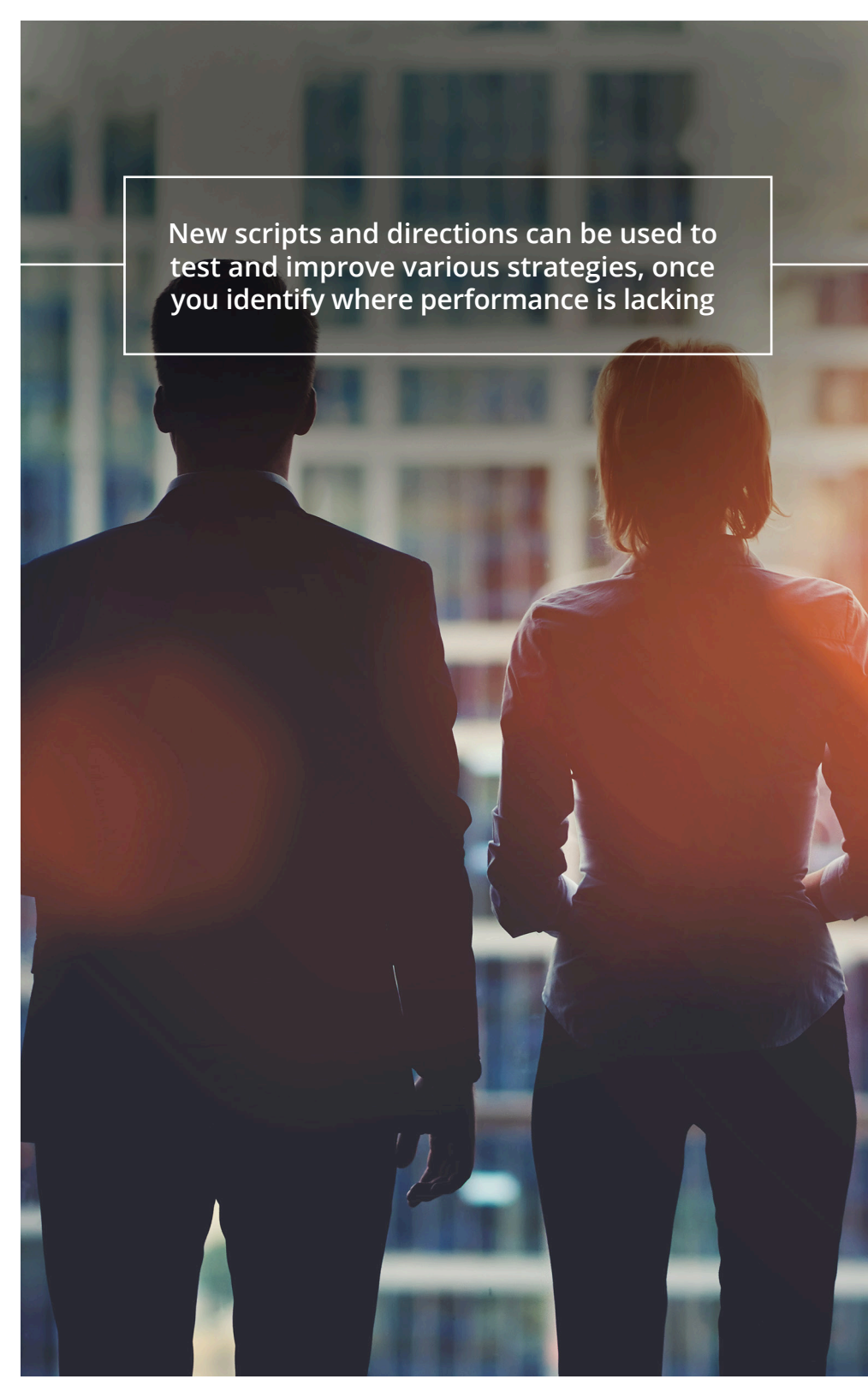
- 1. Active Only:** Net-to-Gross Ratio for only customers who remained active (a stop, or 0% net does not factor in)
- 2. Active & Stops:** Net-to-Gross Ratio for all customers - both those who remained active & those who stopped service (a stop, or 0% net increase does factor in)
- 3. Active, Stops, & Gift Cards:** Net-to-Gross Ratio for all customers - both those who remained active & those who stopped service; factoring in gift/reward card incentives (a stop factors in as 0%, and gift cards factor in as a cost, or a negative (-) net increase)

Using this data, we can see how many calls resulted in stops, the magnitude of price reverts, and which CSR excelled at keeping customers at their increased price level.

As suspected, Amy is in the top 50% of representatives at keeping subscribers as close to their gross increase as possible. All three ratios are in her favor.

Brandon does a good job of keeping customers close to their full increase (74.5% Net-to-Gross), but his tendency to be stricter in price reductions resulted in more customer stops (24.4% when including stops).

Assessing individual characteristics of each CSR helps organizations understand the effects of different customer management approaches. This allows organizations to spearhead training programs for CSR's to improve their metrics, helping them to unlock potential performance incentives—meaning everybody wins.



New scripts and directions can be used to test and improve various strategies, once you identify where performance is lacking

Improving Customer Relationship Strategy


Using these methods, we also work with clients to test and establish new, more profitable call-center strategies. Once we can identify where performance is lacking, new scripts and directions can be used to test and improve various strategies.

Frequently, strategy improvements include:

1. *Fewer unnecessary price reductions*
2. *More profitable product/service conversions*
3. *Balancing stop saves versus revenue saves*
4. *Delighting your best customers*
5. *Up-sell & cross-sell opportunities*

The following is an example of a strategy matrix that we develop alongside our clients. In this case, breaking calls down by call type and customer score (CLV) gives the representative a clear understanding of what to do in each situation.

PRICE INCREASE INITIATIVE - CALL CENTER RESULTS

CLV	Steps	Call to Stop	Complaints	Questions/Other	Outbound Calls
High-Value Customers	1 2 3	Reminder of included benefits Offer up-sell or conversion discount Optimal Reduction Offer	Gift Card up to \$20 Rewards Card	Cross-sell/up-sell packages at 10% discount	Surprise & Delight Calls (upward CLV movers included)
	1 2 3	Reminder of included benefits Offer up-sell or conversion discount Optimal Reduction Offer	Gift Card up to \$10 Rewards Card	Cross-sell/up-sell packages at 5% discount	Surprise & Delight Calls (upward CLV movers included)
	1 2 3	Reminder of included benefits Offer up-sell or conversion discount Optimal Reduction Offer	Whichever is cheaper	Cross-sell/up-sell packages	Downward CLV-movers up-sell
Low-Value Customers	1 2 3	Reminder of included benefits Offer up-sell or conversion discount Optimal Reduction Offer	Not Eligible for Incentive	Cross-sell/up-sell packages	Downward CLV-movers* up-sell

*Movers = someone who drastically changes CLV groups

Many of these strategies can be empowered with Customer Lifetime Value. To better understand this matrix, [read about CLV](#) and how it can revolutionize your customer relationships.

Summary

Through studying and reporting these performance metrics, along with the initiatives and programs devised through them, we are able to better manage the sales and retention process through analytics. By understanding the entire customer journey, including interactions with customer service agents, organizations can improve retention and even create new avenues for up-selling and cross-selling.

Whether it is a change in global strategy or the implementation of a small internal innovation, the call-center is something that should never be left without proper attention. The impacts are easy to

underestimate, despite the fact that many organizations rely on the call center for a large portion of their customer revenue. After developing a better understanding the opportunities available, improvements can often be made rather easily. It just helps to know where to look.



2017 MATHER SYMPOSIUM: *THE ROAD TO REVENUE*

October is right around the corner, and the 2017 Mather Symposium is shaping up to be the most comprehensive symposium ever! Join Mather Economics, in partnership with The Inland Press Foundation, as they bring you – *The Road to Revenue!*

This year, the symposium will feature an impressive lineup of speakers including:

- **Ed Bushey**, General Manager at Newsday Media Group
- **Pete Doucette**, Chief Consumer Revenue Officer at Boston Globe Media
- **Patrick Glennon**, President & Founder of Marketing G2
- **David Kennedy**, Chief Revenue Office at Oahu Publications Inc
- **Jessica Lane**, Retention Marketing Manager at Fairfax Media New Zealand
- **Chris LeCraw**, General Manager at INWEGO
- **Maggie Louie**, Founder & CEO of Dev/Con Detect
- **Mark Medici**, Multi-Market - Vice President of Audience at Cox Media Group
- **Nicki Purcell**, Chief Digital Officer & Senior Vice President of Consumer Sales at The Dallas Morning News
- **Andrea Rothchild**, Senior Vice President of Advertising Sales at Newsday Media Group
- **Pam Siddal**, President at Advance Central Services
- **Randy Siegel**, President at Advance Local
- **Patrick Tornebene**, Vice President of Audience Development & Analytics at Newsday Media Group

Join us as we discuss revenue growth, customer acquisition and retention, as well as the transition to a digital business model. For further details and registration, please visit www.mathersymposium.com.

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