

# MASS PERSONALIZATION IS THE FUTURE OF JOURNALISM

February 2018

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The advertising industry long ago realized the benefits of targeting audiences that are likely buyers of the products they are promoting. "Auto-intenders" is a designation given to those individuals who have indicated an interest in buying a car through their actions online. Advertisers will pay a premium to reach a targeted audience relative to a general one. Advertising products that offer audience targeting have grown at the expense of other types of advertising that do not.

Publishers also need to adopt personalization and targeted customer interactions to maximize both audience and advertising revenue. Targeted subscription pricing is one tactic that has helped publishers replace lost advertising revenue. Different pricing by customer not only allows publishers to get more revenue from those customers that are able and willing to pay more, but it also enables them to retain price-sensitive customers that would usually stop their subscription due to a large price increase. They retain those price-sensitive customers, who will get a price increase at some point in the future when they will be more likely to pay it. Targeted pricing is used by airlines, hotels, telecommunications, and other industries.

One-size-fits-all metered paywalls have a similar problem to across-the-board pricing strategies. They give all prospective customers the same experience, which is too much "free" content for some and too little for others. The opportunity



cost in this case is lost digital advertising revenue and too few digital subscribers.

***An Intelligent Paywall™ avoids the problem of significant digital advertising revenue loss by identifying those customers that are more likely to subscribe and targeting them with subscription offers.***

Combining insights on the propensity for an individual to subscribe with an understanding of the advertising inventory that customer would provide if left to consume content without a subscription offer enables publishers to determine how best to monetize the interaction with the customer.

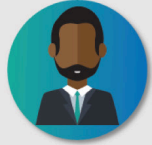
***The more detailed, and personalized, those insights are, the more digital revenue the publisher can generate.***

An important detail that is lacking in most digital data is the combination of digital advertising revenue with content consumption for individual customers. This is a result of the way advertising impressions and content consumption data are captured on most web sites. Audience tracking tools capture content consumption, typically the number of page views and unique users. Advertising servers capture and report data on delivered impressions, cpms, and click-through rates.

# mather: insights

In real time, the segments are read by the paywall system and evaluated per user.

Based on the unique combination of segments, the right experience is selected to be presented to each user



The challenge for analysts is that these data sets do not merge easily, if at all, at the level of the individual visitor. The data must be merged at a “lowest-common-denominator”, which typically requires aggregation of the data to a day-site section or hour-site section.

Capturing data on content consumption, advertising impressions, and advertising revenue by the customer-page view enables personalization of the digital user experience. Publishers can decide what content is best to serve a customer based on their status as a subscriber, their appeal to advertisers, and their potential for future audience revenue by identifying what content will maximize total digital revenue. Likewise, content can be valued using data on the advertising revenue and subscriber conversions it has produced. Newsrooms can make informed decisions on where to invest resources, what content to deliver to in-

dividual customers, and what aspects of the user experience are most important to a customer.

Personalization of subscriber lifecycle touchpoints are able to improve acquisition, retention, and re-acquisition campaigns. Event-triggered communications can avoid subscriber losses by taking action when behavior patterns by an individual change. In-case-you-missed-it (icymi) emails can send content of interest to a customer if they have not logged-in to the site in a few days. All of these are examples of mass personalization made possible by detailed data and the automation of analytics and marketing communications.

The future news media business model will rely on maximizing total revenue from its audience and its advertising inventory across all platforms. Understanding

what content and which customers are generating that revenue is the first step. Understanding how to adjust the products, sales channels, and customer experience to maximize total revenue by individual is next.