NEWS PRODUCT INNOVATION & DATA-BASED ACQUISITION STRATEGIES WILL TRANSFORM THE MEDIA INDUSTRY

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At the digital subscription summit in London, there were two themes that appeared in many of the presentations: using machine learning, testing, and other analysis to drive product development and subscriber acquisition. Ironically, in many cases, the opportunities for studying customer consumption behavior enabled by digital platforms is improving print product quality too.

Pål Nedregoten, Executive Vice President of Amedia AS, Norway, discussed how they used data to identify te type of content its readers wanted most.

Pål Nedregotten of Amedia discussed how his firm has increased print subscriptions by focusing on the content that their readers wanted and giving them more. The result was growing digital and print subscriptions. An inspiring result was that many of the titles were very local publications for small communities, the types of markets that are most challenged by digital subscriptions. The key insight was for them to identify, after removing fly-bys from the data, what most of their subscribers were reading, which happened to be what they were producing the least of. Allocating resources to develop stories most in demand by the readers has improved engagement, increased sales, and grown revenue.

Jess Ross of Fairfax described how they developed products designed for different types of readers, those interested in news you can use and those interested in news you enjoy. The results have been impressive with significant subscriber and revenue growth.

There are many other examples of how product innovation and improvement have led to subscriber growth and digital revenue. What was striking is that there is so much more that can be done with product packaging and content bundling, particularly across platforms. The sense that the platform; digital, print, or mobile, is secondary to the relationship the customer has with the content was reinforced throughout this event.

On the customer acquisition front, there are many publishers that are using machine learning and propensity scoring to sort the best potential subscribers from the vast number of anonymous visitors.

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One of the best presentations in this area was delivered by Steven Neubauer of NZZ in Zurich. They use the term "pay gate" instead of pay wall, and they also have a "registration gate" that moves candidates from anonymous leads into identified leads. Knowing who the reader is enables them to use personalized greetings in their offers. The truly impressive innovation is a rules engine that learns from prior experience via machine-learning pattern recognition to improve conversion performance.

Steven Neubauer, Director of NZZ, discussed how they used machine learning to improve conversions.

Another presentation on experimentation with customer acquisition by the Financial Times showed how varying the first-click free permissions balanced the need for customers to sample the content while not giving away too much.

The combination of product innovation and scientific acquisition strategies is where the industry is headed. Just as dynamic pricing and product innovation have transformed many industries, the news media industry will be very different five years from now due to these developments. Interestingly, I believe these innovations will not only grow digital subscriptions but preserve the life of printed products too, and what an ironic outcome that will be.