

MATHER ECONOMICS

COVID-19:
INSIGHTS AND IMPLICATIONS

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INSIGHTS FROM THE LISTENER DATA PLATFORM

DATA TRENDS IN
ENGAGEMENT,
SUBSCRIPTION
PERFORMANCE, AND
CONTENT



mather:

MANAGING BUSINESS OPERATIONS

During times of crises, media companies face a dilemma driven by their historical brand and reason for being. Common refrains are:

"My journalistic mission is to serve my community, first and foremost"

"I don't want to be perceived as capitalizing from a global emergency"

"Now is not the time to think about business, we need to handle the crisis"

Fulfilling the journalistic mission is critical during this time and its relevance should not be understated. However, during difficult economic conditions, **taking proactive and thorough action to ensure long-term business sustainability** is even more important than before.

Mather Economics is invested in our clients' success and are committed to supporting our clients. The Great Recession of 2008 informs us that we must prepare, manage the immediate risk, identify opportunity, and act.

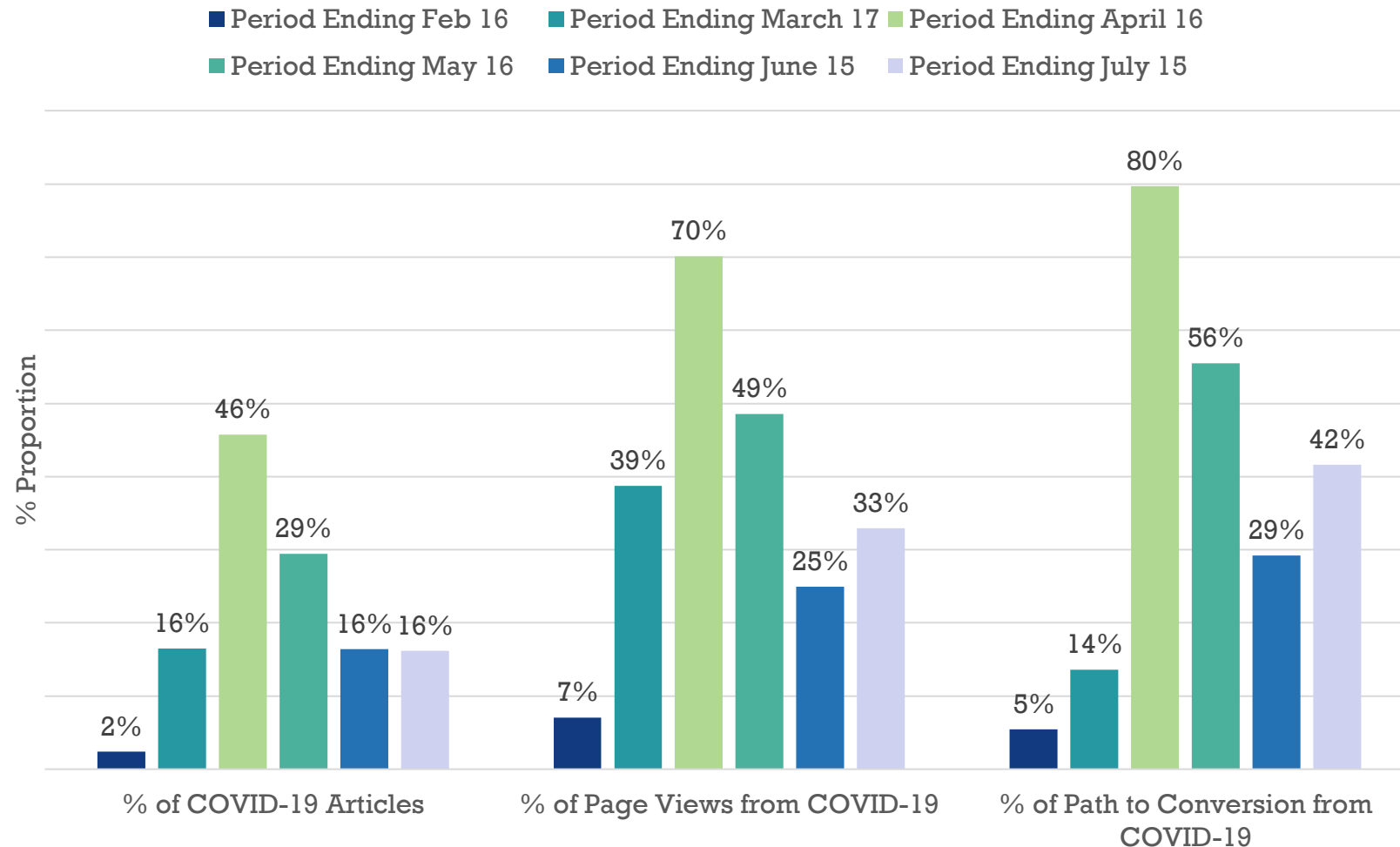
INDUSTRY CONTENT BENCHMARKS

In the most recent 30-day period, content explicitly tagged as COVID-19 that appears on the path to conversion for new digital subscriptions increased month-over-month to 42% in July from 29% in June, but it is below the high of 80% during the April period.

COVID-19 articles produced has stabilized in the last 60 days at 16% of all articles from a high of 46% during the April period.

We observed the impact of COVID-19 content on the path to conversion and engagement mirrors the pattern of new COVID-19 cases in the United States and other regions.

Ratios of COVID-19 Content Production, Consumption, and Correlation with Conversion



INDUSTRY SUBSCRIPTION BENCHMARKS

New conversion growth is past its peak and slowly trending down towards March levels.

There continues to be relative growth in subscriptions compared to February.

Fanatic and Known users have stabilized since May, suggesting an overall growth in engaged and high propensity users.

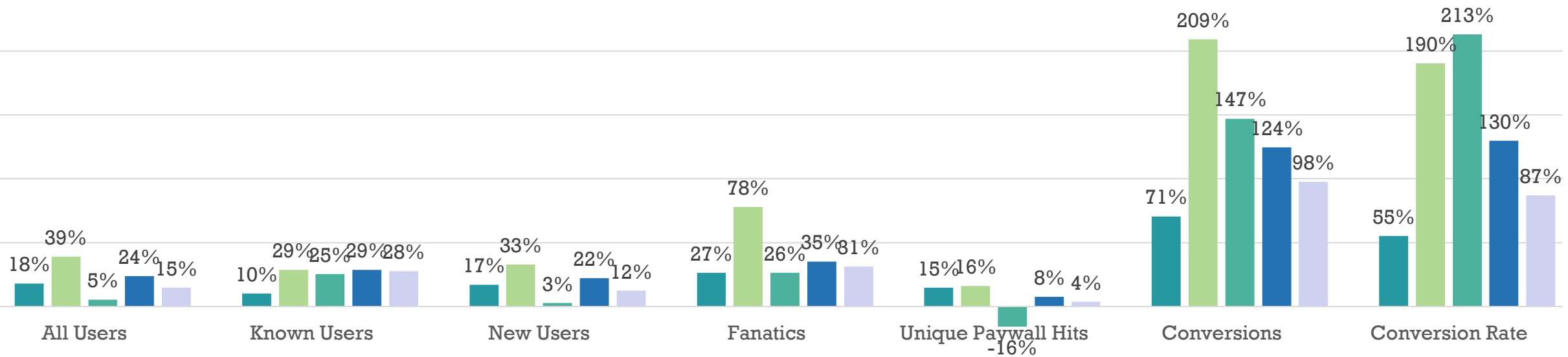
The number of users hitting the paywall is only 4% higher than February levels, suggesting non-paywall channels are key for subscription growth.

The conversion rate improved from the influx of fanatic users as well, making the paywall more effective.

30-day Growth in Key Audience Metrics vs. February 16

■ Period Ending March 17 ■ Period Ending April 16 ■ Period Ending May 16 ■ Period Ending June 15 ■ Period Ending July 15

% Growth vs. Period Ending February 16



CONSIDERATIONS FOR THE COMING MONTHS

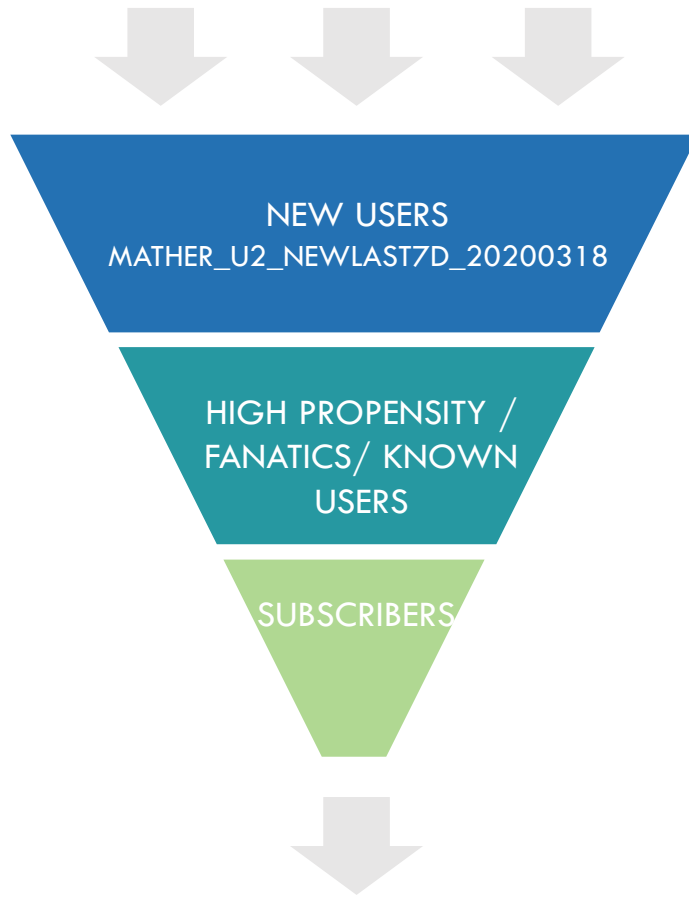
Risk can be summarized in four areas for the latter half of 2020:

- As expected, conversions and conversion rate have shown decline relative to the peak April months; we expect this to continue to decline unless publishers decided to offer even more attractive discount introductory offers
- Fanatic volume seems to have stabilized for the summer though risk still remains if engagement drops to March levels and reducing the pool of high-propensity users
- New subscribers pose a high churn risk if engagement abates
- There is uncertainty for US publishers with a “second wave” of COVID-19 cases and impact on subscriptions

Key focus areas for the summer months will be:

- Top-funnel and mid-funnel tactics: COVID-19 attracted a high number of new users and engaged existing users enough to migrate them to Fanatics. Apply tactics to reach and push users down the funnel
- Refining new subscriber onboarding series’ and developing targeted retention and pricing tactics based on content preference and engagement level
- Bottom-funnel tactics can be simplified to: keeping a tight meter (or high levels of premium content), experimenting with personalization in the call-to-action, and testing price and its impact on lifetime value

DRIVING ENGAGEMENT ACROSS THE FUNNEL



MATHER_C2_COVIDONLY_20200318

MATHER_C2_COVIDFOLLOWER_20200318

MATHER_C2_COVIDINTEREST_20200318

<ul style="list-style-type: none"> Target with COVID-19 newsletter sign-ups and breaking news alerts Apply a registration wall to capture email in exchange for access/metered articles Ensure your value prop and decision is clearly stated on what content is open vs. not open Donate call to action 	<ul style="list-style-type: none"> Target with COVID-19 newsletter sign-ups and breaking news alerts Apply a registration wall to capture email in exchange for access/metered articles Ensure your value prop and decision is clearly stated on what content is open vs. not open Donate call to action 	<ul style="list-style-type: none"> Target with non-COVID-19 newsletter sign-ups and breaking news alerts Apply a registration wall to capture email in exchange for access/metered articles Ensure your value prop and decision is clearly stated on what content is open vs. not open Donate call to action
<ul style="list-style-type: none"> Calibrate content recommendation engines to 80/20 COVID-19 content Aggressive calls to action. COVID-19 focused content 	<ul style="list-style-type: none"> Feature non-COVID-19 content prominently next to COVID-19 content Calibrate content recommendation engines to share 50/50 of COVID-19 and non-COVID-19 coverage 	<ul style="list-style-type: none"> Emphasize journalism being covered during crisis that is not COVID-19 Use verbiage such as: "our journalists are working hard to cover stories that mattered before, during, and after the pandemic". Or "Did you know that only XX% of our content is about the pandemic?"...etc.
<ul style="list-style-type: none"> Auto-signup for COVID-19 newsletters Customize Welcome Series email messaging to emphasize COVID-19 coverage Prompt user to sign up for breaking COVID-19 news alerts (desktop/mobile) 	<ul style="list-style-type: none"> Prompt users to sign up for COVID-19 and other newsletters based on content preference Customize Welcome Series email messaging to emphasize balance of COVID-19 and non-COVID-19 content Prompt user to sign up for breaking COVID-19 news alerts (desktop/mobile) 	<ul style="list-style-type: none"> Prompt users to sign up for non-COVID-19 newsletters Apply messaging like "take a break from COVID-19, sign up to get XX content in your inbox" Customize Welcome Series email messaging to emphasize non-COVID-19 journalism

CREATIVE IDEAS & CASE STUDIES



HARD REGISTRATION WALL

Apply a hard registration wall on non-breaking COVID content (any coverage that isn't essentially a public service)



HARD PAYWALL

Apply a hard paywall on COVID ONLY users accessing non-COVID content



PARTNERSHIP OFFER

Create an offer in partnership with an online entertainment/other service

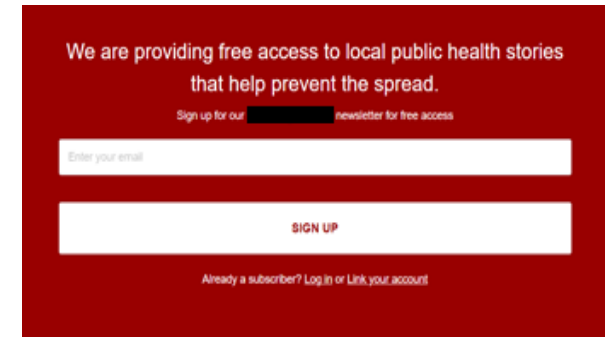


- One publisher offers their subscriber credits for renting movies online
- Another publisher has partnered with a local gym to stream exercise videos



DONATION BUTTON

Create a donation button to ask readers to support journalism



To Our Readers

It's hard to come to you and ask for help, but like so many other businesses, we have faced serious financial losses due to a drastic reduction in ad revenue. We are making many sacrifices to keep our readers informed because we believe it is our duty to serve our community through yet another difficult situation. No matter what.

To help keep our staff working and our operations running, we ask that you consider the value of trusted, local journalism to keep you informed and up-to-date. If you're not a subscriber, consider [a digital subscription](#).

If that's out of reach, please consider a [small donation](#) to offset our costs.

Already a subscriber? [Log in](#) or [Link your account](#)



BUSINESS RULE RECOMMENDATIONS

- Basic and breaking news COVID-19 content remains free though counts towards the meter
- Free registration wall on COVID-19 content to gather email addresses
- In-depth coverage should remain behind the paywall
- Newsletter development and promotion (long-term and breaking news)
- Do not disable the paywall completely from your websites – other content should be left as-is
- Communicate clearly with your audience about your business rules and decision
- Ask users to donate: sponsor a subscription, donate to a good cause, donate to the newspaper
- Reach out to print subscribers and encourage digital activation; the latest news will be in digital form and doing so will help reduce risks and challenges of home delivery
- Use the influx of new users to your site as an opportunity for top-of-funnel and mid-funnel audience development – do not be hesitant to state your editorial decision and value proposition clearly
- For repeat users, encourage them to sample non-COVID-19 content to grow the relationship (via widgets, newsletters, banners, and other calls-to-action)

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