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

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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.

For these reasons, we have prepared early benchmarks along with your data enclosed in this document. These insights can help guide digital revenue management. Please know we are here to support you in any way possible.
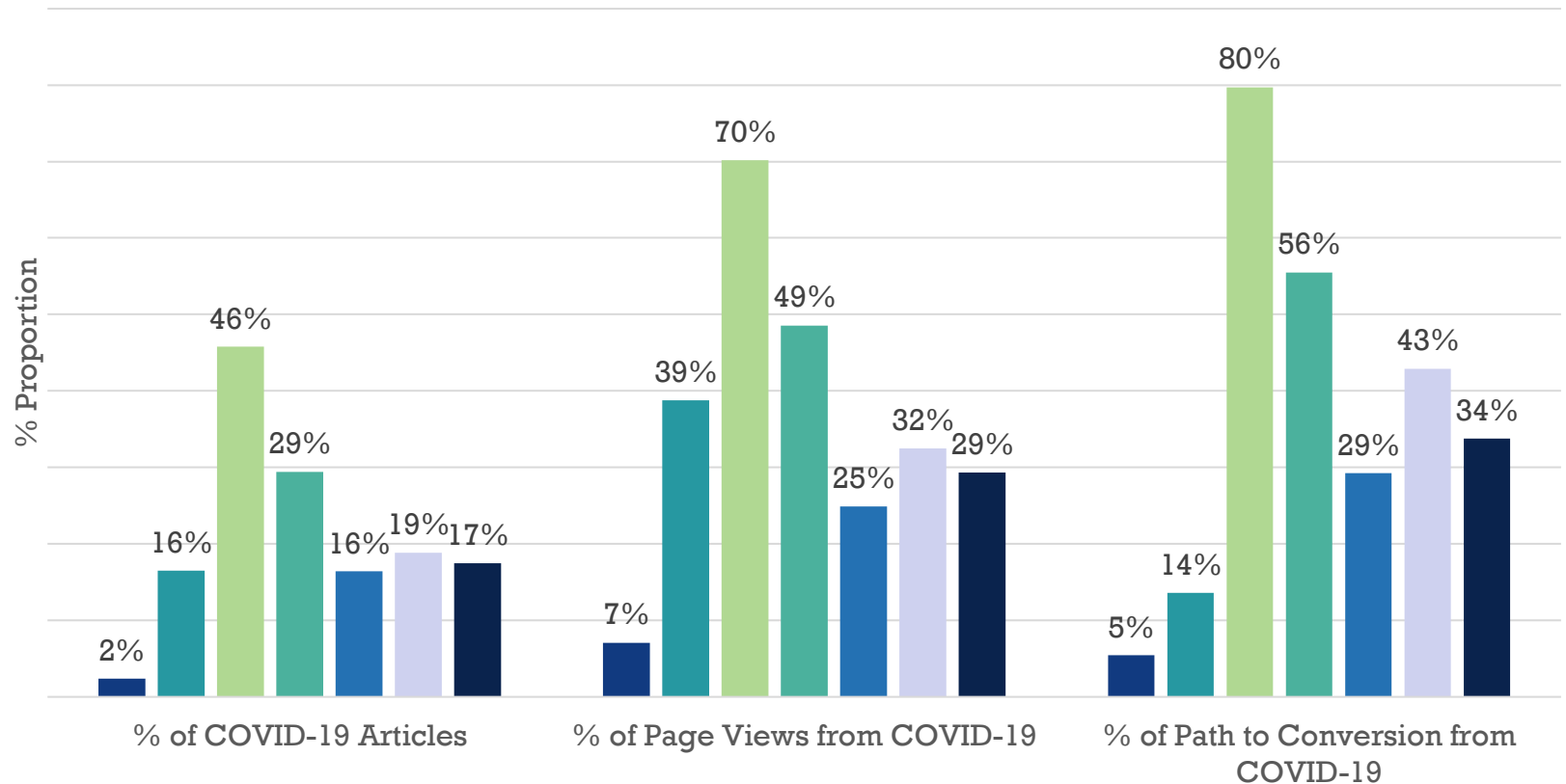
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INDUSTRY CONTENT BENCHMARKS

In the most recent 30-day period, explicitly tagged COVID-19 content that appears on the path to conversion has declined to 34% vs. a high of 80% during the April period.

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

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

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

■ Period Ending Feb 16   ■ Period Ending March 17   ■ Period Ending April 16
■ Period Ending May 16   ■ Period Ending June 15   ■ Period Ending July 15
■ Period Ending August 14

% Proportion

% of COVID-19 Articles
- 2%
- 16%
- 46%
- 29%
- 16%
- 19%
- 17%

% of Page Views from COVID-19
- 7%
- 39%
- 70%
- 49%
- 25%
- 32%
- 29%

% of Path to Conversion from COVID-19
- 5%
- 14%
- 80%
- 56%
- 29%
- 43%
- 34%

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INDUSTRY SUBSCRIPTION BENCHMARKS

New conversion growth is past its peak and slowly trending down towards March levels.
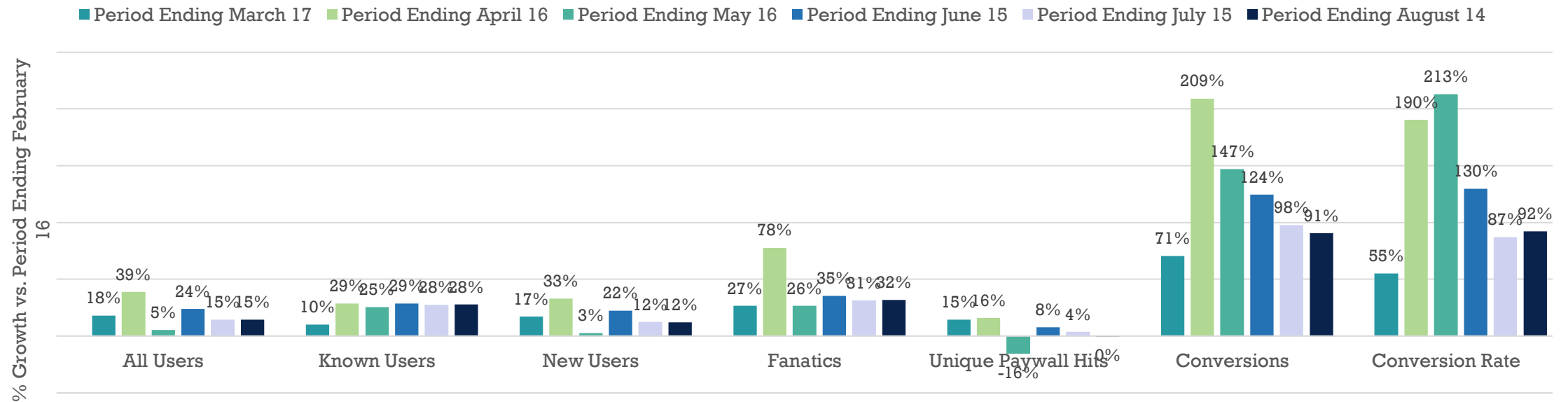
There continues to be relative growth in subscriptions compared to February.

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 identical to February levels, suggesting non-paywall channels are key for subscription growth.

The Conversion Rate has stabilized from the influx of Fanatic users as well, making the paywall more effective.

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

Legend: ■ Period Ending March 17 ■ Period Ending April 16 ■ Period Ending May 16 ■ Period Ending June 15 ■ Period Ending July 15 ■ Period Ending August 14

Y-axis: % Growth vs. Period Ending February 16

Metric	March 17	April 16	May 16	June 15	July 15	August 14
All Users	18%	39%	5%	24%	15%	15%
Known Users	10%	29%	25%	29%	28%	28%
New Users	17%	33%	3%	22%	12%	12%
Fanatics	27%	78%	26%	35%	31%	32%
Unique Paywall Hits	15%	16%	-16%	8%	4%	0%
Conversions	71%	209%	147%	124%	98%	91%
Conversion Rate	55%	190%	213%	130%	87%	92%

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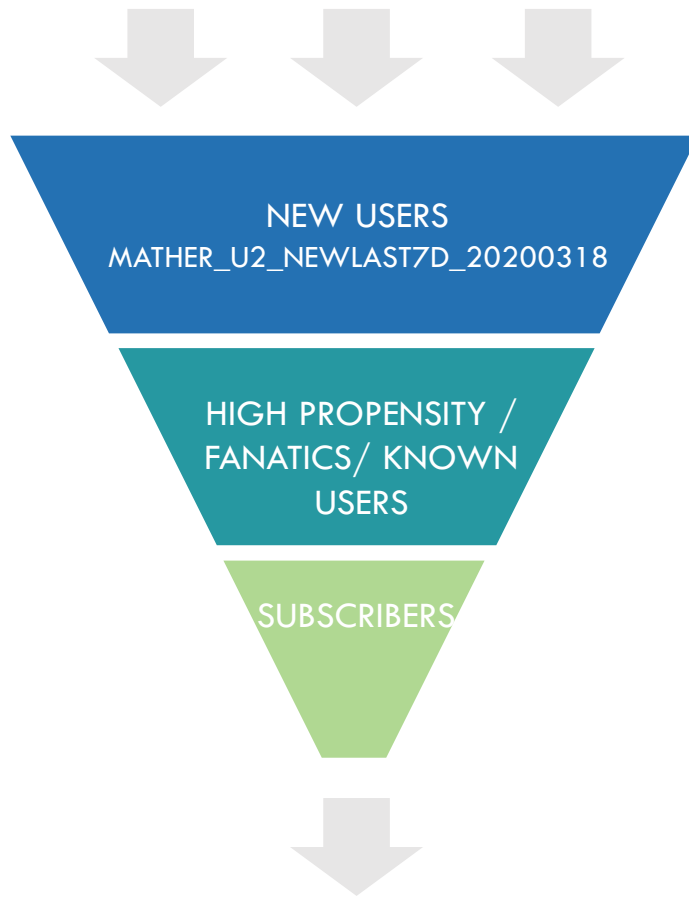# CONSIDERATIONS FOR Q4 2020

A new normal

- A majority of publishers have sustained new engagement levels from Fanatics and Known users

- Risk still remains if engagement drops to March levels, which will reduce the strong conversion rates

- New subscribers pose a high churn risk if engagement abates

- The one metric that has returned to pre-COVID-19 levels is the % of users who encounter a paywall

Key focus areas to close 2020 will be:

- Analyze cost per acquisition across your channels to marketing dollars are spent wisely

- Continue testing top/mid/bottom funnel tactics:
    - Use social media to attract new users push them down the funnel (do not expect these channels to convert!)
    - Use registration walls and newsletters to generate new "leads" (engage them with your content, do not expect them to convert!)
    - Refine subscriber onboarding touchpoints and apply engagement data to target retention campaigns and price actions
    - Experimenting with personalization in the call-to-action, and testing price and its impact on lifetime value

- Add premium content (subscriber-only) to boost the percentage of users who encounter a paywall, capitalizing on the growth bump in Fanatics and strong conversion rate. Keep a low meter for Fanatics and New Users

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DRIVING ENGAGEMENT ACROSS THE FUNNEL

	MATHER_C2_ COVIDONLY_ 20200318	MATHER_C2_ COVIDFOLLOWER_ 20200318	MATHER_C2_ COVIDINTEREST_ 20200318
NEW USERS MATHER_U2_NEWLAST7D_20200318	▪ 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	▪ 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	▪ 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
HIGH PROPENSITY / FANATICS/ KNOWN USERS	▪ Calibrate content recommendation engines to 80/20 COVID-19 content ▪ Aggressive calls to action. COVID-19 focused content	▪ 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	▪ 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.
SUBSCRIBERS	▪ 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)	▪ 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)	▪ 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

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CREATIVE IDEAS & CASE STUDIES

1

HARD REGISTRATION WALL

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

2

HARD PAYWALL

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

3

PARTNERSHIP OFFER

Create an offer in partnership with an online entertainment/other service
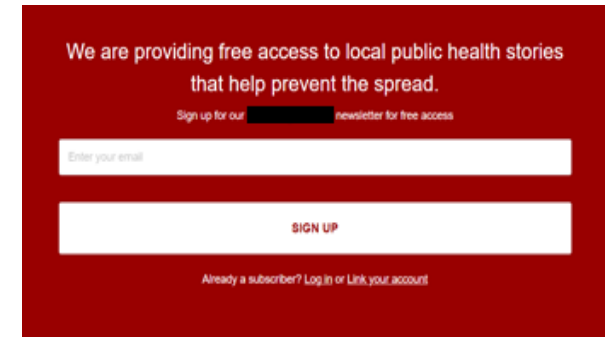
- One publisher offers their subscriber credits for renting movies online
- Another publisher has partnered with a local gym to stream exercise videos

4

DONATION BUTTON

Create a donation button to ask readers to support journalism

We are providing free access to local public health stories that help prevent the spread.

Sign up for our ▬▬▬▬▬ newsletter for free access

Enter your email

SIGN UP

Already a subscriber? Log in or Link your account

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

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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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