

# EVALUATING & EVOLVING PRINT FREQUENCY

A FOUR PART APPROACH to developing a delivery day reduction forecast tool

1

## SUBSCRIPTION FORECASTING TOOL

Leveraging an internal database of weekly subscriber data from hundreds of publishers, we examine impacts from markets that have eliminated print days and use these benchmarks to build a custom subscription revenue tool.

2

## AD REVENUE FORECASTING TOOL

Industry research was consulted to estimate impacts of the pandemic and delivery day reduction on advertising revenue. We've created a forecasting tool for advertising revenue based on these findings.

3

## OPERATING PROFITS ESTIMATE

With our subscription and advertising revenue tools built, we are able to overlay projected expenses provided by the publisher to determine the number of print days that maximizes operating profit.

4

## INCREMENTAL PRICING IMPACT

Mather can provide estimates of pricing sensitivity and incremental pricing revenue corresponding with each level of print delivery reductions.

# OBSERVED MARKET TRENDS

## SUBSCRIPTION



Trends show an initial spike in print attrition that diminishes over the course of 2-3 months to pre-cut levels



Reducing print delivery days has a permanent and negative impact on print start volume



Publishers see a modest boost to digital start volumes with e-edition usage the day of the print reduction increasing significantly



Most publishers do not reduce rate after a delivery day reduction



## ADVERTISING

The demand for advertising has a very close relationship with domestic economic performance



Forecasts call for a slow and incomplete recovery from economic slowdown from the pandemic

9%

Average combined advertising revenue declines 9% annually pre-COVID



Small impacts to revenue from cutting one day accelerates as more days are eliminated

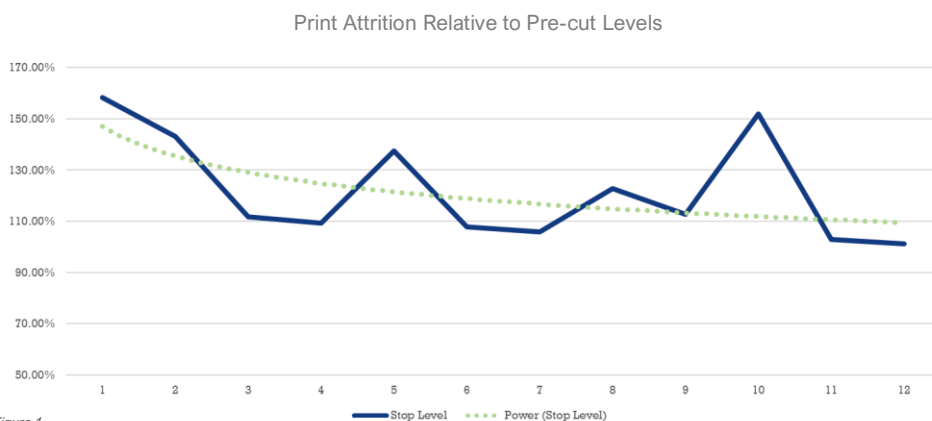


Figure 1.

YEAR	SCENARIO	TOTAL OPERATING PROFIT%
FY 2020	Print 7 Days	-114%
	Print 7 Days	-5.45%
	Print 5 Days	1.85%
FY 2019	Print 4 Days	2.83%
	Print 3 Days	1.33%
	Print 2 Days	-2.38%
	Print Saturdays	-10.39%

**2.83%**  
Operating profit as percentage of revenue

Figure 1 shows the glide path of attrition in the weeks following the cut of one delivery day relative to before the reduction. An initial spike in attrition is followed with a slow leveling off to pre-cut levels.

**9%**  
decrease in subscription revenue

**18%**  
decrease in advertising revenue

**17%**  
decrease in operating expenses

Figure 2  
Overlaying the expenses into our projected figures indicated retaining 3-5 print days would result net positive operation profit with an optimal case of retaining 4 print days for this publisher.

Figure 2.

## BUILD YOUR OWN FORECASTING TOOL

For follow up questions or your own custom-built forecasting tool, reach out to:



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