

Building a first-party data media company: The next big transformation

Mather Symposium May 2021

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Agenda

1. Industry background
2. Publisher data case study
3. Developing a data strategy
4. Where is the payoff?
5. Q&A

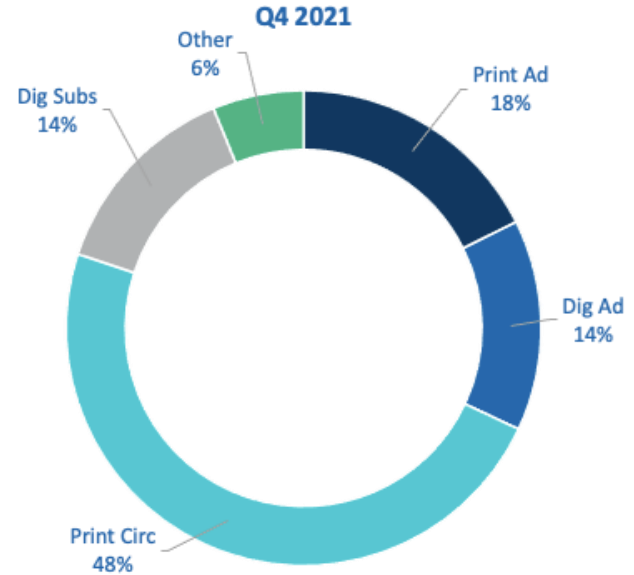
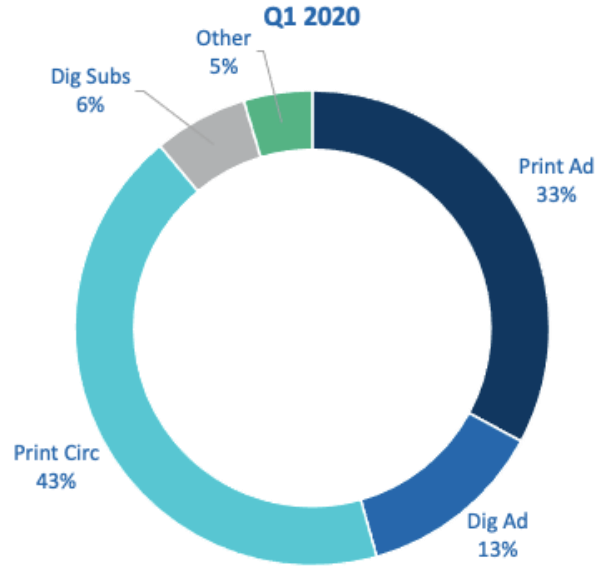


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Industry Background

Newspaper Industry Revenue Background

Digital Revenue Levels are Not Enough for Sustainability



Source: FTI Consulting May 2020 Newspaper Industry Forecast



Market Headwinds

Challenges

Safari

- Cookies restricted to 7 day expiration (some 1 day)
- Blocks 3rd party/cross-site tracking

Chrome

- Indicated 3rd party cookies will be going away, testing/introducing FLOC as a replacement

Apple IDFA (Vast majority of native apps for publishers)

- Requires opt-in on tracking, limits access to Advertiser ID

Data Privacy | Pending Legislation

- GDPR, CCPA, additional pending legislation

Implications

Identification of Anonymous users

- Limits ability to track users if they do not come back within 7 days
- User inflation, meter reset, limits on ability to create longer term segments for targeting.

3rd Party data value becomes extremely limited

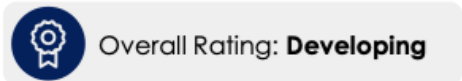
- Estimated 40% of 3rd party cookies are dead

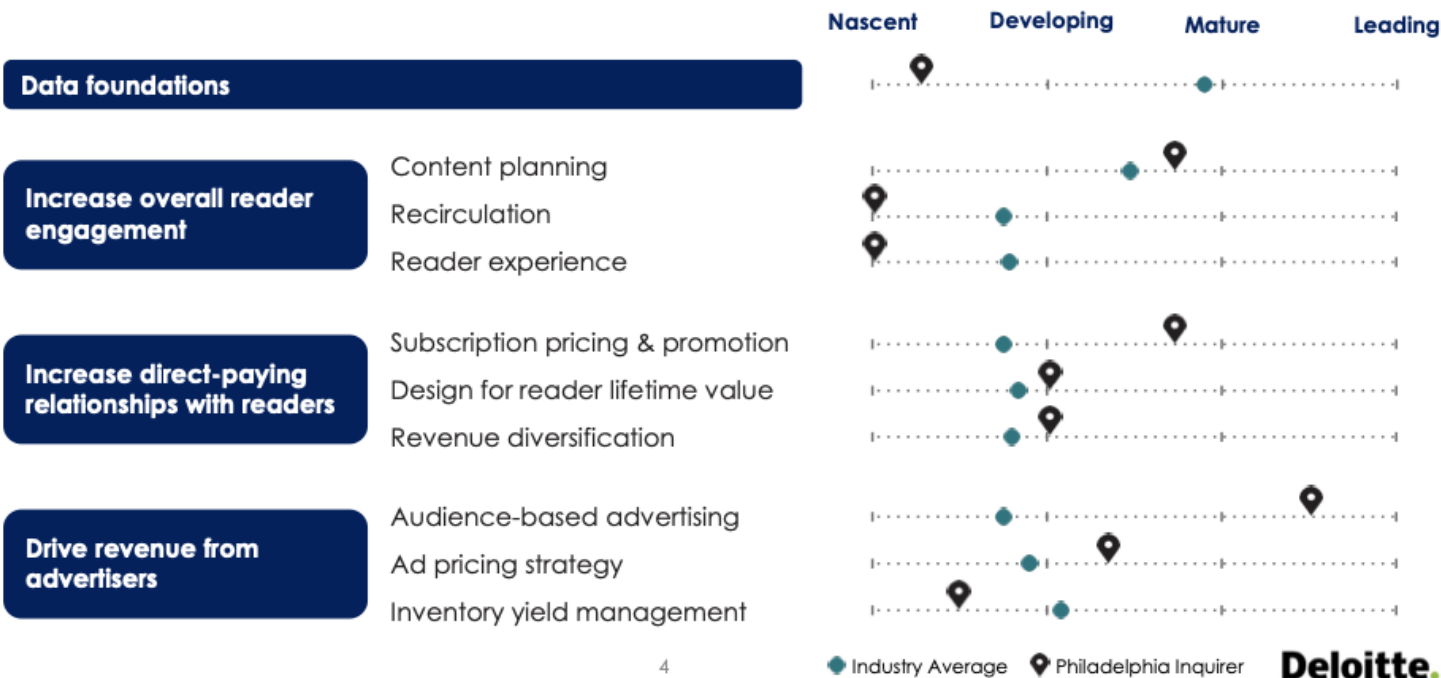
Programmatic Advertising CPMs have seen declines on Safari along with expected declines on Chrome.

Newspaper Industry - Publishers are Not Yet Data Ready

Data Maturity Self Assessment

The Philadelphia Inquirer's self assessment suggests strengths that fall above industry average and reveals development opportunities

 Overall Rating: **Developing**



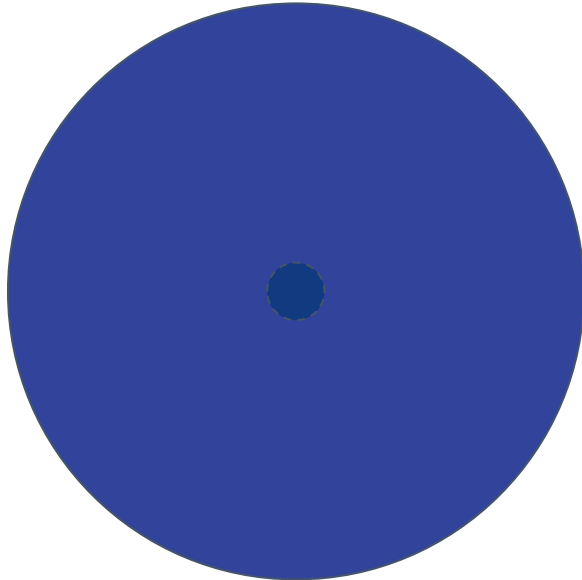
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Background Data

Philadelphia Inquirer Case Study

Audience Data Volume vs. Digital Revenue Today

**3rd Party Audience Data |
Digital Advertising Revenue**



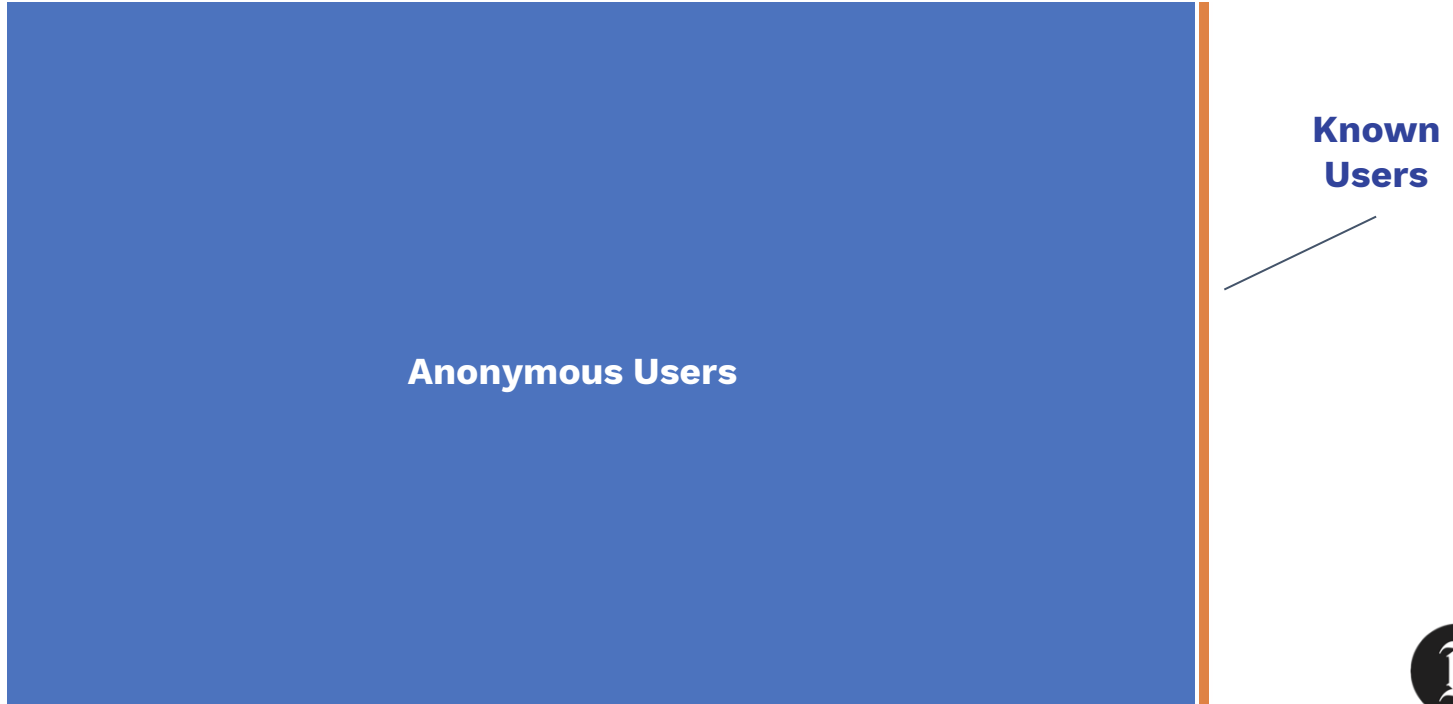
**1st Party Audience Data |
Digital Subscription Revenue**



Philadelphia Inquirer Case Study

Anonymous vs. Known Users

Goal is to grow known user percentage from 1% currently to 15% in year 1 and 50% in year 3.



Known User Strategy

As third party data goes away, it is imperative that publishers turn their anonymous users in to known users.

Registration

Transparently collect first party data directly from our users by utilizing onsite pop-up modals and email to entice users to create an account with a password.

Progressive Profiling

In an effort to continue building our user profiles, we take a gradual approach at directly asking users for information that they are willing to give. This decreases the amount of friction when initially creating an account. Once they are paid subscribers, users should manage that information in their account.

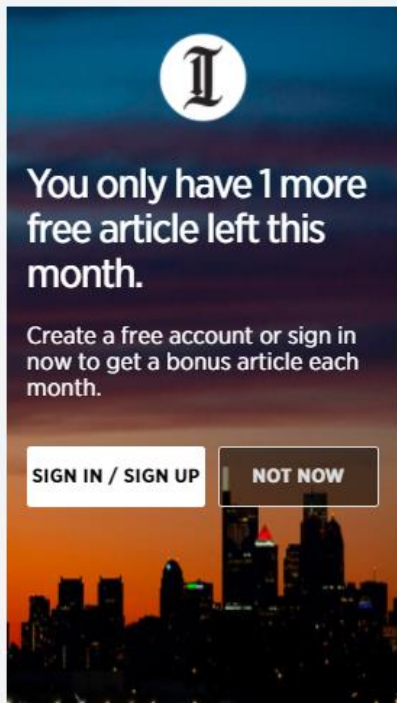
Customer Data Platform

A CDP helps us collect, store and utilize data. We can use the cdp to target anonymous users to make them known users to eventually paid subscribers.



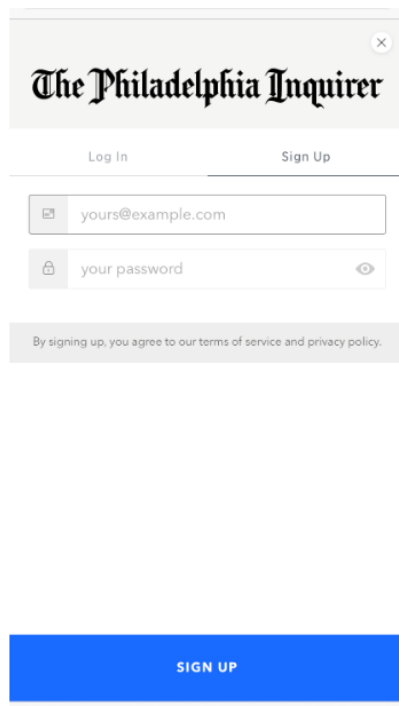
Improving Known Users Through Registration

Served after first article click



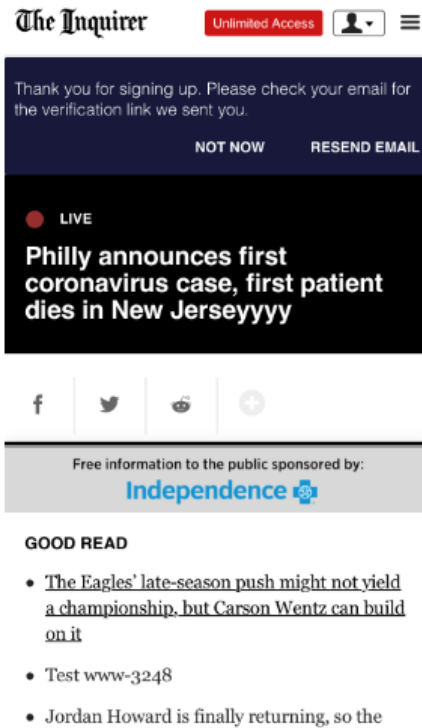
The Inquirer logo (a stylized 'I' in a circle) is at the top left. Below it, the text reads: "You only have 1 more free article left this month." Underneath that, it says: "Create a free account or sign in now to get a bonus article each month." At the bottom, there are two buttons: "SIGN IN / SIGN UP" and "NOT NOW". The background of the banner is a city skyline at night.

Served once sign in/sign up is clicked



The Philadelphia Inquirer logo is at the top. Below it are "Log In" and "Sign Up" links. The "Sign Up" link is active. There are two input fields: one for email (containing "yours@example.com") and one for password (containing "your password" and a toggle eye icon). Below the fields is a small text: "By signing up, you agree to our terms of service and privacy policy." At the bottom is a large blue "SIGN UP" button.

Served once you sign up



The Inquirer logo is at the top left. To its right is a red "Unlimited Access" badge, a user profile icon, and a hamburger menu icon. Below this is a dark blue banner with white text: "Thank you for signing up. Please check your email for the verification link we sent you." Underneath are two links: "NOT NOW" and "RESEND EMAIL". Below that is a "LIVE" indicator (a red dot) and a headline: "Philly announces first coronavirus case, first patient dies in New Jerseyyyy". At the bottom are social media icons for Facebook, Twitter, and YouTube, plus a plus sign for more. Below the social icons is a grey box with the text: "Free information to the public sponsored by: Independence" with a logo. Below that is a "GOOD READ" section with a list of articles:

- [The Eagles' late-season push might not yield a championship, but Carson Wentz can build on it](#)
- Test www-3248
- Jordan Howard is finally returning, so the



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Developing a Data Strategy

First Party Data Strategy Foundations and Roadmap

- Perform gap analysis
- Drill into revenue use cases
- Develop a known user strategy
- Develop a contextual data strategy
- Become experts in upcoming browser changes



Where are We Going with Data?

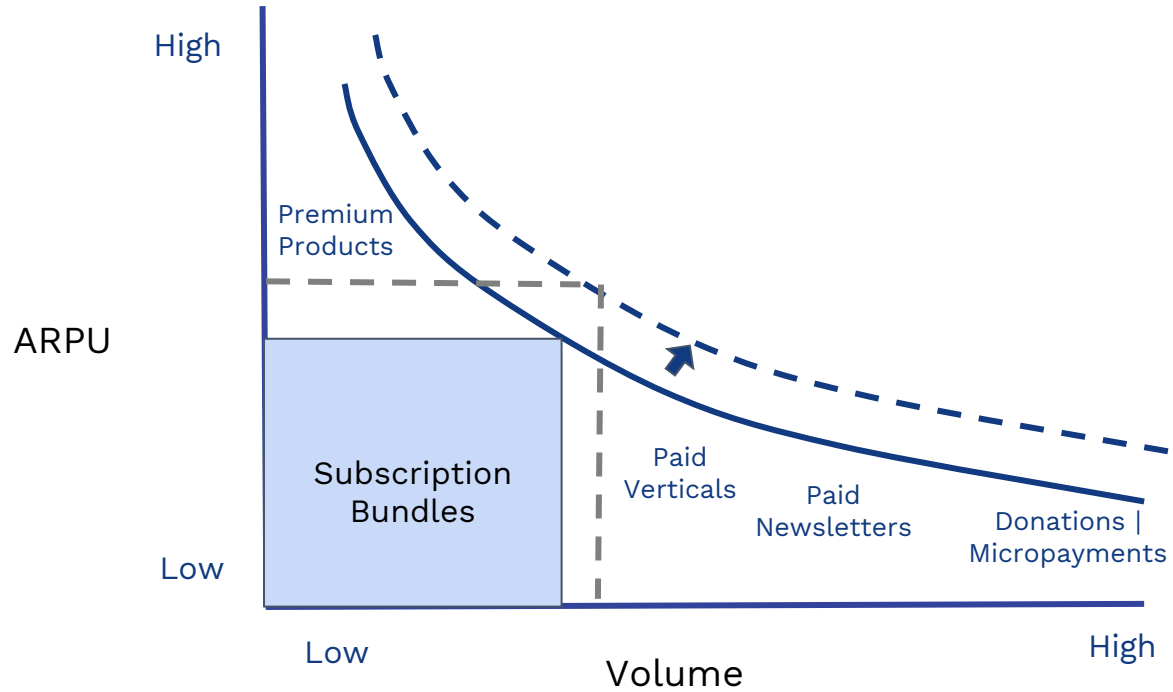
From	To
Programmatic and Direct advertising 100% reliant on 3rd Party Data	Robust first party data capture aligned towards IAB and programmatic use cases complimented by a next gen 3rd party data solution
Content organized by basic site taxonomy	Automated content tagging configured to serve B2B and B2C use cases
1% of inquirer.com users are logged in, known users	By 2023, 50% of inquirer.com users are logged in, known users
User data is scattered across multiple systems and technologies	User data and segmentation is centrally structured and organized to enable customer insights and advanced marketing use cases. A plan for progressive profiling of users is in place
User privacy and compliance is manual and an afterthought	User privacy is automated and core to how we operate as a company



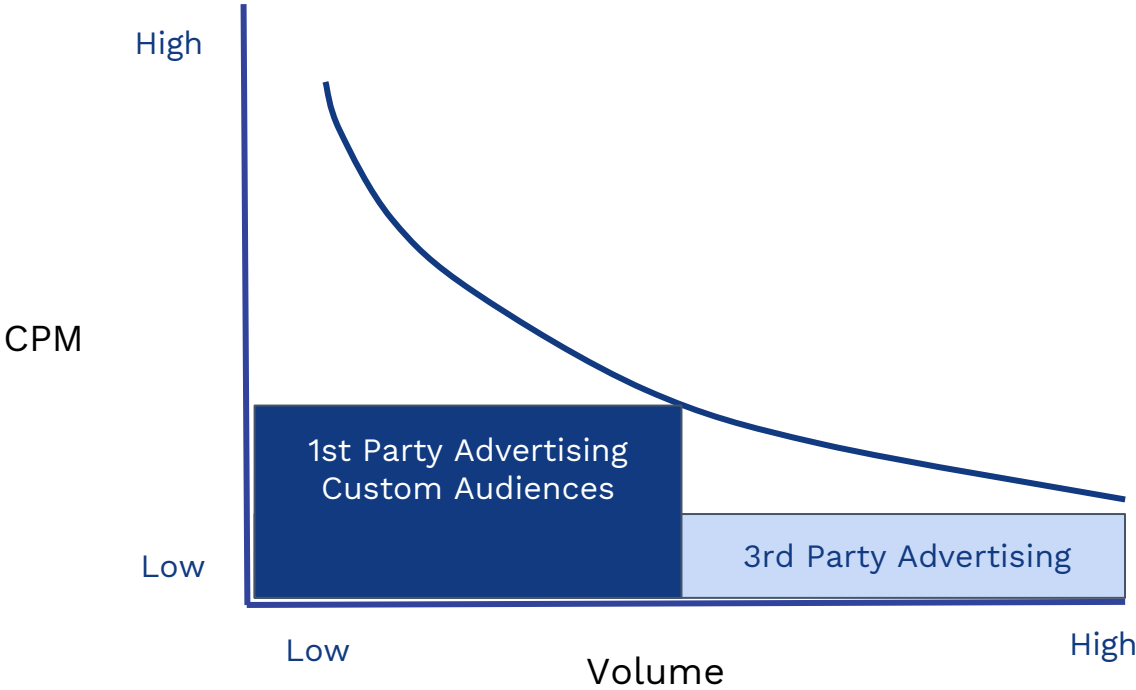
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Where is the Payoff?

Consumer Revenue Powered by First Party Data

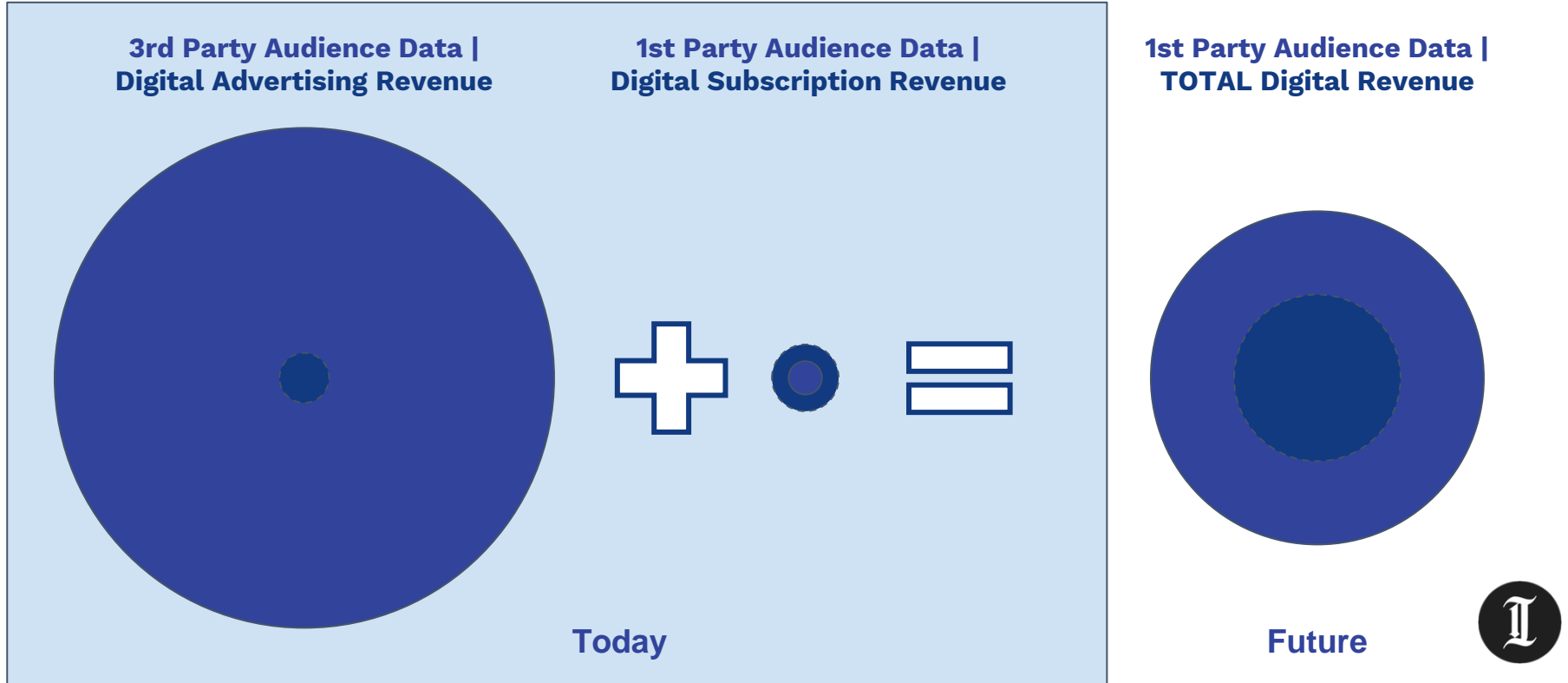


Advertising Revenue Use Cases Powered by First Party Data



Philadelphia Inquirer Case Study

Audience Data Volume vs. Digital Revenue Today | Future



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Thank You

For more information, contact:

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