

The Digital Transformation

New England Newspapers, Inc.

The Berkshire Eagle

Brattleboro Reformer

Bennington Banner

Manchester Journal



A little bit about us

- New England Newspapers, Inc. consists of three daily newspapers, The Berkshire Eagle, The Brattleboro Reformer and The Bennington Banner and one weekly, The Manchester Journal.
- In April 2016, a group of local investors purchased the cluster from Digital First Media, with a goal to make NENI the finest community newspaper group in America.
- All four publications are paginated and printed at our company headquarters in Pittsfield, Massachusetts. As of today, our three dailies are published in print Tuesday-Saturday, along with a digital edition on Monday.

The problem

- Although our digital efforts were strong, we knew that continuing to print 7 days a week wasn't a sustainable way to a digital future.
- The pandemic hit, we lost 50% of our print advertising revenue in the first few months and we knew we needed to make a change.
- The world was adapting to a digital mindset, and it was time to capitalize through a print day reduction.

Let's make a change

- At the time, The Berkshire Eagle was published 7 days a week and the Reformer and Banner were published Mon-Sat.
- We built out every single frequency option with revenue and expense assumptions. Once that was done, we contracted Mather to review and refine our revenue assumptions.
- We landed on moving all three dailies to Tuesday-Saturday in print, with a digital Monday edition and extra e-Edition pages every day.

Moving Forward

- Using our internal forecasts and Mather's analysis, we assumed a 10% loss in total revenue (Circ & Adv.), while decreasing our total expenses by 13%.
- We chose Tuesday-Saturday for a variety of reasons, including a 5-day print and distribution schedule, a continuous print schedule and the ability to package the Saturday paper as a weekend edition.
- Print Subscriber rates didn't change, digital rates were increased, and carrier pay was reduced as a % based on the days they no longer delivered.

We did it

- After months of analysis and decision-making, we moved to a Tuesday-Saturday frequency for all three dailies this past October.
- Our [message](#) was clear; a digital transition needed to happen, and it was for the better – for The Berkshire Eagle and our readers.
- At the same time, we launched a new website and heavily promoted our apps, extra e-edition pages and newsletters.

Digital Monday & Weekender

THE NEW ENGLAND NEWSPAPER & PRESS ASSOCIATION'S 2020 NEWSPAPER OF THE YEAR FOR WEEKDAY AND SUNDAY EDITIONS

The Berkshire Eagle

Digital Monday
Monday, April 26, 2021

'A lot more hunger than we've ever had'



PHOTO BY STEPHANIE COLLINS — THE BERKSHIRE EAGLE

Alison Volokostin, Michael Devries, left, and Gary Moore pour the ingredients for apple cinnamon oatmeal into a bag at a food packaging event backed by the Berkshire United Way at St. Mary's School in Lenox. Volunteers with the Berkshire United Way packed 60,000 portions of meals throughout the day that will be distributed to food pantries and other food facilities throughout the county.

As food insecurity rises locally, program aims to address needs directly

BY MICHAEL DELLORE — THE BERKSHIRE EAGLE

THE NEW ENGLAND NEWSPAPER & PRESS ASSOCIATION'S 2020 NEWSPAPER OF THE YEAR FOR WEEKDAY AND SUNDAY EDITIONS

WHAT DOES KINSHIP MEAN TO YOU?

THE ASSIGNMENT COMES DUE...

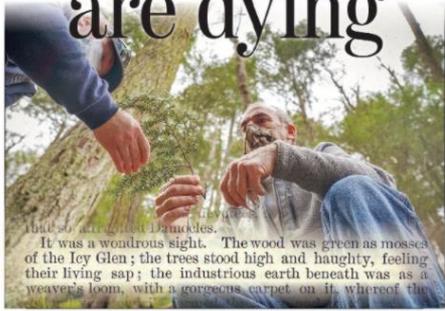
THE BERKSHIRE EAGLE'S 2020 WEEKENDER

Thursday & Sunday, April 8-9, 2021

The Berkshire Eagle

WEEKENDER

Ice Glen's famous trees are dying



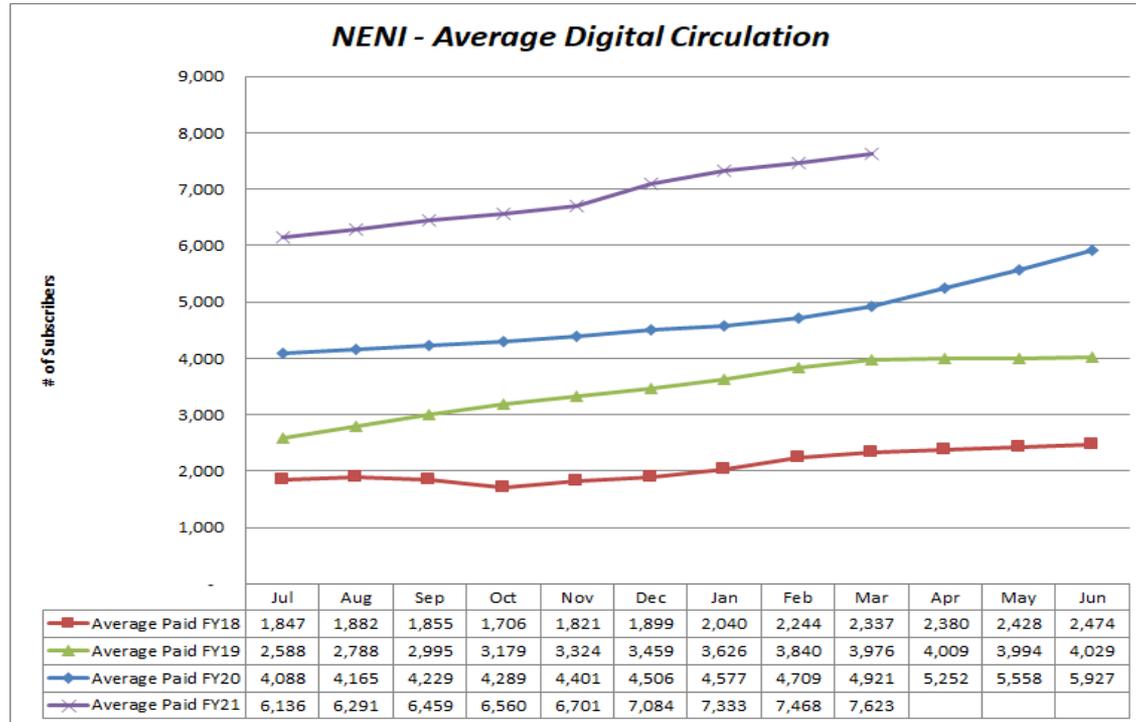
It was a wondrous sight. The wood was green as mosses of the Ice Glen; the trees stood high and haughty, feeling their living sap; the industrious earth beneath was as a weaver's loom, with a gorgeous carpet on it, whereof the

PHOTO BY STEPHANIE COLLINS — THE BERKSHIRE EAGLE

The Results

- At the time of the announcement, we had more praise and support for our decision than complaints. Less than 5 cancellations happened between the announcement and the official move to a 5-day printing schedule.
- Readers adapted; we saw an immediate increase in traffic to our website and our e-Edition, where users grew by 50% on digital Monday.
- Total Circulation Revenue has remained flat vs. last year while decreasing expense by 20%. The only loss in revenue was from the missing Single Copy days, which was replaced by 90% digital subscription revenue growth vs. last year. Home Delivery revenue is flat.
- Advertising revenue was unchanged after the switch, which has resulted in our total revenue being flat to last year and our total expense decreasing by 13%.

The Results (cont'd)



In Closing

- As a company, we see this as a stepping stone to a digital transformation. Your legacy readers will never adapt if you keep giving them exactly what they need in print.
- If you're not considering a print reduction, you should be. If you're not teasing your print readers with online content, you should be.
- This world has leaped into a digital mindset this year and it's time for publishers to start capitalizing on it.

THE SPOKESMAN-REVIEW

spokesman.com

PRESERVING HISTORY

ADAPTING FOR THE FUTURE

Pat Leader

email: patl@spokesman.com



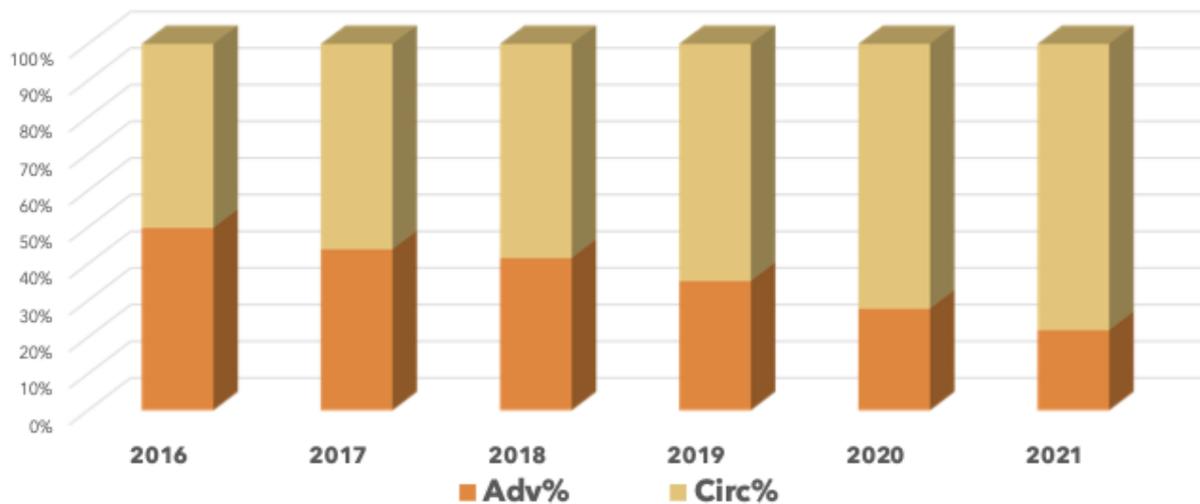
OUR HISTORY

- *The Spokesman-Review* in Spokane, Washington was founded in 1894 by William H. Cowles who had previously been a police reporter for The Chicago Tribune.
- The Cowles family continues to own the newspaper today.
- William Stacey Cowles, the publisher of *The Spokesman-Review*, is the great-grandson of the company's founder, William H. Cowles, and the fourth generation of the Cowles family to run the paper.
- The newspaper's offices continue to be located in the original Review Building, which is listed in the [National Register of Historic Places](#).^[4]

TWENTY-FIRST CENTURY CHALLENGES

- We have a very large footprint covering 16 counties in 2 states.
- Competition in the labor market due to the entrance of a new Amazon facility.
- An aging population of loyal 7-Day subscribers.
- Reduced reliance on print newspapers by consumers resulting in carrier routes with smaller draws but the same mileage.

REVENUE RATIO CHALLENGE



CIRCULATION REVENUE ACTIONS

- Raised subscriber rates by 50% every 9 months for 2 years using MBP. (adding \$2 million in subscriber revenue)
- Added 4 premium editions
- Eliminated vacation credit for the first 14 days of a vacation.
- Relunched a digital paymeter and tripled digital subscribers.
- Launched a robust welcome and stop prevention series to improve churn.

COST SAVING ACTIONS AND TESTS

- Optimized Routes – consolidating to achieve better profitability
- Tested various versions of print reductions in targeted rural areas including:
 - Eliminate print and change subscribers to digital only
 - Group A tested a reduced rate
 - Group B no rate change.
 - Group C offer tablet and learning sessions
 - Reduce print delivery to Wednesday/Sunday only - offer tablet and learning sessions
 - Change subscribers to mail
 - All of our tests resulted in an 80% revenue loss.
 - Eliminated Saturday print everywhere to reduce expenses by 16%.

THEN WE HEARD ABOUT THIS...



ENGAGEMENT | JAN 13, 2020

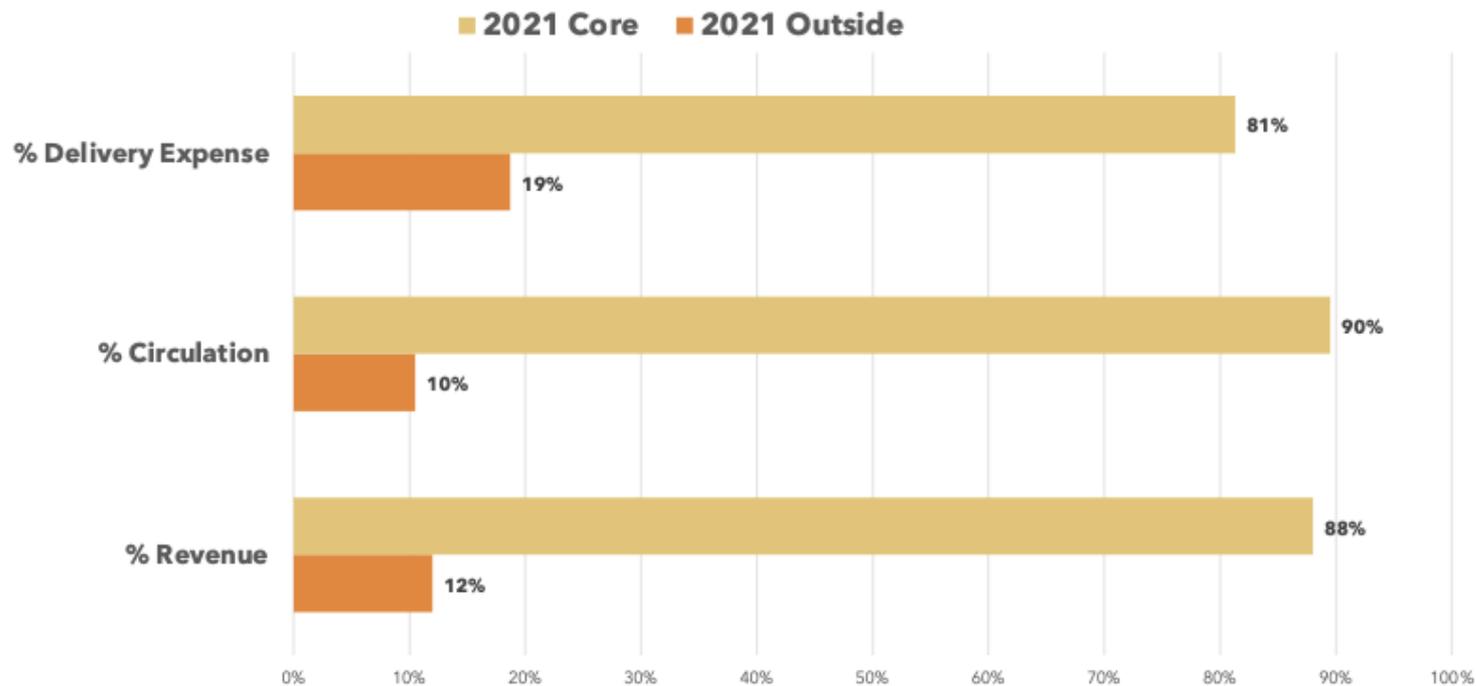
The Arkansas Gamble: Can a Tablet and a Print Replica Rescue Local News?

by MARK JACOB | [LOCALNEWSINI](#)

BUT BEFORE WE TOOK THE LEAP...

- Asked Mather to analyze our data and help with our decision
- Mather looked at our all of our historic circulation data, advertising data and expenses.
- They provided a recommendation that we cut one more day and that the results would be positive within 2 years.
- We were asked to do more – cut two more days or maybe just print two days.
- We looked for a solution with less risk.

GEOGRAPHIC COMPARISON



OUR DECISION

- 90% of our circulation and 88% of our revenue is from our two core counties.
- Those counties only account for 81% of our expenses.
- We've decided to make our first new print cuts in the other 14 counties.
- We tested this option in one of our 16 counties in January with good results.
- On May the 17th, we will eliminate Monday and Tuesday print delivery in the other 13 counties.