

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.

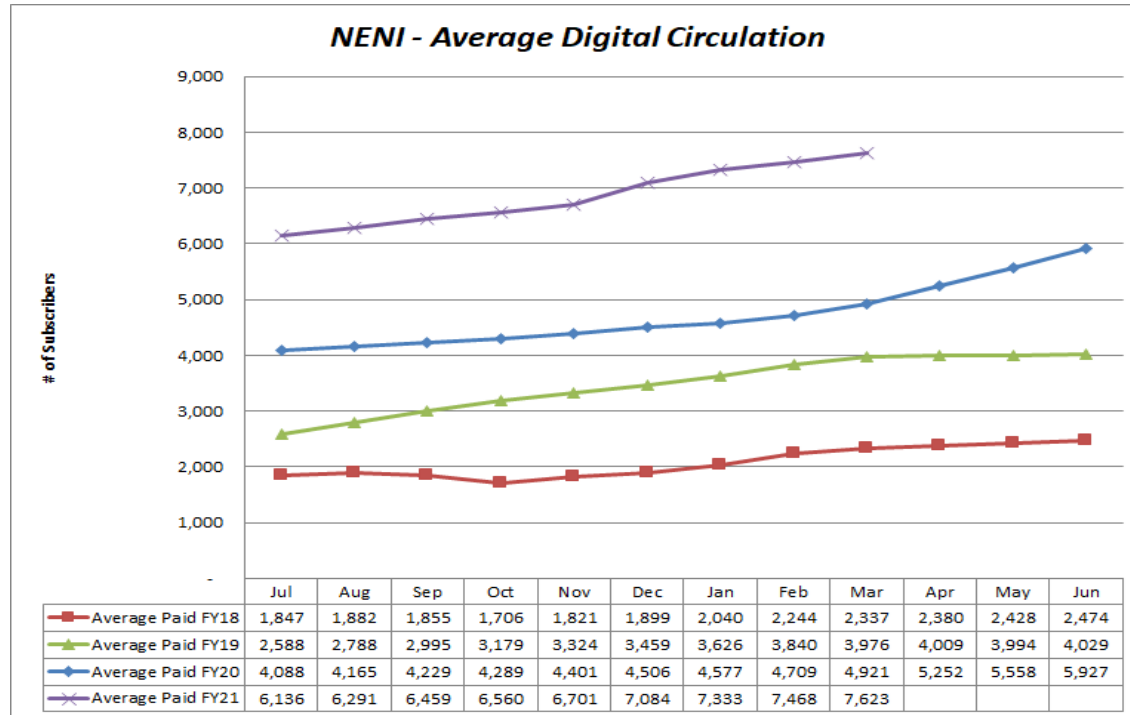
Digital Monday & Weekender



The 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

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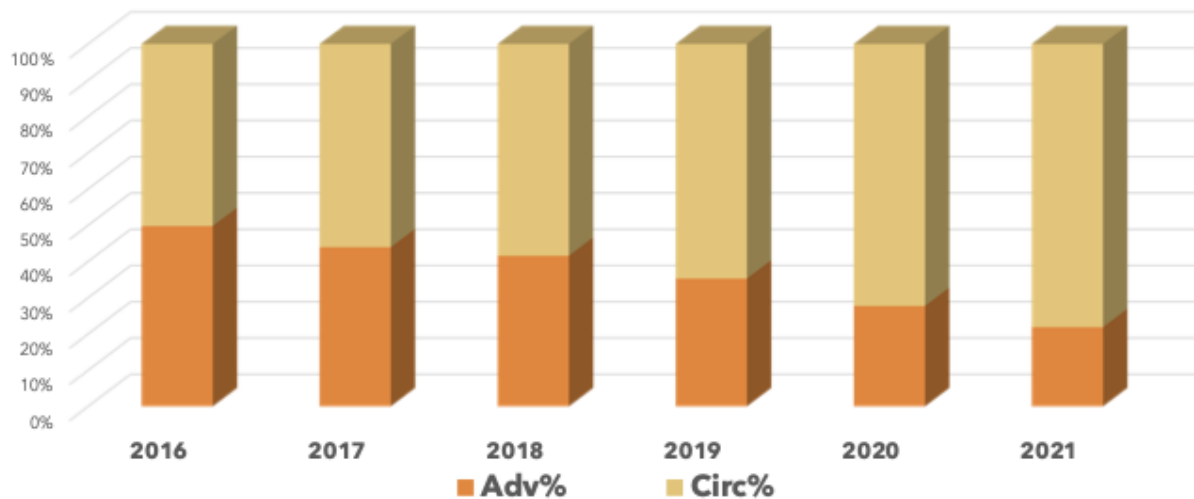
OUR HISTORY

- *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

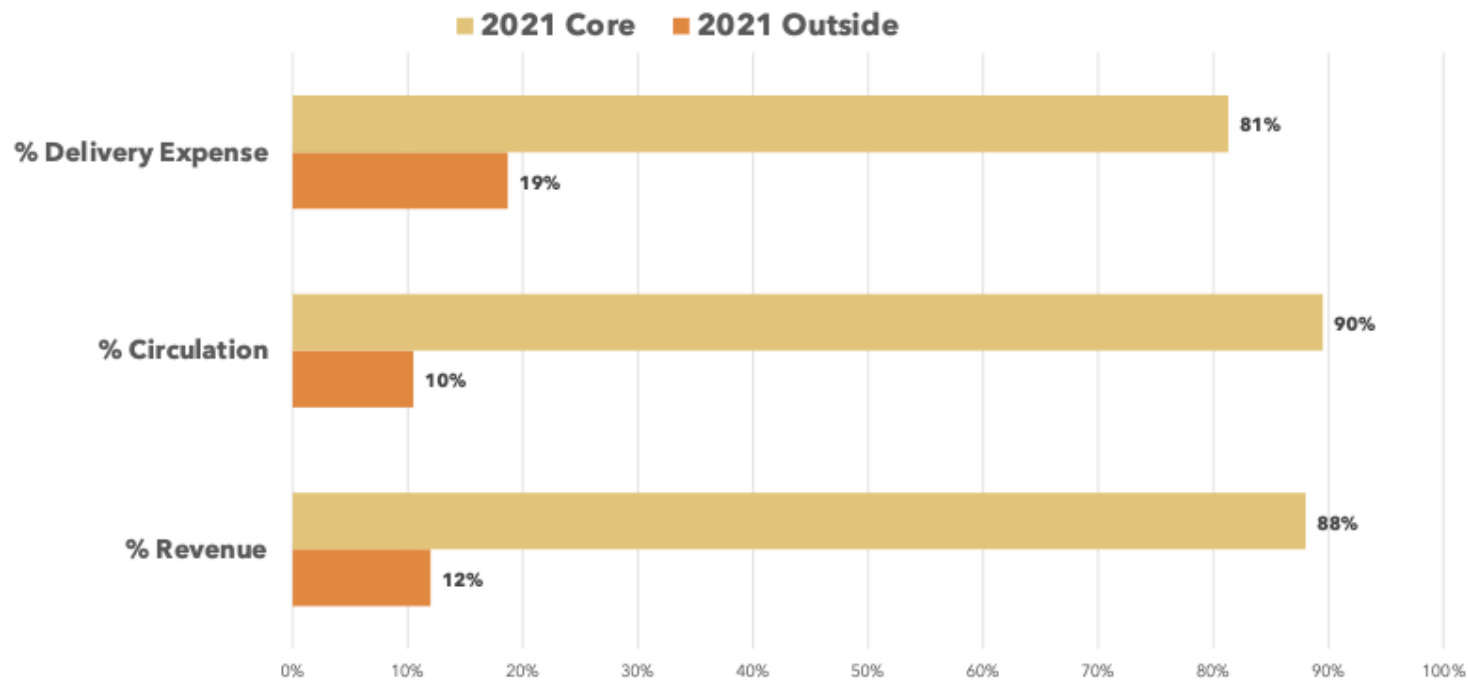
The Arkansas Gamble: Can a Tablet and a Print Replica Rescue Local News?

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.