

The Engagement Driven News Organization

Benchmarks & Best Practices for Building and Monetizing an Engaged Audience—from 500+ Publications Worldwide



JOURNALISM
INNOVATION
DEMOCRACY

A lot of people are talking about engagement

MODERN NEWSROOM

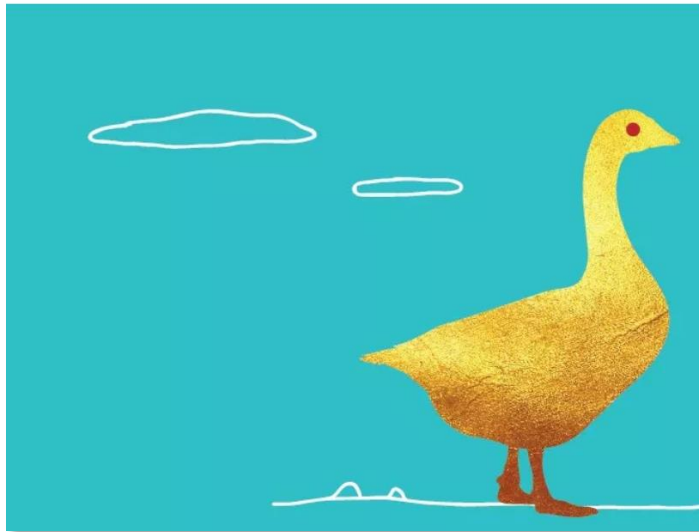
In an era of loyalty, newspaper publishers focus on time spent and frequency

FEBRUARY 19, 2018 by [Max Willens](#)

INDUSTRY INSIDERS

December 14, 2017

Why Publishers Are Shifting Focus to Engagement Metrics Over Pageviews



Taboola Blog > Audience Engagement > How the New Generation of Publishers is Defining Audience Engagement

How the New Generation of Publishers is Defining Audience Engagement



Posted by [Megan Morreale](#)

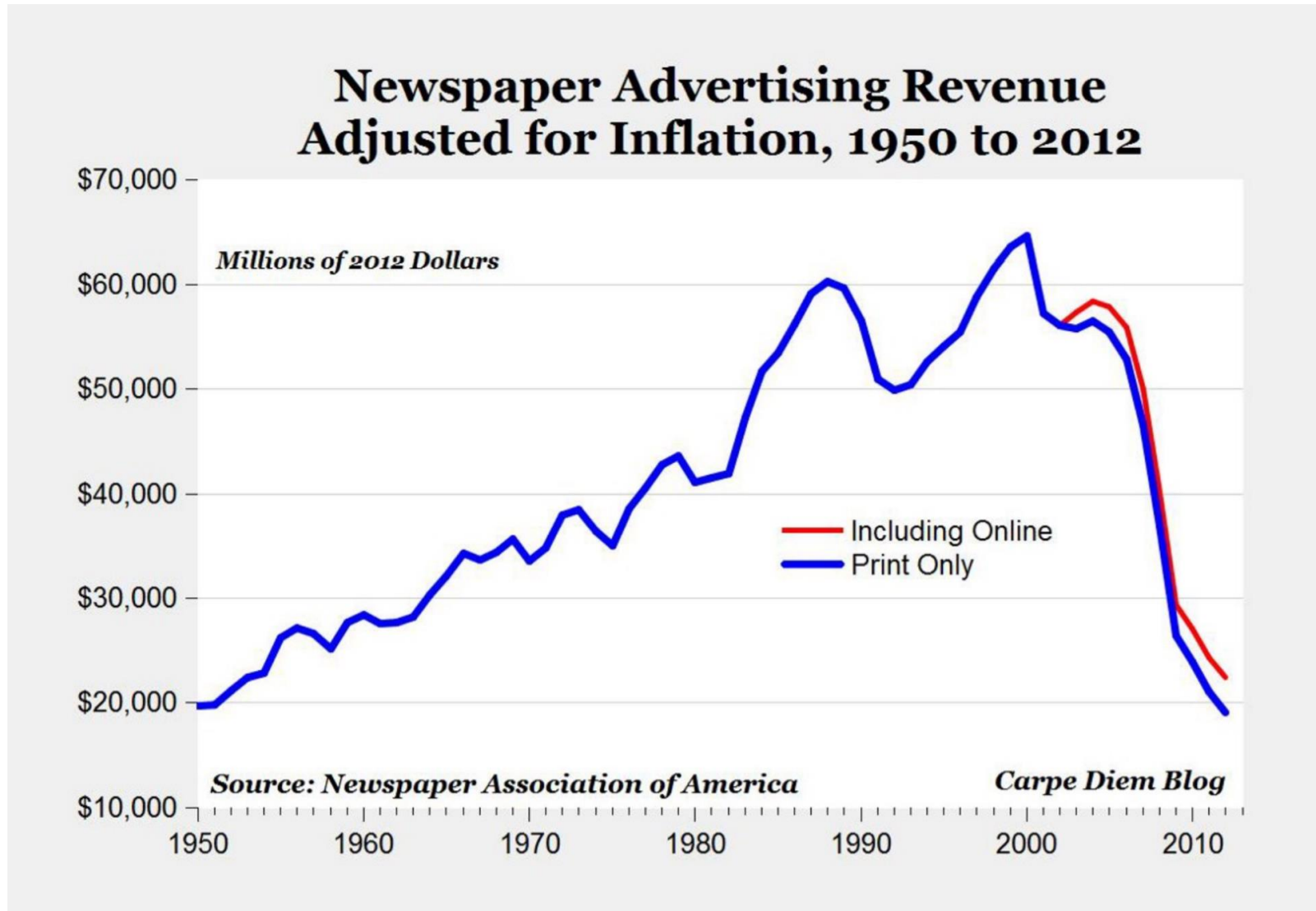
10 August 2017



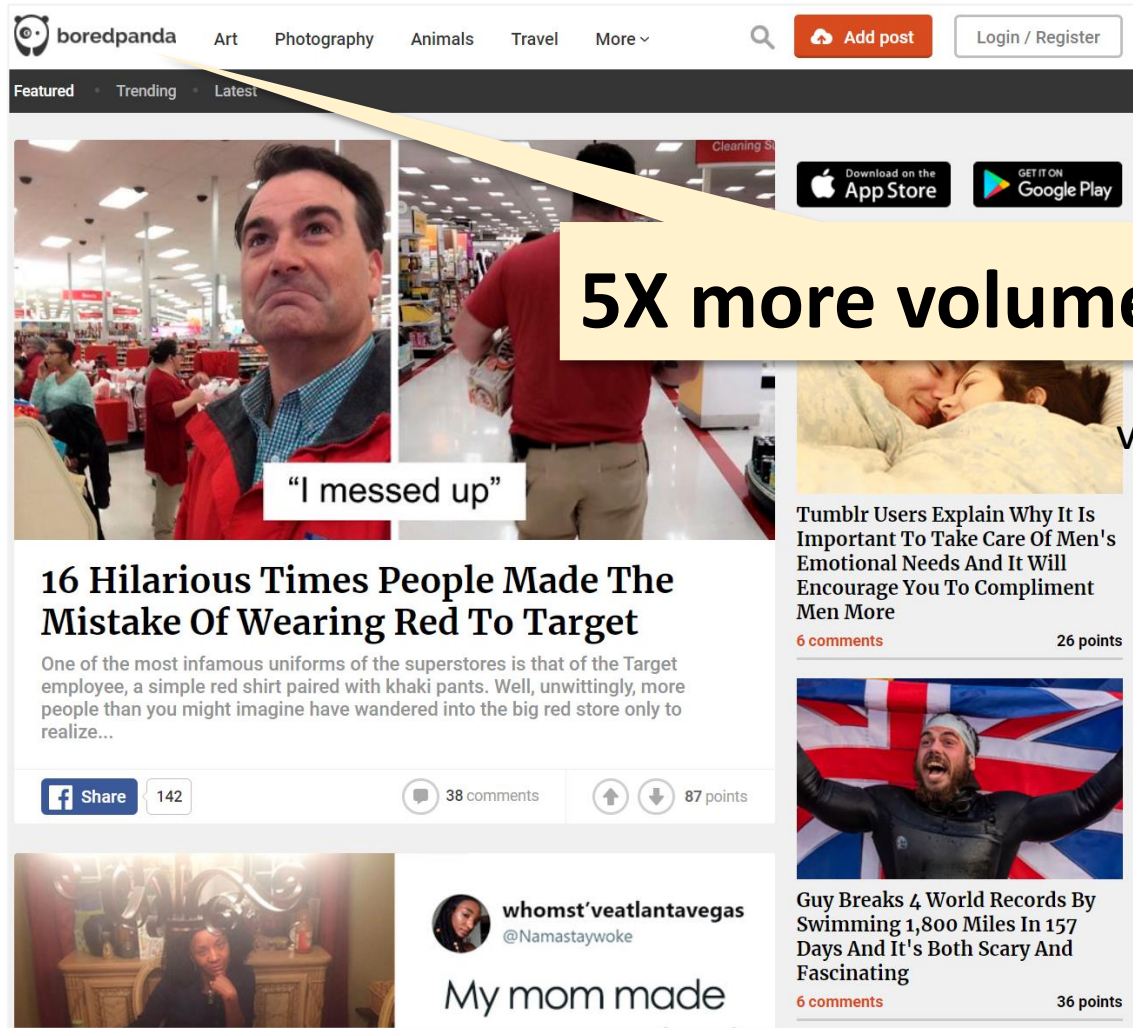
But what exactly *is* engagement?

- When a user **views a certain number of articles in a month?**
- When a user **spends a certain amount of time on your site?**
- When a user **shares your content?**
- When a user **opens your newsletters?**
- When a user **tells their friends about you?**
- When a user... [insert one of a dozen other indicators here].

Context: Ad revenue is down across the news industry



Context: To compete in the audience *volume* game, publishers chase clicks with cheap, low-quality content



boredpanda Art Photography Animals Travel More

Download on the App Store GET IT ON Google Play

“I messed up”

16 Hilarious Times People Made The Mistake Of Wearing Red To Target

One of the most infamous uniforms of the superstores is that of the Target employee, a simple red shirt paired with khaki pants. Well, unwittingly, more people than you might imagine have wandered into the big red store only to realize...

38 comments 87 points

whomst'veatlantavegas @Namastaywoke

My mom made

5X more volume




The Inquirer DAILY NEWS philly.com

NEWS SPORTS BUSINESS HEALTH ENTERTAINMENT FOOD OPINION OBITS REAL ESTATE

Health

At some Philly homes, toilets get flushed into the city's drinking water source. The underground detectives are on the case

Updated: MARCH 21, 2018 — 1:10 PM EDT



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TIM TAI / STAFF PHOTOGRAPHER

The Definition of Engagement that Matters:

Engagement is when readers find your content, products and brand valuable enough that they are willing to pay for it.

Digital subscriptions make serving quality journalism that engages readers your top *business* priority.

Today, we'll look at benchmark data from 500+ publishers

The benchmarks in this presentation come from over 500 publishers across a range of different kinds of publications over the course of several years.

Categories

Examples

National & Major Metro Newspapers

THE INDEPENDENT

CHICAGO SUN-TIMES

THE BALTIMORE SUN

San Jose Mercury News

THE SACRAMENTO BEE

Local & Regional Newspapers

WINSTON-SALEM JOURNAL

Billings Gazette
billingsgazette.com

Post-Tribune

Lancaster ONLINE.com

fayobserver.com

NapervilleSun
A CHICAGO SUN-TIMES Publication

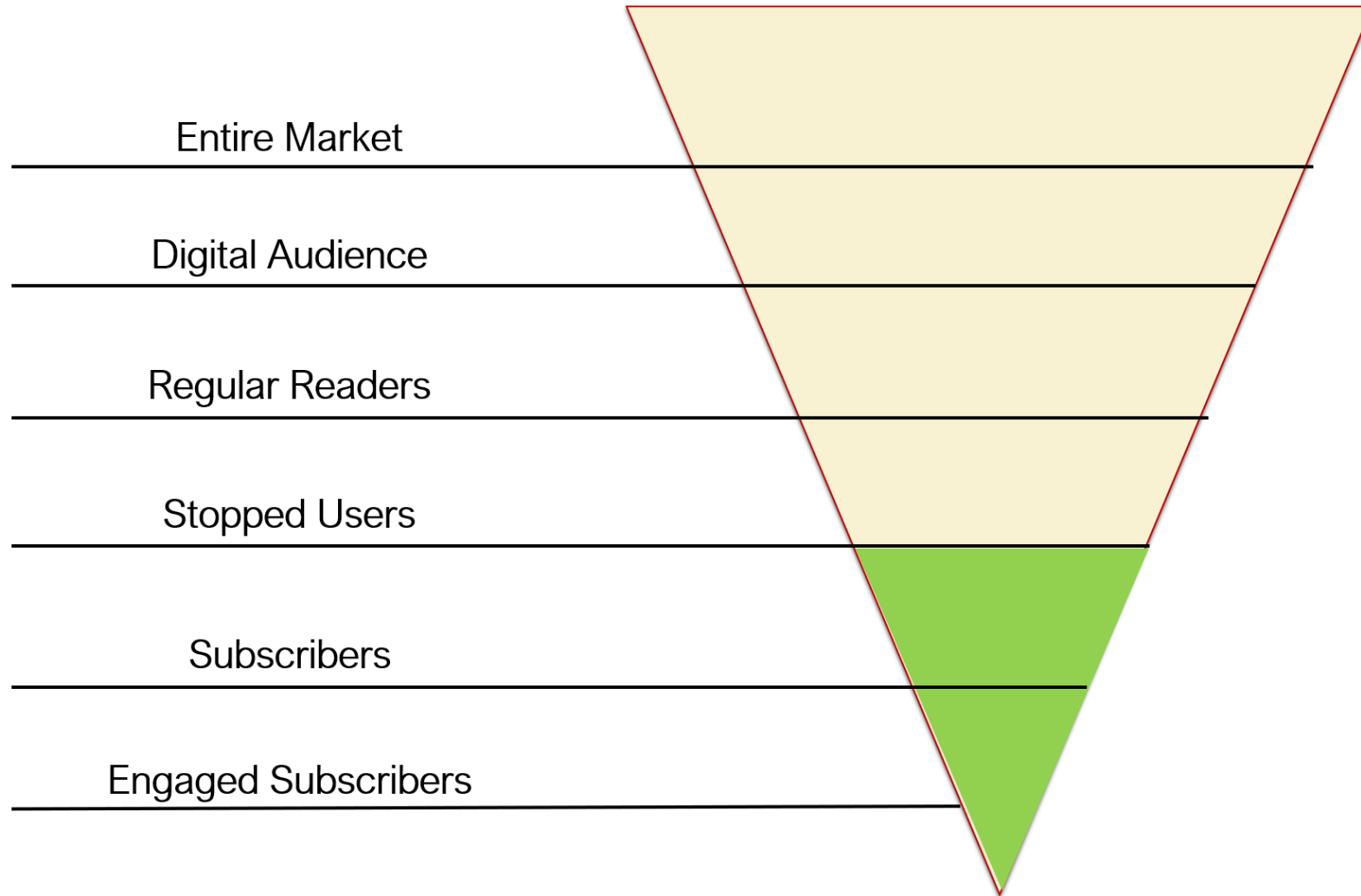
Magazines, Digital-Only Brands, Etc.

the ONION

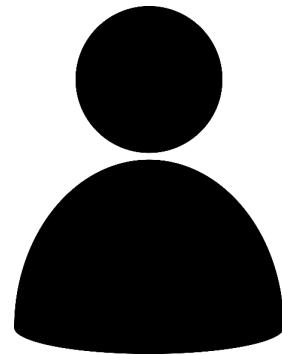
POLITICO

THE LENFEST INSTITUTE

The Audience Engagement Funnel



Or... The Reader Engagement Journey



Subscription marketing is about increasing your readers' engagement until they're ready to subscribe

SIGN UP FOR MORNING BRIEF Close ✕

Sign up for the [Morning Brief](#) newsletter, a quick overview of today's top stories and need-to-know news.

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Sign up

No, thank you

The Seattle Times
MORNING BRIEF
FRIDAY, SEPTEMBER 14, 2018



Hurricane Florence collapses hotel, knocks out power to a half-million

Florence made landfall in North Carolina this morning with [screaming hurricane-force winds that stretch across a 160-mile span](#). More than 60 people have been pulled from a collapsing motel, and some communities are already submerged in more than 6 feet of water. This is just the start. [Lethal storm surges](#) — like domes of high water that form as the ocean spreads inland — may reach 11 feet above ground. [One small town fears it will be wiped out entirely](#). Here's a [quick glance at what's happening](#), along with [what not to believe as viral hoaxes swirl](#) about Florence. (Tom Copeland / The Associated Press)

The Seattle Times
SEATTLETIMES.COM

00 00 00 00
DAYS HOURS MINUTES SECONDS

TIME IS RUNNING OUT
\$1 FOR 8 WEEKS
FLASH SALE ENDS SOON

SIGN UP

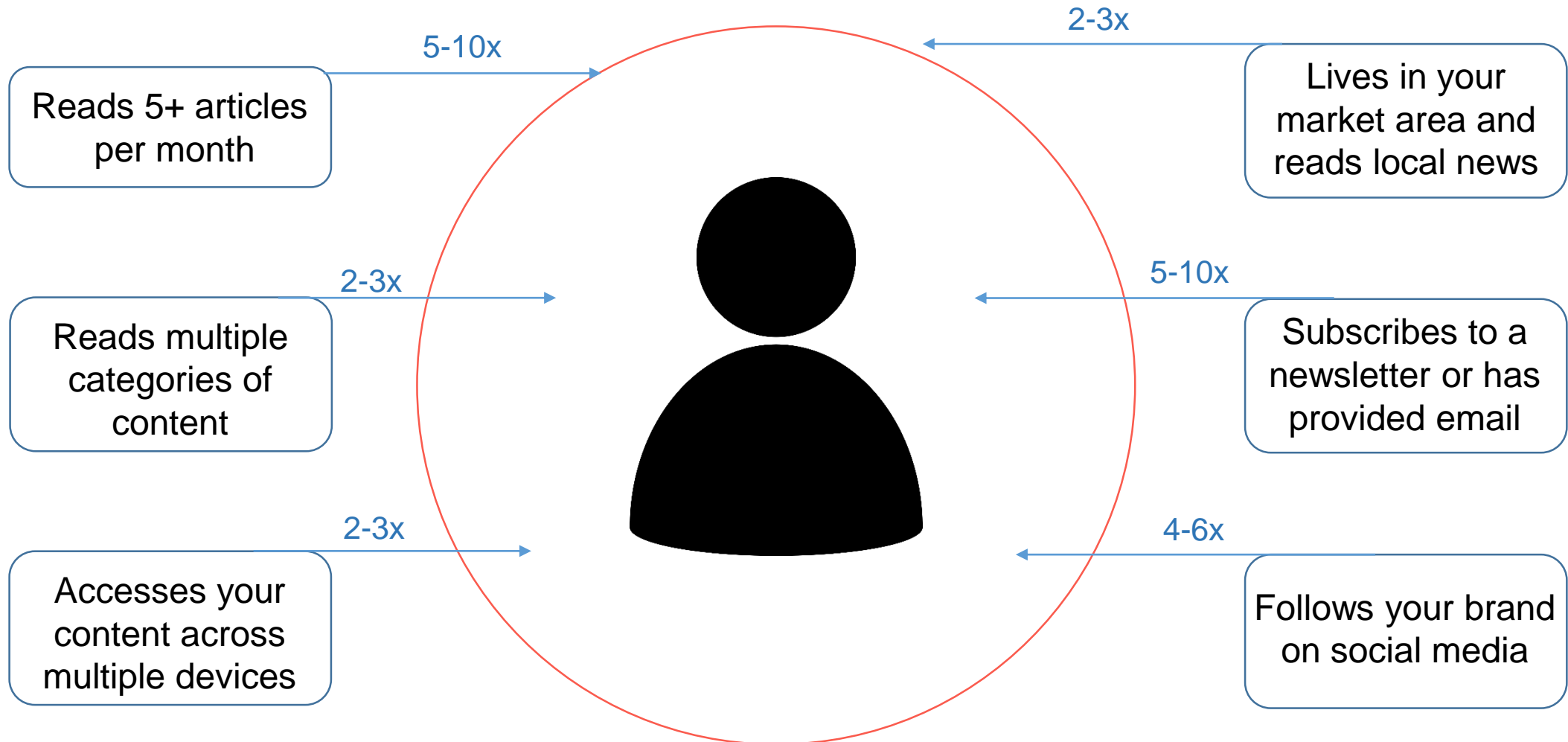
OVER 90% OFF

In a flash, it will be gone. So don't let the clock run out on your chance to save on an 8-week digital subscription. Don't miss it!

SUBSCRIBE ►



Profile of a likely subscriber



The Audience Engagement Funnel - Metrics

Benchmark Categories

Market Penetration

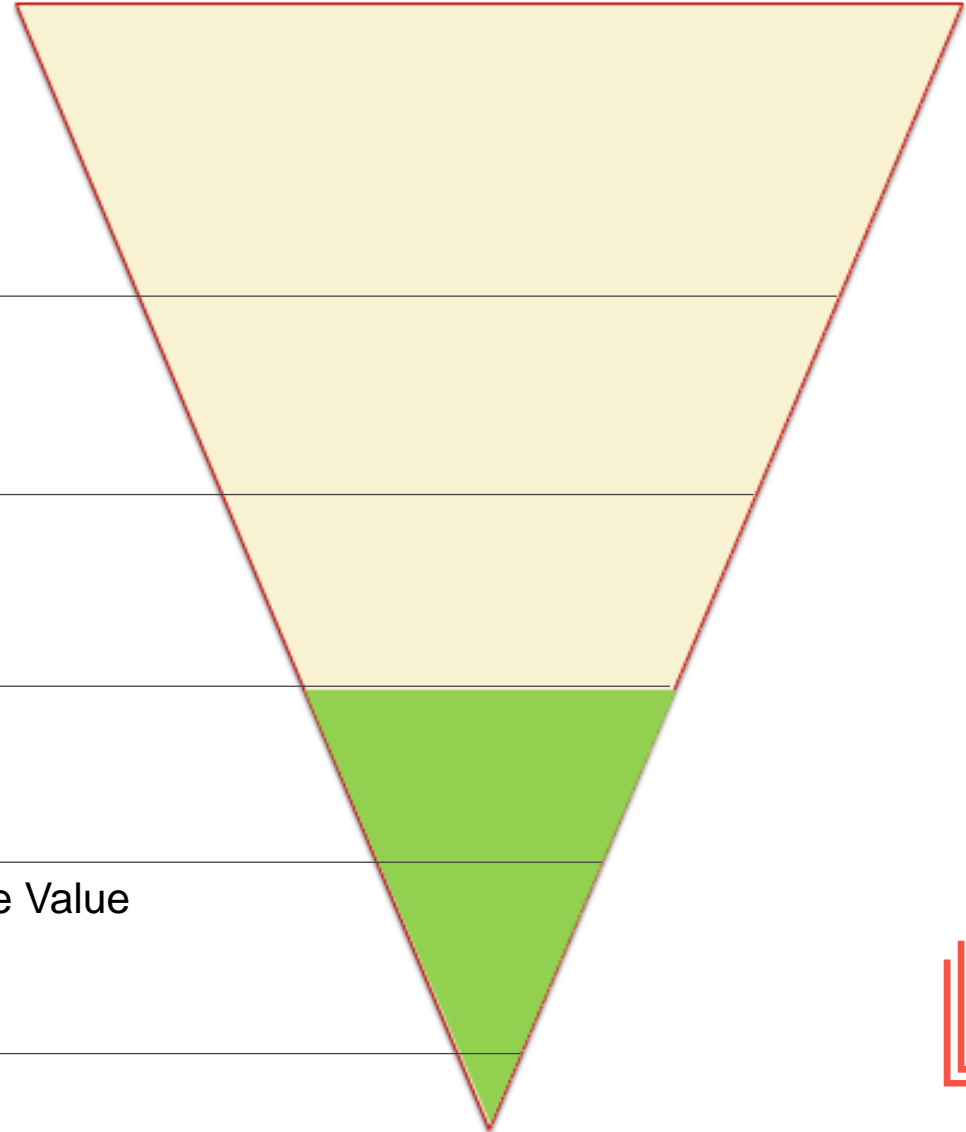
Reader Engagement

Meter Stop Rate // Meter Limit // Stop Conversion Rate

Total Subscribers // Audience-Subs Ratio // ARPU

Churn & Retention // Customer Life // Customer Lifetime Value

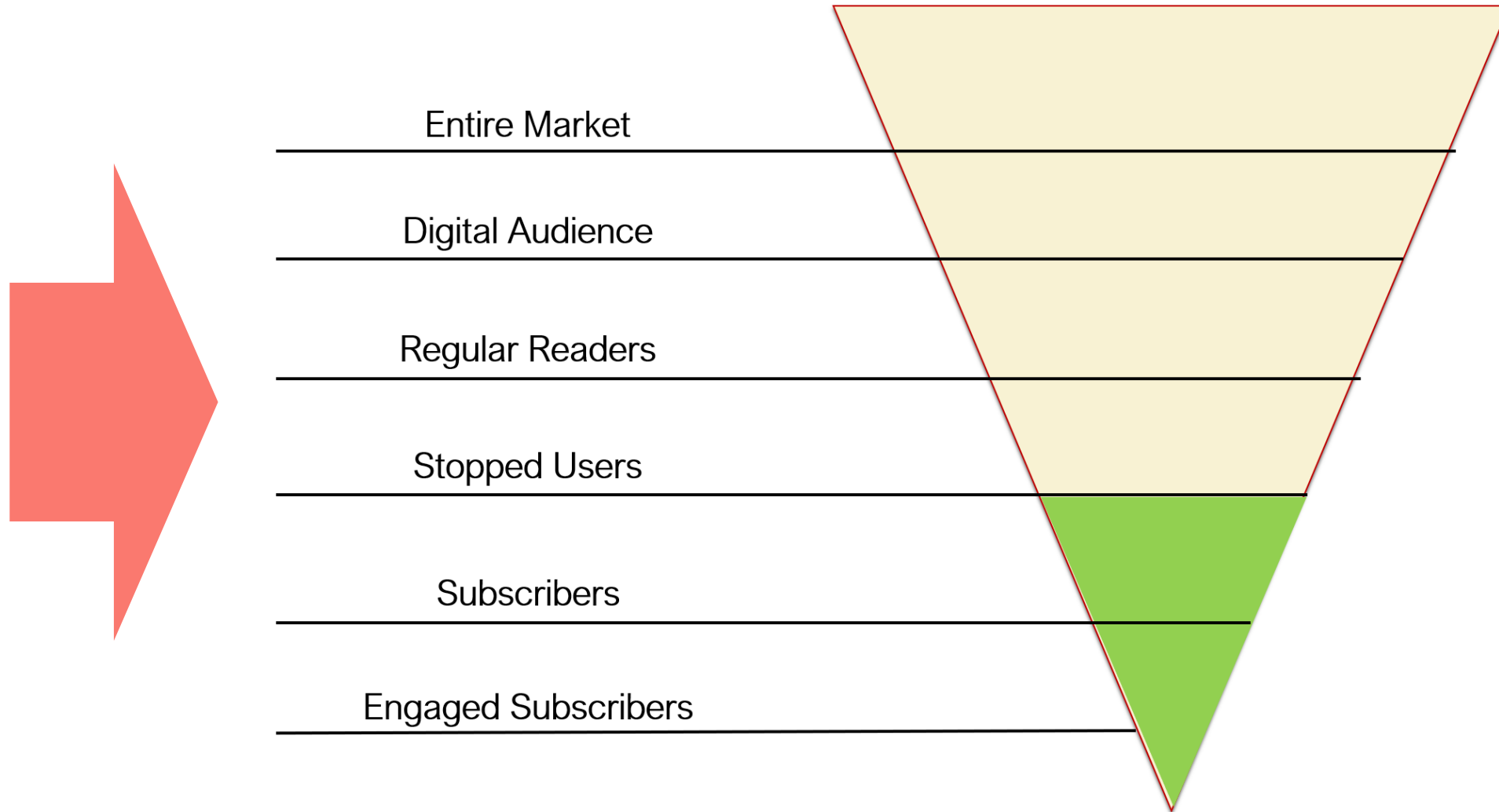
Engaged Subscribers // Activation Rate



Understanding Market Penetration

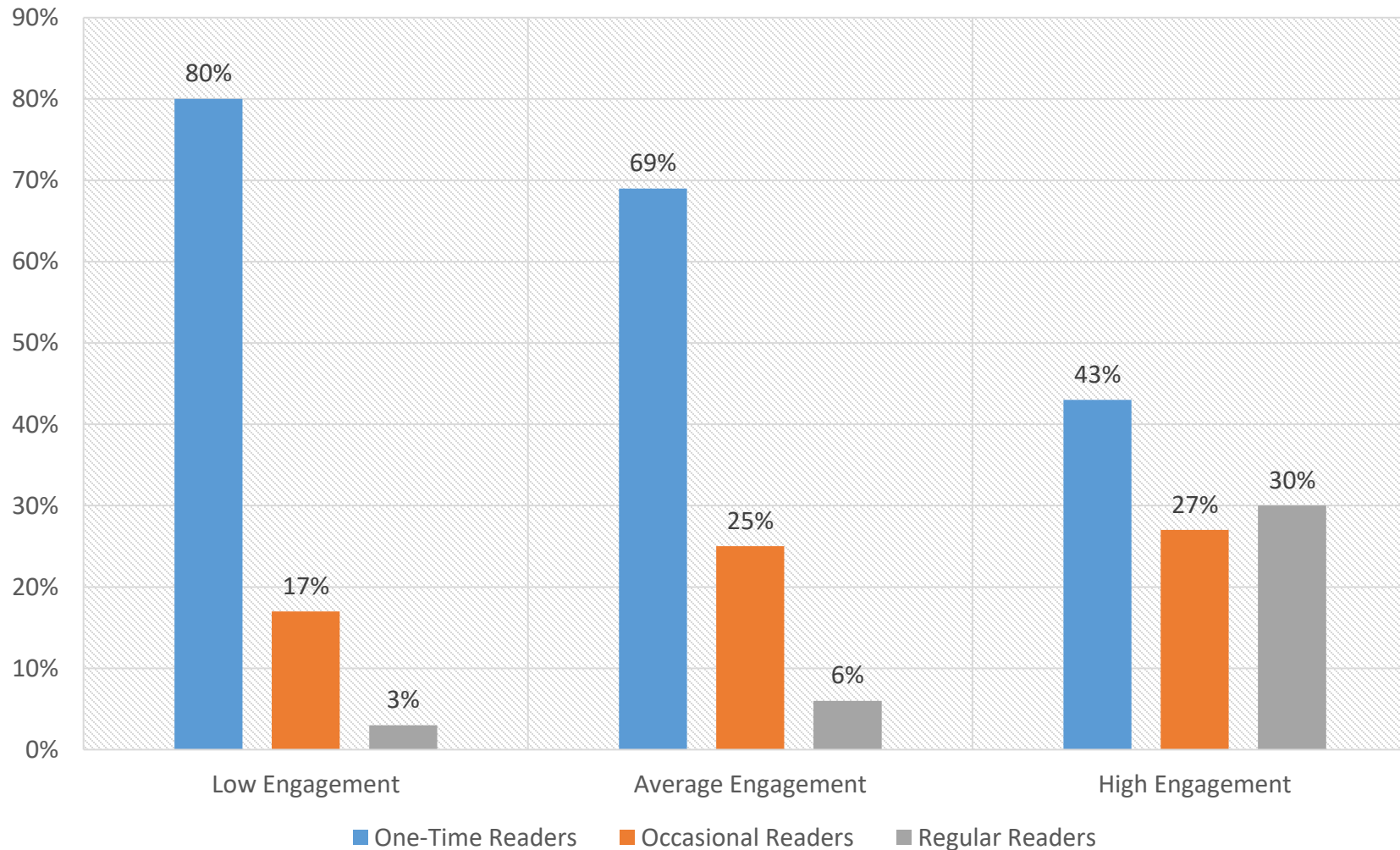
| Newspaper Website | DMA | DMA Population (000s) (Digital Desktop Audience) | % Reach (Market Penetration) | UVs | PVs (000s) |
|---|---------------------|---|---------------------------------|----------------|---------------|
| Star Tribune Network | Minneapolis | 2,776 | 31% | 859,529 | 25,829 |
| Boston Globe Media Sites | Boston | 4,113 | 23% | 942,450 | 18,905 |
| Chicago Tribune | Chicago | 5,812 | 22% | 1,254,027 | 24,476 |
| POST-GAZETTE.COM | Pittsburgh | 1,952 | 20% | 397,127 | 5,970 |
| BALTIMORESUN.COM | Baltimore | 1,848 | 20% | 371,119 | 5,252 |
| DENVERPOST.COM | Denver | 2,573 | 19% | 493,593 | 4,622 |
| AZCENTRAL.COM | Phoenix | 3,009 | 19% | 566,535 | 11,038 |
| SEATTLETIMES.COM | Seattle | 3,106 | 17% | 521,574 | 8,608 |
| AJC.COM | Atlanta | 3,861 | 16% | 613,660 | 5,784 |
| Philly.com Sites | Philadelphia | 4,988 | 15% | 752,792 | 13,293 |
| Dallas Morning News | Dallas | 3,968 | 14% | 555,612 | 6,424 |
| CHRON.COM | Houston | 3,373 | 14% | 465,861 | 6,393 |
| FREEP.COM | Detroit | 3,065 | 14% | 416,620 | 18,082 |
| CHARLOTTEOBSERVER.COM | Charlotte | 1,921 | 12% | 237,118 | 2,231 |
| Miami Herald Sites | Miami | 2,667 | 11% | 300,076 | 3,622 |
| TAMPABAY.COM | Tampa | 3,012 | 10% | 315,404 | 3,195 |
| Tampa Media Group | Tampa | 3,012 | 6% | 190,801 | 2,361 |
| TBO.COM (Tampa Bay Online) | Tampa | 3,012 | 6% | 185,287 | 2,229 |
| BOSTONHERALD.COM | Boston | 4,113 | 6% | 227,525 | 8,812 |
| Sun-Times Media / CRWN (Chicago Region-Wide Network) | Chicago | 5,812 | 6% | 321,376 | 3,387 |
| Miami Herald Sites | Tampa | 3,012 | 3% | 86,327 | 129 |
| TUCSON.COM | Phoenix | 3,009 | 1% | 43,245 | 71 |

Optimizing the Audience Funnel



One way to measure engagement is the proportion of “Regular Readers” viewing 5+ articles per month

Audience Content Consumption



Most successful digital subscription publishers stop 5-10% of their digital audience with a payment gateway

- Stop Rate is a very strong predictor of overall subscription sales
- The most common cause of a plateau is not stopping enough users.
- This can and should be segmented by platform / channel, but this industry-wide data set is based on desktop data primarily.



Industry-Wide Benchmarks:

| Percentile | Stop Rate |
|------------|-----------|
| 95% | 8.4% |
| 90% | 6.0% |
| 80% | 4.2% |
| 70% | 3.0% |
| 60% | 2.5% |
| 50% | 1.8% |
| 40% | 1.0% |
| 30% | 0.6% |
| 20% | 0.4% |
| 10% | 0.2% |
| 5% | 0.0% |

$$\text{Stop Rate} = \frac{\text{Unique Visitors Hitting the Stop Threshold}}{\text{Unique Visitors}}$$

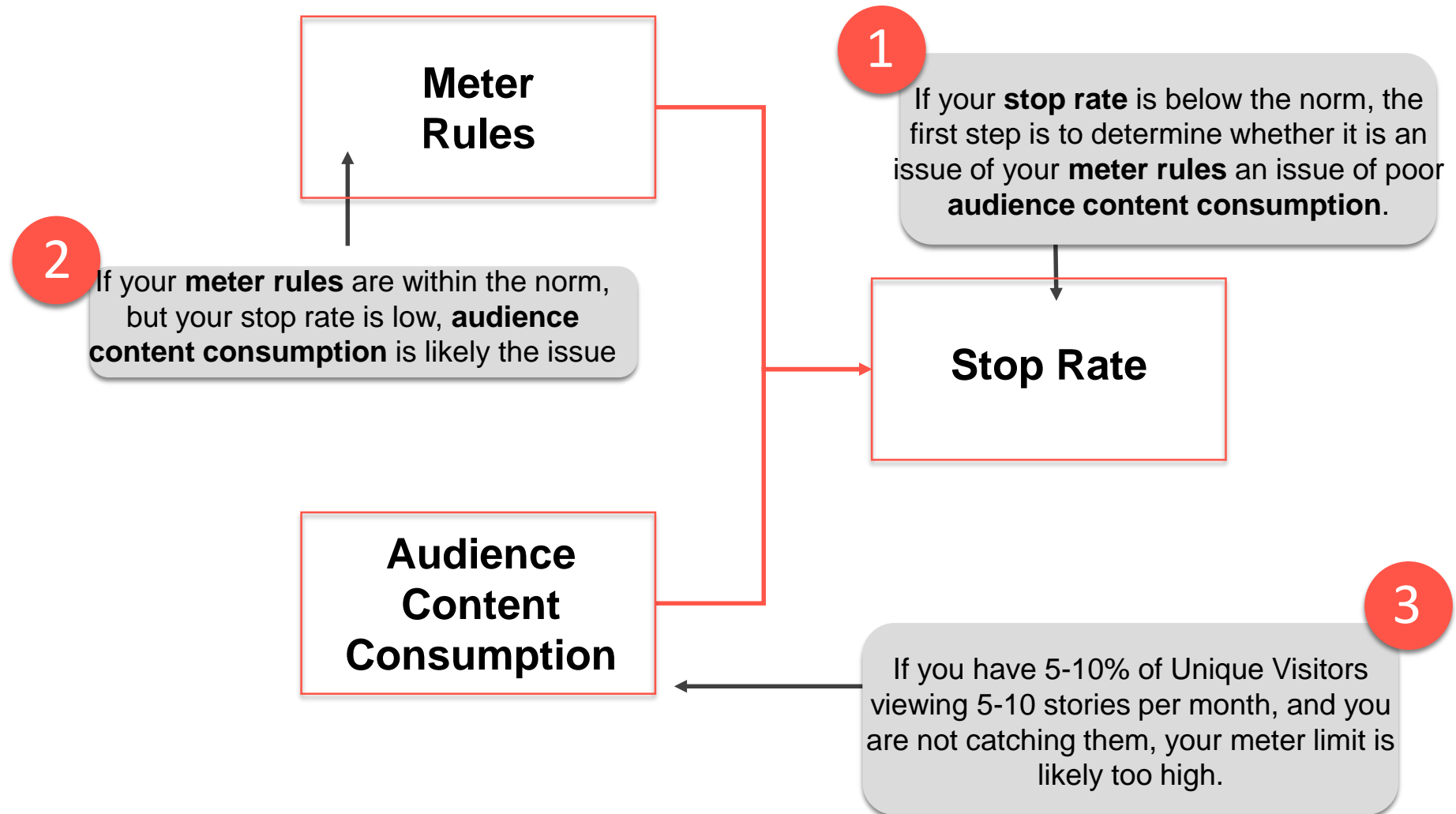
Stop Rate Breakdown – Large Metro Daily Newspapers

Key takeaways:

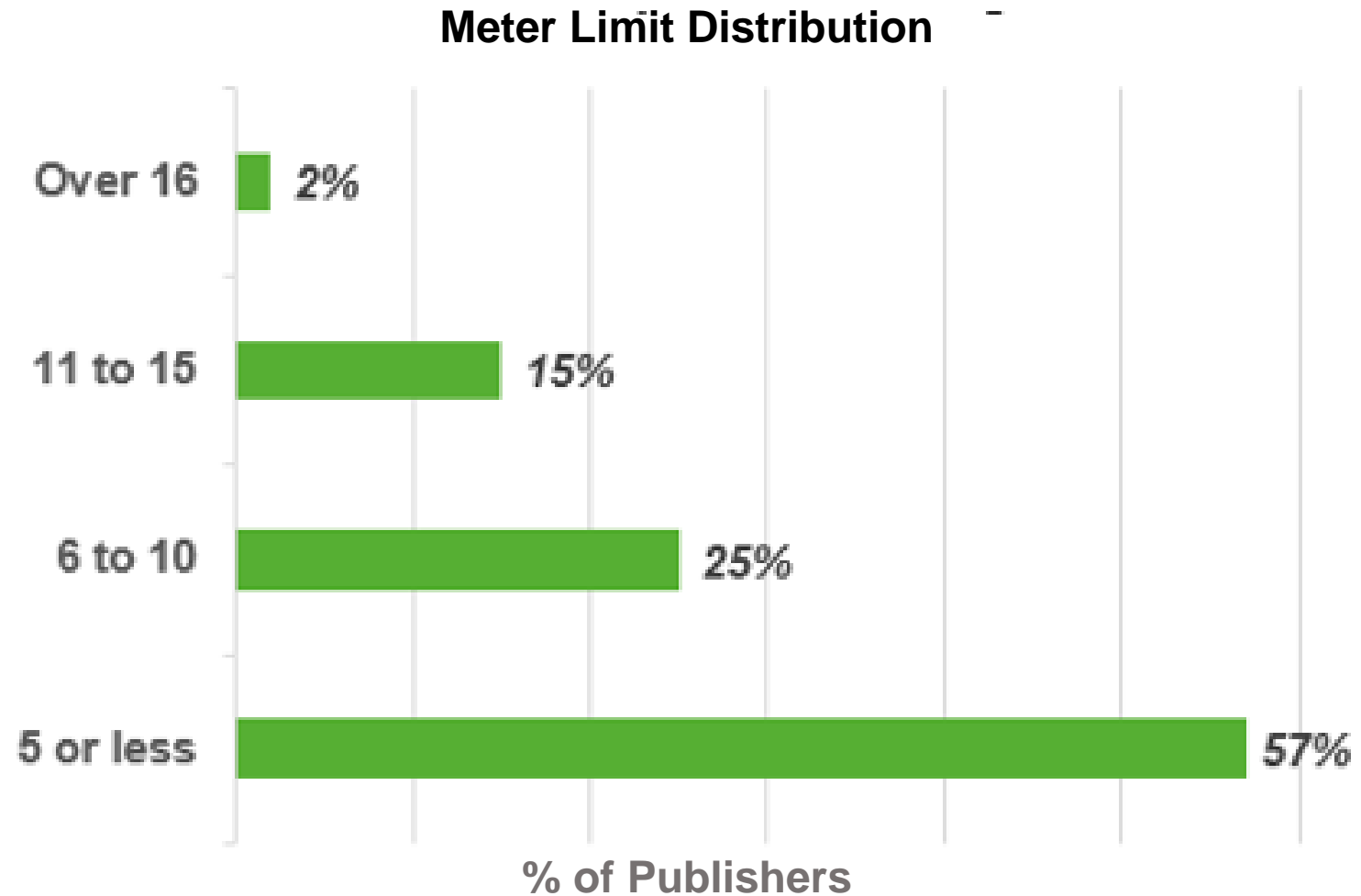
- Looking at large metro dailies in isolation, typical stop rates are substantially higher—with a median stop rate 2x as high as the industry as a whole.
- There are different reasons for high and low stop rates—it's important to understand *why* your stop rate is high or low.
- As a general matter (and unsurprisingly) publishers with higher stop rates are selling more digital subscriptions.

| Stop Rate |
|-----------|
| 10.89% |
| 8.36% |
| 7.05% |
| 5.82% |
| 5.57% |
| 3.99% |
| 3.64% |
| 3.53% |
| 3.20% |
| 2.61% |
| 2.56% |
| 2.26% |
| 0.28% |

There are two ways to increase a low stop rate: increase engagement, or tighten the meter

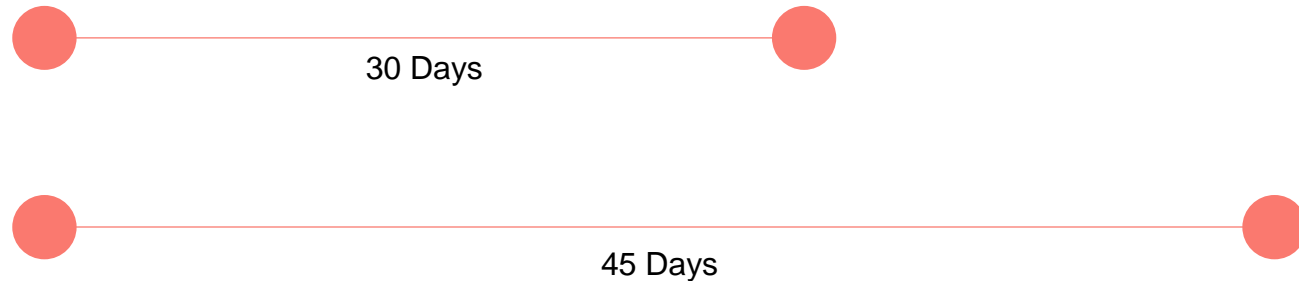


Meter Limits – Industry Norms



In addition to meter limit and content scope, publishers can experiment with other 'levers' of access control

Meter Timeframe



Lengthening or shortening the meter counter timeframe can increase or reduce your 'stop rate' while the number of free articles remains constant

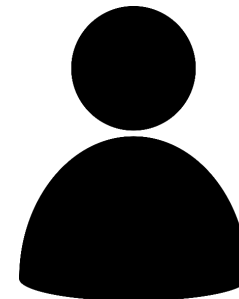
Meter Targeting Rules



Geographic Targeting



Content Targeting



Propensity Targeting

Once users are stopped by a subscription message, *conversion* becomes the focus

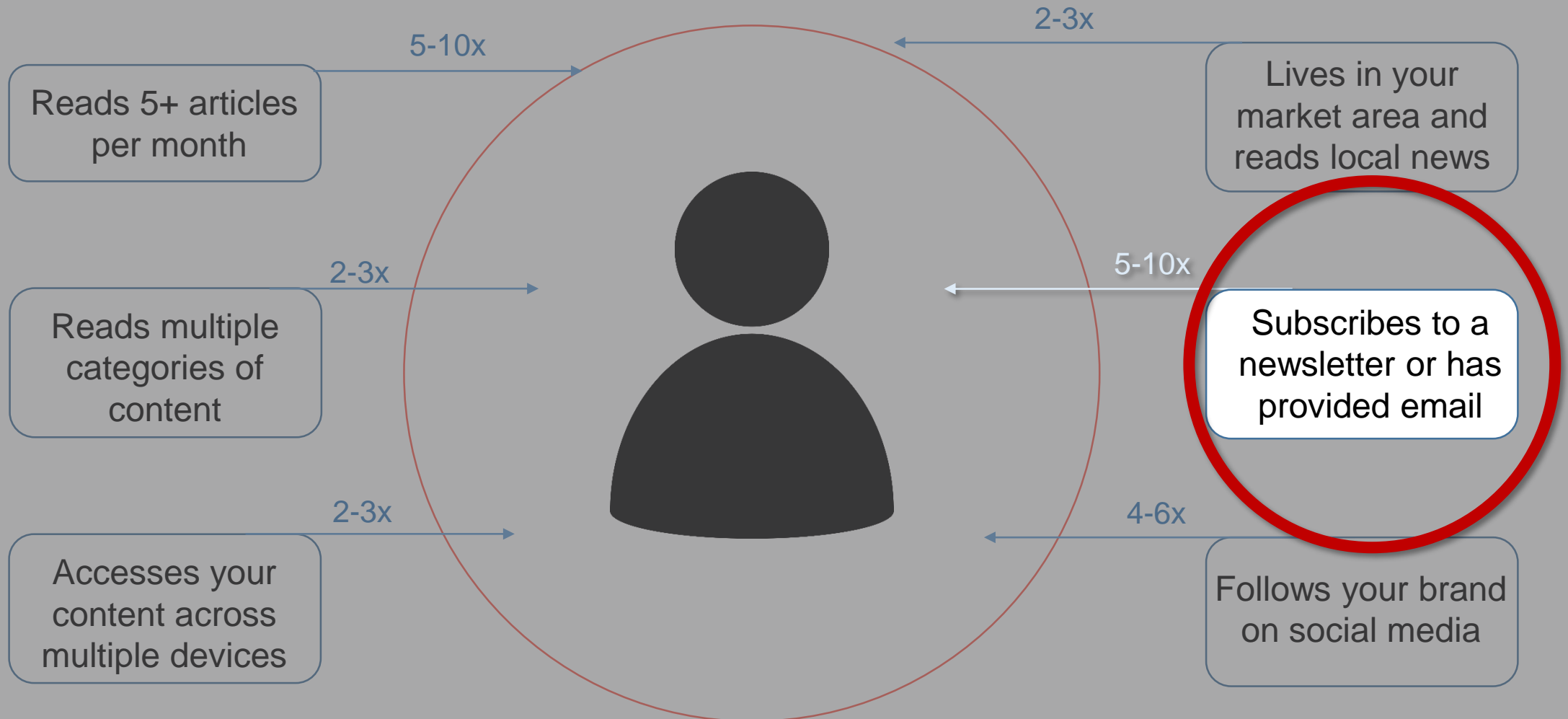
- Paid Stop Conversion Rate is an important metric for understanding sales conversion as a function of content access limitation.
- While more granular conversion rates are needed to manage a powerful marketing strategy, PSCR can be used to understand overall performance.
- Paid Stop Conversion Rate * Stop % * Total Audience = Monthly New Starts

$$PSCR = \frac{\text{Paid Subscription Sales}}{\text{Unique Visitors Hitting the Stop Threshold}}$$

Industry-Wide Benchmarks:

| Percentile | PSCR |
|------------|-------|
| 95% | 1.93% |
| 90% | 1.31% |
| 80% | 1.04% |
| 70% | 0.83% |
| 60% | 0.62% |
| 50% | 0.54% |
| 40% | 0.47% |
| 30% | 0.40% |
| 20% | 0.33% |
| 10% | 0.24% |
| 5% | 0.21% |

Profile of a likely subscriber



Email List Size – Benchmarks for Large Metro Dailies

| Total Marketable Email List | Unique Newsletter Subscribers |
|-----------------------------|-------------------------------|
| 5,036,906 | 1,803,337 |
| 2,963,827 | 1,212,788 |
| 1,000,207 | 382,373 |
| 487,970 | 365,422 |
| 415,558 | 288,771 |
| 397,800 | 270,842 |
| 345,148 | 155,000 |
| 242,477 | 147,041 |
| 123,709 | 128,516 |
| 98,397 | 104,301 |
| 53,306 | 97,489 |
| 50,524 | 61,580 |

**Total Audience x Stop Rate x Conversion Rate =
Monthly Subscriptions Sold**

Benchmark: Monthly Retention Rate

- There are many ways to look at churn as an element of retention. For benchmarking purposes, we use a simple, combined monthly rate.
- Retention Rate can be used to calculate *average customer lifetime* and *customer lifetime value*.
- We don't yet have your retention data, so this data is taken from a broader set of publishers.

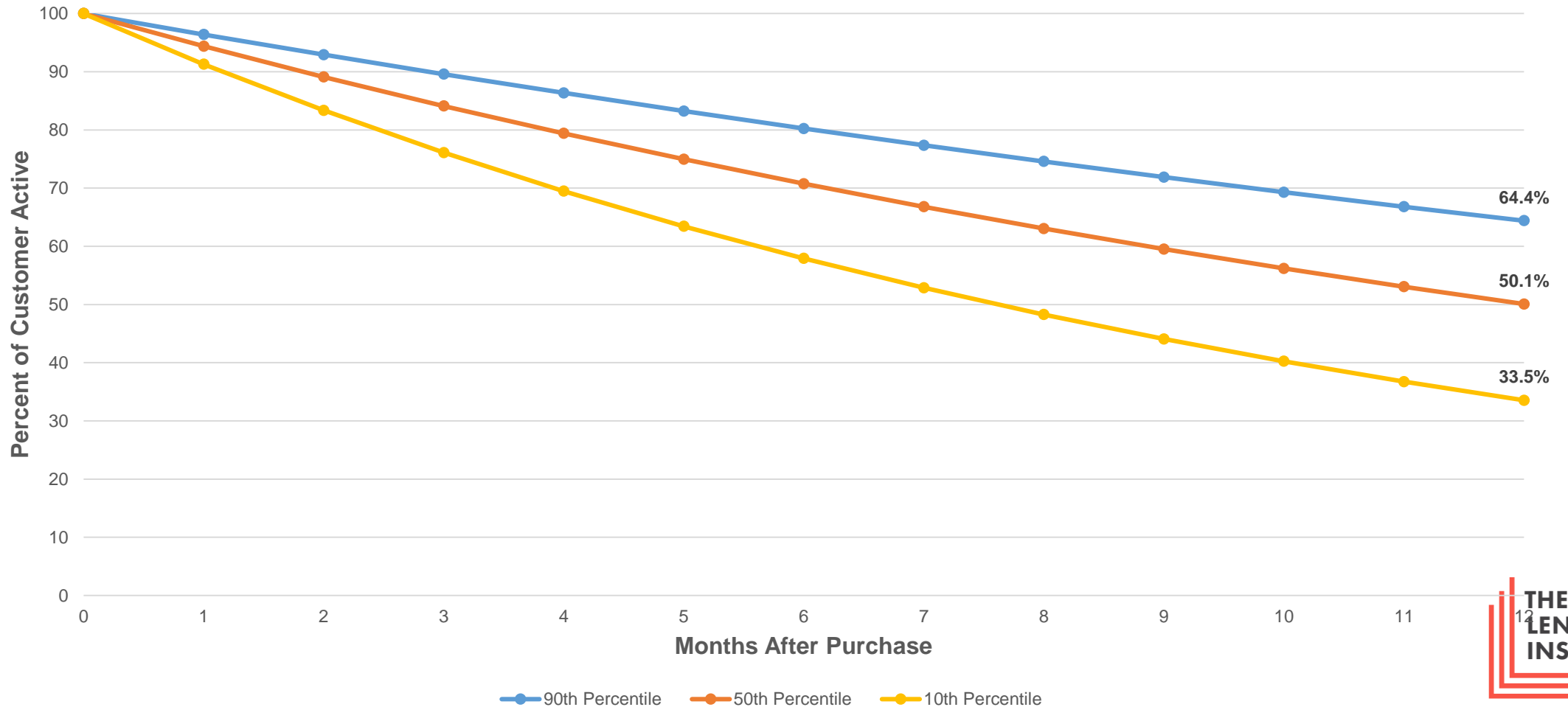
Industry-Wide Benchmarks:

| Percentile | RR% |
|------------|-------|
| 95% | 97.0% |
| 90% | 96.4% |
| 80% | 95.8% |
| 70% | 95.1% |
| 60% | 94.8% |
| 50% | 94.4% |
| 40% | 93.9% |
| 30% | 93.2% |
| 20% | 92.2% |
| 10% | 91.3% |
| 5% | 89.6% |

$$RR\% = \frac{\text{Customers Active in Month } X}{(\text{Customers Active in Month } X - 1) + (\text{Sales in Month } X)}$$

Because churn compounds over time, small changes in the rate can have a big impact on revenue over time

Expected Customer Retention After 1 Year - Paid, Monthly Products



Pricing can affect retention rate—and each publisher needs to test to find the right set of offers

| Price | Top 10% | Median | Bottom 10% |
|-------------------|---------|--------|------------|
| \$0 - \$2 | 97.1% | 94.9% | 92.7% |
| \$2.01 - \$4.50 | 96.4% | 94.5% | 91.9% |
| \$4.51 - \$6.50 | 96.1% | 94.7% | 92.1% |
| \$6.51 - \$7.50 | 96.3% | 94.5% | 91.7% |
| \$7.51 - \$8.50 | 96.2% | 93.6% | 89.7% |
| \$8.51 - \$9.50 | 94.4% | 92.4% | 90.3% |
| \$9.51 - \$10.50 | 96.8% | 94.8% | 91.7% |
| \$10.51 - \$11.50 | 96.7% | 93.4% | 92.8% |
| \$11.51 - \$12.50 | 96.4% | 94.0% | 91.6% |
| \$12.51 - 14.99 | 95.9% | 94.1% | 90.7% |
| \$15.00+ | 96.5% | 92.4% | 89.2% |

Digital-Only Subscription Pricing: Metro Dailies

| Digital-Only, Weekly | Digital-Only, Monthly |
|----------------------|-----------------------|
| \$5.59 | \$24.22 |
| \$3.99 | \$17.29 |
| \$3.79 | \$16.42 |
| \$3.46 | \$14.99 |
| \$2.99 | \$12.96 |
| \$2.97 | \$12.87 |
| \$2.77 | \$11.99 |
| \$2.70 | \$11.70 |
| \$2.48 | \$10.74 |
| \$2.32 | \$10.06 |
| \$2.17 | \$9.40 |
| \$2.09 | \$9.06 |
| \$1.97 | \$8.54 |
| \$0.72 | \$3.10 |

But... the key to retention long-term is to engage all subscribers in your digital products effectively

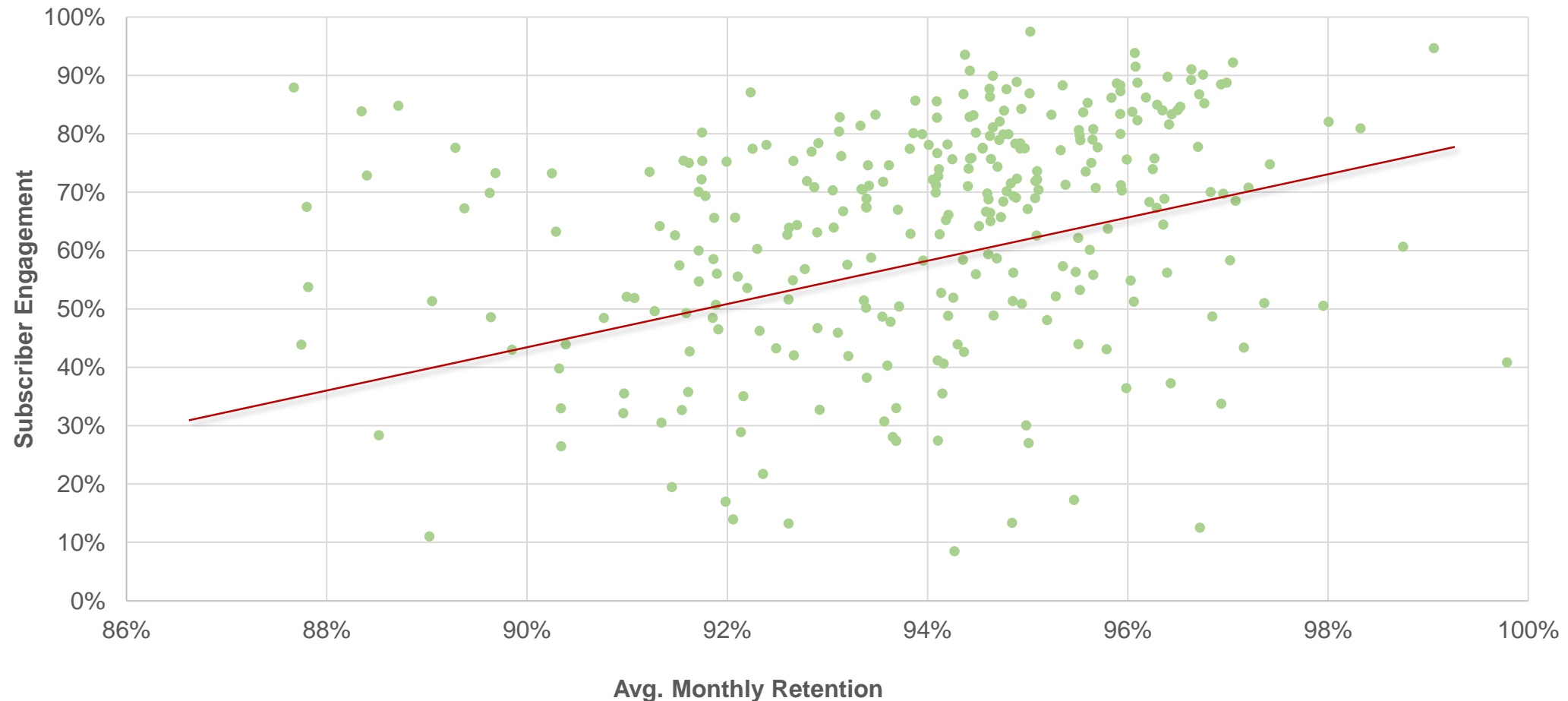
- Subscriber engagement measures the percentage of active subscribers that log-in to their accounts in a given month
- The leading 10 percent of publishers have almost 2.5X the engagement rate as the bottom 10 percent

| Percentile | SER% |
|------------|-------|
| 95% | 90.1% |
| 90% | 87.3% |
| 80% | 82.9% |
| 70% | 78.7% |
| 60% | 74.4% |
| 50% | 71.0% |
| 40% | 64.8% |
| 30% | 56.2% |
| 20% | 48.3% |
| 10% | 36.1% |
| 5% | 27.8% |

$$\text{Subscriber Engagement} = \frac{\# \text{ Subscribers Logged In in Month } X}{\# \text{ Subscribers Active in Month } X}$$

Engagement matters: There is a significant correlation between subscriber 'engagement' and retention

Correlational Study: Monthly Retention vs. Subscriber Engagement



Retention and price combine to form Customer Lifetime Value – a key metric for ROI calculations

- Customer Lifetime Value answers the question, “for each new subscription sold, how much revenue do I generate?”
- CLTV is a function of average price and retention rate.
- This metric is *critical* for making decisions about paid marketing spend, product investments, and even newsroom resource allocation.
- For example, if I have a CLTV of \$140 and I pay \$1000 for a campaign that converts 100 subscribers, I’ve generated \$14 in revenue for every \$1 spent on marketing.

$$CLTV = \frac{\text{Average Monthly Subscription Revenue per Subscriber}}{\text{Monthly Churn Rate}}$$

Industry-Wide Benchmarks:

| Percentile | CLTV |
|------------|----------|
| 95% | \$339.98 |
| 90% | \$282.79 |
| 80% | \$217.18 |
| 70% | \$186.38 |
| 60% | \$157.56 |
| 50% | \$137.30 |
| 40% | \$124.09 |
| 30% | \$110.99 |
| 20% | \$93.02 |
| 10% | \$72.11 |
| 5% | \$50.75 |

**Stop Rate x Conversion Rate x Unique Visitors =
Monthly Subscriptions Sold**

**Monthly Subscriptions Sold x CLTV =
Lifetime Revenue Driven**

**Most successful subscription businesses have about
a 3:1 ratio of CLTV to customer acquisition cost.**

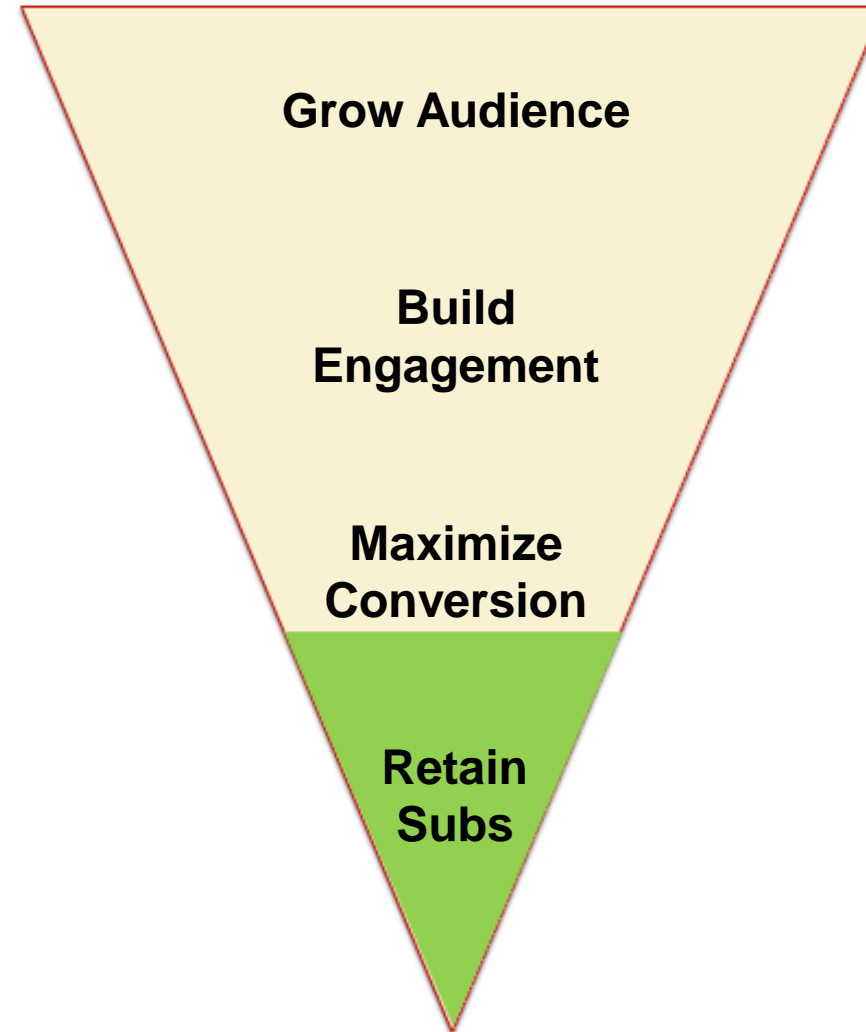
Publishers should target their marketing activities to focus on users at each stage of the funnel

- SEO & Social Strategy
- External Advertising
- Partnerships
- Word of Mouth

- Content Strategy
- Email & Newsletters
- Site Optimization

- Meter Optimization
- Marketing & Promotion
- Price & Message Testing
- Retargeting

- Member Benefits
- Billing Optimization
- Win-Back & Retention Marketing



Publishers who invest in this model fully can build a subscriber base of 5-15% of their digital audience

Benchmarks:

14 Metro Daily
U.S. Newspapers

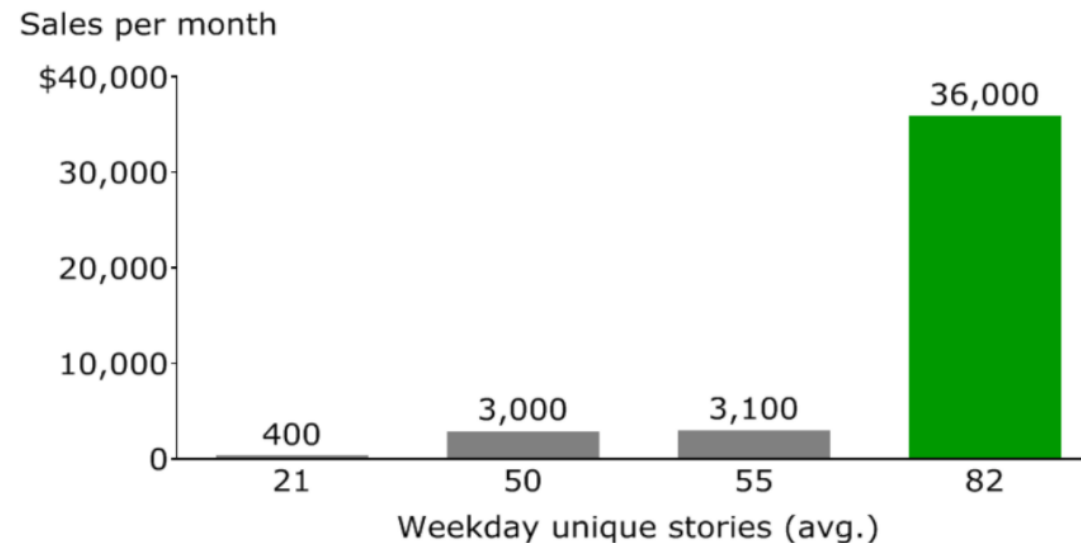
| Subs / Web User |
|-----------------|
| 12.00% |
| 11.85% |
| 6.98% |
| 6.87% |
| 6.04% |
| 5.95% |
| 5.43% |
| 5.33% |
| 2.43% |
| 2.22% |
| 1.41% |
| 0.43% |

| Subs / Regular Reader |
|-----------------------|
| 14.10% |
| 13.13% |
| 5.38% |
| 5.11% |
| 4.64% |
| 4.37% |
| 3.48% |
| 2.56% |
| 2.39% |
| 1.86% |
| 1.62% |
| 0.62% |

What Kinds of Content Drive Engagement, Conversion & Retention?

Local

- Users who view local news regularly are typically **5-10X more likely** to subscribe than users who view national news, wire sourced stories.
- Publications that produce more local (non-AP) content generate greater subscription sales—sometimes by a factor of 10.



Example: Article Scoring

| What content drives them to subscribe? | |
|---|------------------------------------|
| Article | % Subscription Contribution |
| Article 1 | 4.5% |
| Article 2 | 3.3% |
| Article 3 | 3.3% |
| Article 4 | 3.1% |
| Article 5 | 2.9% |
| Article 6 | 2.9% |
| Article 7 | 2.7% |
| Article 8 | 2.7% |
| Article 9 | 2.5% |
| Article 10 | 2.2% |

Defined as % of new subscriptions sold for which this article was in the user's "path to subscription" – i.e., the user viewed this as part of their meter count before subscribing.

Unique / Distinctive

- Publications chasing page views have a big incentive to produce nearly identical articles about any popular or viral topic in the news.
- Digital subscription models increasingly invest in unique, distinctive content that provides readers with a **perspective, angle, or reporting that only that publication can provide.**
- As you build up a base of digital subscribers, you can learn from data and invest in more of the kinds of content that appeals to potential and actual subscribers.



[Eagles agree to terms with former Packers TE Richard Rodgers](#)

[PhillyVoice.com](#) - 17 hours ago

The **Philadelphia Eagles** announced that they have agreed to a one-year contract with former Green Bay Packers tight end **Richard Rodgers**, a third-round pick in 2014. Rodgers (6'4, 257) had his best season with the Packers in 2015, when he had 510 receiving yards and 8 TDs. He had a very ...



[Report: Ex-California tight end Richard Rodgers signs 1-year deal ...](#)

[Dayton Daily News](#) - 18 hours ago

Report: Ex-California tight end **Richard Rodgers** signs 1-year deal with **Philadelphia Eagles**. 0 ... **Richard Rodgers** didn't get a chance to play in a Super Bowl during his four seasons with the Green Bay Packers, getting closest in 2016 when they lost to the Atlanta Falcons in the NFC Championship Game.

[Richard Rodgers leaves Packers to sign with Eagles](#)

[The Derby Informer](#) - 13 hours ago

But rather than being a springboard to bigger things for the 2014 third-round draft pick, he saw his playing time dwindle thereafter, leading Wednesday to his decision to accept a one-year deal from the **Philadelphia Eagles** in an effort to reignite his career with the reigning Super Bowl champions.

[Eagles' Richard Rodgers: Hooks up with Eagles](#)

[CBSSports.com](#) - 18 hours ago

In his other three seasons, **Rodgers** combined for 62 receptions (on 106 targets) for 656 yards and five TDs as his strengths dictated more blocking duty. With Zach Ertz comfortably embedded as the No. 1 tight end, **Rodgers** should have a similar role in **Philadelphia**. That said, Ertz has missed one or two ...

[Eagles sign former Packers tight end Richard Rodgers in free agency](#)

[Madison.com](#) - 17 hours ago

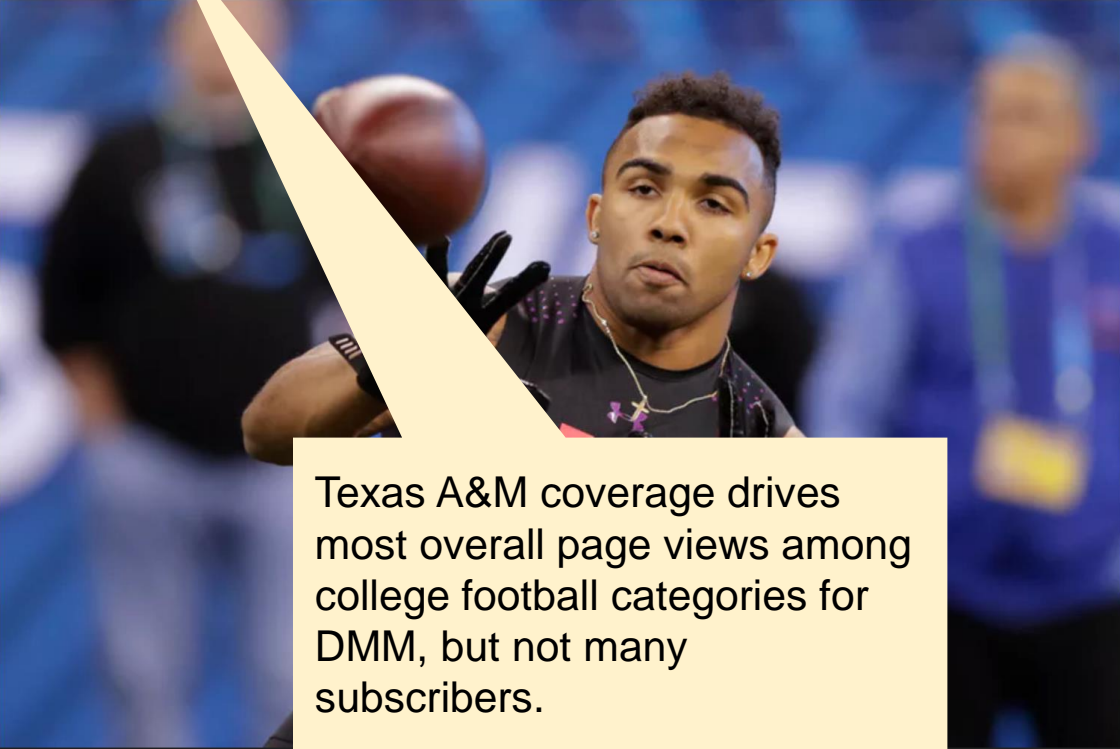
He'll try to reboot his career with the **Eagles**, where he could fit in as the No. 2 tight end behind Zach Ertz. The **Eagles** also have Billy Brown, Joshua Perkins, and Adam Zaruba on their roster at tight end. They can add to the position in the draft, too. They haven't drafted a tight end since Ertz in 2013. Signing ...

Example: Dallas Morning News

COLLEGES 2d

Texas A&M's five most likely players to be picked in this year's NFL Draft

COLLEGES, TEXAS A&M AGGIES, NFL DRAFT



Michael Conroy/AP

Texas A&M wide receiver Christian Kirk runs a drill at the NFL football scouting combine in Indianapolis, Saturday, March 3, 2018. (AP Photo/Michael Conroy)

Twitter Facebook Email Messenger


Texas A&M bloggers @AlexMill20

Texas A&M coverage drives most overall page views among college football categories for DMM, but not many subscribers.

SMU MUSTANGS 37m

For the SMU defense, the new mentality under coordinator Kevin Kane is 'attack'

SMU MUSTANGS, COLLEGES



Andy Jacobsohn/Staff Photographer

New SMU football defensive coordinator Kevin Kane speaks during a news conference at the SMU Coliseum on the campus of Southern Methodist University in Dallas Wednesday February 7, 2018. SMU football announced the addition of 12 student athletes to the 2018 SMU signing class. (Andy Jacobsohn/The Dallas Morning News)

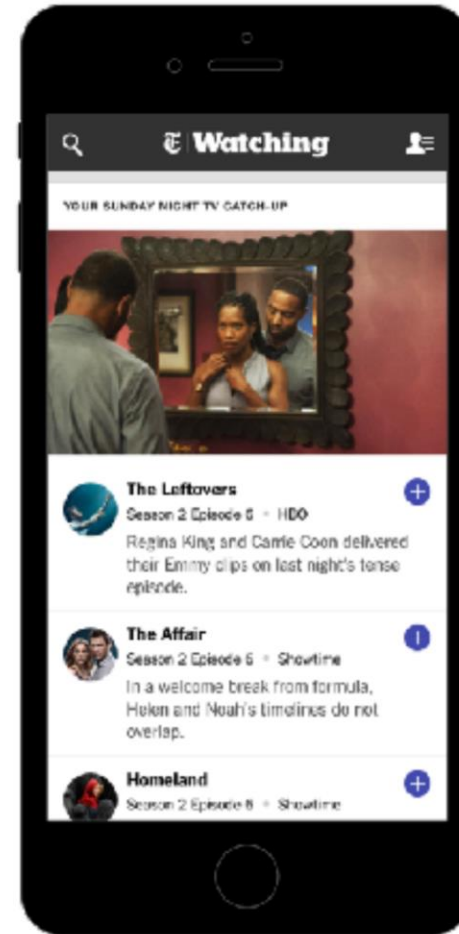
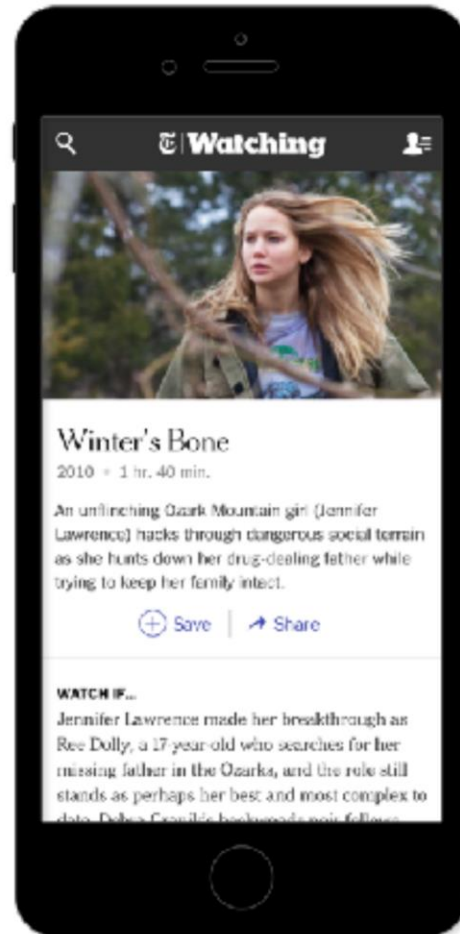
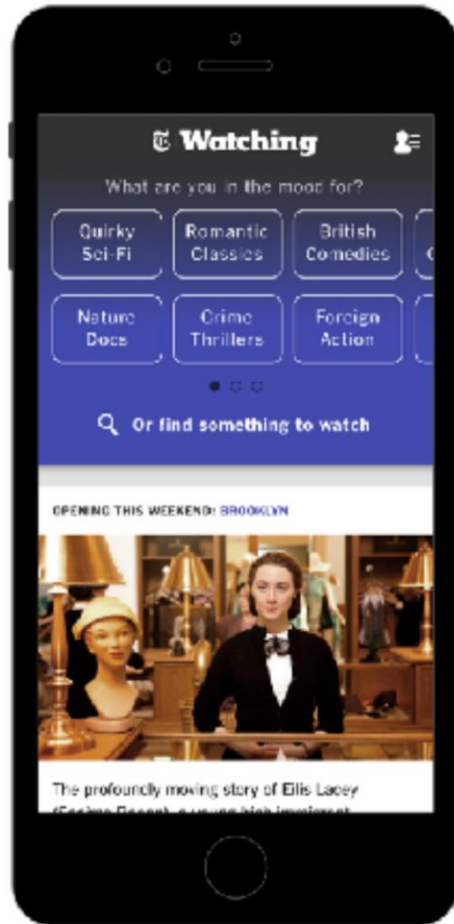
Twitter Facebook Email Messenger

SMU coverage had a smaller audience, but more proportional subscription starts—so Dallas added more reporting resources to the SMU beat.

Relevant to Daily Life

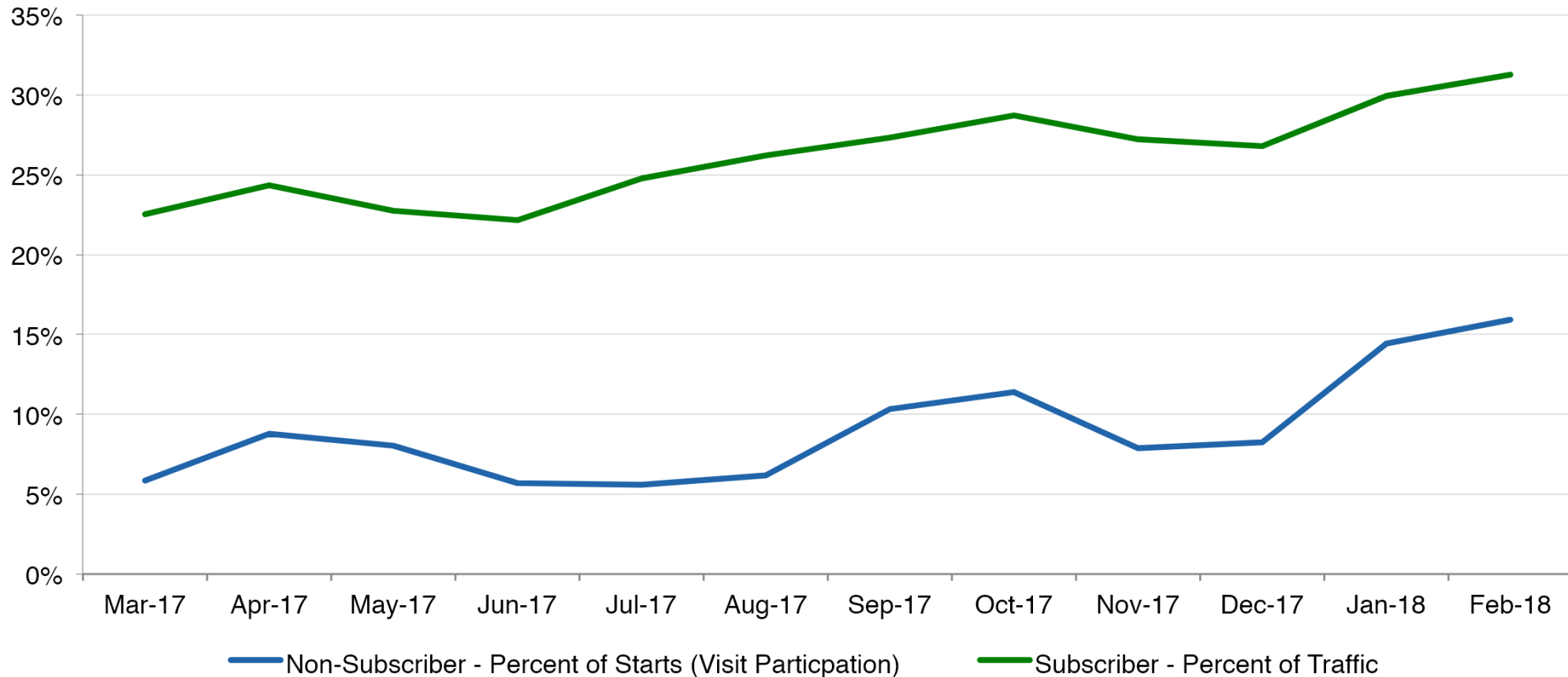
- Potential subscribers subscribe to **news as a service**. That means, in essence, that they're paying for access to information that helps them live better.
- Common topics that are likely to be highly viewed by subscribers and engaged readers:
 - Coverage of public transit, traffic, utilities, and other local resources.
 - Information about new businesses, construction, and developments, and economic changes (especially relating to job availability).
 - Information about local politics, especially issues that affect education, neighborhood development, and public safety.
 - Local college & high school sports coverage (beyond scores)
 - Local culture and arts news, especially shows and exhibits readers can visit

Examples: NYT



Data can tell you what content will resonate with your most engaged readers

Content that drives new starts vs. Content viewed by subscribers



From a brand they know and trust

- Don't underestimate the power of your brand—or the value of spending precious marketing resources defining your brand clearly in readers' minds.
- **Getting readers to know, trust, and feel connected to your brand is part of building engagement.**
- Newsrooms with rigorous journalistic standards have an opportunity to differentiate themselves in the market. A 2018 Gallup study found readers were less likely to click on stories in their social media feeds if they knew the source's credibility and transparency practices were sub-par and more likely to click if they knew the source followed high journalistic standards.
- Brand recognition for news organizations among readers has dropped precipitously in the past decade. But efforts like The Trust Project, NewsGuard, and others are offering promising new outlets for quality news organizations to tout their high standards.

Questions?

Thank You!

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