WE ARE HERE!

Population: **5.27M**  |  Households: **1.97M**
160-YEAR HISTORY

NZME Newsroom 300+ Expert Journalists
Nationwide Coverage

Digital Subscription Products

Mastheads

The New Zealand Herald

Weekend Herald, Herald on Sunday

Waikato Herald, Hawke's Bay TODAY

Bay of Plenty Times, Whanganui Chronicle

ROTORUA Daily Post, Advocate

Te Puke Times, The Northland Age, Kapiti News

Courier, Courier

Stratford Press, Guardians

HOBBENHUA Chronicle, Katikati Advertiser

Hawke's Bay Leader, Mail

NZME.
NEW ZEALAND MEDIA AND ENTERTAINMENT
Our mission

We are here to inform, explain and entertain – reporting without fear or favour, acting with dignity and respect.

Always at the centre of debate, agents of positive change, and unswerving in our pursuit of truth for all of Aotearoa.
Our journalism

Tell New Zealand’s best and most important stories that are engaging and trustworthy

We will inspire and champion our communities and be an important advocate on issues that matter

Produce breaking news that is accurate, timely and provides valuable context

Be a broad church, offering analysis and opinion that challenges thinking and provides a contest of ideas
OUR DIGITAL SUBSCRIPTION GROWTH

Household penetration of digital only subscribers **6.5%**

Total Digital Subscriptions

- **Q2 19**: 17K
- **Q3 19**: 30K
- **Q1 20**: 40K
- **Q2 20**: 60K
- **Q3 20**: 90K
- **Q1 21**: 120K
- **Q2 21**: 160K
- **Q3 21**: 200K
- **Q1 22**: 250K
- **Q2 22**: 300K
- **Q3 22**: 350K
- **Q1 23**: 400K
- **Q2 23**: 450K
- **Q3 23**: 500K

- **Digital Only**
- **Print Entitled**
STRATEGY SINCE LAUNCH

**Priority Focus Areas**

<table>
<thead>
<tr>
<th><strong>Introduction</strong> 2019 - 2020</th>
<th><strong>Early Growth</strong> 2021 - 2023</th>
<th><strong>Scaled Growth</strong> 2024 - 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Goal</strong></td>
<td><strong>Focus on growing volume of subscribers</strong></td>
<td><strong>Focus on growing recurring revenue and optimising volume</strong></td>
</tr>
<tr>
<td><strong>Building viable proposition and solid customer base</strong></td>
<td><strong>Focus on product market fit - expansion into verticals</strong></td>
<td>Technology enhancements to build scalable platform to optimise conversion and yield</td>
</tr>
<tr>
<td>Launch new paywall as minimum viable product</td>
<td>Newsroom have clear view of the types of content that converts and engages</td>
<td>Newsroom focused on users needs, developing new formats and methods</td>
</tr>
<tr>
<td>Newsroom adapt to change in focus from audience to conversions</td>
<td>Adjust operating model to cross functional squad to manage increased complexity</td>
<td>Reinvention of operating model and the addition of new talent and capabilities to focus on execution of reader revenue strategy</td>
</tr>
<tr>
<td>Marketing and technology lead</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CHALLENGES WE'VE FACED

• Digital **advertising** revenue vs digital subscriber revenue

• **Need to balance** volume growth with revenue growth

• Individual vs corporate **subscriber mix**

• Scaling the focus on **retention**
HOWEVER, THERE IS SIGNIFICANT OPPORTUNITY

- Sizable addressable market for news subscriptions in NZ
- NZME subscriptions now at **221K**
  Inclusive of **179K** digital subscriptions
- Opportunity for further growth as category continues to grow in maturity in NZ

Source: Census, INMA Benchmark for News Subscription Potential, NZME Data  
*NZME Subscriptions includes Print only
BECOMING NEW ZEALAND'S LEADING NEWS DESTINATION

There are three pillars to the Publishing strategy:

- **Scalable digital audience and advertising news platform**
- **Expert journalism that grows subscriber lifetime value**
- **High quality and efficient print business**
WHERE TO FROM HERE?

**Introduction**
2019 - 2020

- **Primary Goal**: Building viable proposition and solid customer base
- **Priority Focus Areas**
  - Launch new paywall as minimum viable product
  - Newsroom adapt to change in focus from audience to conversions
  - Marketing and technology lead

**Early Growth**
2021 - 2023

- **Primary Goal**: Focus on growing volume of subscribers
- **Priority Focus Areas**
  - Focus on product market fit - expansion into verticals
  - Newsroom have clear view of the types of content that converts and engages
  - Adjust operating model to cross functional squad to manage increased complexity

**Scaled Growth**
2024 - 2026

- **Primary Goal**: Focus on growing recurring revenue and optimising volume
- **Priority Focus Areas**
  - Technology enhancements to build scalable platform to optimise conversion and yield
  - Newsroom focused on users needs, developing new formats and methods
  - Reinvention of operating model and the addition of new talent and capabilities to focus on execution of reader revenue strategy
• **Individuals:** stimulate volume through dynamic offers based on propensity to buy and annual price increases

• **Corporates:** balancing corporate growth with the cannibalisation of individuals by removing ‘unlimited user’ plans and reducing bulk user discounts

• **Individuals:** monthly and annual prices increased, drive acquisition and retention with annual Wall Street Journal bundle / monthly bundle with Herald Premium

• **Corporate:** lift yield year on year from corporates as user activation and engagement grows

Source: NZME Analysis.
Expert journalism that engages and converts

Restaurant Reviews – Jesse Mulligan

Media Insider
Shayne Currie

Power List: Top NZ McDonald’s owners
Anne Gibson

All Blacks’ quarter-final effort against Ireland was 15 months in the making
Gregor Paul

The Business of Health: What we learned
Victoria Young

Election 2023 result: Anatomy of Labour’s collapse
Derek Cheng
• Continue to build out subscription portfolio through build, partner, buy strategy

• Deliver increased utility and features to drive value perceptions e.g. puzzles, quizzes, article sharing, live events

• Introduce new product types aligned to specific user needs e.g. International, app only, podcasting

BROADEN THE ADDRESSABLE MARKET
OPTIMISE CUSTOMER LIFETIME VALUE

UNKNOWN USER

LOGGED IN USER

ONE SUBSCRIPTION

MULTIPLE SUBSCRIPTIONS

SUPER BUNDLE

ARPU

MAXIMISE SUBSCRIBER LIFETIME VALUE

REWARD

OPTIMISE CUSTOMER LIFETIME VALUE
LEARNINGS

• Journalism is key

• The need to understand the impact of pricing on revenue

• Bringing the newsroom on the journey is critical for growth

• Organisational alignment - a move to a north star metric

• Technology/Product investment needs to be right sized to support growth and retention
THANK YOU

Questions?