



A Strategic Approach to Increasing *The Philadelphia Inquirer's* Digital Subscription Proficiency

INMA Subscription Summit

March 14, 2025



With you today



Pete Doucette

Senior Managing Director,
Consulting



Darya Ushakova

Chief Marketing
Officer





Mather's Mission

Empower publishers to maximize their revenue by unlocking the full potential of their content and subscription strategy



Mather supports **the business of journalism**, empowering publishers to prioritize their mission



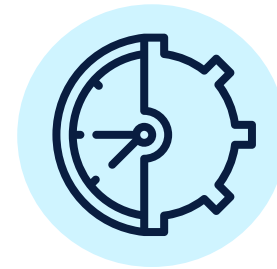
Strategic Expertise

Advisory support from industry experts to develop and execute a path to growth



Revenue Solutions

Turnkey analytics and decision intelligence to maximize revenue at each stage of the customer lifecycle



Efficiency Solutions

Automation and managed services to reduce expenses and optimize resource allocation



Mather's solutions are powered by Sophi's cutting-edge analytics, prediction, and automation platform

Trusted by over 700 media brands globally

The Philadelphia Inquirer
ALWAYS PHILLY



The New York Times

BUSINESS
INSIDER

H E A R S T

The
Guardian

GANNETT

AL
MA

The Washington Post

Le Monde

THE
GLOBE
AND
MAIL

IT THE IRISH TIMES

THE
SPECTATOR

CNN

Harvard
Business
Review

McClatchy

THE WALL STREET JOURNAL.



Today's Agenda

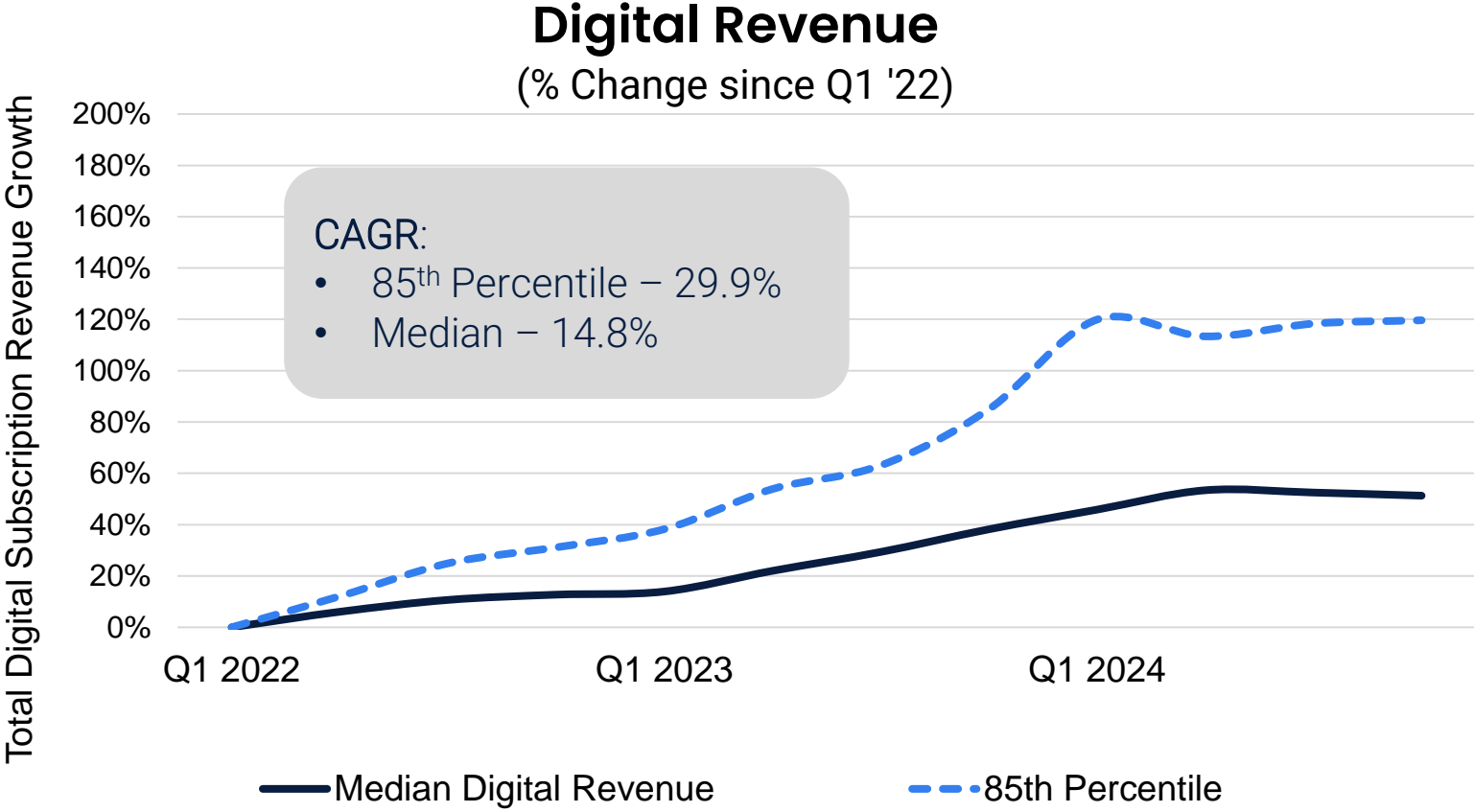
- 5 mins** Review the latest Industry Revenue Trends
- 10 mins** Introduce Mather's Subscription Proficiency Index
- 30 mins** Explore the Inquirer's Approach to Digital Subscription Growth
- 10 mins** Analyze the Building Blocks for Lasting Subscription Success
- 20 mins** Questions & Answers





Industry Revenue Trends

Leading publishers are experiencing a compound annual growth rate (CAGR) of nearly 30% in digital subscription revenue.



Digital subscription revenue has increased by approximately **50%** over the past three years.

Top Revenue Drivers:

- Primarily driven by increases in ARPU
- Volume growth

Top publishers have grown at **more than 1.9X** the rate of the median publisher.

Source: Mather Benchmarking Data





Which Levers Fuel **Sustainable** Digital Subscription **Growth**?

Mather's Digital Subscription Proficiency Index (SPI™)

What Is It?

The Subscription Proficiency Index (SPI) is a scoring system that evaluates a publisher's digital subscription performance across key growth levers, providing clear, data-driven insights.

How SPI Helps Publishers

By pinpointing performance gaps and highlighting improvement opportunities, the SPI helps teams prioritize resources, enhance subscription strategies, and fine-tune their business model for long-term, sustainable growth.



SPI Variables



- 1 Audience Growth (AG)
- 2 Audience Engagement (AE)
- 3 Conversion Effectiveness (CE)
- 4 Churn Mitigation (CM)
- 5 Average Revenue per User (AR)
- 6 Subscriber Penetration (SP)



Mather SPI Formula – 0 to 100 Score

SPI = **(AG)** + **(AE)** + **(CE)** + **(CM)** + **(AR)** + **(SP)**

Subscription Proficiency Index

Audience Growth
X
Weighting Factor

Audience Engagement
X
Weighting Factor

Conversion Effectiveness
X
Weighting Factor

Churn Mitigation
X
Weighting Factor

Average Revenue per User
X
Weighting Factor

Subscriber Penetration
X
Weighting Factor

Each variable is scored based on its performance relative to a competitive benchmark.

Each variable has a weight that sums to 100%, based on its relative importance in the digital subscription business model.



Bringing the SPI Framework **to Life**

The Philadelphia Inquirer
ALWAYS PHILLY

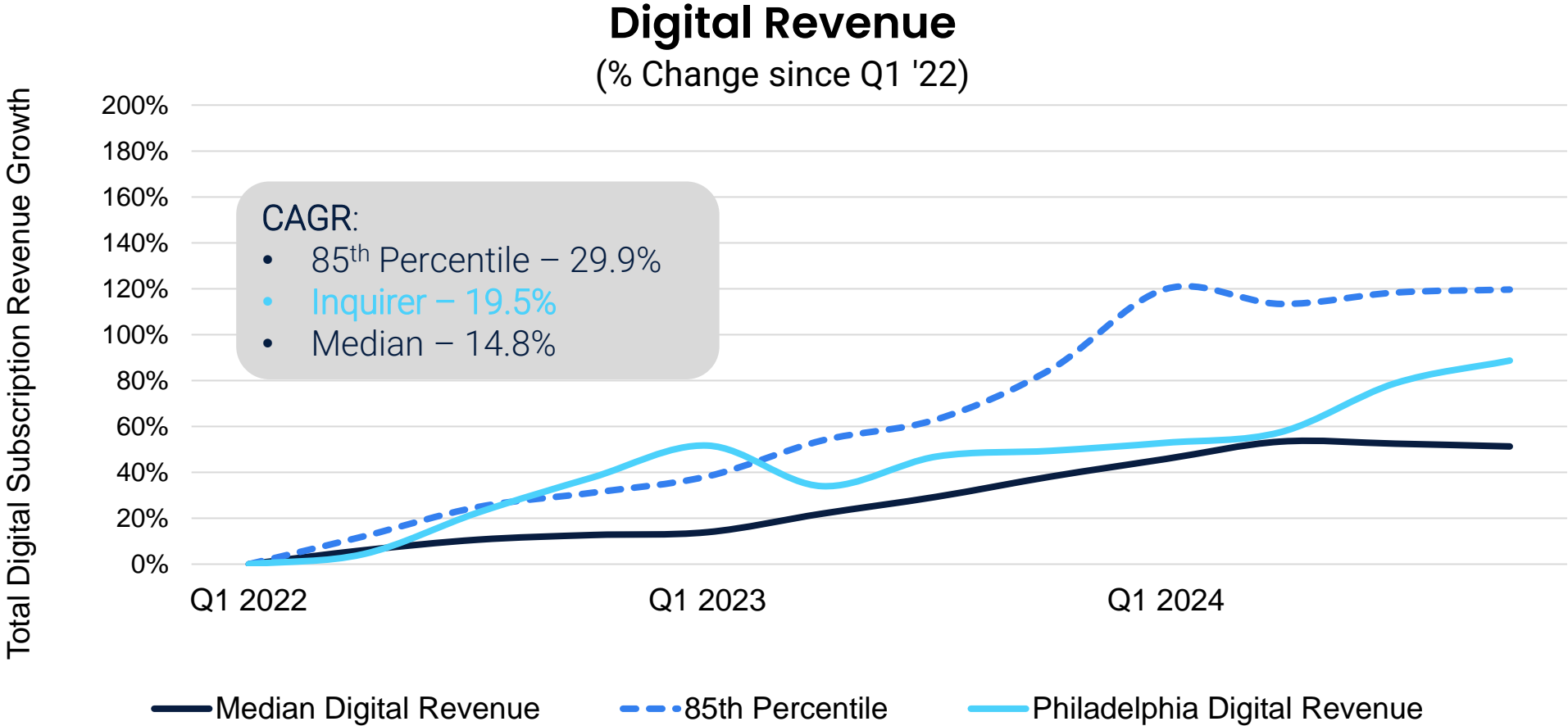
About The Philadelphia Inquirer

The Inquirer is a legacy news organization with a 195-year long history of serving Philadelphia, where they are the “paper of record”.

	2024 Baseline
Audience: Monthly visits	7.6M
Audience: Email database size	2.0M
Audience: Registration	1.43M
Intercept rate	30%
Digital subscriber churn	3.36%
Digital sub. revenue	\$22.1M
Year-end digital subs	118.5K

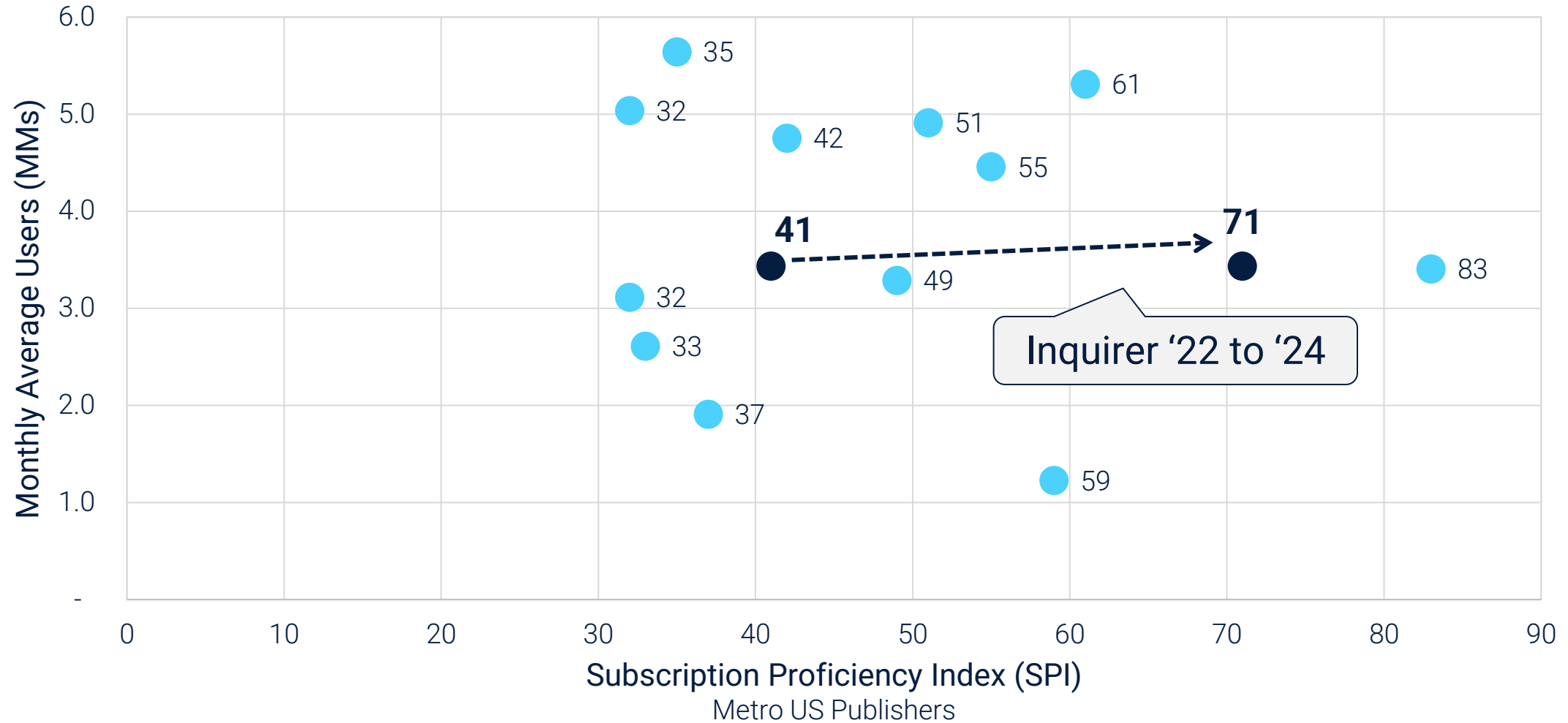


The Inquirer has achieved a CAGR of nearly 20% over the last three years.



Source: Mather Benchmarking Data

How is the Inquirer driving revenue gains despite industry headwinds?





Audience Mission Statement



*To grow The Inquirer's audience across platforms by **increasing our reach**, attracting new readers to our journalism, and **fostering meaningful engagement with existing non-subscribers through personalized strategies** that strengthen our relationship and guide them through our marketing funnel, ensuring they recognize the value of our content and remain engaged at every touchpoint.”*

The Philadelphia Inquirer
ALWAYS PHILLY



1 Audience Growth



Inquirer Key Initiatives:

- **Content Verticals**
- Brand Awareness Campaign
- Tik/Tok YouTube Strategy
- Partnerships
- Off-Platform Distribution

Market	Monthly Average Users				
	'23 v '22	'24 v '23	'24 v '22	'24-Q3 v '23-Q3	'24-Q4 v '23-Q4
Miami Herald	47.1%	-20.6%	16.8%	-15.4%	-15.0%
Detroit Free Press	-2.5%	13.8%	10.9%	3.5%	-5.9%
Seattle Times	-2.1%	11.8%	9.4%	17.9%	0.9%
Las Vegas Review Journal	3.0%	1.3%	4.3%	-10.3%	-14.0%
Toronto Star	-14.3%	19.7%	2.6%	44.4%	28.5%
Philadelphia Inquirer	-1.4%	2.8%	1.4%	8.3%	-9.4%
Newsday	1.4%	-0.8%	0.6%	-6.3%	17.8%
Minneapolis Star Tribune	-12.3%	12.1%	-1.7%	9.3%	-12.9%
San Francisco Chronicle	-1.6%	-1.2%	-2.8%	-2.6%	-7.8%
Tampa Bay Times	10.3%	-13.0%	-4.0%	-21.3%	16.1%
Competitive Set	-3.3%	-1.9%	-5.1%	-1.7%	-5.3%
Arizona Republic	-17.9%	13.8%	-6.6%	22.5%	29.6%
Los Angeles Times	10.0%	-17.1%	-8.8%	-20.2%	-28.9%
Boston Globe	-16.1%	2.5%	-14.0%	3.1%	10.6%
Dallas Morning News	-2.8%	-17.6%	-19.9%	-23.6%	-10.9%
Chicago Tribune	-24.5%	1.5%	-23.4%	10.7%	1.9%
Atlanta Journal Constitution	-25.4%	0.8%	-24.8%	-3.7%	5.0%

Source: Similarweb

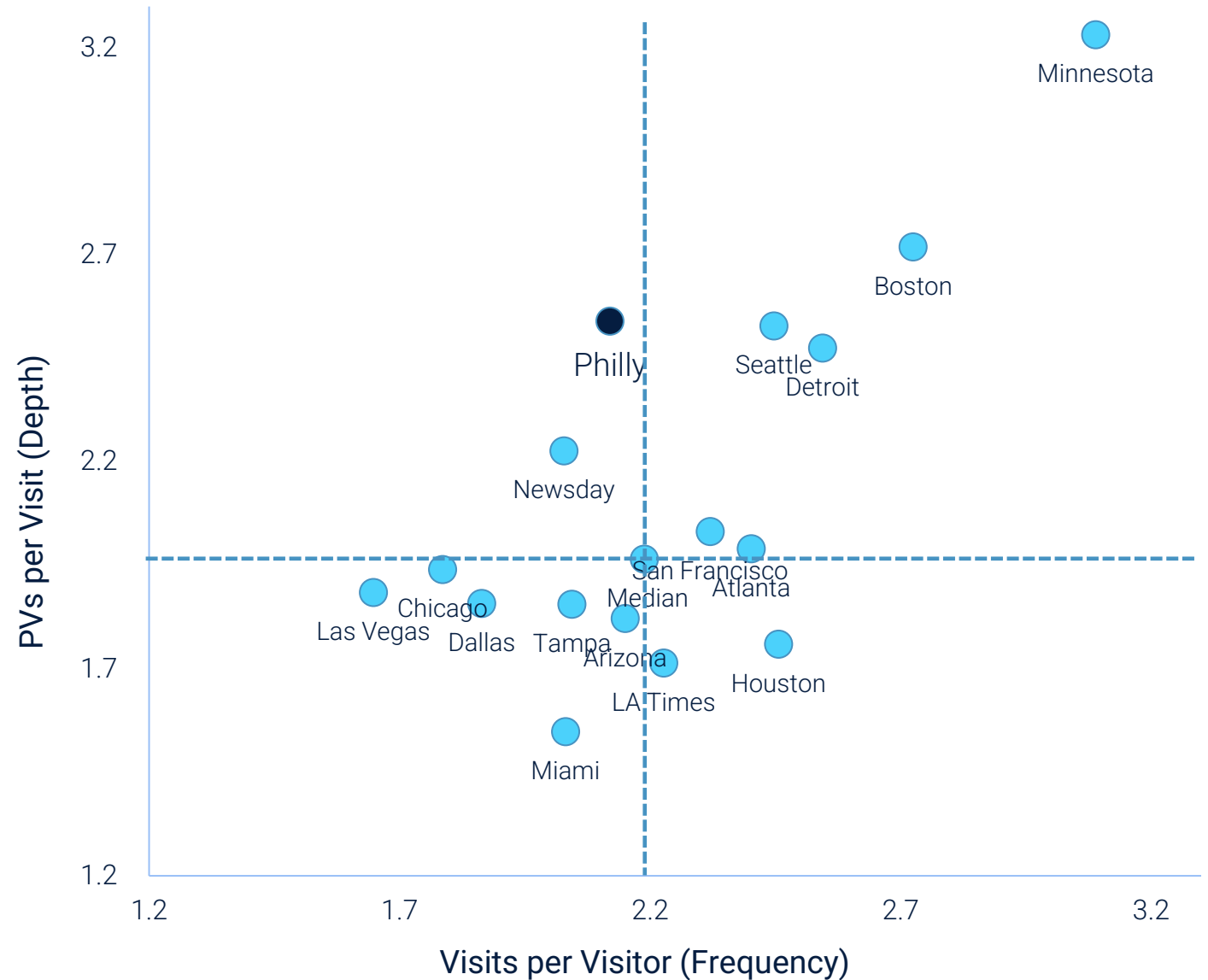


2 Audience Engagement

Inquirer Key Initiatives:

- Habit Building: Games, Puzzles, etc.
- Personalization
- Registration
- **First Party Data**
- Newsletters/Emails

User Depth vs. Frequency





Acquisition Mission Statement



*To strategically expand The Philadelphia Inquirer's digital subscriber base and revenue by **intelligently segmenting our engaged readers across all platforms and optimizing our monetization strategies to maximize return**, while simultaneously sustaining our print subscriber base and enhancing our reach through enterprise subscription partnerships with renowned Philadelphia brands and universities.”*

The Philadelphia Inquirer
ALWAYS PHILLY



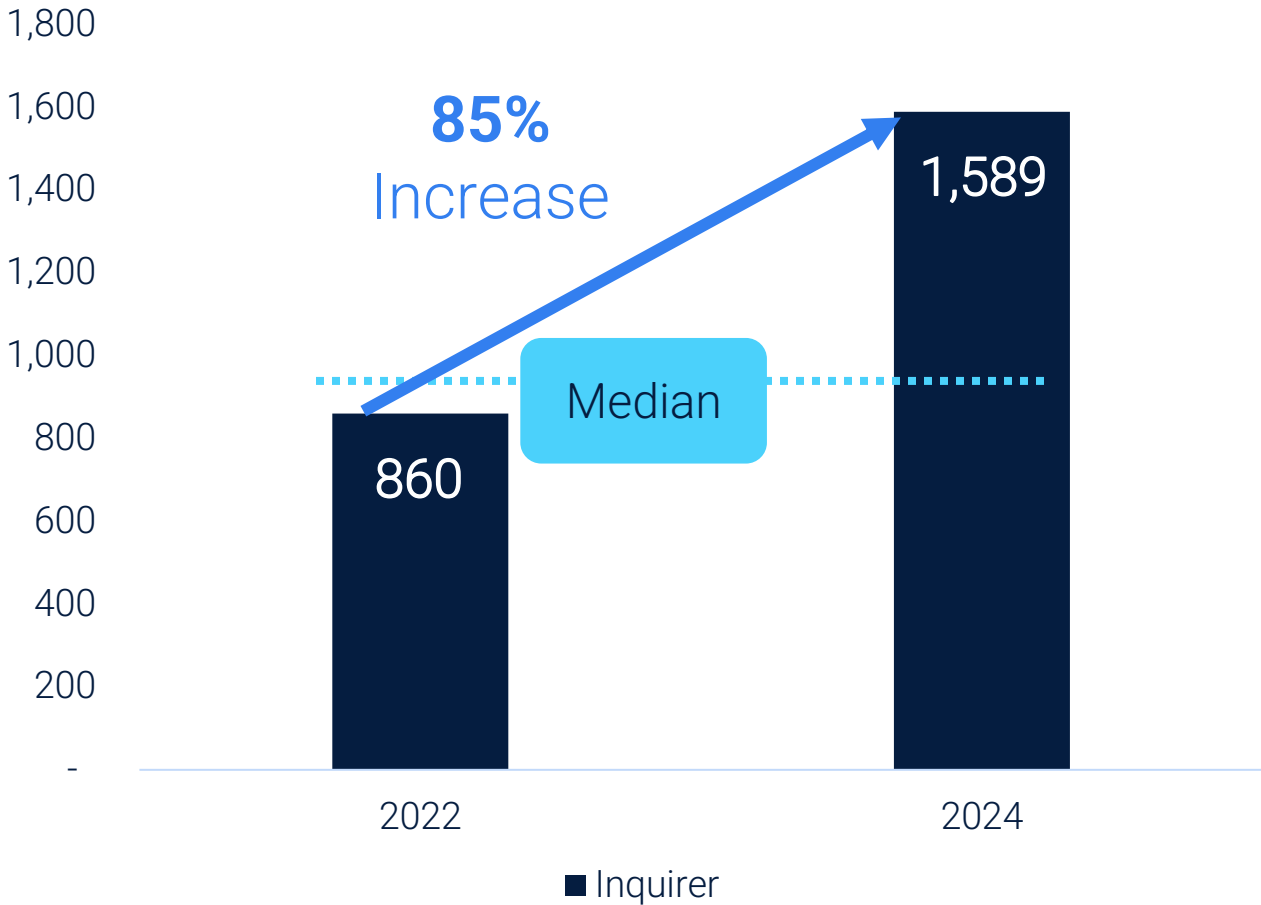
3 Conversion Effectiveness



Inquirer Key Initiatives:

- **Dynamic Paywall on Web and App**
- Quarterly Subscriber Acquisition Sales
- Cart Abandonment & Winback
- Creative | UX Optimizations
- Paid Media

Conversions per MM Users



Sophi Dynamic Paywall Engines

Content Paywall Engine



Dynamic Premium Content Determination

Content isn't statically "labeled" as premium or free but is reevaluated up to seven days post-publication and again at 28 days

This approach allows the system to:

- Account for **early traffic surges** or **delayed engagement**.
- React to **viral content** that might unexpectedly drive high user interest.
- Shift content between free and premium to maximize revenue over time (ad vs. subscription revenue).

User Paywall Engine



User-Level Paywall Decisions

By evaluating users' characteristics (e.g., device, location, referrer), behaviors (how they reacted to a wall), coupled with prior engagement history Sophi can:

- Tailor the experience for each user, making **wall decisions** about whether to present a paywall, regwall or no wall based on their propensity to take that action.
- Increase the likelihood of conversion by **targeting users who are more likely to subscribe or register** while allowing casual users to generate ad revenue.



Publisher Case Study

Accelerating subscription growth with Sophi

The **Philadelphia Inquirer** elevated its subscription strategy with Sophi's **AI-powered Dynamic Paywall Engine**, driving sustainable subscription growth and simplifying paywall management—freeing the newsroom to focus on impactful journalism.

Challenges



- Constant manual paywall tuning
- Lack of flexibility to adapt in real-time
- Unrealized revenue opportunities

Goals



- Boost paywall subscriptions
- Preserve reader engagement
- Optimize and maintain paywall intercept rate
- Increase automation

Business Impact:

+35%

35% Increase in Paywall Conversions & 13% Across All Channels

~0%

Maintained audience and engagement with negligible drop in page views

+26%

Intercept rate strategically increased to within 5% of target, preserving conversion rates





Retention Mission Statement

“

*To build enduring relationships with our subscribers by ensuring their experiences are both enriching and seamless, **creating personalized, dynamic interactions** that resonate with them, **leveraging data-driven insights**, and continuously improving our internal foundation: enhancing reporting capabilities, fostering cross-team collaboration, and implementing innovative engagement strategies.”*

The Philadelphia Inquirer
ALWAYS PHILLY



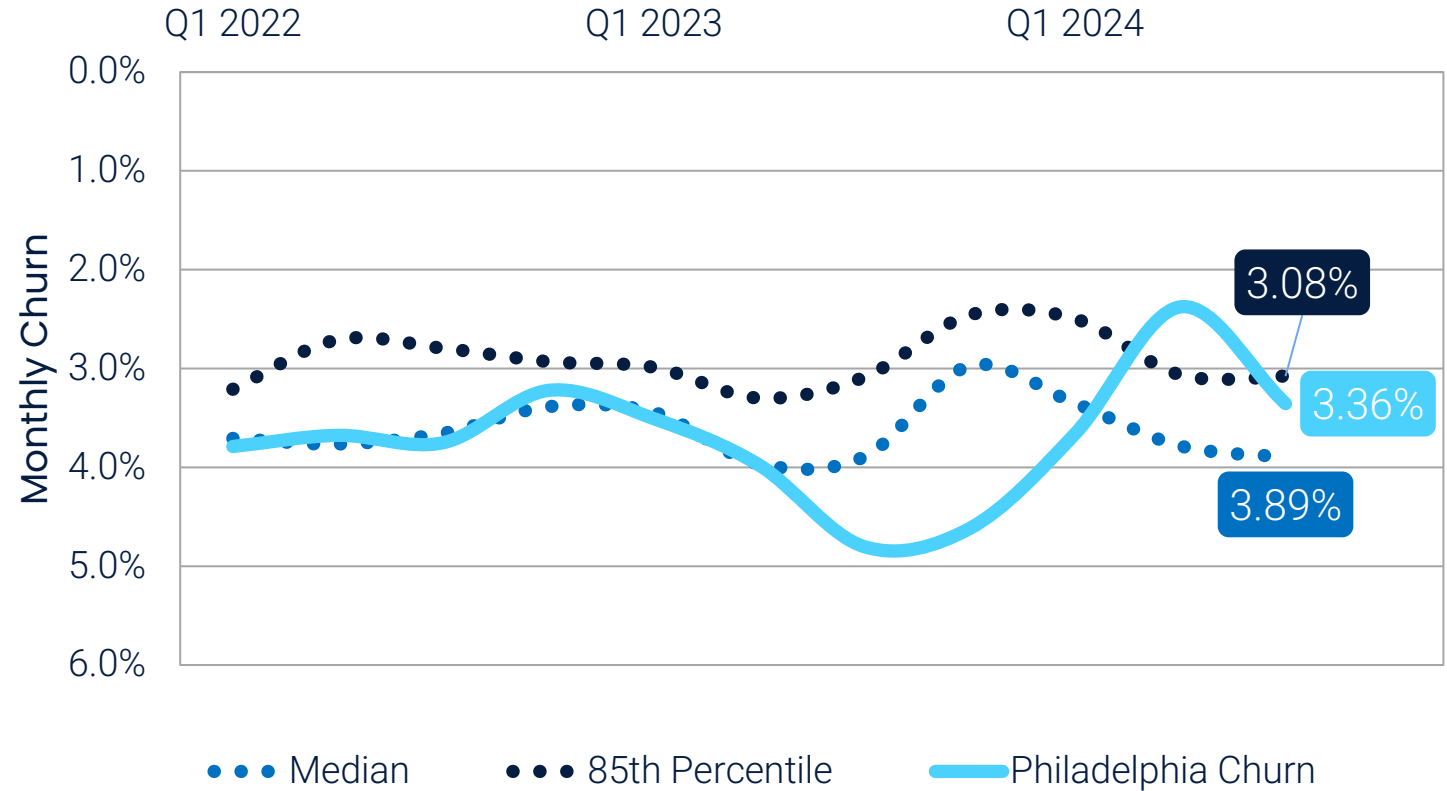
4 Churn Mitigation



Inquirer Key Initiatives:

- Non-payment
- Subscriber Satisfaction
- **Churn Scoring**
- Stop/Save Measure

Monthly Digital Churn Rate



How Mather Helps Publishers Minimize Churn

Marketing

Strategy

Review Churn Approach

- Assess how marketing and business stakeholders utilize churn model
- Assess marketing journeys and interventions
- Outline gaps in current strategy
- Recommend improvements in marketing application & a/b tests
- Summarize findings and recommendations

Implementation

Ongoing Advisory

- Advise Publisher on customer journey and marketing calendar
- Advise Publisher on a/b testing design and reporting
- Advise Publisher on priority tactics to maximize churn reduction

Technical

Strategy

Audit Churn Model

- Assess effectiveness of churn model application within current marketing tools
- Outline gaps in modeling approach
- Recommend improvements in current data science models
- Summarize findings and recommendations

Implementation

Ongoing Advisory

- Advise Publisher on feature engineering and data preparation
- Advise Publisher on data science approaches and best fit models
- Advise Publisher on model actionability and applicability
- Advise Publisher on model automation and integration into CRM/ESP



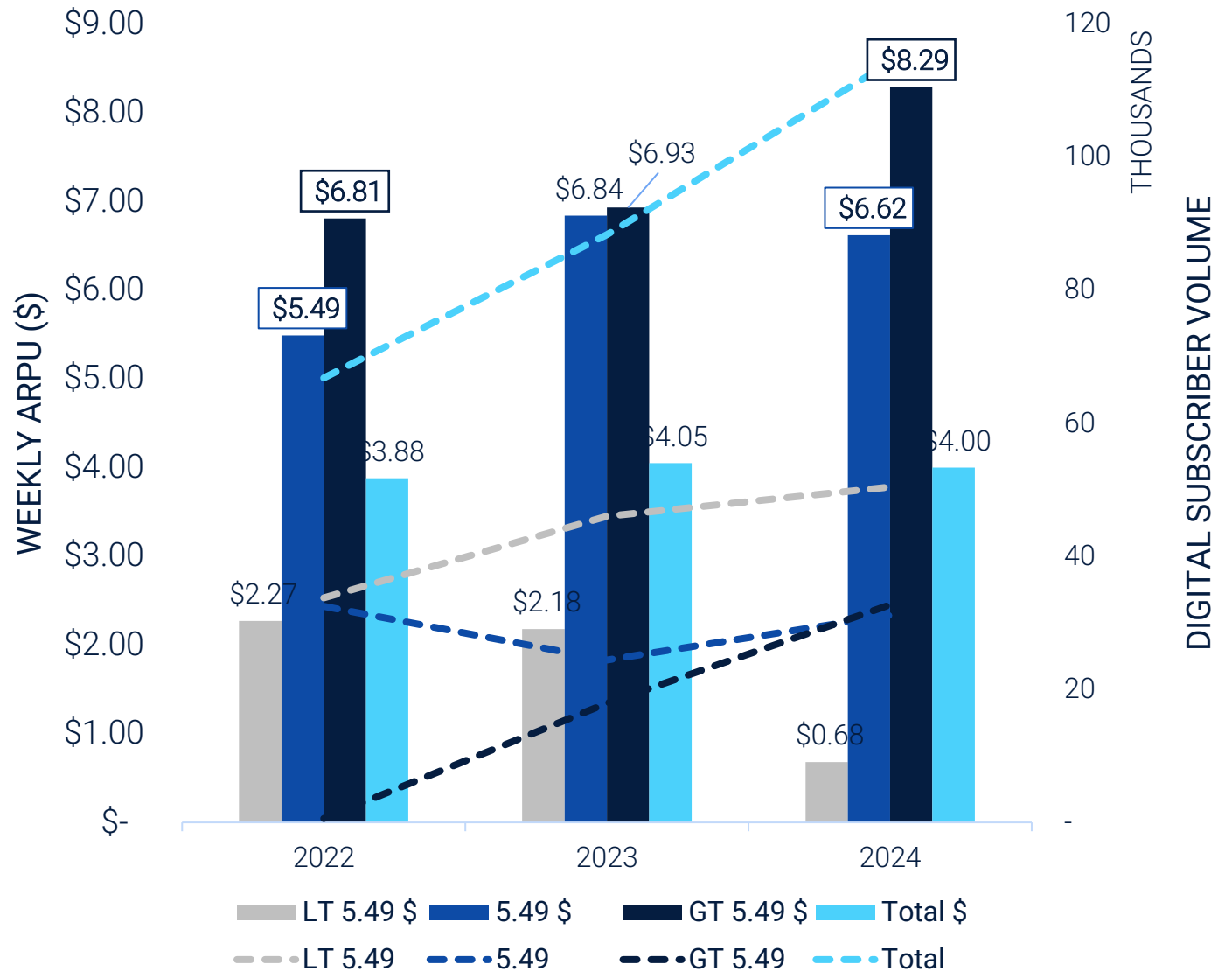
5 Average Revenue (ARPU)



Inquirer Key Initiatives:

- **Dynamic Digital Pricing**
- Pricing Operations
- Premium Subscription Tiers
- Research leveraging Pause vs. Stop

Digital Subscriber Volume and ARPU



Publisher Case Study

European publisher leverages targeted pricing to boost revenue and mitigate churn

Key Results

- Targeted pricing delivers a **20% lift** in **revenue** yield
- Targeted pricing **reduces** pricing-related **churn** by **50%**



ACROSS THE BOARD (10% Static Increase)

Lost Subs from Pricing	-4,000
------------------------	--------

Lost Annual Revenue	-€2.64M
---------------------	---------

Annual Revenue	€63.36M
----------------	---------

vs.



TARGETED PRICING (10% Dynamic Increase)

-2,000	Lost Subs from Pricing
--------	------------------------

-€1.32M	Lost Annual Revenue
---------	---------------------

€64.68M	Annual Revenue
---------	----------------



6 Subscriber Penetration

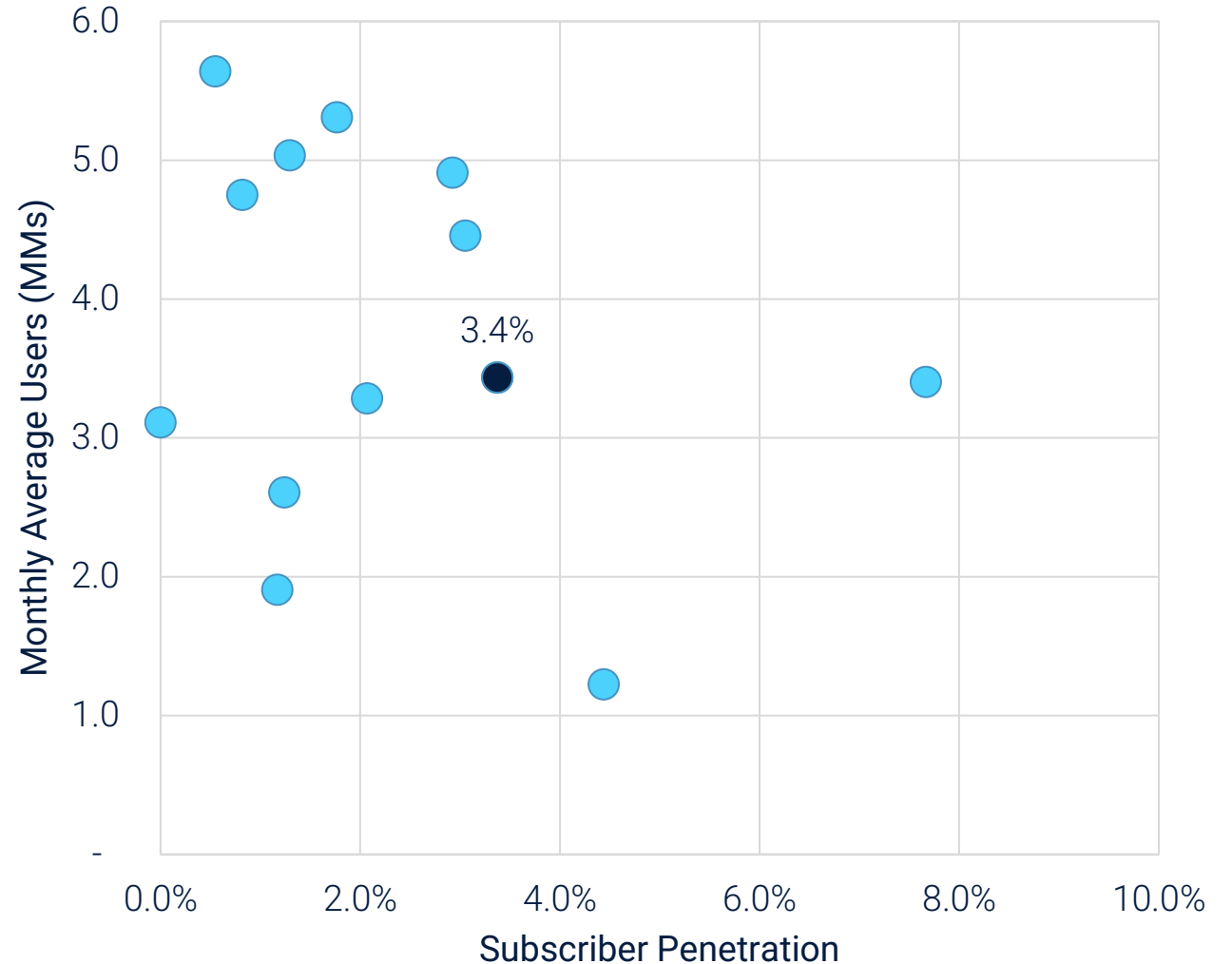


Inquirer Key Initiatives:

Steadily growing penetration among the addressable market (i.e., “**true fans**”) by

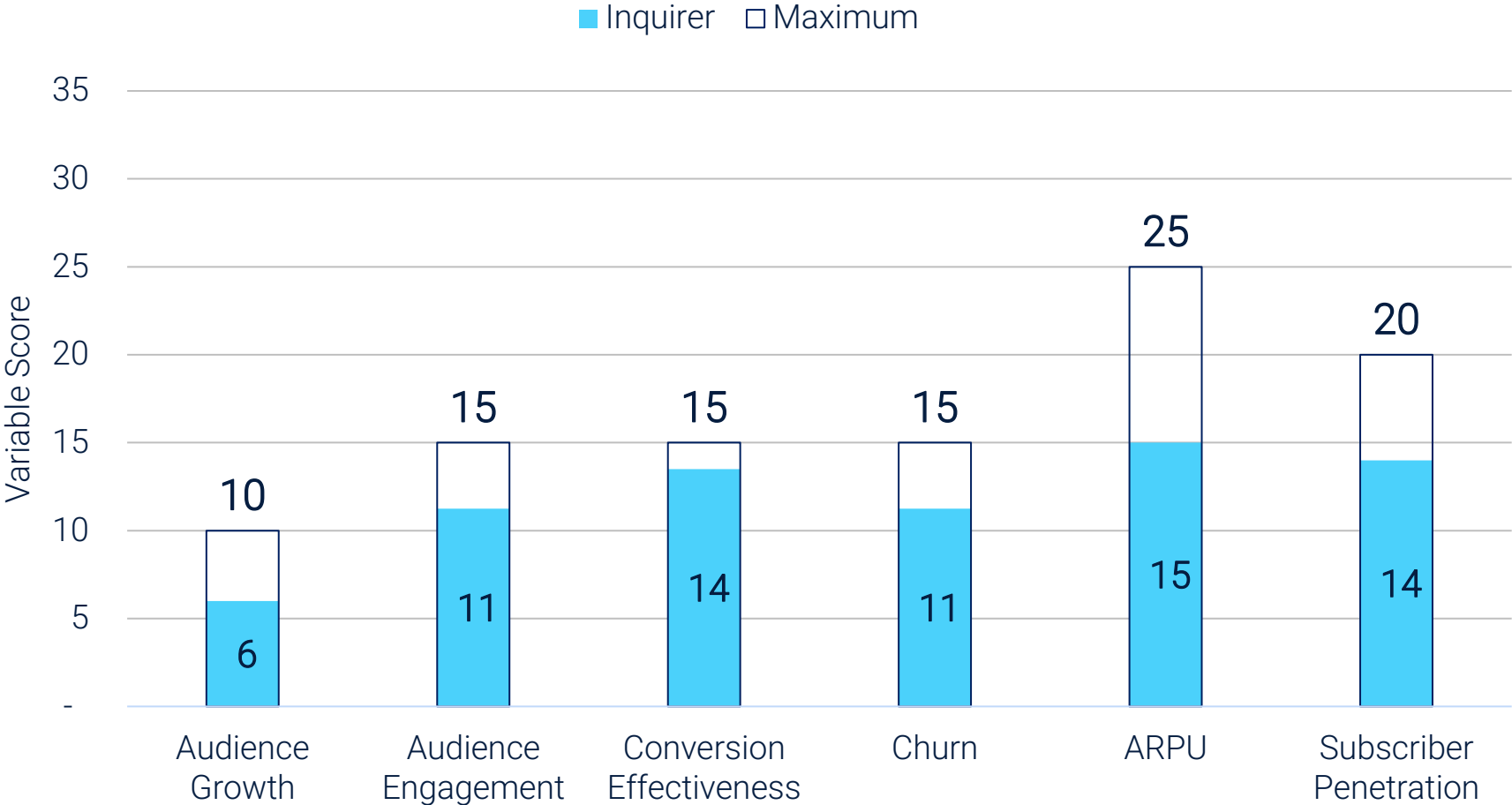
- Recognizing and celebrating existing and future loyal readers
- Catering to their unique individual signals
- Offering them the best Inquirer experience

Subscriber Penetration



In two years, Inquirer's SPI rose from 41 to 71, marking a significant advancement in digital subscription proficiency

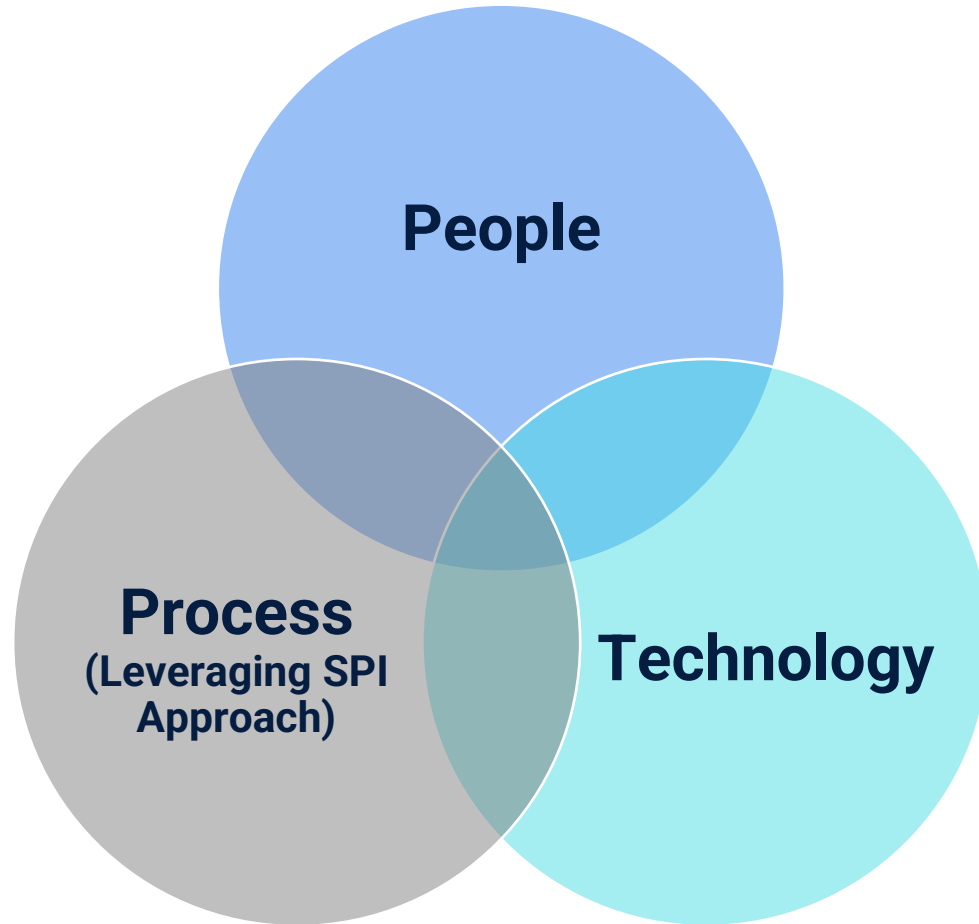
71





What are the
building blocks for
lasting success?

Fundamentals for Subscription Proficiency

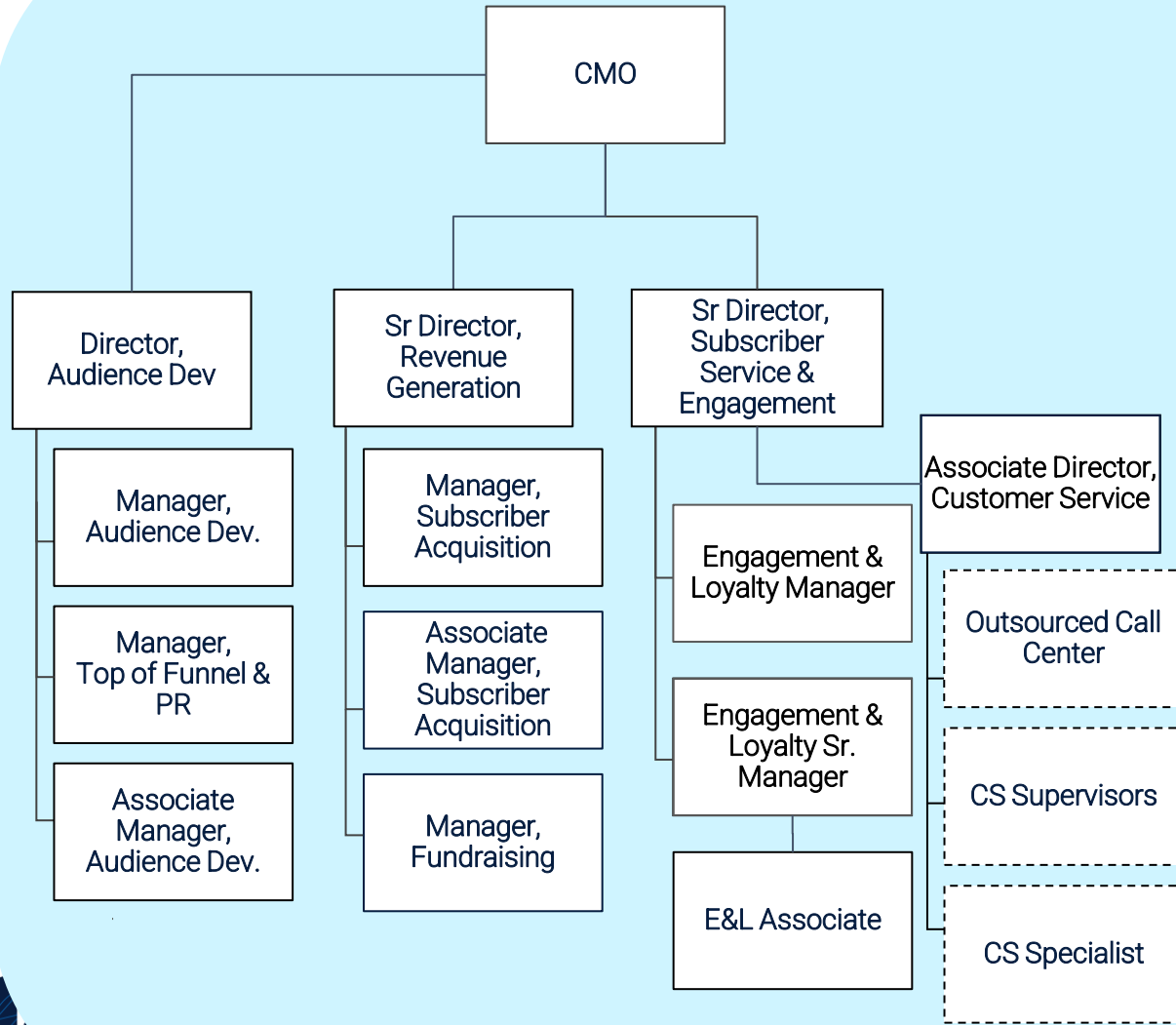


- **People:** organizational structure, number of resources, skills, and capabilities
- **Process:** integrated approach, rules of engagement, clear accountability, defined metrics and GTM approach (SPI)
- **Technology:** tools and platforms that automate tasks, provide access to data, and improve workflow and collaboration

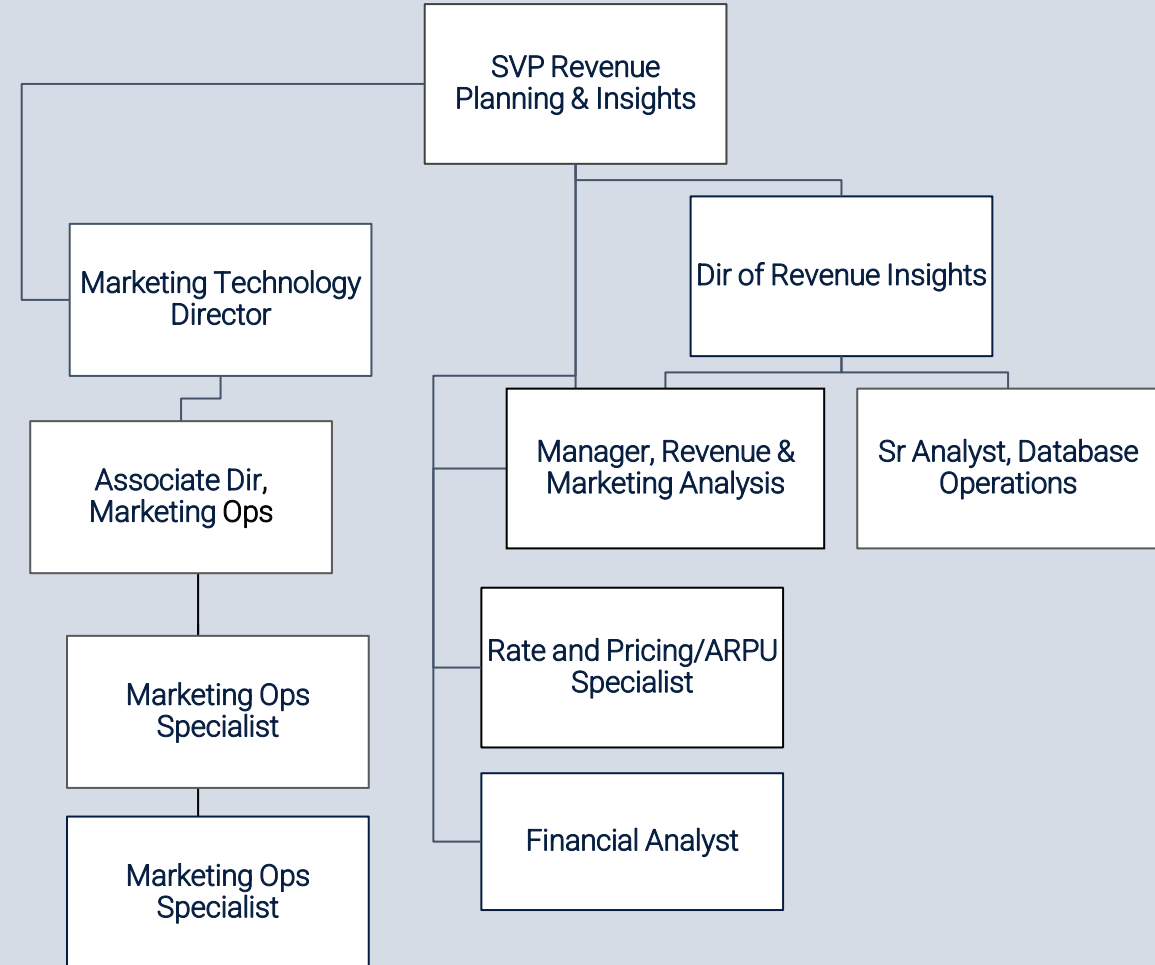


People - Inquirer

Consumer Marketing



Revenue Planning & Insights



Technology

User Funnel

