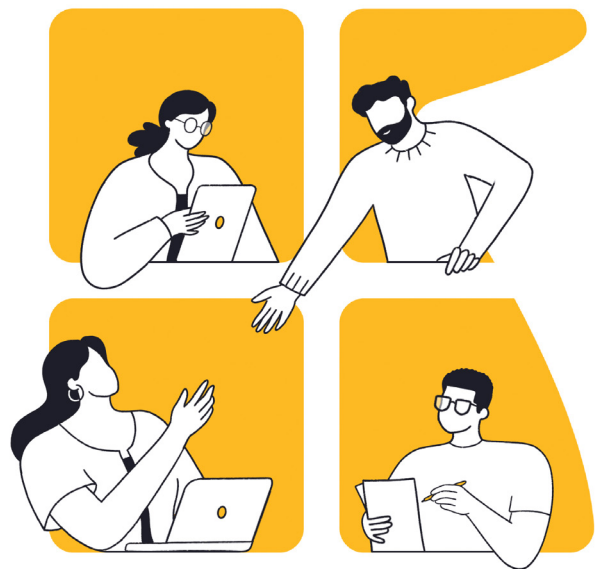


Readly Roundtable

About the Readly Roundtable

The Readly Roundtable is an informal forum for Readly's client publishers to discuss the latest trends and developments in the marketplace. It is an opportunity to talk through "off the record" some of the big issues facing us all in making content deliver more revenue. It is a networking opportunity for some of the leading publishers in Europe to compare notes with their peers. At Readly, we see connecting clients with each other as a key part of our role.

Yet there is also a more basic aim – to learn more about how Readly can support our clients, particularly in the area of data analytics, where we hold over 32 billion data points. Who in a publishing company needs access to that data? And how should it be tailored for different users across a range of roles – editorial, marketing, commercial and senior management?



About the Newspaper Roundtable

This paper is an anonymised summary of the key discussion points from the first Readly Roundtable, which took place on 15 April 2021 and which focused on Newspapers. Representatives from **Axel Springer** (Germany), **Der Standard** (Austria), **The Telegraph** (UK) and the **UK press** attended. All the quotes are from the publisher participants. The session was facilitated by Jim Bilton, Managing Director of Wessenden Marketing.

The discussion was deliberately fast and wide-ranging in order to gauge which specific topics could be covered in future sessions. The areas outlined in this summary include:

- **How newspapers work on the Readly platform.**
- **The impact of the pandemic.**
- **Dealing with the consumer.**
- **Social platforms paying for content.**
- **Making it happen: skills, culture & organisation.**
- **Making it happen: tech platforms & tools.**
- **What Readly can do to support newspaper clients.**

The big picture: playing the long game

The **time and investment** required to carve a position in the news market are often under-estimated. There are no quick fixes or cheap options.

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Some newsbrands are simply coming to the party too late. Others have cut their costs to the bone - mainly in the regional press – where they are risking their whole business.

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Subscriptions is a long game. Like most news companies, we're relatively early on into our journey. Investing in content, tech, staff skills and data analytics - this all takes time. And understanding our readers also takes time.

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The other key themes are:

- The importance of **data** in guiding every part of the company's activities.
- There are still some big issues about the capability of the **tech tools** required to unlock the power of data and turn it into actionable insight.
- Everyone in the newspaper business is in a constant process of **learning** about what works and what does not.
- Each consumer, each newsbrand, each company and each country can be **very different**. That variety has to be taken account of in every area of activity and baked into every process.

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Isn't all this about Brand Identity? To compete in a world of free news and fake news, we've all got to deliver quality content that is trusted and to engage with our readers on a personal level in ways that make us relevant and important to their lives.

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From a personal perspective, I've never worked through a time when I've learnt so much, so quickly. And that's because no one knows the answers before they try something.

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How newspapers work on Readly

Newspapers have been a relatively recent addition to Readly's wide magazine portfolio. There are currently **34 newsbrands** active on the platform. The key factors include...

- Newspapers increase the attractiveness of the overall Readly offer in the subscriber acquisition phase. They are part of a complete reading package.
- Newspapers increase reader engagement throughout the subscription lifetime: more publisher brands are read; reading sessions are longer and more frequent.
- The result is that total reading times are being driven up by the inclusion of newspapers without cannibalising magazine reading.
- The current profile of Readly subscribers (Q1 2021 / UK only) is...
- only **2%** of total accounts are reading **newspapers only**. Subscribers are buying into a total reading package and not just newspapers.
- Approximately **30%** are reading **both newspapers and magazines**. This is a good start to this new element of the Readly package. These subscribers are displaying strong characteristics in terms of titles read, reading times and subscription retention.
- Approximately **70%** are reading **magazines only**. There is potential to develop newspaper reading amongst this core group.

The impact of the pandemic

Two dimensions were discussed: the impact on the publishing organisation and the effect on the consumer. For both, the pandemic has largely just accelerated existing trends.



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This year is all about holding on to the gains we made last year.

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Things actually haven't been as catastrophic as many were expecting. Publishers with strong reader relationships have done pretty well during the pandemic. Yet what does worry me is that we're now getting a two-tier market in newspapers. There are those with quality and focused editorial, serving a defined audience and with strong reader relationships – which usually means subscriptions. For everyone else, it's the digital Wild West, where there is simply too much news available – a lot of it unreliable and most of it free.

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The pandemic created lots of behaviour changes which won't stick in the longer-term. We're just trying to work out what will stick and what will drop away. No one can be one hundred percent sure of that at the moment.

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The 'Trump Bump' was a tangible sign that there was a real need for reliable, independent, factual news and analysis. Yet the industry now needs to convert that into a permanent feature, not just a one-off blip.

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The impact on the organisation

The impact of working from home has varied a great deal between countries and also between specific companies. It is also clear that some organisations still remain very siloed...

- between platforms - principally print versus digital, but also text versus audio & video.
- between functional departments - editorial versus marketing versus ads & commercial).

... whereas other companies have become much more fluid and open.

The drop in the ad market is seen everywhere, but it is sharpest in the UK which saw a -33% year-on-year drop in 2020 for magazines and -26% for national newsbrands.¹

The impact on the reader

There are some fundamental differences between countries as to how resilient print remains (Germany & Austria is stronger than in the UK²) in the face of online growth; although this growth is evident in every market.

The use of ad hoc donations to support the work of quality journalism (as per The Guardian) is a payment device now used in every country, although subscriptions are the key growth sector everywhere.

Dealing with the consumer

A discussion about consumer offers and reader trends was wide-ranging. The key themes are outlined below.

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In terms of web traffic and profile, the pandemic was good for us as a newspaper publisher. But in terms of building a quality and growing subscription business, not so good. We have attracted lots of triallists, but converting them into paying subscribers has been more difficult, especially having made some 'cheap and deep' offers early on in the initial lockdown. By September of last year, we had changed our strategy.

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Our aim is to have a paying subscriber at the end of it all, but we are still learning how to get there. And how different groups of readers behave in very different ways. That's where our investment in data analytics is really paying off.

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- Most publishers report shifting from short-term trials (sometimes just for a month) into 3-4 month offers with firmer prices.
- A number of publishers are testing full access to content for a limited time versus limited access to content over a longer time frame. There seem to be no set rules and the results vary by demographic group.
- Newsletters are widely seen as a powerful value-add and engagement device for paying subscribers.
- In addition, podcasts and videos are being used both as value-adds to the main subscription or as stand-alone paid-for products. One publisher had seen the age profiles of their audio and video products skew much younger than the other platforms on the same newsbrand.
- Interactivity and dynamic movement, including interstitial ads, can build engagement and reader interest.
- The New York Times business model was discussed at some length. It was thought that their strategy was to set very low pricing of the core subscription to acquire paying subscribers, before selling them other products and services (newsletters, podcasts, video channels) in order to leverage revenue.

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For the NYT some of their most successful subscription products, notably their puzzles, have little to do with their core news content. They've had some disasters along the way, but what they're essentially saying is that they know how to market subscriptions, rather than being a world-beating news source. That's not our strategy. We are trying to diversify our revenue streams without losing sight of who we are and what we do.

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- International growth outside the domestic market is becoming more important for every newspaper – one reported that up to 18% of its current new subscribers are based overseas.
- International growth also highlights how different payment mechanisms can be from country to country. Direct debit and credit card are established methods in the UK, whilst PayPal is becoming increasingly widespread in Europe. In addition, within each country, the preferred payment method can vary markedly by demographic group. Low friction payment is a now a central part of the whole, front-end consumer UX and no longer just a back-end administrative issue.
- There was some discussion about streamed, online content versus defined, issued-based content. Both have their pros and cons, yet there seems to be a role for both in the foreseeable future.

Social platforms paying for content

Dealing with the social platforms and with “intermediaries” such as Readly was a big topic in the discussion.



- A number of publishers speak more positively about Apple than Facebook and Google. Apple News is felt to have a better reader UX than the likes of Facebook and Google, and its service is based on known and respected newsbrands.
- The platforms showcase content and prompt trial, but the ultimate conversion to paid subscriptions is generally low.
- Whilst classed as another “intermediary”, Readly is seen to be a very different operation from the news-driven social platforms, because of its magazine focus and its use of known publisher brands.

“ I don’t think that the actual amounts being paid by the platforms will make a huge amount of difference to newspaper finances. But it’s more about the principle. And the longer-term relationship. The platforms only acted because of extreme pressure, and the threat of regulation from governments. But now we’re in a different place from just a few months ago. ”

“ We’ve been fighting with Google for years, but we now have an agreement with them in our domestic market. Yet Murdoch seems to be making much bigger, global deals which leave us in a weaker position. He is stitching everybody else up. ”

“ We think that all this is having a positive impact on the consumer. They are media literate and they can see that good quality news has to be paid for in one way or another. ”

“ Obviously, my ideal is to have all our subscribers paying us and dealing with us direct. That would be higher margin, would give us more insight and control, more opportunities to upsell and sell other products. That’s the ideal, but I have to be realistic. We are always balancing audience reach & visibility against margin & monetisation. ”

“ We would like to have all our subscribers dealing directly with us, but we’ve got used to it and we simply need to be seen everywhere. Profile is what Readly offers. ”

- One publisher has only recently shifted from being very paid-subscription focused to embracing a free registrant tier, and is finding the low conversion rates from free to paid a challenge. Yet this has to be done to maintain visibility in a free news environment.

- One publisher has launched a “compact” version of the main daily newspaper on weekdays as a product in its own right, but also as a way to drive readers into the main paper.

Making it happen

Skills, culture & organisation

All the publishers have seen an influx of new skills and talent to support a widening range of platforms and a greater requirement for data analysis. Also, the culture of every company has changed and continues to change. Yet there are clearly issues for some publishers about getting the structure of the organisation right to make it all happen smoothly and efficiently – some are still operating in too many silos.

Another issue is having the monitoring tools to track the impact and effectiveness of every department and not just the editorial teams, where most have already fully embraced data-driven monitoring of their output.



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I just love to stand in front of the huge scoreboard in the centre of the newsroom and watch in real time how readers are responding to the content. This allows us to understand much better what our different reader pools actually want. That improves their reading experience. And their engagement, which ultimately means converting registrants into paying subscribers and extending their lifetimes with us.

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A number of US newspapers have gone down the data-driven clickbait route – using simple page traffic numbers to incentivise their editorial teams, which descends into lowest common denominator journalism. That is an example of data being used badly. Metrics that are just one-dimensional and are then applied in a simplistic way.

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Making it happen

Tech platforms & tools

Each publisher is finding its own balance of in-house tech development and bought-in expertise. The key tech goals are:

- A single view of the customer.
- A single customer log-in across multiple products and platforms.
- Low friction payment.

The general view is that most of the major service providers understand the newspaper business better than they did a few years ago. However, consolidation in the vendor market is creating some turbulence.



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We have an in-house team of 25 who are responsible for our websites. Yet we buy in additional modules for data analysis, e-commerce and tracking customer journeys across multiple products and multiple platforms. It doesn't always work as well as it should, but we're getting there.

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We use Google Analytics and some new Adobe products for our digital platform insights. And we have made great efforts to stitch together research on our print products with these digital sources. Readly sits in between the two and can form a bridge between them.

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The consumer is becoming increasingly media literate and privacy and data protection are becoming more important.

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What Readly can do to support its newspaper clients

Data is a key element of the Readly service that newspaper clients would like to use more.

There are issues about presenting Readly data to the different audiences within a newspaper publisher (editorial, marketing, ad sales & commercial, senior management & finance management), each of which have their own priorities and sensitivities.

There is also a real awareness of “data overload” and of focusing on a limited number of metrics that are actionable and can improve the business.

Yet overall, the appetite for insight is growing.

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There is a real danger that people inside our company and outside it – principally brands and media buyers - can be more interested in digital platforms, simply because we know more about them and they look more accountable. Yet we still have to manage all our platforms, including print, in an overall distribution strategy. And Readly could actually help us with that.

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For more information about any aspect of this Roundtable or for details of future Readly Roundtables, please contact

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