FOLIO:

WHY DATA IS THE FUTURE OF YOUR PUBLISHING BUSINESS

A Folio: special report on the state of data in magazine media, and how it's transforming the industry.

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The rise of big data—and the ability to collect, analyze, and use it—has transformed industries as diverse as finance and healthcare, and publishing is no exception. While publishers have always used data in some way, in 2018 it became an integral component of publishers' business in every sector.

While demographic data on readers still matters, the insights available now are far richer, containing information on the preferences and behavior of groups of readers as well. However, every publisher has their own way of collecting, organizing, and monetizing data as a product.

"In our shift from a more linear acquisition and retention model, to a relationship model where the customer is at the center, data and insights about our customers is critical," says Nicole McGuire, senior vice president of consumer marketing at hobby publisher Kalmbach Media. "By collecting data and insights about our customers, both purchase and behavior, marketers are better able to deliver relevant messaging to customers and inform content decisions."

Across the board, publishers share the belief that the future of their business will rely on evolving these products. There's a growing understanding that companies can use data to create a more personalized (and valuable) experience for their readers across all platforms. For years, publishers have been touting the importance of delivering a "user-first" experience, and data is now giving them the tools to actually deliver it.

That understanding doesn't always translate into investments. Last year, more than two-thirds of publishers surveyed by Folio: said that their company didn't have an internal, unified database solution. Among those, fewer than half had plans to build one.

DO YOU HAVE A UNIFIED DATABASE SOLUTION AT YOUR COMPANY?

It is currently being planned or built **31%**

31% Yes

38% No
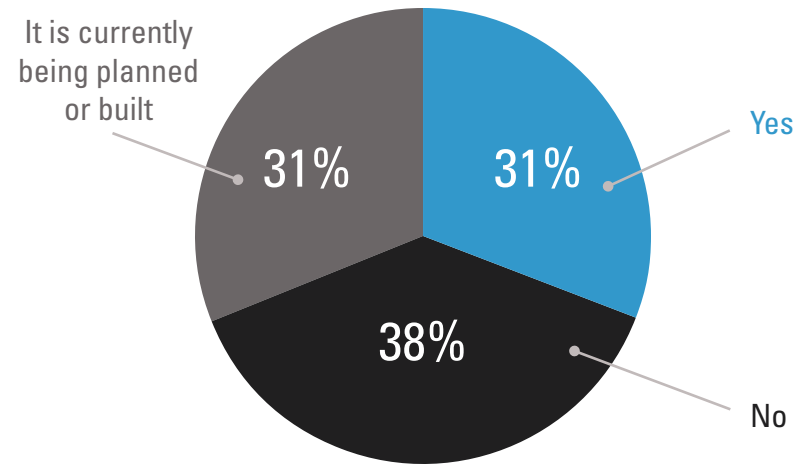
Source: Folio: Data Survey, 2017

Still, both consumer-facing publishers and trade media have started to recognize on a widespread level the value of the first-party data they collect from their readers and all of the sophisticated ways that they can utilize it. When used properly, first-party data can offer insight and value beyond what programmatic platforms yield.

▶ Advertiser Demand

In 2014, Meredith centralized its data and research teams, which has given the U.S.'s largest magazine publisher the ability to scale insights faster and integrate data more efficiently, says Alysia Borsa, the company's chief marketing and data officer.

"We directly monetize our data through audience targeting and programmatic digital revenue," Borsa says. "But data and insights have also become a core part of driving major advertising partnerships. And, ultimately, the more we understand our consumers, the more we can drive high-engaging content and experiences, that will drive direct and indirect revenue."

*"*Audience targeting has become mainstream and, obviously, critical for programmatic; however, we are also using our insights to inform creative messaging and even help clients develop new product ideas.*"* — Alysia Borsa, chief marketing and data officer, Meredith Corporation

While publishers have found plenty of ways to use reader data internally, part of the push toward data reflects demand from advertisers. On the print side, magazines are increasingly using data to prove their value, giving advertisers hard numbers that show ROI and how print can help advertisers hit their marketing goals. On the digital side, advertisers expect even more. They want the data—and they want to know what that data means.

"Data and insights are playing a larger role in our advertising partnerships," Borsa says. "Audience targeting has become mainstream and, obviously, critical for programmatic; however, we are also using our insights to inform creative messaging and even help clients develop new product ideas."

▶ A Changing Approach to Content

The rise of social media and other forms of content distribution make it vastly more important that publishers deliver the most relevant content, every time. When they misfire, the reader will simply click elsewhere, and have less incentive to return. High-quality content remains the key to keeping readers interested, but it has to be content that's uniquely relevant to a specific reader.

The metrics that publishers look at when evaluating their content are starting to shift. While the focus may have previously been solely on the number of pageviews or unique visitors, now publishers are starting to dive deeper into the data, with a focus on more qualitative measures, such as how long readers spend with a specific piece of content, or how they might behave after reading it.

Artificial intelligence doesn't replace the editors who decide what type of content to offer, but it can help them make smarter decisions more quickly. By delivering exactly what the audience wants—on an individual level, publishers are able to make their content more valuable to those readers, and potentially even convert non-subscribers into paying subscribers on either a one-time or ongoing basis.

"On the content side, site audits and analytics are helping to drive more deliberate digital content planning with a better understanding of what kinds of content drive audience, engagement and ultimately conversion," McGuire says.

That data becomes more useful when publishers broaden their understanding beyond one channel, and recognize how the same end user is interacting with site content, as well as email newsletters, social media and even the print magazines. Aggregating that information to develop a user profile allows for more personalization across channels.

*"*We collect data with the sole intent of serving our audiences more relevant content based on what they're already doing with us.*"* — Sarah Welcome, evp, digital and data operations, Hanley Wood

For B2B publications, which typically already have an extremely niche audience, data creates an opportunity to create an even more unique and useful experience and specifically targeted services.

"We collect data with the sole intent of serving our audiences more relevant content based on what they're already doing with us," says Sarah Welcome, executive vice president, digital and data operations for Hanley Wood. "People are busy, so the more relevant you can make their content—whether that's on site or via email or at an event—the more engaged your audience is going to be."

Hanley Wood often uses reader location and behavior data to promote attendance of live regional events. If a reader downloaded a paper or watched a video on a specific topic and lives in an area where a related event will take place, the company will make sure the reader is invited

and receives promotional materials via emails, sites, or phone calls.

"Without the data, we might have to market 20 times more than we do in order to get the event registrations," Welcome says. "If you cast too wide a net, there's a cost, both for the company and the audience. If the audience receives too much information that is not important to them, they may disengage."

▶ Boosting Subscriptions

Just as publishers can use data to push appropriate content, they've also been able to use it to tailor subscription-marketing messages more appropriately for individual readers.

"If a user is consuming a lot of content about a particular topic, and we have a related newsletter, we are likely to serve them a promotion about subscribing," Welcome says. "We use the data to better understand their interests, and then make sure they are aware of content and offers related to those interests."

Kalmbach Media is continually refining its data solution with the goal of figuring out exactly how to target a marketing message to a visitor in a way that will drive conversion. For example, the company might recognize in real-time that a site is due for a magazine subscription renewal, so they'll send a custom renewal offer, or they'll notice that they read a lot of content online that might appear in a sister publication and send them a message about subscribing to that publication as well.

"Often there is a journey to conversion," McGuire says. "Rather than an immediate subscription offer, we may choose to offer a free e-book on a topic the visitor has browsed on one of our sites. With the email captured, there is a triggered welcome series meant to drive conversion."

▶ Driving E-Commerce

For some publishers, e-commerce has become more than a small source of side revenue, and data has helped publishers figure out which products make sense and how to market them. The consumer revenue team at Meredith, for example, is using data to introduce new direct-to-consumer products that have helped grow Meredith's e-com-

merce and affiliate business to more than $400 million in retail sales.

Meredith collects behavioral, engagement, and transactional data across multiple platforms, gathering information via its more than 40 million subscribers, six billion emails, and nine billion visits. The company then analyzes that data based on both interest and life stage as well as current needs and intent.

"I'm a working mom who likes to garden," Borsa says. "However, right now I'm planning our family's holiday travel. Understanding this kind of activity helps to develop personalized recommendations and more specific targeting campaigns."

 " New product discussions are happening on an ongoing basis with editorial and marketing, leveraging both site and purchase data to inform brainstorming efforts. " — Nicole McGuire, svp, consumer marketing, Kalmbach Media

Even much smaller publishers are able to leverage data to build their e-commerce sales. Kalmbach Media has also used data to build it's e-commerce business, introducing hundreds of new products to audiences in the past few years, contributing to a nearly 70 percent increase in e-commerce sales to existing audiences.

"New product discussions are happening on an ongoing basis with editorial and marketing, leveraging both site and purchase data to inform brainstorming efforts," McGuire says.

Kalmbach collects first-party data on any purchase activity across all brands and products. The company then organizes that data in a relational database at the customer level.

"This provides Kalmbach with a unified view of the customer, versus having customer purchase data fragmented across brands and products," McGuire says. "A customer data platform solution integrates with the fulfillment database and email platform through daily updates."

Publishers Use Dynamic Metering to Increase Audience Insights and Drive Consumer Revenue

Partner Content By: BlueConic

Big data offers publishers the opportunity to deliver more personalized content and experiences – and that includes readers' interactions with a paywall. Publishers have successfully boosted subscriptions by using a dynamic metering to offer individual readers a variety of content, flexible call-to-actions, or tailored pricing that align with a reader's behavior or attributes.

To successfully execute a dynamic metering strategy, first, you have to figure out how you want to segment and target different audiences. For example, if you are trying to create dynamic metering to address readers with ad blockers, you might want to:

• Give ad blocking readers no views or a significantly lower view count in your meter

When you identify that a reader is blocking ads and has not yet hit your meter limit, then that reader really isn't driving any revenue for you. As such, a fair approach would be to prevent them from viewing any articles at all with a meter set at either no views or one view.

• Give ad blocking readers more views, but offer specific products

This might seem counterintuitive at first but hear us out. In a study conducted by Ryan Nakashima and the Bay Area News Group, Nakashima noted that the ad blocking readers in his study tend to visit more often and read more content. But they also unsubscribed at a higher rate. He interpreted this as a sign that ad blocker readers value user experience (UX) highly and that if you can give them a high-quality reading experience with fast load times, low friction, and good content, they'll subscribe. Conversely, if you give them a negative reading experience, they'll abandon just as easily.

An expanded meter and targeted, UX friendly messaging throughout could win readers over and give you a high value subscriber.

▶ How Three Publishers Win With Personalized Meters

Having individual-level data and paywall functionality in BlueConic, Hearst, WEHCO Media, and Boston Globe Media could provide personalized metering experiences to drive subscriptions.

• Hearst Newspaper's meter asks for a newsletter subscription at around 4 views and a paid subscription at around 8. Using a graduated meter, Hearst was able to drive 10x more newsletter starts than any other marketing program.

• WEHCO Media's Northwest Arkansas Democrat Gazette (NWADG) achieved 100 percent subscription growth by using BlueConic's content meter to offer limited article access before serving a personalized subscription call-to-action. Readers could also gain access to more free content in exchange for providing an email address, thus increasing NWADG's recognition ratio of known vs. anonymous readers.

• Boston Globe Media has seen 70 percent growth in engagement on subscription offers and 4x the number of users visiting registration pages by targeting non-subscribers with messages that relate to the interests and priorities of that reader.

▶ Know Your Individual Readers. Drive More Revenue.

Most metering solutions struggle to identify individual readers' attributes, as well as the correct meter for each reader based on her specific behaviors and interests. But a customer data platform, more commonly known as a CDP, can help. BlueConic's CDP not only captures individual-level data about your readers, but it enables you to use that data to design personalized metering experiences that help you achieve your goals – such as increasing subscriptions, reader recognition, newsletter sign-ups.

For more information, visit www.blueconic.com.

▶ Keeping Security in Mind

While maintaining reader data provides enormous opportunity, publishers also have the responsibility to keep that data safe. Data breaches continue to make headlines regularly. Companies that are victim to such breaches face serious damage to their brand reputation.

> " We also don't buy lists, so every email in our database is someone who has come through, registered with us and accepted our privacy policy. "

The focus on securing data varies greatly, depending on the size of the publisher and type of data they collect. At Hanley Wood, for example, there's not much data on individual users besides their email addresses and how they interact with the site.

"Because we don't collect financial or medical information, we don't have to worry as much, besides keeping those emails safe and maintaining proper opt in and opt out preferences," Welcome says. "We're fortunate in that way. We also don't buy lists, so every email in our database is someone who has come through, registered with us and accepted our privacy policy."

For larger, consumer-facing publishers like Meredith, keeping user data safe is a bigger task, and one that the company strives to make a priority.

"We have a cross-functional team, including [International Association of Privacy Professionals] certified employees, that monitors and tracks our compliance," Borsa says. "We have governance and security processes and tools in place to comply with applicable law and self-regulatory industry requirements."

Meredith is also in continued contact with industry and government experts to keep abreast of any changes in those requirements. Employees have access to both required and optional training programs that increase their awareness and skills around responsibly collecting and handling data.

▶ Looking Ahead

> " The goal is to get even better and faster about translating the interest to relevant material for our audiences. "

Publishers—regardless of their size or industry—agree that big data will likely only continue to grow in importance, for publishers themselves, as well as for advertisers and even readers who are growing accustomed to a personalized experience.

"With a firm handle on customer data there is greater opportunity for segmentation and delivering of targeted messaging that ultimately helps us better serve our audience and marketing partners in reaching their desired audience with the right marketing message," McGuire says.

Machine learning and artificial intelligence continue to make data even more powerful, and to allow publishers to react even more quickly—often in real-time—to the needs of their readers.

"The goal is to get even better and faster about translating the interest to relevant material for our audiences," Welcome says. ▣