

Audience Development and Loyalty: Strategies and Tactics



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Executive summary

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When Renée Kaplan joined the Financial Times in May 2015 she became the first head of audience engagement in the title's more than 120-year history. Kaplan's role, rooted in the heart of the newsroom, is two-fold. First, it is to grow the reach and impact of the FT's journalism. Second – "circular and related", she says – it is to oversee the necessary internal changes in process and mindset. "It's about both external engagement but also the internal engagement on which the external engagement depends."

Those charged or concerned with nurturing readers and viewers don't necessarily share Kaplan's job title, nor are all of them likely to operate inside the newsroom. They do, however, share a common mission – to reach and grow engaged, monetizable audiences.

The strategies and tactics, the lessons and the insights set out over the following pages come from similarly talented media professionals working for a wide array of organizations. Those organizations range from incumbents to insurgents, from traditional publishers and broadcasters to digitally-native start-ups. They span the globe from Sydney to London, from Oslo to New York, and from Washington to Tel Aviv via Hamburg. And they deploy a range of business models from free-to-air and advertising-supported to paywalls of the impermeable and hybrid variety. Some of their priorities are unique, most overlap.

This paper draws on the expertise of contributing interviewees to **explore lessons in:**

- **cultivating, converting and retaining valuable audiences**
- **crafting engaging storytelling techniques** that keep readers and viewers coming back for more; and
- understanding **what to measure** and **how those metrics inform action**



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The following pages provide insights, experiences and lessons worth sharing. Here are just 10 to get started:

1. Great content will out

If you don't have the journalism that people want to read it won't work, says Jeremy Gilbert at the Washington Post. Marketing and distribution strategies matter but only if the content is worth consuming. (See Section 1.)

2. Even a hard paywall benefits from social

Use social, as the FT does, to deepen engagement with audience cohorts and extend brand awareness. Use social, as the Washington Post does, to develop stories and reporter/reader relationships. (See Section 1.)

3. Treat membership as a magnet not handcuffs

Learn from Netflix, says Robbie Kellman Baxter, author of "The Membership Economy". Easy-to-cancel subscription fuels loyalty. (See section 1.)

4. Paying for a product, itself an act of loyalty, engenders further loyalty

"The minute you decide to pay for something digitally, you cross a psychological boundary," says Lior Kodner at Haaretz. (See section 1.)

5. Match video to experience

The likes of Group Nine Media's NowThis and Germany's Spiegel Online have pioneered text-on-screen because they know their videos are being watched on the move and within newsfeeds where audio is not a given. (See section 2.)

6. Live video outperforms breaking news

Not always but often, says Reuters noting a 100 percent spike in digital lives among clients. Scheduling feeds anticipation, success demands experimentation. (See section 2.)

7. Square video is coming

Forget traditional 4:3 or 16:9 aspect ratios. It takes both hands to watch video in landscape. The future is square, according to fashion content house Runway Manhattan. (See section 2.)

8. Using multiple devices is a signifier of loyalty

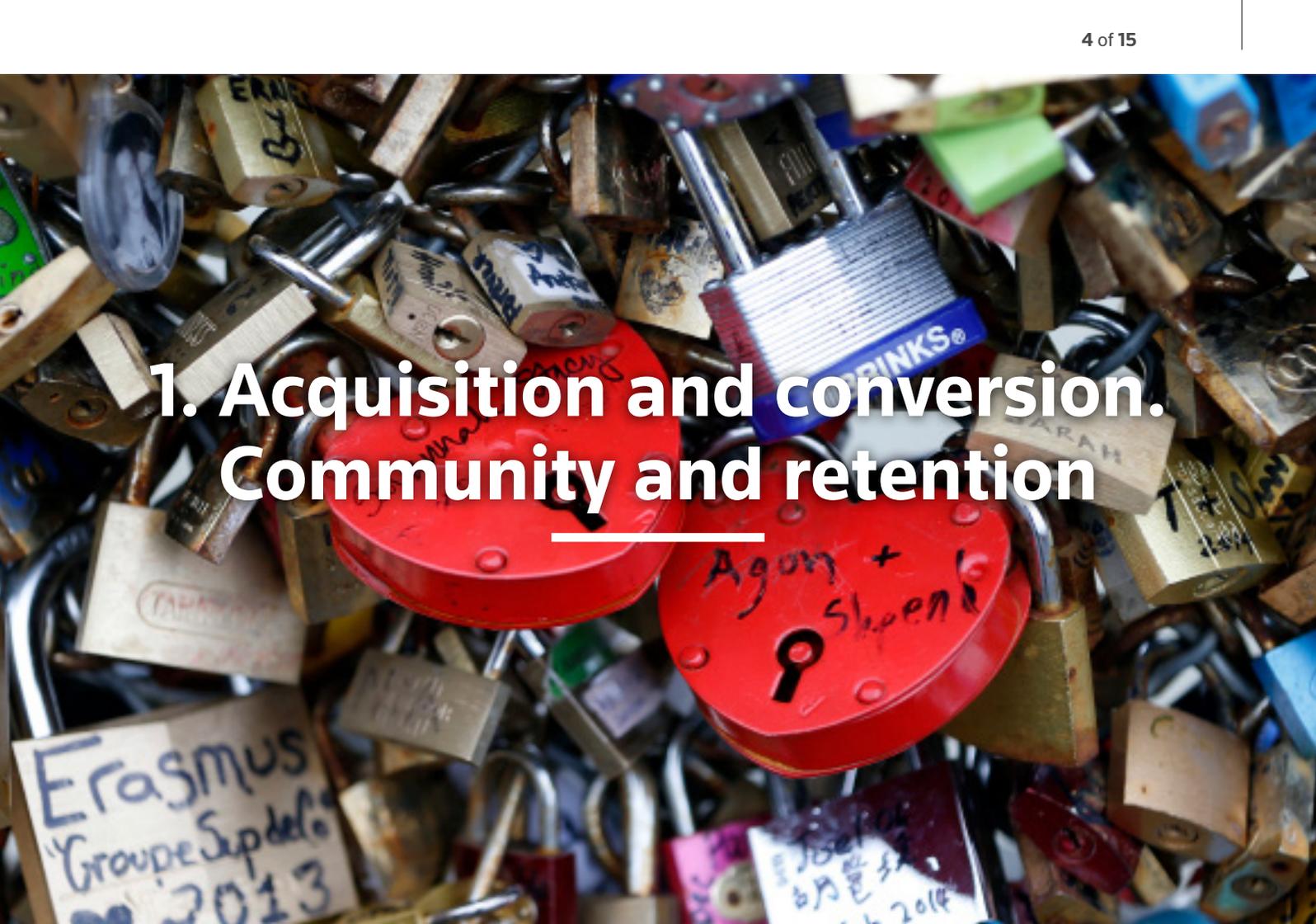
Access to content across a combination of mobile, desktop, social and newsletters deepens engagement and reinforces habit, increasing likelihood of conversion among non-subscribers and retention among subscribers. So suggests the FT. (See Section 3.)

9. Forgo short-term hits for long-term gain

For the Washington Post, frequent newsletter opens represent a strong signal of prospect conversion, increasingly so since the title stopped requiring readers to click through to the website to view content. (See Section 3.)

10. Learn from failure not success

Group Nine Media finds better actionable insights in poorly performing content. Success is sometimes out of your control; failure never is. (See section 3.)



1. Acquisition and conversion. Community and retention

REUTERS/Mario Anzuoni

“As with Netflix and Spotify, your user experience can be fundamentally good, your social outreach can be great but if you don’t have the journalism, the shows and the songs that people want to read, watch and listen to, it’s not going to work,” says Jeremy Gilbert, director of strategic initiatives at the Washington Post.

Gilbert is making the case for great, “deeply reported” journalism as the first principle for acquiring, converting and retaining a sustainable and commercially relevant audience. Yet he accepts, too, the **sybiotic relationship between the delivery of the core product and its distribution and marketing**. When, for example, the Post took its journalism behind a metered paywall in 2013 it knew it would need to extend reach beyond its Washington-centric heritage. It needed, says Gilbert, to “broaden the top of the funnel”.

“The minute you decide to pay for something digitally, you cross a psychological boundary.”

Helje Solberg Lior Kodner
Haaretz

Acquisition triggers

How did the paper achieve this? “Some of that was about the **relationships our reporters formed with people via social channels**, some of it was about **publishing in Google News, Facebook Instant, Snapchat Discover, Twitter** and everywhere else we could. And the third key element was **showcasing a few pieces that were so good, so deep and so rich that you absolutely needed to subscribe.**” Those pieces are often long-form and “multi-sensory” which have two key advantages over breaking news – a longer shelf life and the ability to engage the reader for longer. “They are the ones that as far as we can tell really convince our audience now is the time to subscribe.”

Publishers talk of acquisition triggers – topics, formats and user interactions – that prove the tipping point that takes an individual on a journey from passing user to registered user to, as applicable, paid subscriber. The Post’s three-pronged approach appears to be working. In 2013, its site attracted 30 million unique users every month. By 2017 that number was 100 million. “The paywall has gotten tighter and tighter but we still see value in people being able to view several pieces of journalism per month for free.”

Nearly 6,000 miles away in the Tel Aviv offices of Israel’s oldest publishing house there is further evidence of the acquisition trigger. Lior Kodner, managing editor at **Haaretz**, **discovered that subscribers to the paywalled title’s twice-weekly recipes newsletter were likely to become subscribers within a few months.** “We knew people liked recipes and that it would bring a lot of traffic but we didn’t think it would bring a lot of subscribers.”

Another strategy that is paying off is discounted subscriptions to Haaretz’s domestic website for students and soldiers in the army where conscription exists for those 18 and over. Of those attracted by the 4.90 shekels (\$1.34) introductory month, 92 percent stay for at least a second month.

Kodner believes that paying for a product, itself an act of loyalty, engenders further loyalty. “The minute you decide to pay for something digitally, you cross a psychological boundary,” he says. “People who subscribe are reading a great number of articles, justifying their subscription. **Our average digital subscriber on Haaretz.co.il reads something like 65 articles a month.**”



REUTERS/Mario Anzuoni

Social and search: reach and awareness

Even for the Financial Times, a title firmly behind a paywall, social media has a role to play. It helps cultivate audience cohorts. When the FT noticed, for example, that stories about professional services companies – notably, large law firms and the big four accountancy firms – were disproportionately shared on social media, it ensured it optimized future content for social engagement by experimenting with timing and formats.

The FT has used social media for brand awareness, too. In early 2018 it broke a big investigative story about a men-only fundraiser for the Presidents Club charity. Within the first few hours, it was clear the story had mass appeal well beyond the core FT readership. “It took on a life of its own,” notes Kaplan. “That’s the definition of viral, it was not something we could engineer or control. But **you can still optimize for what’s happening organically and that’s when we decided to make it free to read. We knew that would grow sharing.** We thought about it as a broad brand play, to get the FT brand out in front of audiences that might never, ever have come into contact with the FT or have any notion that it might have any relevance to them.”

Kaplan says the FT is also exploring ways to get more from search, working with Google on ways to convert more traffic. **One idea under consideration is to dynamically vary the kind of access different users might get depending on their previous consumption patterns.**



REUTERS/Luke MacGregor



REUTERS/Kim Hong-Ji

“It’s more expensive to acquire a new customer than to keep an old customer for another month.”

Robbie Kellman Baxter
Author, “The Membership Economy”

Rules of retention

The first few days of any membership are critical to long-term engagement. So says Robbie Kellman Baxter, author of *“The Membership Economy: Find Your Super Users, Master the Forever Transaction, and Build Recurring Revenue.”*

When someone first subscribes, says Baxter, “in the back of their mind they are thinking, ‘I can always cancel’. As an organization you need to get over that hump as quickly as possible and **turn consumer into member.”** **How? By making membership habit forming.** It means **paying particular attention to navigation and messaging** – does the user understand how the service works, where to find the content they like and how to get ultimate value?

The other challenge users will need help overcoming is what Baxter describes as “subscription guilt”, a sense that most of what is being paid for goes unread. Again, a smart publisher will guide readers, directing them based on explicit or implicit preferences to the three ‘must reads’ of the month, for example. “This helps you get value without feeling overwhelmed,” says Baxter. “You want people to get the best possible experience as quickly as possible – that’s going to maximise your chances of retention.”

A good retention strategy demands three more things of media organizations.

First it means knowing when to let users go. Or at least those Baxter calls “edge cases”, readers or viewers who are loyal but have an outdated or misplaced idea about what the product should deliver. Don’t, she cautions, be swayed by these users. Don’t optimize to satisfy their needs at the expense of the more targeted and profitable core. “Like a tree, pruning is really important.”

Second, it means taking “a magnet rather than a handcuffs” approach to subscriptions. Most publishers are keen to lock readers in for a at least 12 months. In contrast, the video-streaming service Netflix allows anytime cancellation and “is so extreme they won’t give you an annual subscription even if you ask for one”. Not only does the latter strategy remove the initial barrier to subscription, it inculcates a paradoxical sense of loyalty.

Finally, media firms should be alert to the kind of behavior that leads to churn. Again, Baxter cites Netflix as an exemplar. “They know which shows you fast forward through and which shows you abandon after 20 seconds,” she says. “Remember, it’s more expensive to acquire a new customer than to keep an old customer for another month.”



REUTERS/Mario Anzuoni

2. The art of visual storytelling: how to create engaging content

“Online video is profoundly different,” notes Helje Solberg, CEO and editor of Norway’s VGTV.

Employing 70 people, VGTV delivers news, entertainment and high-quality documentaries across a variety of platforms and a mixture of advertising-funded and subscription revenue models. It records 24 million video views on its own platform each month.

“Video is about adding value for the audience. It’s not about video for the its own sake,” says Oslo-based Solberg. She believes good storytelling combines the best of text, audio, video, still images and infographics. **“We no longer speak internally about creating a TV show but instead talk of creating ‘content universes’.** Our strategy is to deliver something unique on every destination platform.”

In Sydney Jim Carroll, director of news, current affairs and sport at Australian public service broadcaster SBS shares a similar view. Cross platform means delivering different versions of the same story for TV, radio and digital. “It’s been a steep learning process given most reporters come from a single platform and they have had to learn the skills of the other platforms,” says Carroll. “We do not believe in sticking a TV package on digital.”

One reason for this delineated approach is demographic. The median age of SBS’s TV audience is 60 whereas the average online viewer is mid-to-late 40s. Explainers, backgrounders and analysis videos play especially well in the digital environment. And while output should be optimized for each platform, there should also be continuity across all three. Carroll calls this a “no dead ends” strategy. “On TV we promote what we’ve got on digital. On digital, we push them towards TV.”



REUTERS/Akintunde Akinleye

“If 17 seconds is the attention span, content has to be adapted.”

Markus Mueller
Runway Manhattan

Impact of devices

The biggest single influence on visual storytelling over the last decade has been the mass adoption of the smartphone. According to research by eMarketer, the average US adult will spend more time on their mobile device in 2019 than they will in front of the television, a trend that is reflected elsewhere. Today, most digital publishers host more visits on mobile than on desktop – take the Washington Post as an example, where the desktop/mobile split was 60:40 in 2013; today it’s 20:80.

How, then, should mobile viewing habits inform audience development? In three ways at least.

First, because mobile devices are changing where we consume video, content creators are having to respond to an audio-less world. That means text and video working hand-in-hand. Group Nine Media’s news and politics title NowThis was one the pioneers of oversized text-on-screen to accompany videos typically watched on mobile devices and within news feeds where autoplay has become the norm. Others have followed. “It’s what we call hybrid,” explains Sven Christian, head of video at Spiegel Online. **“We produce videos so the viewer can understand what it’s about without having the sound on ... We use bullet points to give pictures context.”**

Second, mobile is likely to change the shape of the video screen itself. Rather than conventional aspect ratios – whether that’s 4:3 or increasingly 16:9 and 21:9 – content creators should start thinking in terms of square videos. Why? “You have to use both hands to hold a phone in landscape,” explains Markus Mueller, editorial director of fashion content agency Runway Manhattan, a member of the Reuters Connect partner network. By contrast **a square video can be viewed in portrait mode, freeing one hand to like, swipe, share and generally interact with the content.** “We used to consume websites in landscape because we had desktop screens. Today, most of us consume websites in portrait. It’s an inevitable development.”

Third, mobile is affecting the time viewers are willing to spend in front of a visual content. “I did some very non-scientific counting in India recently,” explains Mueller. “I watched 65 to 70 people and took down how much time they spent on their phone on average.” Counting the time from when they stopped using their fingers on their phone and started watching something to the time when they started using their fingers again, he calculated an average viewing time of just 17 seconds. “If 17 seconds is the attention span, content has to be adapted.”

Brevity on a medium with near-infinite space may seem like a lost opportunity but it goes to the heart of the editor’s craft. Explains SBS’s Jim Carroll: “When we first started out [on digital] we’d think, ‘We’ve got a 20-minute interview and we’re only using 30 seconds on air, so let’s put the entire thing online’. That’s the last thing you want to do.” If material is good enough, let it breathe. Otherwise, cut judiciously.

Increasing consumption on mobile devices doesn’t just inform visual storytelling, it informs text, too. Consider the Financial Times where traffic peaks early morning UK time. Most of those readers are coming via mobile devices, many when they first check their phones in the morning or while commuting into work. For Renée Kaplan and her engagement team that means mobile optimization. “It’s mostly presentation,” she explains. **“What are the best levers for format, the best page layouts. It’s not just scroll depth but retention too.”**

She says there’s no “secret sauce” but optimization involves experimenting with the minutiae of the page – the use of bullet points at the top of the story to draw readers in, breaking up paragraphs with subheadings, figuring out the optimal place to put a link to a related stories and where best to embed a video for the mobile user.

“Video is about adding value. It’s not about video for its own sake.”

Helje Solberg
VGTV

Impact of platforms

If device matters, so too does platform. Despite some brand damage to Twitter and Facebook in recent times – plus algorithmic changes that now mean publishers tend to get less value from the Facebook newsfeed than before – most media organizations still consider social networks an essential tool for audience development.

Take New York-based Group Nine Media where distribution across five social media platforms – Facebook, YouTube, Twitter, Instagram and Snapchat – is at the heart of its editorial and revenue model. In addition to NowThis, the publisher has three other digital brands: The Dodo, for animal lovers; Thrillist, covering food, drink, travel and entertainment; and Seeker, dedicated to science and technology. **Video accounts for 90 percent of all output, and success is measured on activity on third-party platforms rather than owned sites.**

With this model in mind, Noah Keil, senior vice president of audience development and insights at **Group Nine Media, focuses on four video formats: longer-form, episodic content for YouTube and Facebook Watch; live video for Twitter, Facebook and YouTube; Instagram and Snapchat Stories; and short-form social videos for Facebook and Instagram newsfeeds.** “For each brand on each platform, there are different signals we focus on,” says Keil.

VGTV’s Helje Solberg believes Facebook has been instrumental in improving the use of the medium. “It has made the user experience more seamless including a lower frequency of adverts,” Solberg explains. “That’s why we have more six second bumper ads. We still have pre-rolls but last September we defined a maximum length of 15 seconds. It’s about the experience.”

Facebook has also helped habituate users to consuming live video – and the company claims live gains 10 times as many comments as pre-recorded video.

In November 2016, the Washington Post used Facebook Live to deliver an interactive results and reaction programme on the night of the US Presidential election. Today, the Post remains drawn to the idea of event-driven live video, putting much of its efforts into Amazon-owned Twitch, a platform more commonly used by gamers. The Post’s first Twitch outing came, perhaps appropriately, in April 2018 to cover Mark Zuckerberg’s Senate hearings on Capitol Hill. The production was broadcast quality using multiple cameras and split screen to relay and analyse the event as it happened. “Even though we started our Twitch channel that day,” notes Jeremy Gilbert, “the last time I checked more than 350,000 had stopped by to look at the stream.”



REUTERS/Sergio Perez

How to make live video work online

Over the last year, Reuters has witnessed a 100 percent spike in the use of live video across digital platforms among its client base. Tessa Kaday, senior product manager, video at Reuters considers some of the lessons in engagement:

1. Scheduled events outperform breaking news stories

Diared live video allows you to start building an audience well in advance of the event itself. It also allows you to plan and create complementary content, pre- and cross-promote. This helps explain why live coverage of the lunar eclipse, visible across North America, eastern Europe, Asia and Australia in early 2018, outperformed many of the biggest breaking news stories of the time.

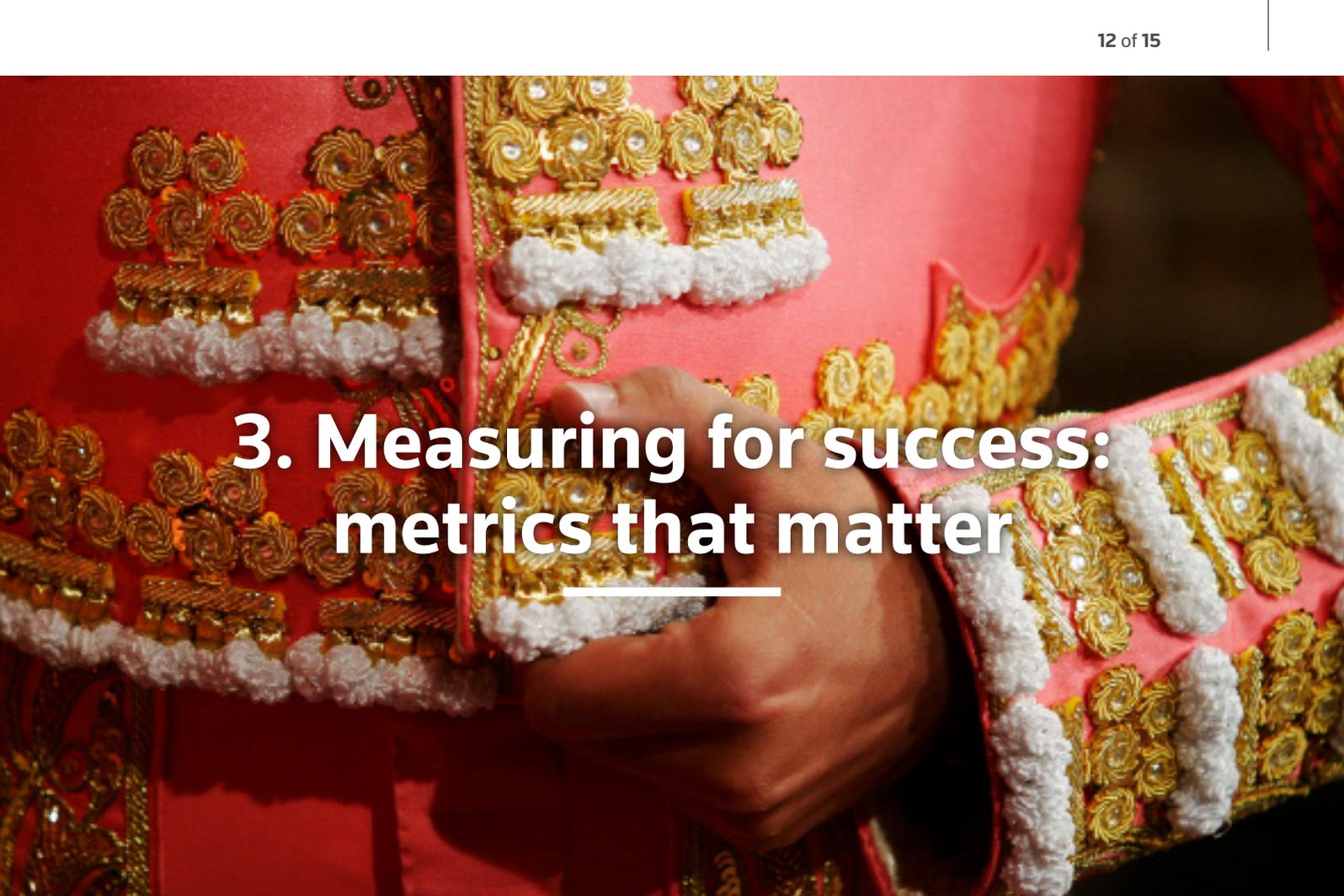
2. Always give people a reason to continue watching

Live video works best when it evokes a sense of anticipation and delivers must-see content. It is the antithesis of 'wallpaper' lives that illustrate a news story but don't help the story evolve.

3. Push the boundaries

Successful publishing requires constant experimentation. For digital lives that might mean trying out technology like 360° and virtual reality, trialing unexpected content genres or finding new audiences that only digital platforms offer.





3. Measuring for success: metrics that matter

REUTERS/Susana Vera

To measure is to know, as the old adage has it. More important, perhaps, is to know what to measure.

Where once page views were the key performance metrics (KPIs) of choice, smart media firms now take a more sophisticated approach, more interested in quality of engagement rather than quantity of visits.

To this end, **News UK has developed a Dwell Time Index for The Times. This measure takes into account multiple factors that might influence time spent on an individual piece of content including word count, the number of embedded images and videos, and how much homepage exposure the piece was given.** Content with a Dwell Time Index of less than 100 has underperformed; content with a score of above 100 has over performed.

The FT's Renée Kaplan also measures time spent relative to the length of article. She calls it "a quality read". More broadly, the **FT focuses its KPIs first on subscribers and then on prospects.** For the former, she is interested in frequency of visits and consumption levels. For the latter, it's about reach to specific audience segments. "We're very interested, for example, in targeting more women because we don't have enough of them."



REUTERS/Shallesh Andrade

Another indicator **the FT monitors** is **consumption across multiple touchpoints**.

A reader who accesses content via mobile on the way to work, from a desktop at work, and clicks on a link via newsletter, search or social is likely to be **accessing more content more often which in turn becomes habit forming**. This behavior, says Kaplan, has a better chance of leading to “conversion if the user is not yet a subscriber and retention if they are already a subscriber”.

For similar reasons the Washington Post closely monitors newsletter open rates over a one, five and seven-day period. “If we can get an individual user to regularly open their email newsletter,” says Jeremy Gilbert, “it’s often enough to engender the type of loyalty that leads to subscription.”

Note that Gilbert is concerned with opens not click throughs. “A few years ago, the majority of our newsletters were just a collection of links – the most recent, the most popular. That was really ineffective. It didn’t build loyalty; it didn’t drive subscriptions. Authoring newsletters and letting people consume the information where they want, when they want, that works much better.” In short: forgo short term hits for the longer term conversion.

A final lesson in measurement: study poor performance not soaring success.

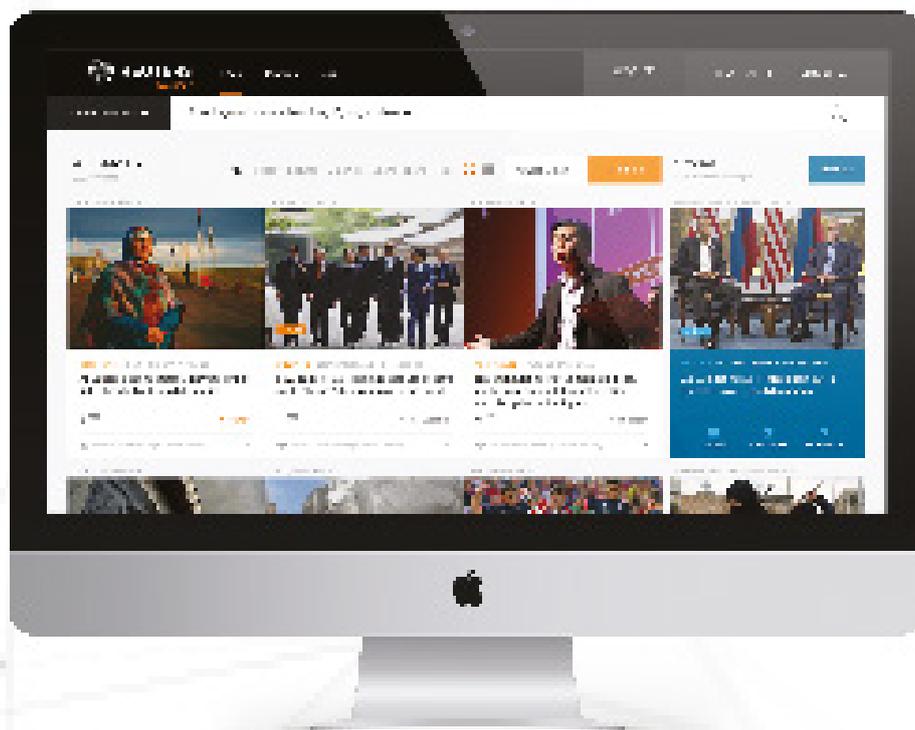
This advice comes from Group Nine Media’s Noah Keil. Across the organization’s four digital brands, he looks at a range of metrics from time spent and weekly return visits to shares and comments. One stands out, however. “We break up our content into quartiles of performance. We look at everything but what we’re really focused on is that bottom quartile – what isn’t working,” Keil explains. **“For us it’s easier to identify trends on things that aren’t working and then follow up with testing to improve them.”** Among the factors his team examine are format, topic, genre and length.

It is more difficult to apply similar analysis to best-performing stories because exceptional success is often due, in part, to factors outside a publisher’s control. This is especially true in a distributed landscape where a story may benefit from an unexpected number of social shares or a benign algorithm. “It’s easier to eliminate things that aren’t working than to replicate a viral hit,” says Keil. “In a figurative way, we’re thinking in terms of eight singles rather than one home run.”

Keil’s approach has echoes of Chris Anderson’s 2006 business bestseller ‘The Long Tail: How Endless Choice is Creating Unlimited Demand’, the first book to articulate the realities of digital economics – namely, that the combined value of millions of items that sell in small quantities equals or even exceeds the value of a handful of bestsellers.

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Jeremy Gilbert
Washington Post



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