Boston Globe

Discovering and Optimizing a Value Proposition

Peter Doucette
Executive Director of Circulation
Sales & Marketing
The Boston Globe

Pamela Markey
Senior Director of Marketing
MECLABS
Peter Doucette
Executive Director of Circulation, Sales & Marketing
The Boston Globe

Peter Doucette is responsible for all consumer-facing aspects of circulation and audience development for both print and digital subscribers, consumer strategy, CRM, customer service, and customer loyalty.

Doucette joined The Boston Globe in 2007 and has served in a number of roles in the circulation department. Prior to his present role, he was director of circulation marketing, where he was an architect for the premium-focused circulation strategy, a critical component in the financial turnaround of The Boston Globe in 2009.

Prior to that, Doucette was the director of home delivery and single copy circulation, where he was responsible for growing revenue for the Globe's home delivery business, maximizing newsstand sales and profitability, and increasing customer satisfaction and engagement.
Pamela Markey
Director of Marketing & Brand Strategy
MECLABS

Pamela Markey builds strategic partnerships, plans promotional initiatives, and is responsible for both Primary and Applied Research communication- and marketing-related activities. If it impacts a MECLABS brand, it goes through her.

Before joining the team in June 2009, Markey worked for seven years as a wireless marketing manager at Bell Canada, during which time she managed campaigns for the Solo Mobile and Bell Mobility brands. Her work has been recognized at Cannes, the CLIOs, and the Canadian Marketing Awards among others.

Markey started her career in marketing at Microsoft while completing her Bachelor of Commerce degree at Dalhousie University.
The Boston Globe is the leading daily news source for Greater Boston, featuring premium content that is delivered where, when, and how you want it.

With by far the largest newsroom in the region, we provide more news, analysis, and information about community events, sports and entertainment than any other source.

We connect to readers by being insightful, thought-provoking, and relevant.
Media Decoder

Behind the Screens, Between the Lines

September 30, 2010, 10:57 PM

Boston Globe to Start a Paid Web Site

By TANIZA VEGA

The Boston Globe, part of The New York Times Company, announced on Thursday that it would start a new paid Web site in the second half of 2011. The site will be called BostonGlobe.com and will be in addition to the company’s current Web site, Boston.com, in what the company calls a “two-brand” strategy.

Boston.com will focus on local news, sports and arts and culture. The site will allow readers to buy tickets to local events and will provide guides to entertainment, restaurants and travel. BostonGlobe.com will carry news, feature stories, opinion, photographs and the full contents of the daily and Sunday editions of the paper.

Both properties will require readers to register for the service, but at different points. Boston.com will allow a limited amount of content to be viewed before readers are asked to register, but BostonGlobe.com will require readers to register and subscribe immediately for its paid service. Subscribers to the printed newspaper will receive a free BostonGlobe.com subscription.

When newspapers launch paywalls, they take the risk of alienating casual visitors who are surfing for free news content while trying to get loyal users to pay.

The Boston Globe is trying a two-prong strategy that it hopes will satisfy both audiences. It’s launching a new paid site, BostonGlobe.com, for enthusiasts of the newspaper-reading experience, to supplement its pre-existing destination site Boston.com.

Christopher Mayer, publisher of the Globe, said the paper had been looking at how to create paid content when it realized that Boston.com and the Globe newspaper had mostly distinct audiences.

“We feel like there’s an opportunity to have BostonGlobe.com...
The Market

- 7th largest DMA in the country with more than 6 million people and 2.4 million households
- Media household income 34% higher than the national average
- #1 online newspaper readership among US markets
- #4 Sunday/Daily newspaper readership among top US markets
- More than $5.6 billion advertising spending

Source: 2012 Scarborough Research, Release 1, Multi-Market, Tactician Compass Marketing, Borrell Associates; includes national and local advertising spending in Greater Boston for 2012
The Boston Globe (abbreviated) Timeline

- 1872: The Boston Globe Newspaper founded
- 1996: Boston.com site launched
- 2011: BostonGlobe.com launched
- 2012: Two Brands

#OpSummit
BostonGlobe.com Audience Created an Opportunity for Testing

51% of BostonGlobe.com users do not use Boston.com

591,000
BostonGlobe.com only

562,000
Shared

5,701,000
Boston.com only
Radical Business Model Redesign

1. Establish your ‘WHY’
2. Determine your market opportunity
3. Distill your Value Proposition
4. Prep to test your Value Proposition
Our Approach

1. Create a new digital subscription business with a distinct value proposition for our target audience

2. Test and optimize all product and marketing efforts to scale this new business
Why an emphasis on testing?

OPTIMIZATION: an act, process or methodology of making something (as a design, system or decision) as fully perfect, functional or effective as possible.

APPLICATION: There is always an opportunity to make your site even more effective at driving subscriptions and incremental revenue.
### Testing Comparison: Difference between audiences

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>HOME DELIVERY</th>
<th>vs.</th>
<th>DIGITAL ACCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Life Stage</td>
<td>Mature</td>
<td>Nascent</td>
<td></td>
</tr>
<tr>
<td>Audience Residence/Location</td>
<td>In Market/ Print delivery footprint</td>
<td>In and Out of Market (indifferent)</td>
<td></td>
</tr>
<tr>
<td>Audience Digital Awareness</td>
<td>Low</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less digitally savvy</td>
<td>Digital-centric</td>
<td></td>
</tr>
<tr>
<td>Emphasis (Print vs. Digital)</td>
<td>Print 1(^{\text{ary}}), Digital 2(^{\text{ary}})</td>
<td>Digital 1(^{\text{ary}}), Print 2(^{\text{ary}})</td>
<td></td>
</tr>
<tr>
<td>Testing Focus</td>
<td>Landing Page Checkout</td>
<td>Marketing assets Landing Page Checkout</td>
<td></td>
</tr>
<tr>
<td>BG IT Resources Required</td>
<td>Low</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(MECLABS hosted)</td>
<td>(Top of funnel, Bcom summary testing)</td>
<td></td>
</tr>
</tbody>
</table>
Customer Lifecycle Stages

[ POTENTIAL ] PROSPECTS

PROSPECTS

NEW CUSTOMERS

HIGH VALUE CUSTOMERS

AT RISK CUSTOMERS

FORMER CUSTOMERS

Attract
Engage
Convert
Grow (CLV)
Retain
Win-back
Test all Aspects of the Customer Experience

What to Test

- Asset converting the most subscriptions
- The checkout process
- Price
- Incentive pricing
- Value Proposition
- Email / Push communication
- Offers through Social Channels
- Nurture
# We Test Across All Subscription Products

## Test Overview

<table>
<thead>
<tr>
<th>Test Name</th>
<th>Technical Details</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landing Page Layout</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Checkout Process</td>
<td></td>
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<tr>
<td>Price Testing</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Landing Page Testing</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Email Testing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Technical Details

<table>
<thead>
<tr>
<th>What elements are required?</th>
<th>Where hosted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article Stub Layout</td>
<td>Boston Globe</td>
</tr>
<tr>
<td>Checkout Process</td>
<td>MECLABS</td>
</tr>
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<td>Value Proposition</td>
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## Timing

<table>
<thead>
<tr>
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</table>

## Total Incremental Subscriptions/Revenue

- **20+ tests planned for Digital Access conversion funnel**
- **12 tests planned for Home Delivery conversion funnel**
1. Test Big
2. Test Small
3. Challenge Assumptions (it’s okay to fail)
4. Apply Your Learnings for Gains

#OpSummit
1. Test Big
2. Test Small
3. Challenge Assumptions (it’s okay to fail)
4. Apply Your Learnings for Gains

#OpSummit
**Test 1: Digital Access Price Testing**

**Prices tested:**
- $0.99/week
- $1.99/week
- $2.99/week
- $3.99/week (control)
- $4.99/week

- Initial conversions were tracked for the first 3 weeks.
- Unsubscribes will be tracked for 1 year.
Access the NEW BostonGlobe.com for just 99¢

- 99 cents for the first 4 weeks
  Pay just 99 cents for the first 4 weeks. Then pay the regular rate of $3.99 per week.

Sign Up
**Test 1: Digital Access Price Testing**

**Treatment 1**

Access the NEW BostonGlobe.com for just 99¢

Pay just 99 cents for the first 4 weeks
That’s less than $1 for 4 full weeks! Then pay the regular low rate of $0.99 per week.

Sign Up

**Treatment 2**

Access the NEW BostonGlobe.com for just 99¢

Pay just 99 cents for the first 4 weeks
That’s less than $1 for 4 full weeks! Then pay the regular low rate of $1.99 per week.

Sign Up

**Treatment 3**

Access the NEW BostonGlobe.com for just 99¢

Pay just 99 cents for the first 4 weeks
That’s less than $1 for 4 full weeks! Then pay the regular low rate of $2.99 per week.

Sign Up

**Treatment 4**

Access the NEW BostonGlobe.com for just 99¢

Pay just 99 cents for the first 4 weeks
That’s less than $1 for 4 full weeks! Then pay the regular low rate of $4.99 per week.

Sign Up

#OpSummit
Test 1: Results

36% increase in Digital Access Subscriptions
The $0.99 price point drove 36% more conversions than the control

<table>
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<tr>
<th>Treatment</th>
<th>Samples</th>
<th>Successes</th>
<th>Failures</th>
<th>Conversion</th>
</tr>
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<tbody>
<tr>
<td>Control $3.99</td>
<td>17,788</td>
<td>327</td>
<td>17,461</td>
<td>1.84 %</td>
</tr>
<tr>
<td>Treatment 1 $0.99</td>
<td>18,061</td>
<td>453</td>
<td>17,608</td>
<td>2.51 %</td>
</tr>
<tr>
<td>Treatment 2 $1.99</td>
<td>17,946</td>
<td>400</td>
<td>17,546</td>
<td>2.23 %</td>
</tr>
<tr>
<td>Treatment 3 $2.99</td>
<td>17,988</td>
<td>367</td>
<td>17,621</td>
<td>2.04 %</td>
</tr>
<tr>
<td>Treatment 4 $4.99</td>
<td>18,017</td>
<td>301</td>
<td>17,716</td>
<td>1.67 %</td>
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Test 1: Results

36% increase in Digital Access Subscriptions
The $0.99 price point drove 36% more conversions than the control.

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However, what matters is the revenue over time, not the initial number of conversions. The test reaffirmed the control price was the optimized.
1. Test Big
2. Test Small
3. Challenge Assumptions (it’s okay to fail)
4. Apply Your Learnings for Gains
Sandy's ruin prompts climate-change forum in Boston

Those at the “What If Sandy Happened Here?” forum contemplated the havoc climate change could cause in the Boston area.

- James Carroll: The Earth experiment

Menino released from hospital

After spending a month at Brigham and Women's Hospital with a variety of ailments, Mayor Menino was transferred to a rehabilitation facility.

- Menino's history of health issues

DeLeo grants 3% raises to all House employees

House Speaker Robert A. DeLeo's office said the raises were justified because workers had not seen an increase since September 2008.

- Mass. tax revenues decline; budget trims loom

#OpSummit
Test 2: Results

45% increase in conversions with header link

*The addition of the link in the header led to 45% more subscribes*

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control – no subscribe link in header</td>
<td>0.98 %</td>
</tr>
<tr>
<td>Treatment – subscribe link in header</td>
<td>1.42 %</td>
</tr>
<tr>
<td>Relative Difference</td>
<td>44.9%</td>
</tr>
</tbody>
</table>

Test *everything* – don’t just make a change without measuring the impact!

#OpSummit
Test Big

Test Small

Challenge Assumptions (it’s okay to fail)

Apply Your Learnings for Gains

#OpSummit
Test 3: Digital Access Accordion Checkout

ASSUMPTION
An accordion checkout was successful for The New York Times
Test 3: Digital Access Accordion Checkout
Test 3: Results

35% decrease in conversions with accordion

The application of the accordion checkout process decreased conversion.

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control – long form checkout process</td>
<td>11.51 %</td>
</tr>
<tr>
<td>Treatment – responsive accordion checkout process</td>
<td>7.47 %</td>
</tr>
<tr>
<td>Relative Difference</td>
<td>35.10%</td>
</tr>
</tbody>
</table>

Do not assume a success will always be successful. Test every time!

#OpSummit
That everything we’ve done has been successful is not reality. Some things did not meet our expectations. But we **learn every time** and we **apply to the next test**.
Testing, Not Best Practices

“Unfortunately most people who arrive on that page will never see it, because it’s well below the fold,”

“If respondents have to scroll way down to get to the response button, you’ve lost a good portion of your potential orders.”

#OpSummit
Testing, Not Best Practices

“Unfortunately most people who arrive on that page will never see it, because it's well below the fold.”

“If respondents have to scroll way down to get to the response button, you've lost a good portion of your potential orders.”
“Unfortunately most people who arrive on that page will never see it, because it’s well below the fold. If respondents have to scroll way down to get to the response button, you’ve lost a good portion of your potential orders.”

No Significant Difference
Testing, Not Best Practices

“Unfortunately most people who arrive on that page will never see it, because it’s well below the fold,”

“If respondents have to scroll way down to get to the response button, you’ve lost a good portion of your potential orders.”

Avoid Assumption-Based Decision Making
1. Test Big
2. Test Small
3. Challenge Assumptions (it’s okay to fail)
4. Apply Your Learnings for Gains
Test 4: Home Delivery Multi Step Checkout
Test 4: Home Delivery Multi Step Checkout

#OpSummit
Test 4: Home Delivery Multi Step Checkout

The Boston Globe
BostonGlobe.com

Order Summary

- Digital Access

- Discount (75%)

Today's Total: $0.99*

*Pay just 99 cents for the first 4 weeks. Then pay the regular rate of $3.99 per week.

FAQs
Customer Service
Privacy policy
Terms of Service
Terms of Purchase
Test 4: Results

17% increase in conversions with multi step
*The expanded multi-step checkout resulted in 17% more subscriptions*

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control – single long form checkout process</td>
<td>9.89 %</td>
</tr>
<tr>
<td>Treatment – multi-step checkout process</td>
<td>11.54 %</td>
</tr>
<tr>
<td>Relative Difference</td>
<td>16.79%</td>
</tr>
</tbody>
</table>

Capitalize on your ‘failed’ tests to get a learning and build a win for the next test.
So what?
Results to-date: Digital Access

Testing Areas:
- Article Stub
- Value Proposition (landing page)
- Checkout Process
- Growler (planned)
- Article Summary (planned)

Total Results: $572,026
Incremental Subs: 3,914
LTV: $140
Total Tests: 2 wins, 20 tests run
Success Rate: 10%

<table>
<thead>
<tr>
<th>Incremental Subscribers</th>
<th>Incremental Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Proposition (1)</td>
<td>514</td>
</tr>
<tr>
<td>Landing Page (1)</td>
<td>$72,026</td>
</tr>
<tr>
<td>Checkout Process (1)</td>
<td>3,400</td>
</tr>
<tr>
<td></td>
<td>$500,000</td>
</tr>
</tbody>
</table>
Results to-date: Home Delivery

Testing Areas:
Landing page (value/design)
Checkout Process

Total Results: $3,067,588
Incremental Subs: 4,541
LTV: $676
Total Tests: 5 wins, 6 tests run
Success Rate: 83%

<table>
<thead>
<tr>
<th>Incremental Subscribers</th>
<th>Incremental Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Test/Design (1)</td>
<td>1,220</td>
</tr>
<tr>
<td>Checkout Process (4)</td>
<td>3,321</td>
</tr>
</tbody>
</table>

#OpSummit
Results to-date: Home Delivery

Testing Areas:
- Landing page (value/design)
- Checkout Process

Total Results: $3,067,588
Incremental Subs: 4,541
LTV: $676
Total Tests: 5 wins, 6 tests run
Success Rate: 83%

Incremental Subscribers: 1,220
Incremental Revenue: $824,408

Incremental Subscribers: 3,321
Incremental Revenue: $2,243,180

+ $3.6 Million Revenue

#OpSummit

optimization summit 2013
Turn experimentation into transformation
Shifting the Culture

- Customer Service Center: Knocking down walls
- Putting up visual queues to communicate and reinforce test successes
- Integrating customer data points – tapping into phone calls, looking at online behavioral data
- Set up collaboration and experimentation
Transforming the organization (and media)

- Implement the right tools
- **Empower the business owners** to become experienced testers
- Move to real-time decision-making
  - Optimizely
  - Test and Target
  - Visual Revenue
  - Omniture
  - CrazyEgg
Content Optimization

By having real-time and forecasted information about what content to place where on the homepage, visitors are seeing the most interesting content.

Note: Industry standard CTR is ~35%, so still room for improvement
<table>
<thead>
<tr>
<th>Percentage</th>
<th>A. Headline</th>
<th>B. Alternate Headline</th>
</tr>
</thead>
<tbody>
<tr>
<td>+102%</td>
<td>President Obama a skeet shooter?</td>
<td>White House offers proof that Obama shoots a gun</td>
</tr>
<tr>
<td>+26%</td>
<td>Mo. Powerball winner turns in ticket</td>
<td>Winning Mo. Powerball ticket turned in</td>
</tr>
<tr>
<td>+60%</td>
<td>SJC adds protection for youth defendants’ cases</td>
<td>Dismissal of Lynn teen’s murder conviction upheld</td>
</tr>
<tr>
<td>+46%</td>
<td>Mayor Menino declares flu health emergency in Boston</td>
<td>Health emergency declared in Boston after hundreds fall ill</td>
</tr>
<tr>
<td>+117%</td>
<td>Red Sox gear up for spring</td>
<td>Oh yeah: Time for the Sox</td>
</tr>
</tbody>
</table>

#OpSummit

351 tests conducted since September 2012
Testing and optimization at the Boston Globe
Testing and optimization at the Boston Globe
Results
Globe Subscriber Trends

Shifting the Trajectory

- No longer managing the decline
- When you don’t have the answers, you can experiment and find the best way
- Driving the business model, building morale and employee engagement

#OpSummit
Thank You

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