News worth seeking

A tale of change through product development from the newsroom of The Sydney Morning Herald.

Jess Ross

Former Chief Product Officer
Australian Metro Publishing, Fairfax Media
Digital Advertising Revenue
Jan-April 2017 (indicative)

Google: $174 million
Facebook: $81 million

Source: SMI
Digital revenue growth (y-o-y) Jan-Apr 2017

- Google: 4%
- Facebook: 23%
- Exchanges: 22%
- News Corp: -12%
- Nine Entertainment: -29%
- Seven West Media: -16%
- Fairfax Media: -26%

Source: SMI
Built a custom CMS and moved our 500 strong newsroom into it

Launched new websites for our metro news mastheads

Hit more than 300,000 digital subscribers and grew digital subscriptions revenue by more than 30% in two years.

Launched universal native apps for the SMH and the Age.
What do you seek?
What do you seek?

- New websites or native apps for your mastheads
- A new CMS or better editorial tools for our newsrooms
- Email newsletters, podcasts or video strategies
What do you seek?

“News is what somebody somewhere does not want you to print. Everything else is advertising.”

– Lord Northcliffe
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We set out to

Rebuild our digital publishing platform and our portfolio of products to strengthen our brands and drive commercial growth.

Love and loyalty with our readers  
More engaging storytelling  
New ways to fund our newsrooms
Our aim was to create a sustainable future for our business by combining our heritage assets with a leaner operating model.

Business challenges

- Poor quality digital inventory
- Disjointed digital and print products
- A focus on reaching audiences, not driving value from them
Key insight

5% of readers drive more than 50% of digital revenue.

Focusing on loyal readers would mean significant change for our business.

Retention over reach  Direct over distributed  Viewability over variety
In a distributed content landscape

The act of seeking is a good proxy for customer value

And our product vision for our digital mastheads was born.
News experiences worth seeking.
What motivates people to seek out news?

**Clarity & Cut-through**

“Some brands just show more intelligence. They may as well be I make you smarter.com”

**Mastery**

“I want to know about it enough so I can make good decisions and I don’t look stupid.”

**Inspiration & Escape**

“Reading the paper is like being on holiday. I enjoy taking the time to read it.”

**Belonging**

“I want to see how people react to a certain topic. It makes me feel like I’m on the right side.”
What we changed
Clarity & Cut-through

We used white space and a distinctive visual language, grid and story tiles to better communicate content hierarchy, and make stories easier to discover.
We developed Shortlist to give readers a greater sense of control, productivity and mastery by enabling them to get more out of every news session and to pick up where they left off even when they switch devices.

Mastery

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We introduced a serendipity zone for lighter content combined with our signature opinion and perspectives.
Inspiration & Escape

Collections – a new experience-led format designed to counter readers propensity to skim or be distracted and to deliver maximum relaxation and enjoyment.
We increasing the prominence of commenting on articles, allowing readers to ‘up vote’ other commenters posts by clicking or tapping ‘Respect’ and optimised the moderation environment to increase the volume of comments published and lowering the elapsed time from submission to publication.

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**Belonging**

The state government’s $20 billion construction in Sydney "could have sensible planning".

Mark Oakley 10 MINS AGO
I hope all those poor people on the private metro line like standing for an hour.

Respect $15

Trent 5 MINS AGO
Yep - because metros are like the Hotel California - people only get on, not off

Respect $7
Ad overhaul

We reduced the number of ad shapes from 38 to 4, swapped intrusive skins and OTPs for large-scale scrollers providing a flexible rich media canvas, and enabled all ad formats including high-impact scrollers across all device classes and page types on every page reducing our reliance on homepage takeovers.
Subscriptions

We lowered article limits, optimised our subscription conversion paths and introduced a new ‘toaster’ meter prompting our loyal readers to subscribe as they near their monthly article limit.
Sponsored content drivers

We integrated native sponsored content and drivers on homepage and article pages retaining the site look and feel while clearly labelling sponsors.
Realtime newsroom dashboards

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How audiences responded
Reach is stable

- Average monthly reach: 0.61%
- Average monthly page views: 3.91%
- Average daily UBs: 0.07%

The Sydney Morning Herald
July – September 2017 vs July – September 2018
Loyalty has increased

- Average daily loyal audience: 7.63%
- Direct entry via homepage: 36.44%
- Average daily loyal pageviews: 18.3%
- Average daily subscribers: 42.09%
- Paying % of monthly UBs: 41.71%

The Sydney Morning Herald
July – September 2017 vs July – September 2018
Engagement has improved
A subscriber comments almost x3 more than a non subscriber

- 48% increase in average daily time per user
- 97% increase in articles with comments
- 181% increase in average daily comments
- 22% increase in average comments per article

The Sydney Morning Herald
July – September 2017 vs July – September 2018
Audience satisfaction has improved

- A trusted source of news: +4%
- Has articles that give me a real understanding of current and emerging news and issues: +5%
- A productive and valuable use of my time: +8%
- The headlines and summaries accurately represent the article content: +10%
- The ads don't get in the way of what I'm trying to do: +15%
- Has high quality journalism and reporting standards: +20%
All key subscriptions measures have improved

- Meter and paywall prompts: 25%
- Paywall conversion rates: 100%
- Daily subscribers: 42%
- Daily registrations (Subscription prospect pool): 61%

The Sydney Morning Herald
July – September 2017 vs July – September 2018
The bottom line
Sponsored content now sells out

We’ve been able to transfer the enhanced engagement and attention into significant increases to sponsored content revenue. Our branded content $ have increased x%
Other key retention measures are all up

- 10% increase in average daily pages per user
- 73% increase in quality page views
- 2x increase in page load speed

The Sydney Morning Herald
July – September 2017 vs July – September 2018
H1 FY19 revenue results

14%  
Digital subscription revenue

21%  
Digital advertising revenue

58%  
EBITDA

July – December 2017 vs July – December 2018
News experiences worth seeking out

- New digital products
- New publishing platform
- New ad units
- New commercial strategy
- New editorial measures of success
- Holding our nerve
But like the news, it’s worth seeking out.

Jess Ross

If you’d like to have a chat about your product strategy, get in touch

www.linkedin.com/in/jessross