### **BRANDBASTION**

Industry Insights // Digital Publishing





# A new status quo: From advertising to subscription revenue

The old business model for publishers where advertising used to drive the main stream of revenue has virtually disappeared. Every year, newspapers lose more advertising dollars as these dollars are channeled into digital advertising. The publishers that have stayed in business are those who have radically revamped their business model to generate new streams of revenue - from their readers.

However, this shift requires a drastic change in the way of operating. Previously, publishers sold circulation figures and views. As the <u>American Press Institute</u> observed, "the move toward subscriptions will require measuring audiences differently. Publishers will need to segment audiences by their loyalty also and by their eventual likelihood to pay. Perhaps most significantly, the newsroom and business sides of news organizations will be aligned more than before. The move toward subscriptions places the newsroom—and quality content worth paying for—at the center of the business strategy."







New York Times' subscription revenue topped \$1 Billion in 2017.



## The analysis

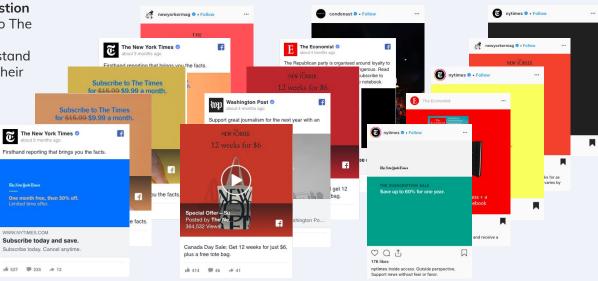
What we analyzed: 21 Facebook and Instagram ads // 1,394 comments // 6 news publications

To help understand this new landscape, **BrandBastion** looked at more than 20 Facebook ads belonging to The New York Times, The New Yorker, The Economist, Washington Post, Time and Conde Nast to understand what type of engagement publications receive in their quest for new subscribers.

#### What have we learned?

The new digital landscape reveals new opportunities for growth, but also challenges. Publishers' ads are often hijacked by detractors, trolls and partisans.

This report explores what publications can do to protect the community, keep a healthy environment and grow their subscription base through social media advertising.





## Top challenges in the "pay-for-news" era

One of the biggest changes for publishers moving from an advertising-driven revenue model to a subscriber-driven model is the mental shift decision-makers need to have in moving from serving advertisers to becoming an advertiser themselves. Advertising on public, interactive platforms such as social media introduces new considerations that many publishers are still learning to manage effectively. These include:

- **CHALLENGE #1:** Promoting debate and dialogue, while preventing hate speech, partisanism and extremism. If the comments left on a publisher's ads are extremely skewed towards a single perspective, it can affect the ability of the publisher to acquire a broader range of subscribers.
- #2 CHALLENGE #2: Building trust and customer loyalty in an age of fake news. Previously, newspapers use to sell copies with sensational headlines. Today's readers are more discerning and with the rise of fake news, also more skeptical. Publishers must work harder to build trust and provide great customer service.
- #3 CHALLENGE #3: Segmenting and targeting audiences with the right messaging, as different types of content will resonate with different audiences. Reaching audiences with poorly defined messaging could damage the brand's reputation and risk coming across as tone deaf.

**Facebook User** No offense intended - I don't trust newspapers that are overtly politically biased.

0

**Facebook User** Read leftist propaganda like this when you buy this fake news publication.

0

**Facebook User** Why dear god why do I keep getting these horrible offers. I would not touch this piece of garbage.

0

**Facebook User** But what if the transgender are offended by me not wanting to change my gender and bite my dick off

(real comment examples extracted from the ads analyzed)

## B

#### **CHALLENGE #1**

## Promoting debate and dialogue, while preventing hate speech and extremism

The huge gap between different political views is also reflected in the comment section of the ads. Sometimes the language can easily go off track, veering into hate speech and extremism. This can alienate other readers or potential subscribers.

#### **RECOMMENDATIONS**

Have clear community guidelines and a moderation solution in place to prevent hate speech, offensive language and spam that can hurt the communities and the reputation of the publication.

#### Harmful content

6.8%

out of all comments analyzed contained content such as spam, offensive and disturbing language and profane words



Facebook User She's a piece of &



Facebook User Your facts are fake. Kill yourselves



Facebook User "Sarah Jeong", look that filth up. You'll know why they're losing readers.



Facebook User But what if the transgender are offended by me not wanting to change my gender and bite my dick off



Facebook User she's to stupid to do any of that

(uncensored comment examples extracted from the ads analyzed)

## B

#### **CHALLENGE #2**

## Building trust and customer loyalty in an age where readers are more discerning and skeptical

The shift to a subscription model forces publishers to place a strong focus on reader and audiences. The product (original content) on its own is no longer enough to sell subscriptions. As with any other business, users turn to social media to vent about frustrating service experiences. Publishers need to address these comments to build trust, as these comments are visible publicly.

#### **RECOMMENDATIONS**

Engage with the community. Track and respond to user inquiries promptly, as this can drive subscriber satisfaction and build trust with potential customers who are considering a subscription.

**User inquiries** 

4.6%

of all comments received on publications ads are **customer inquiries and complaints.** 



Facebook User Can I just get the magazine I paid for six weeks ago!?!



Facebook User I couldn't put in a password!!



Facebook User I've tried to stop subscription for 6 months and still you send it. How do I stop??



Facebook User It's available in France?



Facebook User I've had a subscription for the last few months and haven't received my canvas bag. Whom should I speak to about that? Thank you

(comment examples extracted from the ads analyzed)



#### **CHALLENGE #3**

### Segmenting and targeting audiences with the right messaging that resonates with them

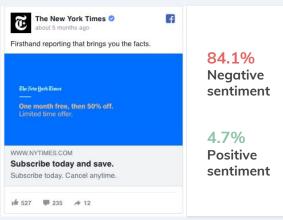
A publication may be committed to quality journalism, clarity and transparency, but the latest political events and the partisan divide over news pose a significant issue when advertising to new audiences on social media. Ads can generate negative engagement, which may then alienate other potential readers viewing the ads.

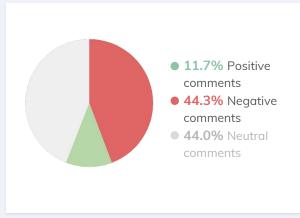
#### **RECOMMENDATIONS**

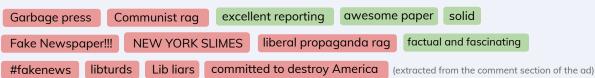
Track user sentiment and insights across your ad campaigns in real-time to make better, more data-driven decisions based on how your target audiences are reacting. Based on this, you can learn more about your audiences and target your ads more effectively in the future.

### Ad receiving most negative comments

## Overview of user sentiment on ads







## B

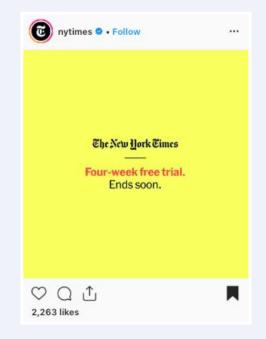
#### **CHALLENGE #3**

## Segmenting and targeting audiences with the right messaging that resonates with them

Advertising on social media offers a wide variety of format, placement, and targeting options. However, it also requires more care and attention to who is shown what messages. When running multiple ad campaigns across different ad accounts or to target audience groups at scale, social media users can be quick to point out if any creatives are not resonating with them.

#### **RECOMMENDATIONS**

Employ a solution that is able to track common keywords and topics that are being discussed on your ads, to understand how creatives are performing and improve them based on user feedback and reactions.



Facebook User that trial has been ending soon for a long time. do you even marketing bro?

Facebook User Please end soon!

Facebook User It wouldn't bother me if that trial was extended until the heat death of the universe. I still wouldn't read it.

Facebook User STOP PROMOTING THIS!!!!!! who does your SM marketig?!?!? capping infinty?!?!?

Facebook User Why do I see this stupid ad, and whom ever posted this from nytimes got your facts wrong.

(comment examples extracted from the ad analyzed)



# Key takeaways for news publications advertising on social media

## #1

Have clear community guidelines and a moderation solution in place to prevent hate speech, offensive language and spam that can hurt the communities and the reputation of the publication.



Solution provided by BrandBastion

## #2

Engage with the community.

Track and respond to user inquiries promptly, as this can drive subscriber satisfaction and build trust with potential customers who are considering a subscription.

## Q

### **Customer Response**

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## #3

Track user sentiment, common topics, and other audience insights across ad campaigns to make better, more data-driven decisions based on how your audiences are reacting. This will allow you to target your ads more effectively in the future.

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### Insights

Solution provided by BrandBastion



## Get in touch to see how we can help!

#### **About BrandBastion**

In an age where fake news, hate speech, trolls, and violations of privacy and trust run rampant across the Internet, the work we do is more pressing than ever. We protect brands and help them drive better engagement on social media, while creating a safer and more pleasant environment for users.



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Learn more about our solutions for the publishing industry













