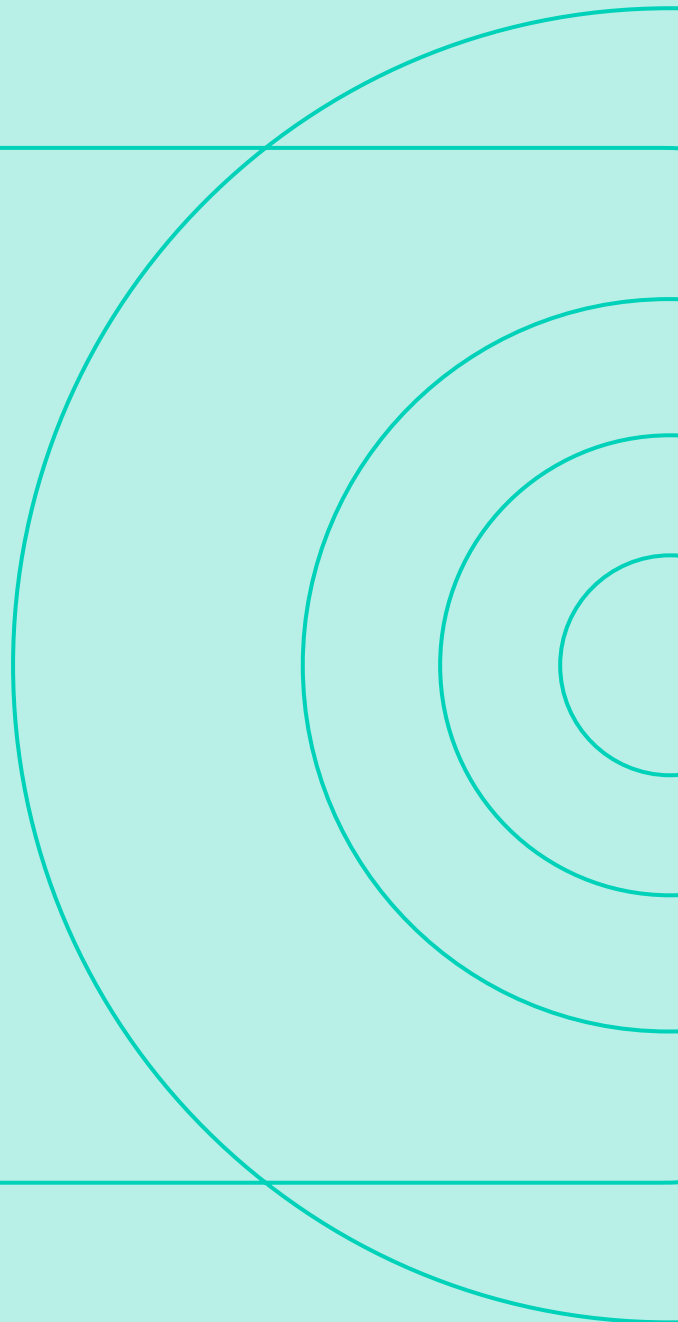


Are Your Metrics Meaningful?

4 types of data publishers should be making the most of



Contents

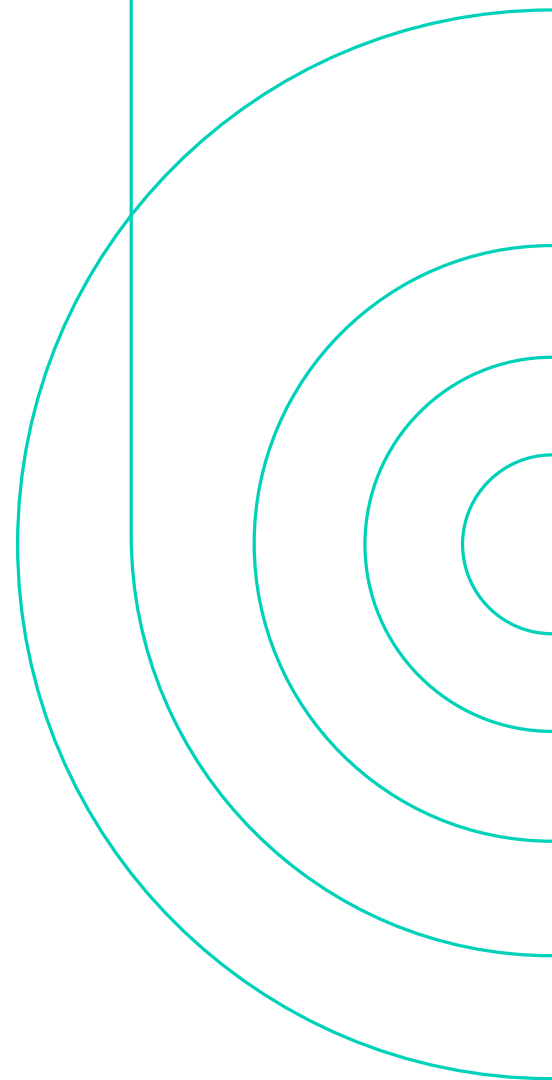
- 01 **4 types of data news media publishers can collect**
- 02 **Some examples of actionable data**
- 03 **A forecast of digital data trends and best data practices for 2022**

Introduction

Digital data is a new phenomenon in the history of journalism, yet it has become essential for the viability of news media companies today.

In fact, President and CEO of FIPP James Hewes says that data is now at the heart of news publishers' business models. Without digital data, news companies in the current global economy as we know it literally cannot exist.

As Google and Amazon both develop ad targeting models that identify reader sets from news publishers' first-party data, publishers find themselves with an immense amount of potential across the emerging digital landscape in journalism, tech, e-commerce, and advertising industries alike. To position themselves well for the opportunities ahead, publishers must understand the types of data that can help them achieve their goals and how they can effectively use it.



4 types of data news media publishers can collect

There are four main types of data publishers can collect, analyze, and utilize to improve personalized reader experiences. Not all types of data hold the same value, and publishers who can set the right priorities and goals with the right types of data will be in a better position to strengthen both relationships with their readers and their revenue streams.

1ST TYPE

I. Plot the perfect path: Use your performance data to improve strategic plans.

2ND TYPE

II. Mirror, mirror: Vanity metrics boost your brand image without building your business.

3RD TYPE

III. Technical trade-offs: How diving too deep into the data comes at a price.

4TH TYPE

IV. Make a move: Use actionable data to measure step-by-step success.

I. Plot the perfect path: Use your performance data to improve strategic plans

Performance data is arguably the most crucial and fundamental layer of data that publishers should give attention to. This data projects broad positive or negative readership trends and indicates where publishers may need to shift course. Enabling them

to protect their relationship with readers, and ultimately, their bottom line.

For example, depending on what this data says, you may need to change content, subscription, or paywall strategies.

This type of data is not assessed from the perspective of the publisher or advertisers, but from the context of readers. It helps publishers understand the ways the architecture of their data collection, organization, and subsequent actions impact overall subscriber experiences for different segments. These metrics typically break down into three categories: acquisition, conversion, and retention metrics — also known as buying, registering, and churn measurements.

Performance measurements show up in the kinds of big questions publishers may be asking themselves:

1. How long are active users logged into the site?
2. How often are active users engaged on the website?
3. Is the subscriber rate as high — or higher — this year compared to the same time last year?
4. When and why are readers deciding to purchase content?
5. What is the consumption rate of particular products?
6. What is the rate of churn, and does it shift at different points of time or for different subscriber segments?
7. Where have publishers been most successful engaging readers at different points in the subscriber journey?

Zephr's product manager, Sean Gray, explains that this kind of data enables publishers to analyze the metrics in place and determine which broad



changes ought to be made for the intended direction of the company. The data should indicate what will help a company make improvements towards key goals over time:

“Performance data can help you analyze what happened to create a change. For example, perhaps COVID-19 was motivating increased subscriptions during a particular time. Or perhaps a special offer was running this year during months when subscriptions were high, as opposed to not having a special offer during the same time last year. You can use performance metrics to analyze these kinds of things and then put new measures in place early on to change something one way or another.”

Such strategic metrics are important, partly for the insights they can offer about the overall direction of a company and its reader relationship and revenue goals. However, they can also help publishers assess timing for when they should make key changes. If publishers fail to recognize a systemic problem soon enough, they can experience negative impacts on their streams of revenue and potentially even their brand. Performance data can protect against that and empower publishers to be more proactive.

Matt Lindsay, president of Mather Economics, offers an example of the ways the performance metric of “churn rate” can inform both general company direction and the timing of changes:

“Performance data is important as you can usually utilize those metrics as leading indicators of customers’ intention to purchase or churn, but you can also use them as a measurement of price elasticity. These insights can trigger publishers to take more proactive actions, which are typically more effective than reactive actions. You want to engage with a customer before they’ve stopped their subscription to your product, rather than reactively waiting until you have to work to reacquire them.”

This kind of data is fundamental because it enables publishers to make informed projections and strategic changes early on in the reader relationship if something seems to be going in the wrong direction. Performance metrics can strengthen the reader relationship and enable publishers to set expectations about overall improvements and timing of those improvements.

II. Mirror, mirror: Vanity metrics boost your brand image without building your business

Whereas performance metrics tell a company where it can take proactive action to reach its brand, revenue, and reader relationship goals, vanity metrics do much the opposite. Vanity metrics are a low value data measurement that may sometimes function to improve brand image, but the data does little to actually move a company towards its tangible objectives. It's mostly making publishers look good, but without much substance.

Tableau, a data software developer associated with Salesforce, explains that vanity metrics can be almost any measurement, perhaps even some of the ones previously listed as performance data. The issue with vanity metrics is not necessarily the measurement itself, but whether or not the data can and will be used for real company advancement.

If a company doesn't have a purpose or high level plan for how they intend to use data they collect, the data is empty and mostly useless. **Tableau offers**¹ three questions companies should ask themselves to identify if they are dependent on vanity metrics:

1. What business decision can we make with the metric?
2. What can we do to intentionally reproduce the result? (Which key action can be taken to move us towards our goals?)
3. Is the data a real reflection of the truth?

Zoura's VP/GM, Product & Engineering, Subscriber Experience | Customer Primacy, Chris Scott, explains that the purpose of collecting data is to enact some change towards a predetermined goal; if the data does not work towards those ends, it's just a vanity metric.

Scott says, for example, many publishers may look for data that appears interesting but is actually empty. He cites the example of average number of article page views a reader sees before reaching a paywall.

This kind of data is typically a vanity metric because it lacks the context required for the numbers to be meaningfully actionable. In this case, such a statistic would fail to account for all the possible ways the number of website page views can change volume or meaning depending on many different contextual factors, just one being where an online reader comes from (direct to the site, via social media, etc.). It's not that the metric itself is always inherently useless, but that if a publisher fails to use the metric in the appropriate context for a specific goal, the numbers lack the substance required to move a business towards its objectives. It takes a lot of effort to turn vanity metrics into something beneficial, so often these kinds of measurements have a lower ROI.



The whole reason to have data is to achieve something; vanity metrics don't do that. They are not helpful because the data requires a lot more effort to make them truly useful. To understand a vanity metric, ask if the data actually enables or allows you to take action for your goals. If the data is not actionable and holistic, then it really has no value and is likely just a vanity metric.

Chris Scott
VP/GM, Product & Engineering,
Subscriber Experience | Customer Primacy,
Zoura

¹ <https://www.tableau.com/learn/articles/vanity-metrics>

III. Technical trade-offs: How diving too deep into the data comes at a price

As news and media publishers transition to dependence on digital data for advertising and subscription revenue, they have also seen an increasing reliance on new technologies... and the technical, analytical skills required to interpret and enact business strategies drawn from the data offered by those technologies.

For example, emerging artificial intelligence tech is changing the potential of news and media data collection, and this overall shift to digital data and analysis has already fundamentally changed the relationship between publishers and readers. Most readers now expect highly personalized subscriber experiences. As reader expectations and tech capabilities expand, publishers require the right teams with a range of skills. If the data can't be interpreted and acted upon, it's useless. Some data — deep data — is far more technical than others and requires different levels of knowledge to truly utilize it.

Alex Pereda, technical consultant for Zephr, explains that publishers should build their teams in ways that offer a hybrid of business and technical knowledge to meet these changing needs. Data architecture (building data sets), data analytics (storage, collection, and interpretation), and business strategy based on the data delivered all require different kinds of skills that, combined, can offer meaningful reader experiences.

Just because deep data is more accessible and actionable than vanity data does not necessarily mean deep data is inherently best for every publisher.

Especially for small- and medium-sized publishers with smaller budgets or teams, deep data may be too expensive and excessive to actually help meet business and brand goals. With the right, user-friendly tech tools, it's possible for publishers to build a hybrid of tech and business potential for long term success. Publishers should assess the value of deep data and its associated costs to determine if it is the right fit for their reader relationships and end goals.



Deep data may have diminishing returns; the data could be useful, but it's hard to work with because it requires a lot of context. Some types of data on intelligent paywalls, for example, require so much context that the actual numbers are very difficult to make actionable. You need a product manager or data scientist to calculate what you actually want to do with the data. In these instances, you may have too much data since it takes so much work to make anything happen with your data. If you need data scientists and engineers, it may be a point to evaluate whether these types of data that need a big commitment, constant maintenance, and expert analysis are really for you.

Chris Scott

VP/GM, Product &
Engineering, Subscriber
Experience | Customer
Primacy, Zuora



Actionable data is needed after you've established performance data. An example of performance data is the acquisition rate changing, which indicates you may need to fix something broader. However, actionable data is when you can identify that no one is reaching the paywall for whatever reason, which can impact acquisition rates.

Chris Scott

VP/GM, Product & Engineering,
Subscriber Experience |
Customer Primacy, Zuora

IV. Make a move: Use actionable data to measure step-by-step success

Like performance data, actionable data is a highly valuable form of data. Whereas performance data offers general insights that help publishers plot strategic direction, actionable data tells publishers what to change immediately and how.

Actionable data empowers publishers to take the right tactical steps towards desired outcomes that the performance data has indicated are most important for achieving company objectives.

Actionable data can help determine that users aren't reaching the paywall and which key steps should be taken to resolve that problem, ultimately improving overall acquisition performance.

This type of data is partly about identifying explicit tactical decisions that should be made, but it's just as important for publishers to understand which steps not to take in order to achieve broader goals. This too comes from actionable data.

Lindsay at Mather Economics offers:

"Actionable data is less about the level of someone's behavioral actions, such as the number of articles or visits they have in a month, and more about deviations from those patterns. For example, you can have positive or negative deviations from their behavior patterns related to engagement, and that's what we look for to understand a particular user's likelihood of purchasing a subscription or stopping their current subscription. Understanding the nature of behavior changes and deviations from patterns can help publishers determine the right tactics or actions to take."

A joint **Deloitte-Google News study**² exploring the relationship between news companies and digital data found that "75% of companies have set a clear goal for audience data, yet less than 50% are able to realize the benefits." This projects that companies may have performance data or strategic, data-based goals in place, but they don't know the steps to take to actually manifest those outcomes. Actionable data can change that.

² <https://www2.deloitte.com/us/en/pages/consulting/articles/digital-transformation-through-data-for-news.html>

Some examples of actionable data

Actionable data comes in various forms but will always interact or correlate in some way with performance data. Actionable data also represents key insights throughout the life of the subscriber. This data shows up in various ways and serves diverse functions towards end goals. These are some types of actionable data publishers can utilize:

Segmentation

Segmentation is one of the most important types, and one of its functions is to help publishers make key paywall decisions that increase conversion rates. Pereda explains that publishers can take action to segment readers in specific ways after having measured for low, medium, and high engagement. Then, they can optimize reader experiences for those specific engagement levels in ways that drive profitable results at different stages of the user journey: “Publishers can optimize each phase of the subscriber journey — acquisition, conversion, retention — just by taking action to segment readers in the right ways, identifying what makes each reader segment convert at various engagement levels, and then giving them more of that.”

Publishers can use the data to make decisions about the kinds of offers to serve different reader segments — this is true for individual campaigns, but also for broader offers over time. The data that allows publishers to segment audiences correctly and offer the right paywalls at the right time for each of those segments ultimately correlates with the performance data metric “conversion rate.”

Split testing

Publishers can use split testing — or A/B tests — to make reader experiences more personalized. Taking the right, specific actions from the results of these tests can impact overall content performance, such as acquisition and retention rates. To gain useful insights, publishers must start with a performance metric they hope to impact — or start with a hypothesis. Then, build reader experiments based on that goal. Gray explains the potential of split testing for publishers:

“With split testing, you can build rules so that some readers experience option A (such as being offered a trial with a 5-article limit before a paywall) or option B (such as providing unlimited content to see if people subscribe organically). You can randomize the people who go through each route of these A/B tests or choose certain reader segments to go down different routes before measuring the results. Split tests can be the most powerful tool for publishers to understand their users and build things like propensity scoring, especially if there is a really clear hypothesis and clear set of data they are wanting to obtain from the beginning of the experiment.”

Actionable data drawn from split tests can help publishers determine what kinds of offers, rules, campaigns, and actions are most effective for key readers. It can also provide understanding about the timing of certain actions for reader groups, what to do, what not to do, and when (e.g., what key actions should be repeated or avoided at certain points in time for x reader segment?). When are specific actions, such as putting up a paywall, most effective with some readers? What is entirely ineffective for other segments?

Gray says these kinds of tests can helpfully illuminate the important correlative relationship between performance data (like churn rate) and actionable data (like subscribers over time). Using data that drives action steps means publishers can stop guessing about audience motivators, and start drawing clearer correlations that translate into better reader experiences:

A dip in subscribers over time may lead you to think the churn rate is higher, and while this can be true, it can also be that a publisher is drawing fewer new subscribers but existing subscribers are choosing to stay. Being able to determine that correlation could really help publishers understand points where they are both getting fewer new subscribers and seeing churn rate go up at a certain point in time. This usually points to some kind of issue that can be corrected by learning from this data and then putting the right measures in place to invite people back to the site in a meaningful way. Recognizing those trends is really important for helping publishers understand what may negatively or positively impact their revenue long term, not just in the current moment.

Data that accurately guides the right tactical decisions in the moment will help publishers make moves towards their long term vision over time. Together, performance and actionable data provide publishers with the right knowledge to consistently serve personalized experiences readers will value and keep coming back for.

Logins and session usage

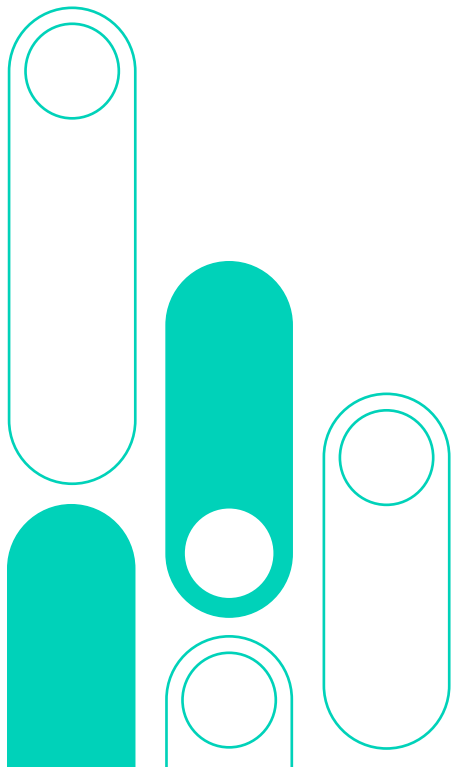
Actionable data can also protect publishers from revenue leaks. One example is measuring reader logins and session usage. This can impact acquisition rates by enabling publishers to close gaps in their system and funnel readers towards subscriptions. For instance, publishers can measure the number of logins a user has, as well as where and when they are using these. From there, publishers can take steps to understand the average number of login sessions per user, how many devices content is being accessed on, and where to put up the right paywalls based on that information.

The ability to plot the average sessions users have is actionable data that directly impacts broader performance. Knowing when to protect high-value content and paywall timing can help publishers drive acquisition and conversion rates more effectively.



A forecast of digital data trends and best data practices for 2022

As publishers learn how to acquire and utilize reader data more skillfully, several major challenges and opportunities trend on the horizon for the most forward-thinking of companies. Principal among these is the chance for publishers to begin refining their unique, personalized subscriber experiences across platforms. Front and center is the ability to intimately understand diverse readerships by building more accurate, dynamic, data pictures across subscriber journeys, while also taking the right proactive, data-informed actions necessary for preventing negative shifts in reader patterns along the way.



For good measure

Update your strategies and metrics as news cycles shift

With major global news events from the Olympics to United States elections slated for 2022, Matt Lindsay of Mather Economics argues that it will be imperative for publishers to learn from the acquisition frenzy of 2020 that was spurred by the initial chaos of the emerging pandemic.

As the news cycle shifts into a high gear again next year, publishers must improve their practices by more skillfully harnessing the major peaks in acquisition and connecting this with their longer term data and personalized content strategies. Publishers who don't update their practices, metrics, and strategies may find themselves left behind.

Similarly, the news cycle of 2021 pushed publisher focus towards retention practices. Moving forward, publishers should certainly take time early next year to step back and draw insights about what their company can do differently to strengthen retention as news cycles shift again. Performance metrics will serve as a strong measurement supporting this learning process.

A sharper focus

End pixelated pictures of your readers by unifying the data

Regardless of what publishers may learn by stepping back to assess their work in the subscriber boom of the last two years, they face an even greater data challenge that must be prioritized in 2022 if they

hope to put those insights to good work. Publishers will keep their brands relevant and valuable when they focus on effectively and dynamically customizing reader journeys. But this means pulling all the data together to end pixelated, disparate understandings of their readers.

Many publishers currently hold data in diverse places and struggle to unify reader information in ways that offer holistic insights about their readers over time. It's not just about being able to acquire and retain data more skillfully by learning from the lessons of the last two years. It's also about being able to consolidate all the collected data and make the right actionable decisions over time.

James Hewes of FIPP suggests that in the coming year, publishers need to focus on bringing their data — including print, content, advertising, and core audience data — together to build a more accurate, useful picture of their users throughout all stages of the subscriber journey:

“A lot of publishers have their reader data in 10-15 different buckets and struggle to create a single view of their customer from all that data. Linked to that challenge is a technology problem: how do you pick and implement the right technology to help you do this? It's worth remembering that magazine and newspaper publishers have an enormous amount of print data as well. Often their print data file would have been historically much larger than their digital data file — it's linked to reader surveys and other reader interactions over the years. Publishers are trying to find ways to bring all this data together digitally and use the right technology to do it.”

Limitations and legislation

What developments in tech may mean for publishers

Organizing data more effectively will certainly improve publishers' ability to personalize — and profit from — reader relationships, but publishers

must also recognize ways in which they may still be limited. As mentioned previously, it's just as important to know what you can't or shouldn't do with reader data as well as what you can. Many local publishers saw growth in subscribers during 2020, but then experienced the phenomenon of **inactive “zombie readers”**³ in 2021. As publishers acquire readers, it's important to track what kinds of limitations impact the data — and, by extension, sound decision-making.

Advancements in machine learning, artificial intelligence, and publisher-friendly tech tools are likely to help identify these kinds of patterns in audiences and the types of content those audiences respond to. So while publishers will continue learning through the changes and limitations, tech developments will also likely drive key conversions in ways that have been largely inaccessible to some publishers.

Publishers of all sizes also face the limitations of heterogeneous and changing global data and media legislation. Significant differences in data and media legislation worldwide will continue to prove a challenging issue to balance, even as publishers improve their reader data practices and tech stacks for better outcomes in 2022.

Hewes explains, “The differing standards for privacy, data protection, and data regulation that exist across the world are not helpful because we live in a global market, and you have to adhere to them all. For example, you have GDPR in Europe, a divergent regime in the UK, really unhelpful state-by-state solutions in the US, and entirely different laws in Australia. This means publishers end up basically having to create their processes to adhere to the strictest version of those rules since that's the version that they have to default to.”

However, the political and legislative issues that motivated a nationwide shut down of news on Facebook in Australia earlier in 2021 — and the way the situation altered relationships between big tech, mega media conglomerates, and legislative bodies — forecast other significant global changes, especially in places like the United States and Europe.

³ <https://digiday.com/sponsored/how-to-bring-zombie-subscribers-back-to-life-and-reduce-churn/>

Data taxonomy

Craft new language for better audience modeling

Publishers can strive to shift language and models within the industry as legislation and tech tools change their relationship to reader data. As they become more reliant on and skilled at using data to build reader relationships, it will be useful for publishers to develop what Zephr's technical consultant Alex Pereda calls a strong "data taxonomy."

Pereda argues, for example, that as publishers learn to construct and automate statistical models that reflect what works for their key audiences over time, they must also develop topics and keywords that can build those internal models and accurately reflect their readers' unique consumption patterns.

Whereas product and marketing teams have previously sold content based on an intuitive understanding of readers in ways that influenced business results, Pereda says that publishers must now begin building a more data-driven, mathematical language to influence content changes, tech tool choices, and audience segmentation models over time.

Making the most of your data

Strategies for success

Strong data practices center the reader's digital experience and leverage the most valuable insights to craft dynamic, custom reader journeys over time. Publishers can assess their data practices by, first, looking at four key types of data and their strategic uses:

PERFORMANCE DATA

This is the most important type of data, since it can be used to plot high level direction for the company. It can answer big strategic questions about things like content, audiences, timing, and tech tools, and it can provide guidance about where broad reader trends are changing positively or negatively

according to company goals. Performance data is especially helpful pointing to problem areas where publishers should take proactive steps to protect their reader relationships.

VANITY METRICS

These are the lowest value type of data, serving mostly as aesthetic impressions of the brand overall. While vanity metrics may sometimes have value, they usually lack enough contextual information and connection to company objectives. Taking time to get the context to make this kind of data meaningful is not usually worth the cost. Asking key questions can help publishers determine if they are reliant on vanity metrics instead of performance data to help them chart a path forward.

DEEP DATA

This can be a highly valuable form of data, but it requires technical expertise to parse out and use well. If a company wants to rely on the fuller scope of technical data emerging in the age of digital journalism, they will need to hire teams that pair precise training in fields like data science with personnel who can bridge the gap between data and business development. For many companies, this type of data — and the hiring practices it requires — actually has diminishing returns.

ACTIONABLE DATA

This is the next most important type of data. If performance data can be used to plot overall company direction and goals, actionable data are used to take tactical steps towards those ends. This kind can help publishers identify small deviations in reader patterns as a way to determine the best step-by-step solutions; some examples are segmentation and split testing. Actionable data and performance data always go hand-in-hand and help publishers make smart daily decisions without losing sight of broader business goals.

Conclusion

When publishers have a firm grasp on their data and its uses, they can more effectively assess their data and proactively use those insights to look ahead with confidence. It's essential for publishers to refine their ability to anticipate different issues and deviations in reader patterns before it's too late and get in front of problems before they can occur. Publishers who take timely, data-based action steps will resolve issues proactively to build — and keep — reader trust in the digital news era.



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