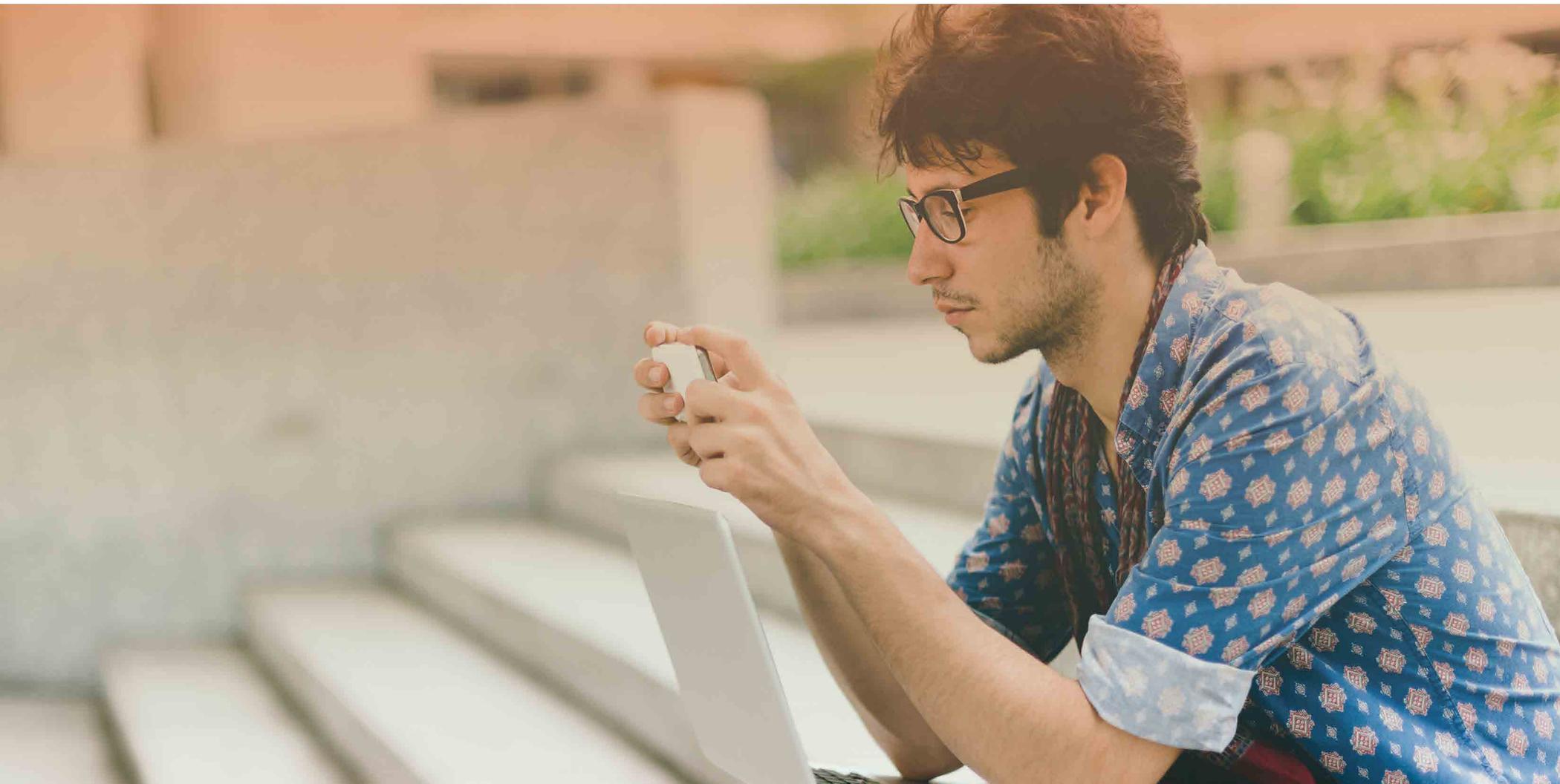




MOBILE AND THE MEDIA

5 Ways To Succeed In 2016



INTRODUCTION

Not long ago, it was easy.

Media organizations - certainly those in the print environment - didn't have to concern themselves with revenue. They enjoyed a captive market and sold advertising on the back of it.

Sure, for individual businesses there were successes and failures. But for the industry as a whole, the path to revenue was relatively straightforward.

Unfortunately, the internet changed all that. Media organizations now struggle to balance two conflicting desires - readership and revenue - and in the process often fail to deliver either.

Meanwhile, things continue to change. Two trends in particular add further complexity to the picture:

"Media organizations now struggle to balance two conflicting desires - readership and revenue - and in the process often fail to deliver either."

1

The rise of mobile, and specifically the mobile app. The data shown on page 2 shows that mobile now accounts for 62% of all digital media time - and that the app accounts for over 50% of that total in itself. Is mobile internet or native app the right strategy? That's a question every publisher has to ask themselves.

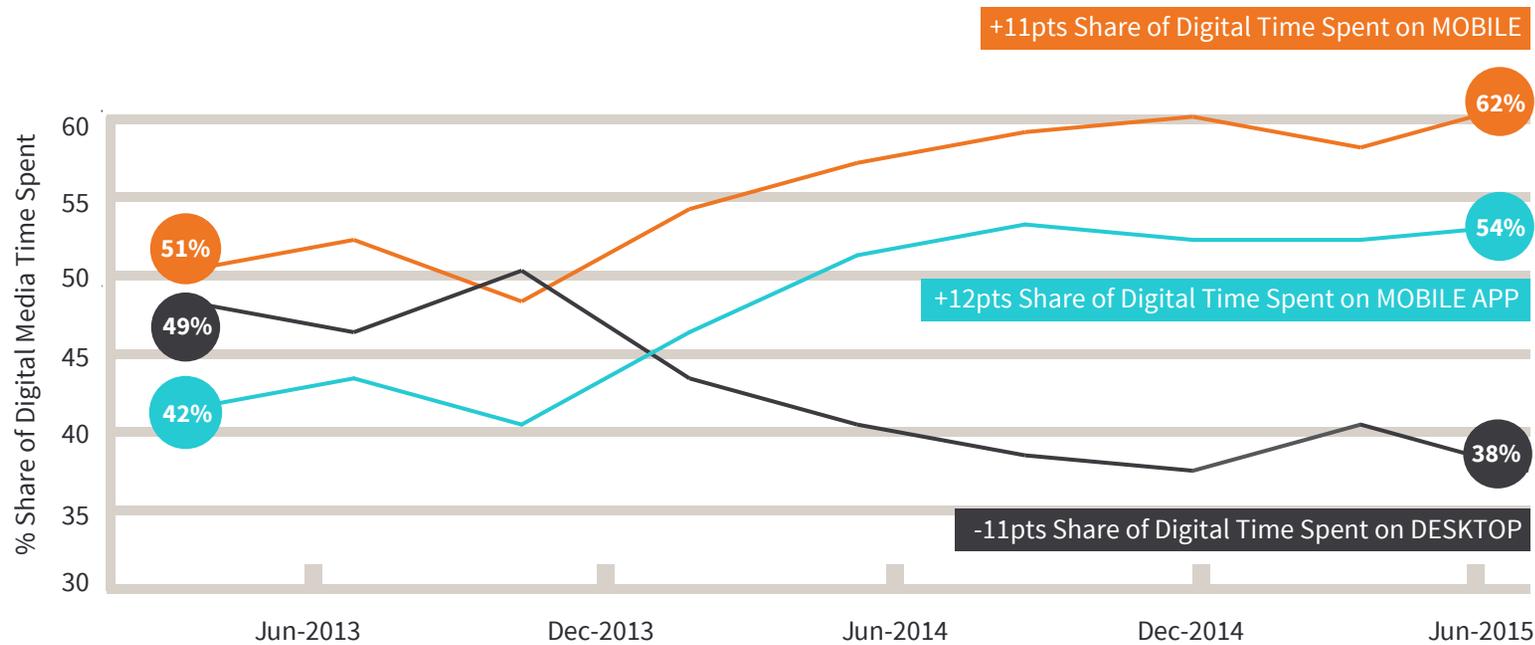
2

Ad blocking. We might not like to talk about it, but it's here and fast undermining certain revenue models. The successful publishers of tomorrow need to face down the Adblock challenge today

In this short whitepaper, we'll take a look at those issues - and a few more - and identify five ways in which media companies can thrive (not just survive) on mobile.

Mobile is becoming the dominant digital platform

SHARE OF DIGITAL TIME SPENT ON MOBILE (TOTAL), MOBILE APP, AND DESKTOP



Source: comScore Media Metrix Multi-Platform & Mobile Metrix, U.S.

1

KNOW YOUR MODEL

It's vital to be clear about what you are trying to achieve on mobile. Simplification it may be, but there are essentially two business models when it comes to digital publishing:

Advertising

The publisher sells some form of digital advertising, on the back of impressions. For obvious reasons, businesses following this model seek to maximize the latter number and ensure readership is as great as possible.

Digital Subscription

Revenues come direct from the reader via some form of digital subscription. In this instance, the aim is to build first engagement and second get readers 'over the line' to paying for content.

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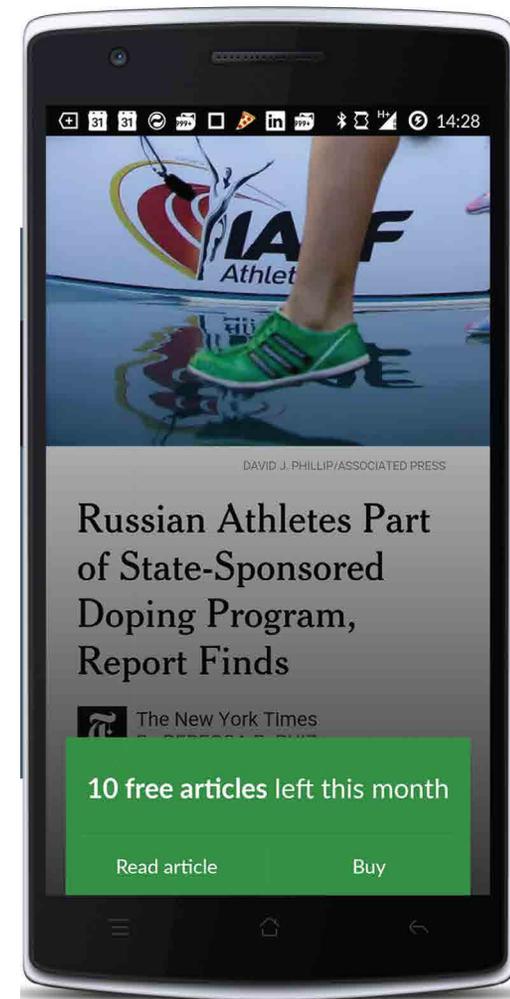
To be clear, these two models are not mutually exclusive. It is of course possible to show advertising to subscribers. And subscription options can still be offered within what is essentially a ‘broad reach’ strategy.

However, it is vital that any media or publishing organization is clear on their strategy and avoids the temptation to fall between two stools. This might sound obvious, but it is surprising how many media organizations build deliberately ‘leaky’ paywalls around their content - because they can’t let go of readers, either for the sake of advertising revenues or ego.

Such an approach will fatally undermine the success of any media business on mobile (or online in general). There is no ‘correct’ answer to this question - successful businesses can be built on either model or indeed on a smart mix between the two.

But what media businesses cannot do is avoid a hard decision and ‘drift’ on mobile. Take a clear view of what you want your business to look like, and plan accordingly.

The New York Times offers 10 free articles a month - and then insists on subscription. Remember you can test the extent of your ‘paywall’



2

DON'T IGNORE
MOBILE INTERNET

BUT FAVOUR
THE MOBILE APP

Mobile has added new dilemmas for media players. Most specifically, a difficult choice has to be made between the native mobile app and a 'mobile internet' solution. And each approach has its merits:

- 1 Mobile internet links seamlessly from social media and internet search, making it the **ideal platform for sharing and discovery**. To bring people into your titles, you probably need a mobile internet presence.
- 2 The mobile app is loved by consumers and provides a superior quality of user experience. And although it is possible to add 'app' icons to the home screen from mobile internet site, it isn't common user behavior: the mobile app is still the platform that delivers a real loyalty boost.

"in time a significant chunk of the audience will no longer see ads at all on mobile internet, which in turn means a damaging reduction in revenue"

For the reasons noted above, media organizations are not ready to leave mobile internet behind yet. But two factors should convince most to focus an increasing share of their efforts on the mobile app:

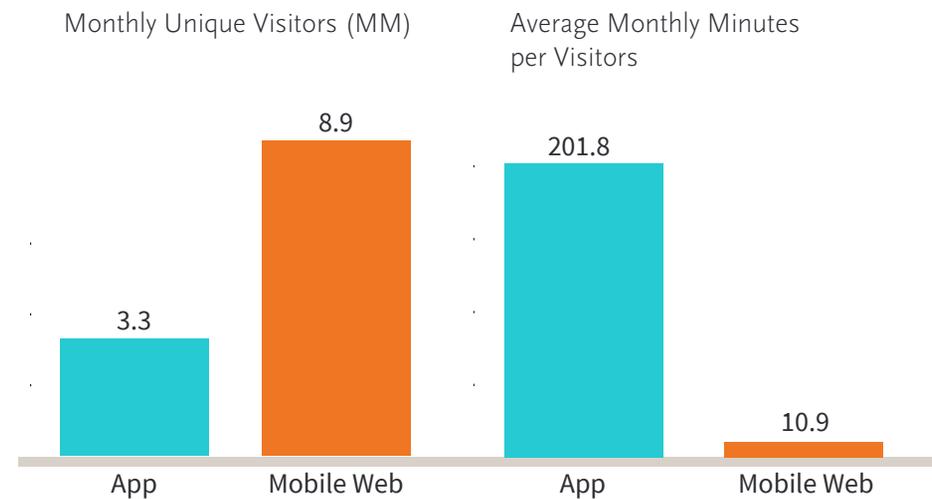
1 Ad blocking

With the launch of iOS 9, Apple enabled users on iOS devices to install ad blocking apps on their smart devices. They needed no second invitation - with these apps immediately taking up residence at the top of the download charts. Data from the web suggests that in time a significant chunk of the audience will no longer see ads at all on mobile internet, which in turn means a damaging reduction in revenue from mobile internet. Native apps, on the other hand, don't suffer from this problem.

2 Engagement.

According to Comscore data, there is one crucial distinction between the mobile web, and mobile apps. Namely, mobile-web drives more uniques, but mobile apps drive 20X more user engagement. On every metric that counts, it appears that native apps win hands down when it comes to driving repeat visits and reader loyalty - metrics that are the bedrock of a successful media strategy. It is of vital importance to get readers onto the mobile app and keep them there.

MOBILE APPS GENERATE A SIGNIFICANTLY GREATER ENGAGEMENT RATE THAN MOBILE INTERNET



So with all that in mind, media companies would be well advised to start doubling down on the mobile app as their best route to long-term relationships with their readers - because without those relationships, there's no revenue.

3

SWALLOW THE 30%

Nobody likes to see another organization take a chunk of their revenue. For publishers, it can feel particularly unfair when subscriptions to what is often a multi-channel experience are processed via an app-store that takes a cut of somewhere around **30%**.

If that's the case, isn't it better to sell subscriptions elsewhere and keep that money in the organization? In almost every case the short answer is simple: **no.**

The longer answer is simply additional context. For most modern publishers, the problem isn't how much revenue is being derived from a single customer, but rather **how few customers there actually are** (remembering that a 'reader' is no more a customer than someone window-shopping is).

“For most modern publishers, the problem isn't how much revenue is being derived from a single customer - but rather how few customers there actually are”

That being the case, publishers need to move heaven and earth to deliver as many actual customers as possible, even at a lower price point. That in turn means engaging with the essentially 'frictionless' app store - which enables purchases at any price point to be completed with the click of a single button.

The alternative - sending users to complete a form and provide payment details, leads inevitably to significant fall off. **We've never seen a case where moving to the app store doesn't increase revenues overall.**

As an aside, remember to consider multiple pay options or enable users to buy discrete areas of content. Turning readers into customers is paramount - and that doesn't have to mean subscribers. Video content, special features, even crosswords can be sold via the app store as distinct offers that get readers 'over the line'

The Economist gets users into the spending habit by offering single issues direct from the app store with one-click purchasing



4

FOCUS ON
ON-BOARDING

Users are promiscuous when it comes to mobile apps. That's why they typically share their phone with somewhere between 100 and 150 of them. They also spend somewhere north of **80%** in only a handful of those apps, and the chances are that one of those handful will be a media or news source of some description.

So it goes without saying that you need to be that source. The success of any media or publishing strategy on mobile is centred on this: **becoming the go-to app on the smartphone home screen**, that the user turns to when they have 5 minutes to kill or half an hour to catch up on the news.

Of course success in that task will partly be tied up in your brand, the quality of content, and the quality of your mobile app experience. But equally important is the process of 'onboarding' new users and readers. It is vital to get these readers over the first few hurdles and into the core experience - whilst losing as few as possible along the way!

Here's how to make it happen:

- 1 **Build a testable, editable onboarding process.** By delivering onboarding 'education' as in-app messages or campaigns, it is possible to edit them quickly (no engineering or app store updates!) and better yet, test them to establish what works best.
- 2 **Don't overdo it.** Focus on getting the really important areas covered in three or four screens - any more risks trying the user's patience before they get to the main event. Remember, you can always share more later
- 3 **Reveal features gradually.** Show messages letting user know about specific features only to those users who haven't used them yet. Allow a delay for organic discovery and then step in. That way, you can keep helping users discover without bombarding them with 'too much information' at any one point
- 4 **Sell the value.** If you want to get people to subscription (or even just get them to stick around for a while), your onboarding process has to start the process of making value clear to the potential customer as early as possible - whether they are part of a formal trial or just browsing.



Clear, elegant and persuasive onboarding at the Wall Street Journal

Ultimately, everyone is selling something. In the case of many media apps, it is some form of subscription. We'll talk about this briefly below, but first be sure to remember that the 'sale' can take many forms. It can even simply be ongoing engagement - in the case of the media organization that converts readers to revenue via advertising.

As with everything else, **there's a right way and a wrong way to turn readers into revenue.** The wrong way is what we currently typically see in the market: undifferentiated and unremarkable, a standard message usually sent to all mobile users, usually at a standard time. In other words - treating mobile as a smaller desktop and mobile comms as 'email but different'.

Here's the smart way to go about it:

"As with everything else, there's a right way and a wrong way to turn readers into revenue."

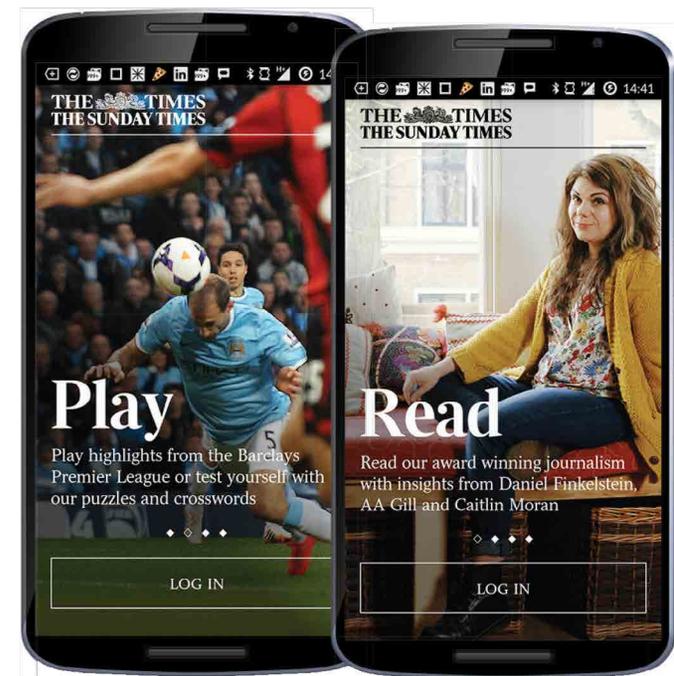


5

SELL WITH SOPHISTICATION

Here's the smart way to go about it:

- 1 **Personalize offers.** If a reader is interested in soccer - which is something your analytics will tell you - then sell a soccer World Cup bundle with content plus video highlights. If they are interested in politics, do the same for a Presidential election. Rather than simply sell the basic subscription to all your readers, learn what they like and adjust accordingly.
- 2 **Get your timing right.** There's no point attempting to engage with users when they are unlikely to open your app. Learn from their behavior and reach out via push notifications when you know they are most likely to open the app. Just this small change can increase the effectiveness of your campaigns by up to 200%.
- 3 **Test your offers.** There are many ways to engage with your readers, and many forms of content you can use. In-app messages, push notifications - even email. With that being the case, and with mobile being such an 'immediate' channel, it is vital to test your content, timing and format. Establish what works - and then refine that further!
- 4 **Bring multi-channel data to the party.** To get the full view of a user, it helps to get some understanding of their behavior in every relevant channel. You can assume that any reader is active to some extent on both mobile app and mobile/desktop internet. As that is the case, make every effort to share that data within a single user-view and deliver the most relevant (and thus effective) marketing campaigns possible.



The Times (UK) delivers a compelling subscription promotion (albeit one designed for all!)



GROW YOUR MOBILE BUSINESS WITH SWRVE

Swrve is used by some of the world's largest and smartest digital businesses to deliver awesome experiences on mobile: the kind of personal, relevant and timely campaigns that mean greater user engagement, greater user retention, and most importantly of all: **mobile revenues.**

Swrve is an integrated platform supporting every aspect of the mobile marketing experience: in-app communications, push campaigns, and A/B testing of native content. All without engineering involvement.

We process over 10 billion events a day across over a billion mobile devices, making us the world leader in mobile success.

www.swrve.com