Start with Retention: Using Social Media to Grow Subscriber Revenue
SocialFlow RetentionStream Webinar Transcript
March 2020

Webinar Description:
Attend this webinar to learn how McClatchy is using repurposed social media content in an innovative way to reduce paying subscriber churn. McClatchy was able to achieve results in less than 30 days--in some cases cutting subscriber churn by as much as 50%.

McClatchy is one of the leading local media companies in the U.S., serving 30 growing markets, and over 65 million monthly readers. McClatchy journalists have earned 54 Pulitzer Prizes and the company has undertaken a digital transformation that affects all areas of their business.

SocialFlow is the leading social marketing platform for publishers and other high-volume content creators and is proud to work with McClatchy to create more value from their considerable reach and engagement on social media.

Webinar Presenters:

Phil Schroder
Senior Director of Engagement and Retention
McClatchy

Jim Anderson
CEO
SocialFlow

[To view the webinar, click here.](#)

Webinar Transcript
Click any image to view at full size

Jim Anderson:

Hello and welcome to today's webinar on how to use your social media success to better retain customers and grow your subscriber revenue. My name is Jim Anderson and I'm the CEO of SocialFlow. I'm joined by Phil Schroder, the senior director of engagement and loyalty for the McClatchy Company.

Before we dive in, I'd be remiss and not addressing the current climate around the coronavirus and COVID-19. I have to imagine that most of you are listening to this from home and of course the human impact of this pandemic, it dwarfs anything we're going to be talking about today. We know that you

also still have businesses to run and that with the uncertainty and advertising, that preserving and growing your subscription revenue is more important than ever.

Jim Anderson:

With that said, Phil, thanks for joining us today. Can you give us a quick overview of your role at McClatchy?

Hey, Jim. Thanks a lot for having me. As you said, the coronavirus and COVID-19 definitely have serious implications across the news business. Currently, I know all of us are trying to decide how we handle our paywalls and how we drive engagement while also making sure our readers get the most relevant and up-to-date information.

As you also said, our team does manage engagement, loyalty, and retention here at McClatchy. Our job is to pretty much save all of our subscribers across both our PR and digital brands. We also work on engaging customers initially to bring them into our sales funnel.

Excellent. Well, engagement is the topic today, so let's jump right in. McClatchy's been using SocialFlow software to publish more than 40,000 social posts each month to Facebook and Twitter. They were the first customer for SocialFlow's RetentionStream product, which is what we're talking about today. That RetentionStream product uses the best social content to reduce paying subscriber churn.

Click image to see at full size

You see one of the RetentionStream posts right there on the slide: a high-performing post turned into a sponsored unit. SocialFlow ran a hundred-day pilot across four McClatchy markets of different sizes and we were able to significantly reduce churn in the 60-day period after a subscriber signs up. McClatchy was able to retain nearly 1400 paying subscribers that might otherwise have churned that has an obvious economic benefit and the successful pilot led to an expanded rollout of the program. Phil will talk some about that. That's the story we want to tell today.

If you're not familiar with SocialFlow, we are the software platform used by many media companies. You can see some of them here, to get their content out to the social platforms including Facebook, Twitter, Instagram, LinkedIn, and Pinterest. We've been in business for 10 years and focus on serving the needs of publishers, broadcasters, and digital media companies. We developed the RetentionStream product

because we realized that publishers, successful social media posts could be repurposed to support subscription efforts.

You surely know about McClatchy, a very well-known company whose properties have won a combined 54 Pulitzer Prizes among other awards. Phil, do you want to give us a quick overview of McClatchy, the 30 markets, and all the things that you've got going on there?

Phil Schroder:

Yeah, absolutely, Jim. As you said, we have 30 local markets as well as some weekly newspapers as well and we stretch from Bellingham, Washington to San Louis Obispo, California, all the way over to Miami, up to State College, Pennsylvania, a broad swath across the country encompassing a wide range of demographics and people populations.

As you said, too, I mean, we are known for our journalism. We have great journalism from our newsrooms, many awards across the group. Our digital transformation is something we've been focused on for quite a while and we continue to focus on every single day.

Jim Anderson:

Great. Digital transformation, again, that's what we're talking about. If you're on this call, you probably have something to do with subscription revenue and you probably already know more than you really want to about subscriber churn. I mean, it's an inevitable consequence of any subscription business.

I want to spend a minute, though, talking about what we call that "leaky bucket" and something we noticed in our conversations with customers about RetentionStream and the product offering. It was striking how many of those conversations began with retention, but then very quickly pivoted to acquisition. We'd hear something like, "Hey, this sounds great, but what can you actually do to get me new subscribers?"

Certainly, some of these approaches can be used in subscriber acquisition, but you probably know from experience that acquisition budgets have to deal with a range of acquisition costs for different channels, attribution modeling. It's a very different set of budgeting and management questions, whereas retention budgets, if there are any at all, can and should be managed using a very different set of metrics. We're going to talk about the ROI and the metrics a little bit later, but I would say there's one immediate takeaway for you before we even get into the meat of the content. If you shift some acquisition budget to retention, you might very well come out ahead in terms of total subscriber revenue.

Phil, I know you have a perspective about how you did the budgeting there. Would you like to add to that?

Phil Schroder:

Yeah, no, absolutely. On our side here at McClatchy, acquisition and retention are both very important. However, our teams work together in tandem to make sure that we manage those budgets together. It's not something that we just do as a one-off. If we know that we can have a better ROI on retention and borrow some money from acquisition, we'll do that. As I said, we are very focused on doing both of those together. We have invested more and more over the last few years into retention to continue to drive that.

Jim Anderson:

I love that borrowed money from acquisition. I mean, I think that's exactly the way we're proposing thinking about it. It's great to see a real-world example where a company like McClatchy was able to do that.

Let's get straight to the results and then we'll come back and fill in the details about what we did and how we did it. I want to, I want to make sure not to bury the lead and really focus on what we did here in terms of results.

I should point out that we're talking about digital subscriptions here. Month-to-month, actual print subscriptions, or digital subscriptions that are paid annually weren't part of this pilot test. What you're seeing here is the before churn numbers for the form McClatchy markets in the pilot. The churn rate in the customer's first 60 days is in the range of 20 to 25% and note also the wide range and the size of markets from large market, a top 20 city down to smaller markets, a top 250 city.

Immediate, powerful results, across all markets

Cities listed by U.S. population rank (e.g.,"Top 20 City" is one of the 20 largest cities in the U.S.)

Once SocialFlow started with RetentionStream, the results were striking. The churn dropped down into the 10% range. No, that's not a misprint. I mean, we're talking about taking paying subscriber churn from 25% down to 10%. Again, if you're on this call, you probably manage subscriptions and you can do that math in your head. It's a huge, huge impact.

There's a lot of variables that work here and I can't promise that we can cut your subscriber churn, if you're listening, by more than half, but I can say that will drop your churn by, say, 20 to 30%, which is certainly plenty of good in its own right. We'll cover, again, some of the numbers around return on investment costs later in the call.

Phil, any comments you'd like to add on the pilot results?

Phil Schroder:

No, Jim, as you said, the results were impressive. I know we're going to talk in a couple of minutes about specific results at different time periods during this test. The markets, as you mentioned, we have a couple of our larger markets, a couple more medium-sized markets, but again, don't want to get ahead of ourselves. We'll talk about that in a bit later.

Jim Anderson:

Okay, perfect. That previous graph showed that the four markets at the 60-day mark of customer tenure. This graph which is building in front of us shows you how the churn rate grew along with customer tenure. This is the aggregate of all four markets together. It's just another way of looking at the same results.
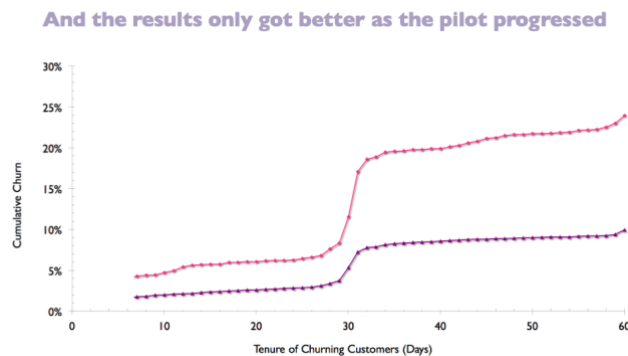
I should point out, RetentionStream campaigns begin as soon as we learn about a new subscriber. You already see some benefit, even by day seven there. You can see behavior just get better over time. This is a cumulative chart, so the numbers can only go up. The spike in churn at day 30 really isn't that uncommon either. Depending on your offers and when the charges hit a customer's credit card, you probably have your own version of this chart and your own spikes.

The important point I would point out is that RetentionStream benefited even after that spike. In fact, it became even more now. Whatever jump you experience, you see the savings had a little bit of jump, but smaller than the non-RetentionStream customers.

Phil, when we talked about this, we first got on the phone and we talked at the 30-day mark. I know you were happy with results, but you said you really wanted to see 60 days of data, and now we've got 60 days. I suppose you want to see 90 and then 120. You want to comment on the timing and your thoughts and expectations over time?

Phil Schroder:

Yeah, Jim, no, absolutely. As you said, the 30-day mark, you and I actually exchanged some emails. I know we specifically talked about this looks great, but let's give a little more time. Let's see where we're at 60. Of course, we want to see 90, 120, but we want to continue to see from there. There could be a lot of variables around different types of subscriptions, when they were purchased, and some other factors. So far, like you said, the results are good and we're just going to continue to evaluate from here.

Jim Anderson:

Great. Obviously, we all look forward to seeing how those evolve over time. Okay, we didn't want to bury the lead, we didn't want to wait to make you see the results, but now we've got to get into it. Let's discuss what we did and how we did it.

Over these next four or five slides, I should point out, I'm going to be doing even more of the talking than Phil because SocialFlow ran the product for McClatchy. In fact, that's part of our value proposition. We do it for you so you don't have to. We have the technology, data, people to do it. Let me dive into it and we'll talk about what we did.

This is a lot to digest in a single slide, but it really boils down to three points about where consumers spend their time. First, they spend their time on digital platforms. You don't need this chart or me to tell you that consumers are not reading printed newspapers as much as they used to. That's a change certainly as well, well understood.

Secondly, they're spending their time on the mobile devices, right? It's pretty obvious. Walk down the sidewalk, walk into a Starbucks, wherever, you'll see people with their noses in their phones. That's if you don't have your nose in your phone. You'll see that. I mean, we all know that's the way people behave today.

Then third, people don't actually use very many apps on their phone. You see this chart, the quick test you can do yourself. If you had an iPhone, you can get a sense by just looking under the battery menu under settings and it'll tell you the battery usage by app, which is a rough proxy for the amount of time you spend with the app. I tested this and found that 87% of my battery usage came from just five apps. You can see what yours are and I'd assume you can do the same thing on an Android device. It just highlights that.

All of that leads to an obvious conclusion, which is you need to get your content on mobile devices. You need to get it in the apps that consumers want to use and are using. Our data suggests that it's just as important to do that for your paying subscribers as is for the people you're trying to get to subscribe. That's maybe the new and different insight. Once people subscribe doesn't necessarily change how they consume digital content on mobile devices in apps that they know about.

Changing the tactics, of course, is a different matter and it isn't necessarily easy. I don't know that you're ready to accept or anybody's ready to accept that subscribers are not going to spend time or as much time as you'd like on your desktop site or in your mobile app if you have one or browsing to your sites on a mobile device. I'm not suggesting that you concede defeat on that front, but I am suggesting that like it or not, your subscribers are spending a lot of time in Facebook, Instagram, Twitter, and other apps that are owned by some other third party. You can take that reality and turn it to your advantage. That's exactly what we're doing with RetentionStream.

Once we accept that we need to get the content into Facebook, Twitter, and other apps on consumers' phones, the story actually improves and maybe it becomes a little bit simpler. The logical place to start is Facebook simply because it's one of the most-used apps. You see the table there, all the numbers from

McClatchy's, Facebook pages and Twitter handles. You see a low-tech simulated newsfeed scrolling by here.

You'll notice that our simulated feed only has three posts. If we gave you the entire McClatchy social feed for the past week, this call would need to be about six hours or so just so you could see all that content scroll by. It's a massive amount of professionally produced content. Most of these posts are made using SocialFlow software, which puts us in a unique position. We actually see the content before Facebook and Twitter see it and that gives us a huge leg up in terms of timing.

Now, McClatchy's purpose in making these social posts has historically been to drive traffic back to McClatchy's web properties and promoting the content in a way that engages and retains subscribers. That's the new approach here and that's leverage is something that McClatchy is really already quite good at.

Now, let me figuratively turn off the phone and Phil, ask you to add any perspective you have on this topic.
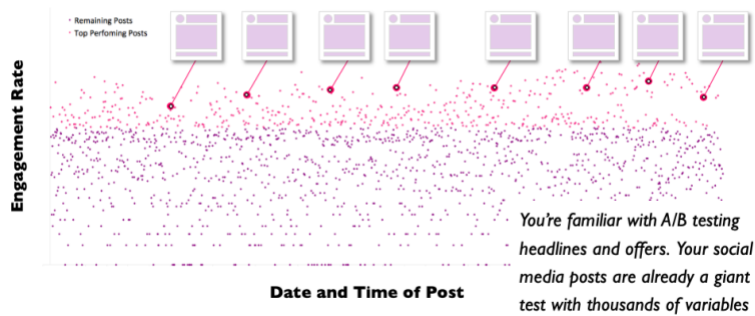
Phil Schroder:

Yeah, Jim, no, the reason we engaged SocialFlow, as you said, was to manage this process for us. Not that we couldn't do this, but we have a very small team of seven people on our engagement and loyalty team doing a lot of different work and trying to do this would've taken several team members their entire hours in a week to manage this process and still potentially not get to the level of where we're at because of what SocialFlow can provide from the content that you guys already know is driving visits and traffic. That's really the reason we engaged this product.

Jim Anderson:

Great. Yeah, thanks, Phil. The final thing I'll mention on this slide is that this is not just a Facebook story. We can do the same thing on Twitter and Instagram, maybe even LinkedIn, and really, any kind of mobile advertising. There's a lot of opportunity to continue to experiment and test this out.

I will say that even Facebook counsels you not to put all your eggs in the Facebook basket and experience from click traffic certainly suggests that diversity of platforms matters. It's true for driving traffic, it's true for RetentionStream as well. I'd say, "Please, please, please, don't simply rely on Facebook as your only retention channel here."

We focused on the best-performing social posts

You're familiar with A/B testing headlines and offers. Your social media posts are already a giant test with thousands of variables

Let's keep moving. This scatter plot is just another way of representing all the great McClatchy content. Each dot represents a single post and if you were to do an entire month across all McClatchy markets, you'd literally have more than 40,000 dots on this chart. You probably wouldn't be able to see anything. The dots at the top in pink are the best social content, the stories that resonated with consumers and that generated the most engagement. Some of those you knew in advance would resonate. Some of them are a surprise.

The point is to be able to quickly identify what's working with different audiences. Of course, what's resonating in Boise, Idaho may be very different than what's resonating in Miami, Florida. The point is that you've got a tremendous amount of content already in front of consumers on their phones, in the apps they already use, and those consumers are voting with their thumbs as to what they find the most engaging. For McClatchy, it's like 40,000 AB tests a month.

This screenshot is a behind-the-scenes view of some of what McClatchy's content has been from the past week or so. This is what we see at SocialFlow. Again, we have already had that. We saw it before Facebook and Twitter did. We have dashboards that allow us to sort, filter, group, quickly identify the content, has resonated with people in the local communities. That lets us very quickly find and repurpose those social posts. Those are the pink dots from the previous chart.

As Phil said, you might be able to do this manually, maybe you have resources, but what takes us a minute would probably take you 30. That's if you don't give up in frustration or get distracted with the other priorities that your team has as well.

We've discussed also how McClatchy has great social content and a great social footprint. One of the other things I want to focus on, though, is that SocialFlow has a giant customer base. Just looking at these numbers and doing a relative-comparisons, millions of followers turn into billions, 50,000 posts a month turns into something more like millions of posts a month. We use that resulting social engagement and clicks to be much smarter in how we run the RetentionStream campaigns. Going back to the AB testing analogy, SocialFlow has a billion AB testing points in a single month. That's an important part of our advantage as well.

I would like to, as we get towards the end of the how-to slides here, reiterate the point that new subscribers see content, not offers. This is another RetentionStream post here. It's just a high-

performing story delivered to the right people in a timely fashion and done in a targeted enough way that you're not cratering the ROI of the program.

That last bullet point on the right there around managing the spend is really critical. We're talking about paid promotion and posts here and if you get it wrong, you can really blow through advertising dollars in a hurry. Then the flip side of that is if you are not aggressive enough, you can also not spend it all and fail to do much of anything to him and prove subscriber retention. It's a tricky needle to thread. You can't spend too much, you can't spend too little, you've got to get it just right. That's part of the exercise of running this program as well.

This is another slide with a lot of words, but I wanted to provide the best summary I could for this how-to. This is the summary slide. Our product spans these five categories and if you're wondering if you can, in fact, do this yourself, this may be the most important slide in the whole presentation.

Bringing it all together to create the RetentionStream product

1. **Lists.** Get daily subscriber files. Segment by market, then dedupe, randomize, append, and deprecate records at least daily.
2. **Audiences.** Align segmented subscriber lists with audience insights to create segments against which you can promote content.
3. **Content.** Pick the "winning" content for each segment. Focus on speed and alignment; aspire to be same day or at least next day.
4. **Promotion.** Establish campaigns on different platforms; map to subscriber audiences; run, tune, and manage campaigns to budget.
5. **Measurement.** Tie your efforts to actual impacts on subscriber churn.

Do this all day, every day: **24x7x365**.

If you can manage the list, create the audiences, pick the content, promote it within the right budget, measure the results, and do that all day every day, by all means, you should do it. I mean, we've seen the results and the potential there to really dramatically improve your subscriber retention and reduce your churn. That's what SocialFlow does. We're building on our existing technology, the data from our customer footprint, the work we already do to help publishers monetize their social content and that's what we do and we do it well so that you don't have to.
Jim Anderson:

I'm at the end of my long run of slides. Let me turn it back over to Phil to add his thoughts from the McClatchy side.

Phil Schroder:

Yeah, Jim, a lot of great content here and really, walking through the entire process is something we couldn't have done. As you mentioned here at the final slide, this really sums it up. The list, create the audience, picking that content, which is much easier for you guys to do than for us. You guys have an understanding of what promotions work best, measuring all that back, tying that into subscriber churn. It's just a great way to make this work.

I mentioned earlier a small team we have. We've got some data scientists on our team that could help us with measurement, but really, this just worked much more cohesively to have one group do everything for us.

Jim Anderson:

Great. Thanks, Phil. Let's dive into some numbers here. I mean, if you've got to talk about some subscriptions, you have to be able to support your arguments quantitatively with the right numbers. I think the thing that's exciting about this is, we really only need four inputs to calculate a return on investment hypothesis for this program. They're labeled here on the right as A, B, C, and E. We'll give you the answer to E, which is, we suggest starting at 30%. That's the numbers we talked about earlier. Yes, we reduced McClatchy's churn by a lot more than this, but I wouldn't suggest being too aggressive, especially upfront in your assumptions. Better to under-promise and over-deliver than plug in a number that that may not work out quite the same for you.

Calculating RetentionStream Success		
New Subscribers per Month	1,000	A
Current 60-Day Churn Rate	25%	B
Subscriber Lifetime Value (LTV)	$150	C
Subscribers You are Losing in that 60-Day Period	(250)	$D = A * B$
Expected RetentionStream Benefit	30%	E
Subscribers Saved Using RetentionStream	75	$F = D * E$
Customer LTV Saved Each Month	$11,250	$G = C * F$
Customer LTV Saved Over One Year	$135,000	$H = G * 12$

That leaves you to specify how many new subscribers you sign up each month on average. For purposes of this exercise, we just picked a thousand subscribers here. Then you take your 60-day churn rate, which may or may not be that different from what McClatchy saw, but let's just pick 25% as a number for illustration.

Then last, what's the lifetime value of one of your subscribers? We'll say $150 here, which corresponds to about $12.50 a month over 12 months. That may actually be too low for many of you. You may charge more than that, or hopefully, you have longer subscriber tenures than 12 months, but we'll go with $150.

Then the rest is just calculated from these inputs. You see the formulas right there and you see how the return on investment builds to a pretty impressive number in a hurry. The 250 subscribers that we can reduce or churning that we can reduce by 75 has the value of $11,250, which if you annualize that, is on the order of $135,000.

This is a bit simplistic and you probably know that a more rigorous analysis should do a 12 or 24-month build and do it month by month, maybe account for seasonality, incorporate some other elements. The

point I'll add here is that that added precision absolutely makes sense, but it doesn't change the overall story. It's still a very, very positive return even when you put all of that precision in there.

Then the last thing I'll emphasize, these are illustrative numbers and other than that maybe similarity in churn rate, these are not McClatchy's numbers. This is just an illustration for you. The whole point of this is plug in whatever your numbers are and then we'd love to have a conversation with you about how the ROI plays out for your specific model.

Phil, let me hand it back to you. Any other details or anecdotes you can share about the ROI from the McClatchy perspective?

Phil Schroder:

Yeah, Jim, I mean, our ROI that we calculate is very similar to this. We definitely use lifetime value. We use all of these other pieces. One caveat, though, that I would add for my other colleagues in the publishing space is acquisition cost. Acquisition cost is traditionally going to be about three times higher or even five times higher than what you're paying for retention, so that could really change this entire model on its head even more. Even if you didn't improve churn by 30% from RetentionStream, even if you only had a 20% improvement, you've got to look at that acquisition cost of what you're going to say. That's the biggest thing that I could add to this overall.

Jim Anderson:

No, that's great. It reminds me of what you were saying about pulling budget effectively from the future. Take future acquisition costs, pull it forward to today, spend money on retention, that's acquisition dollars, potentially very high acquisition dollars you don't have to spend in the future.

Okay, let's talk about the pilot program. This is just a very quick breakdown of responsibilities between McClatchy and SocialFlow. As you can see, we really only need one thing from McClatchy. There's three bullet points, but it's really one thing, which is the data around subscribers' starts and stops. We need the starts on a daily basis because we want to make sure that we're acting quickly. You don't want to be promoting last week's trending content next week. Other than that, we designed the product to be as low impact as possible on McClatchy's team or on any client's team and as high impact as possible in reducing subscriber churn.

How we quickly got started with a pilot program

McClatchy Provided:
1. A list of **subscriber data** for the 60 days prior to the start of the pilot
2. A **daily file** of new subscriber data
3. A **weekly file** of subscribers who have cancelled

SocialFlow Provided:
1. The **technology, data, and services** to continuously identify the best-performing content and align it with paying subscriber segments
2. Paid **promotion of content** to subscribers to improve user engagement & retention
3. **Success reporting**, showing retention rates of segments against a control group

Phil, anything else to add from, from your perspective in terms of how the pilot was for your team?

Phil Schroder:

Jim, as you said, it was quite easy. We had a couple-hour phone call to start up and then pretty much from there, it was about 30 minutes a week that we met. Everything was automated from our end sending files over to SocialFlow. Then once a month, we would review results together, but overall, a very, very simple process.

Jim Anderson:

Great. Okay, we're on our final slide here, which addresses how much something like this is going to cost you. That's the "How much?" question many of you, I'm sure, have been thinking about. The table on the left gives you the major elements that drive the cost. That might be useful if you're thinking about doing this yourself. Lots of detail there.

How much does it cost?

Cost Element	Comment	Cost for SocialFlow to run a Pilot Test: $15,000
Labor	Scales as you add different markets, but not necessarily as subscribers go up (e.g., for a single market it's not twice as hard to run campaigns for 2,000 subscribers as it is for 1,000 subscribers).	Assumes 3 months at $5,000 per month
Technology	Technology can reduce your labor cost if it helps you identify the best social posts and manage the creation and maintenance of subscriber campaigns.	Covers up to 2,000 new subscribers per month
List Management	Scales in part based on list size but is more based on the number of markets and how granular you are in managing campaigns (e.g., testing 3 different spend levels across 10 different markets = 30 daily segments).	Cost includes technology, data, advertising and labor, and assumes an existing SocialFlow publishing license
Advertising	Scales linearly with the number of subscribers: in general, it costs twice as much to reach 2,000 subscribers as it does to reach 1,000 subscribers. Additional platforms (Twitter, LinkedIn, Instagram, etc.) create higher fixed costs but may yield better unit costs and/or results.	

The considerably less detailed image on the right gives you an idea of what it would cost to have SocialFlow run a pilot program for you to prove that we can realize the same kind of value for your subscriber base that we have for McClatchy. Obviously, that's our business and we'd love to talk to you about doing that.

My one caution to you is that this is more complicated to execute than it looks like. It can be a significant drain on your internal teams, especially if you don't have the technology in place to support them.

This webinar is airing on March 18th. My suggestion is that you go to your calendar right now and put a reminder 30 days out that says "Reduce churn?" or something like that. Then duplicate that reminder for 60 days out, 30 days beyond that. Then when those pop up in the next 30 or 60 days, gauge your progress and see how much you've been able to do in terms of reducing churn in that time. I say that because there's a real cost associated with the elapsed time. You're losing real subscribers over that period of time. As a point of reference, SocialFlow can typically get started on this and under a week.

Phil, let me give you the last word before we go into the Q&A. Any commentary on how you view the cost of the program compared to its value or any advice you can give people to say thanks for what we've talked about?

Phil Schroder:

No, Jim. All I can say is just at McClatchy, we try a lot of different things. We've probably tried five to 10 different programs in the last year and some of them stick, probably 20% of them stick and we end up moving forward with, as we are doing with SocialFlow. If you don't try, you won't know if you can succeed, so I would just give that word of advice.

Jim Anderson:

Great. I'm very happy to be in the 20%. Okay, that's the end of our slides, but we do have some time to do Q&A. We'll get to some of the most common ones here, but if you have any questions we're not able to get to, obviously, feel free to reach out to us at sales@socialflow.com and we'll certainly get back to you.

Questions + Answers

First question for Phil: ***"Were you running other churn reduction programs before you started working with SocialFlow and if so, how did you keep track of those efforts along with this program?"***

Phil Schroder:

Yeah, Jim, that's a really good question because we're running a lot of other term reduction programs. We run an email marketing, we've got on and offsite advertising. We've got social media marketing.

To answer the second part of the question, we kept track of those efforts by cutting off a few of those channels in the markets where we launched this test. As everyone may remember, we're only doing this test in four markets, so we were able to trim back some of those tests. We're also measuring just digital-only engagement on new starts. Well, we have other things we do with retention besides just new starts as far as those existing subscribers that could be at risk. Overall, we were able to track the results pretty closely by just trimming back what we did in those other areas for these markets.

Jim Anderson:

Great. The next question, also for you, Phil. ***"You ran this across large and small markets. Did you find as much benefit in the smaller markets and how small is too small?"***

Phil Schroder:

Jim, I don't think there is too small a market. I've personally worked in markets from a 6,000 circulation, three-day-a-week newspaper to a newspaper that was over 200,000 daily circulation. Every one of those has similarities and I think you could do this wherever you are. I think the caveat is you've got to look at that ROI and make sure it works for you. As I look back on our numbers, I would have done this in any of these markets again, just measuring the ROI, even if I break it down to a per-market basis. I think it can work anywhere.

Jim Anderson:

Great, thanks. This next question I'll take. The question is: ***"How do you optimize the ad spend? Are you going for clicks or engagement and what kind of campaign metrics did you see?"***

My answer is that we optimize around all of these metrics and more and we're constantly testing and adjusting. One of the decisions we made in developing this product was to not surface all those add metrics back to our customers. It takes time and energy to report that data, to discuss it, to deal with it. We honestly think that time is better spent saving subscribers. We'll give you very detailed metrics back around subscribers, cohorts, churn, and all that, but not the underlying details around the advertising, which changes quite frequently.

Next question for you, Phil. ***"It seems like a program like this crosses a lot of internal boundaries. How much did you have to talk to the local markets and how much could you just decide to do yourself?"***

Phil Schroder:

Jim, that's another really good question. For those of you out there in the publishing space who are in a larger organization such as McClatchy, we operate a little differently here. We're what's called a "functional organization." We have different divisions: audience, news, advertising, technology, so we're able to work within those groups. We don't really have to go to the local markets for each project that we want to launch.

As far as working across the different parts of our organization, we also work very closely in that sense that we have weekly calls with news, we have weekly calls with technology department, and we're able to talk to them and work through these different challenges by prioritizing them. Overall, for us, this was not a challenge at all.

Jim Anderson:

That's great. It's an interesting contrast, but we do obviously spend a lot of time talking with lots of different customers. Your functional organization, you see that sometimes, and then others are very, very decentralized and the individual markets have a lot of decision-making. Our point at SocialFlow is it doesn't matter to us. We can work with however your structure is. Obviously, we need to deal with whatever it is. The story is good and the details of how we communicate that internally obviously will definitely vary.

Time for a couple of more questions here. This one for me. ***"We run a three-month promo offer to new subscribers. How does this program work if you don't build the subscriber for three months?"***

The short and easy answer to that is we just go back in time and look at who signed up three months ago and then who's about to receive their bill and we can start targeting them with content. We understand that there's a wide range of pricing models out there, free trials, half-price, dynamic paywalls, you name it. You're constantly testing and experimenting, as you should be. Whatever your strategy is for creating conversions on paid subscribers, we'll work with that and then we'll find the right window to make sure we're getting the content in front of people.

Question for Phil here. Next to the last one. I think we got time for one more after this. ***"You obviously had to make the case to management to get funding for retention and just acquisition. You talked about how you all manage those budgets earlier. What obstacles did you run or what advice would you offer people for crafting that business case?"***

Phil Schroder:

I think when it comes to the business case, as I mentioned earlier, too, you have to try new things. You can't just continue to do the same old thing and expect different results. Also, I think for us, it wasn't really a challenge to find the money, as we talked to the sales team continuously and we were able to make a case for, "Hey, let's borrow a little bit of money for the next couple of months, try this out, and see how it works." Then from there, we were able to invest in this into a more of a long-term strategy.

Jim Anderson:

Great. Final question, this one's a little bit of a layup for me: ***"What if we're not already using SocialFlow to publish our content?"***

Of course, my answer is we should fix that, but, in seriousness, I'll say that the economics of the program are really powerful. You saw that ROI slide. We're an enterprise product and I know that we're sometimes viewed as too expensive for smaller properties that may not have multiple titles or giant audiences. My ask there would be just to reach out to us sales@socialflow.com, see if we can come up with a retention string pilot test that works for you. We can prove out the ROI and then we can incorporate SocialFlow publishing and in that conversation.

At the end of our time, Phil. Thank you so much again. I don't want to call it a wrap now. It's not the end of the Q&A. We were happy to continue that conversation. Phil, really appreciate your time for being the inaugural customer, sharing your expertise with the marketplace on this webinar. Thank you. Thank you very much for that.

With that, I'm going to turn it back over to you to see if you have any final words to add.

Phil Schroder:

Jim, just as I've said several times, try something new. If you'd like to talk to me directly, you can reach out to Jim and his team at SocialFlow, they'll be happy to give you my contact info, or you can find me on LinkedIn as well.

Jim Anderson:

Fantastic. We really appreciate it. With that, we're a wrap. Thanks, everybody, for joining us today.

To view the webinar, click here.