



BlueVenn

SUMMIT 2020

Raleigh, NC | January 27 - 28

Deepening Audience Relationships Through Membership

Jed Williams, Chief Strategy Officer,
Local Media Association / Accelerate Local

ACCELERATE LOCAL

Reinventing Business Models for News

Accelerate Local fuses the experience of local media with the ingenuity and strength of leading tech providers and entrepreneurs to reinvent business models that support a healthy local news ecosystem

LocalMedia
association

 **Accelerate Local**
REINVENTING BUSINESS MODELS FOR NEWS

 **BlueVenn**

Our Hypothesis: Now is a good time for local media companies to develop memberships

GROWTH

65%
of all growth in media will come from **the end-user** over the next 4 years

BEHAVIORS

The “**experience economy**” is **underway** — consumers are opting to spend on experiences vs. things

EXAMPLES


QUARTZ
fabfitfun
THE ATHLETIC
Indagare
HUFFPOST

Many brands have been able to build profitable, **multi-million-dollar businesses** — more are in the works

The membership/subscription economy is booming!

Our Approach: Partner with 3 Local TV Companies on a First-of-its-Kind Research & Pilot Program

PROJECT OBJECTIVE

Help local media companies **extend their brands** and **access new revenues** through **paid membership models**

APPROACH

Partner to **conduct consumer research** that will inform a recommended approach to **paid membership opportunities**, then **execute in a pilot**

COLLABORATORS



Will **conduct consumer research** to uncover key trends, customer motivators and segments



Will **manage and enhance consumer data** collected on behalf of participants



Participating Media Companies, and Chosen Markets

Hartford



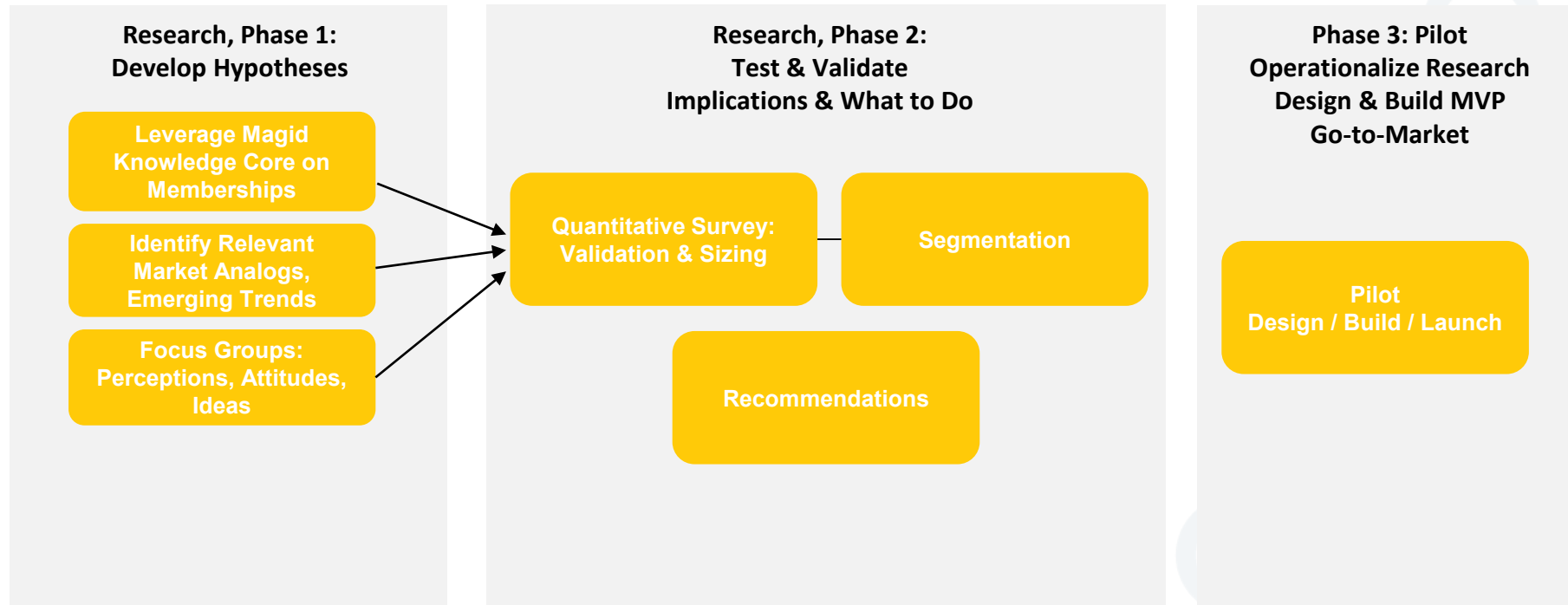
Raleigh



Detroit



3-Phase Methodology

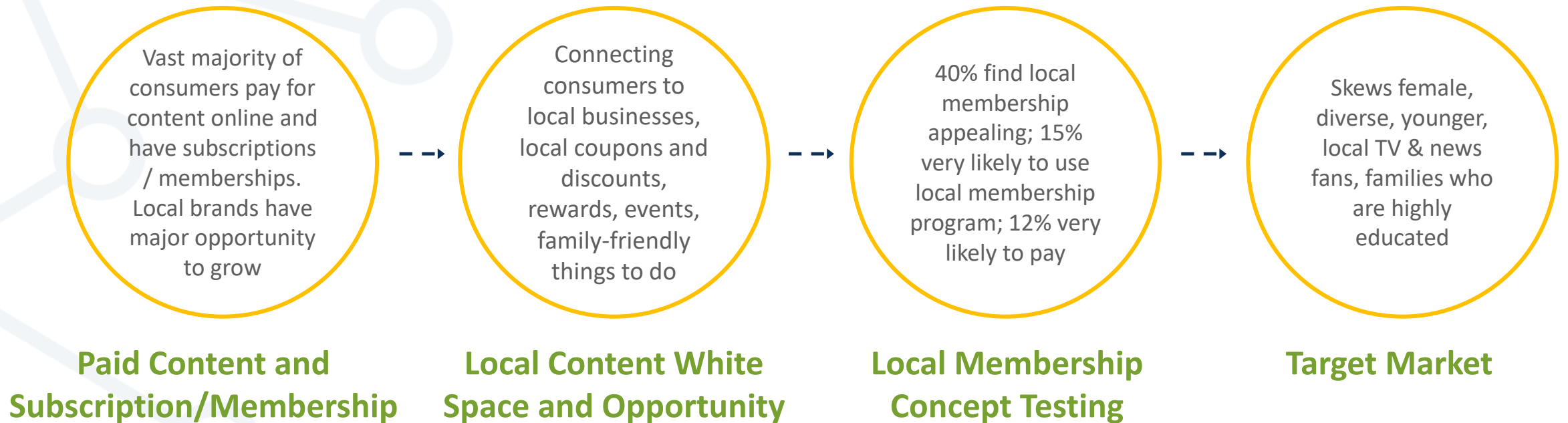


“There is an opportunity for local media to broaden consumers’ perception of the kind of content, services, and products local media gives them access to”

- Magid



Local Membership Products – Opportunities for Growth



Subscriptions & memberships, while widespread, have not moved to local brands:

- Only 1% say they have a paid subscription to a local brand (not counting newspapers)
- Local brands have a 14X opportunity for growth

Subscriptions & memberships must solve customer problems of time, money, and experience to resonate:

- There is some openness to pay among 55% of consumers, but they need to clearly see their key motivators as value drivers before sign-up

The demand for paid local memberships is real and almost completely untapped today. The time to launch products is now. However, key will be to activate content/product that saves time, saves money, and drives experience.

Core Drivers & Values of Membership

- Saves time (convenient)
- Saves money
- Makes life easier
- Makes products / services accessible
- User experience
 - Blend of Customization, Curation, Personalization
 - Routine, familiarity, consistency



“Membership” Carries a More Positive Connotation than “Subscription”

Membership

- Relationship-based
- Privileges
- Control
- Vested interest
- Inclusive
- Active
- Examples: Costco, Gym, Library, Museum, Amazon Prime, AAA, AARP, Credit Unions

Subscription

- Passive
- Transactional
- Hard to cancel
- Examples: Magazines, Newspapers, Email Newsletters, Digital Content Services (Netflix, Hulu, Pandora), Retail Services (Birchbox, HelloFresh)





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TV Membership Project Learnings

John Conway, General Manager for New Media
Capitol Broadcasting Company (WRAL), Raleigh

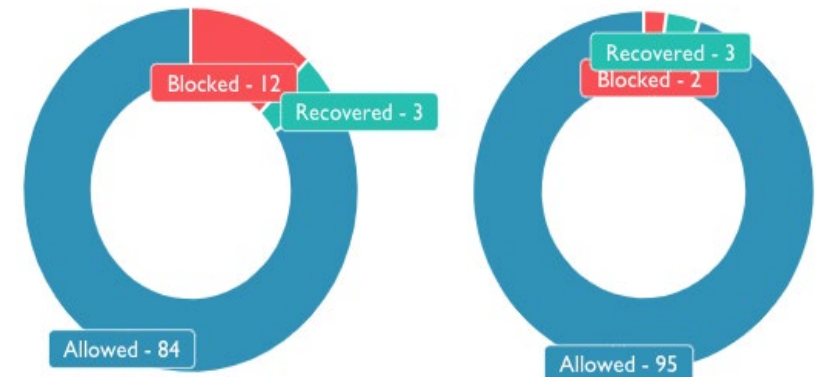
Why is Capitol *Broadcasting* Company interested in membership?

- Diversify revenue streams
- Deepen connection with our most loyal users/viewers/customers
- Build our competency and proficiency with data management
- Learn more about what our audience wants and expects
- Establish/reinforce that premium content has value
- Capitalize on growing acceptance of memberships and subscriptions



Our limited, but encouraging, experience

- Began testing ad-block messaging
- Moved from messaging to ad-free subscriptions (.99/\$1.49/\$1.99/\$30)
- Now also testing email collection as a form of "payment"
- Recovered \$75,000 in previously blocked display revenue
- Add more than 300 paying subscribers for ad-free version



Where do we go from here?

- Learn from qualitative and quantitative research
- Develop a pilot membership program framework
- Identify and fill weaknesses/gaps
- Learn from cohort members in the membership project
- Test
- Iterate
- Repeat

Questions?