DIGITAL SUBSCRIPTIONS PLAYBOOK

ACCELERATING DIGITAL SUBSCRIPTION TRANSFORMATION

SEPTEMBER 2019
FTI Consulting has developed the Digital Subscriptions Playbook in conjunction with the Google News Initiative and Local Media Association to build a framework for accelerating publishers’ digital subscription transformations. In this playbook, we will try to answer five key questions that we believe are critical to a successful transformation.

Why should it be my top priority?  What is the revenue opportunity?  How does my publication’s current state compare?  How do I start making progress?  How do I know I’m on the right path?
DIGITAL SUBSCRIPTIONS PLAYBOOK

DIGITAL SUBSCRIPTIONS AS MY TOP PRIORITY

EXPONENTIAL GROWTH

Digital subscriptions should be the single most important priority for every local news publisher today. In examining the revenue mix of a representative selection of newspaper publishers, FTI found that while digital subscriptions contribute just 3% of total revenue, the two-year compound annual growth rate (“CAGR”) of digital subscription revenue exceeded 60%. All other revenue categories were relatively flat or had significant declines.

UNSUSTAINABLE BUSINESS MODEL WITHOUT DIGITAL SUBSCRIPTIONS

Digital subscriptions offer a significant growth opportunity essential to offsetting declines in print-oriented revenue streams. Print advertising continues to experience double-digit secular declines. Recent print circulation revenue gains are projected to shift to declines as price increases, which have offset volume declines in recent years, begin to plateau. We believe that a sustainable newspaper business model must aggressively embrace digital subscriptions.

CHANGING REVENUE MIX

Meanwhile, digital advertising revenue has been a challenging area for publishers to find meaningful growth. FTI found that digital advertising revenue trends have ranged from double-digit declines to single-digit growth for a select group of newspaper publishers. Strategies to grow and optimize digital advertising revenue should remain a publisher focus; however, significant competitive challenges remain, and digital advertising alone cannot support the future business model.

Forecasted revenue mix is based on historical three-year CAGR for digital subscriptions and FTI’s view of revenue outlook for all other segments.
TRADE-OFF BETWEEN ADVERTISING VS. CONSUMER REVENUE

From paywall mechanics to organizational investment and priorities, publishers are constantly faced with operational decisions to evaluate the strategic prioritization of digital advertising vs. consumer revenue models. Analyzing visitor behavior patterns can frame those choices and help publishers better understand trade-offs. For example, consider the decision on whether to tighten a paywall from three articles to two. Using article count distribution for nonsubscriber unique visitors (UVs), we can see the potential impact that tightening a paywall might have on visitor traffic and page views (see Exhibit 3 below). From there, we can use data around advertising revenue per page view and paid stop conversion rates to determine whether the trade-off will be worthwhile (see Table 1 below).

WILL DIGITAL SUBSCRIBER REVENUE SIGNIFICANTLY OFFSET DIGITAL ADVERTISING LOSS?

In tightening a paywall meter from three to two, the article-count distribution shows us that 8% of unique visitors would be impacted (see Exhibit 3 at left). Using an average paid stop conversion rate* and annual ARPU** of $96, we can estimate the incremental annualized subscription revenue impact of $19,200 per month during which the meter change is in effect. To estimate the potential offset of lost advertising revenue, we multiply advertising revenue per page view by the number of lost page views (see Table 1 below).

This trade-off analysis based on FTI benchmark data indicates that, in this select data set, tightening the meter would result in a net economic benefit. While the underlying metrics may vary, publishers should use frameworks like the one below to better understand strategic revenue priorities and tradeoffs.

*Paid stop conversion rate: Paywall conversions/Paywall unique visitors.
**ARPU: Average revenue per user.

### Exhibit 3: Article Count Distribution of Non-subscriber UVs

<table>
<thead>
<tr>
<th>Article Count</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Article</td>
<td>75%</td>
</tr>
<tr>
<td>2 Articles</td>
<td>17%</td>
</tr>
<tr>
<td>3 Articles</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Sample Data

### Table 1: Trade-off Example: Analysis of Paywall Meter Tightening

<table>
<thead>
<tr>
<th>Monthly Unique Visitors</th>
<th>1,000,000</th>
<th>(A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of UVs Affected by Paywall Change</td>
<td>8%</td>
<td>(B)</td>
</tr>
<tr>
<td>UVs Impacted</td>
<td>80,000</td>
<td>(C) = (A) x (B)</td>
</tr>
<tr>
<td>Paid Stop Conversion Rate</td>
<td>0.25%</td>
<td>(D)</td>
</tr>
<tr>
<td>Number of Subs Added per Month</td>
<td>200</td>
<td>(E) = (C) x (D)</td>
</tr>
<tr>
<td>Annual Revenue of Sub with ARPU of $8/month</td>
<td>$96.00</td>
<td>(F)</td>
</tr>
</tbody>
</table>

**Annual Subscription Revenue Impact**

| $19,200  | (G) = (E) x (F) |

**Page Views Lost (1 per UV)**

| 80,000 | (C) |

**Advertising Revenue Per PV**

| $0.050 | (H) |

**Advertising Revenue Lost**

| $4,000  | (J) = (C) x (H) |

**Net Revenue Benefit of Tightening Paywall**

| $15,200 | (G - J) |
MARKET OPPORTUNITY: INFORMING INVESTMENT AND STRATEGIC PRIORITIES

Capital allocation and organizational investment decisions require understanding of both the total market opportunity and the cost structure of a digital subscriptions business. While a digital-only future presents opportunities to reduce cost structure, growing digital subscriptions requires investment in the form of marketing/data and analytics/technology personnel, technology systems, and content creation. Understanding the digital subscription revenue potential for your local market is critical to making the business case for increased investment.

NEWSROOM COST AS PROXY FOR REQUIRED REVENUE

One common framework that publishers can use to estimate the digital subscription revenue required to achieve long-term sustainability is the multiple of cost required to operate the newsroom. The rationale for connecting the cost structure to newsroom expense is that local publishers are inherently journalism businesses that will still need to cover content creation, distribution and marketing expenses in a digital-only world. The chart below measures the incremental expenses (G&A, ad sales costs, technology, marketing) that are likely required to operate a digital-only publication. Accordingly, FTI recommends considering a multiple of the newsroom budget, such as 2x or greater, to better gauge the feasibility of digital subscription revenue fueling long-term sustainability and profitability.

ESTIMATING REVENUE OPPORTUNITY THROUGH MARKET BENCHMARKING

A bottoms-up approach to estimating a publisher’s digital subscription revenue potential uses local market size and industry-based benchmarks to gauge opportunity. Using in-market households at the foundational level will determine local market potential, while the benchmark range encompasses influential factors, such as out-of-market appeal, pricing power and relative market size (see Exhibit 5 below).

Exhibit 4: Cost Structure of Digital-Only Model

Exhibit 5: Benchmarks to Estimate Revenue Opportunity
MARKET SIZING: ACCOUNTING FOR MARKET-SPECIFIC FACTORS

Specific market factors will influence which end of the benchmark range to use (see Table 2 below). For example, large markets tend to realize higher unique visitors per household, as these markets can drive more out-of-market traffic. However, smaller local markets can often achieve higher subscriber penetration rates that may be driven by a more locally focused audience and reduced competition (see Exhibit 6 below).

The subscriber penetration calculations reflect a point-in-time or cumulative metric; thus, more mature digital publishers would see higher penetration rates. The final market-specific nuance to anchor revenue projections relates to market-adjusting ARPU based on median household income compared to national averages.

Table 2: Example: Market-Sizing Calculation

<table>
<thead>
<tr>
<th>Metric</th>
<th>Small</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Market households</td>
<td>250,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Unique Visitors per household</td>
<td>4.0x</td>
<td>5.0x</td>
</tr>
<tr>
<td>Avg. Monthly Unique Visitors</td>
<td>1,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Subscriber Penetration</td>
<td>4.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Digital Subscribers</td>
<td>40,000</td>
<td>200,000</td>
</tr>
<tr>
<td>ARPU</td>
<td>$150</td>
<td>$250</td>
</tr>
<tr>
<td>Revenue Opportunity</td>
<td>$6 million</td>
<td>$50 million</td>
</tr>
</tbody>
</table>

Exhibit 6: Avg. Monthly UVs vs. Subscriber Penetration

*Chart above does NOT include national publishers.

Source: FTI Industry data
DETERMINING MY CURRENT STATE

KEY ENABLERS OF DIGITAL SUBSCRIPTION SUCCESS

The foundational elements to build a successful subscription business can be segmented into people, process and technology. People refers to individual skillsets and capabilities that may be applied to growing digital subscriptions; process encompasses the frameworks and disciplined approaches used to ensure constant progress toward subscriptions growth; and technology is the centerpiece of user experience, product, customer relationship management, and data and analytics capabilities. The table below summarizes FTI’s view of the foundational people, process and technology elements required to implement strategies, refine tactics and sustainably grow digital subscription businesses.

**People**
- Executive Strategic Prioritization
- Consumer Marketing Proficiency
- Newsroom/Editorial Digital Focus
- Product/CX Capabilities
- IT/Engineering Expertise

**Process**
- Cross-functional Coordination
- QA/Market Testing
- Resource Allocation
- Product Development
- A/B Testing — Willingness to Experiment
- Corporate and Local Resource Sharing
- Align around North Star Metrics

**Technology**
- User Registration/Identity Management
- Content Management
- Subscription Management and Payment Platforms
- Paywall Platform
- Testing Toolkit
- Marketing Technology
- Data and Analytics
**MATURITY CURVE**

While most daily local publishers have developed a digital subscription product, significant gaps exist in organizational commitment to digital subscriptions, leading to sharply inconsistent levels of success. The digital subscription maturity curve groups publishers into one of five stages, with more mature publishers exhibiting a clear strategic direction, prioritization, and commitment to investing in the fundamentals of people, processes and technology. Improving maturity requires clear executive strategic focus on digital subscriptions and resolving tensions of organizational commitment between print/digital and advertising/consumer priorities.

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<table>
<thead>
<tr>
<th>Strategic Direction</th>
<th>Lagging</th>
<th>Gaining</th>
<th>Chasing</th>
<th>Leading</th>
<th>Best-in-Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Direction</strong></td>
<td>Primarily print-focused</td>
<td>Strategy starting to transition to digital</td>
<td>Plan for digital future; mixed internal support</td>
<td>Defining strategic direction and refining digital future</td>
<td>Clear strategic direction and focus on subscriptions</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>Limited digital subs skillsets; remains print organization</td>
<td>Mixed bag of digital skills and effective strategies</td>
<td>Strong capabilities; requires time to scale/refine</td>
<td>Primarily best practices, but retains some gaps</td>
<td>Top-performing digital-first skills and mindset</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>Tension between priorities; undeveloped analytics and testing</td>
<td>Constrained resources for digital; nascent testing</td>
<td>Expanding room for innovation; competing priorities show progress</td>
<td>Efficient resource allocation; strong testing mindset</td>
<td>Advanced data and analytics; minimal org. tension</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>Tech stack consists of disparate systems</td>
<td>Adequate solutions with limited testing capabilities</td>
<td>Mix of strong and adequate solutions; adding automation capabilities</td>
<td>Introducing predictive functions, but limited integration</td>
<td>Supports progress through machine learning and dynamic targeting</td>
</tr>
</tbody>
</table>
TRACKING PERFORMANCE ACROSS THE CUSTOMER JOURNEY

While the foundational elements enable the building of digital subscriptions, a quantitative approach can best measure success. With the vast amount of data available, it can be overwhelming to prioritize the metrics to track. To ensure comprehensive understanding of the customer lifecycle, FTI recommends connecting metrics to important steps along the customer journey. Similar to the conversion funnel, the customer journey follows a linear progression from total audience to existing subscribers, with the goal to move a maximum number of users down the funnel. Charting progress on metrics and measuring the effects of tactical changes help guide the organization in understanding which areas are performing well and which need additional support to further digital subscription goals.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>UVs per Household</td>
<td>3.0x – 5.0x</td>
</tr>
<tr>
<td>Visits per UV</td>
<td>2.0+/Month</td>
</tr>
<tr>
<td>Article Count Distribution</td>
<td>Varies by Paywall</td>
</tr>
<tr>
<td>Page Speed</td>
<td>D: 50+/M: 25+</td>
</tr>
<tr>
<td>% of “Known” UVs</td>
<td>5% +</td>
</tr>
<tr>
<td>Emails per UV</td>
<td>5% +</td>
</tr>
<tr>
<td>Unique Click/Open Rate</td>
<td>30%+/10%+</td>
</tr>
<tr>
<td>Payflow Efficiency</td>
<td>75% +</td>
</tr>
<tr>
<td>Meter Stop Rate</td>
<td>5% – 7%</td>
</tr>
<tr>
<td>Paid Stop Conversion Rate</td>
<td>0.5% +</td>
</tr>
<tr>
<td>Starts/New Sub Growth per UV</td>
<td>0.1%/0.08%</td>
</tr>
<tr>
<td>Effective ARPU</td>
<td>$10 – $15/Month</td>
</tr>
<tr>
<td>Digital Revenue per UV</td>
<td>Market Dependent</td>
</tr>
<tr>
<td>Digital Activation Rate</td>
<td>75% +</td>
</tr>
<tr>
<td>Monthly Churn</td>
<td>&lt; 3%</td>
</tr>
</tbody>
</table>

1 Based on Google’s Page Speed Insights: https://developers.google.com/speed/pagespeed/insights/. Please see Appendix: Benchmarking Glossary on Page 16.
MAKING PROGRESS

SHORT- AND LONG-TERM TRANSFORMATION ROADMAPS

After assessing the current state of digital subscription maturity and identifying gaps in performance, publishers need to prioritize where to focus attention and resources. FTI recommends classifying and prioritizing improvement opportunities into short- and long-term roadmaps:

- The short-term roadmap includes smaller, more incremental changes with immediate impact. These opportunities can be tested over a one- to three-month period through experiments and rolled out over one year.
  - Ex: Adjusting the number of free articles and duration allowed under the meter

- The long-term roadmap includes larger opportunities that require material organizational resources and time to implement. These opportunities are realized over a one- to three-year horizon.
  - Ex: Adding dynamic targeting and personalized content locking to the meter

To successfully embark on both roadmaps, publishers should develop a culture of experimentation, with a bias toward action. Long-term roadmaps should include one or more North Star metrics with a specific performance/timeline to focus the organization. Whether the North Star metric is broad, such as the monthly starts total, or more operational, such as emails captured, embedding this mindset ensures all decisions are ultimately made by asking, “Does this bring us closer to our North Star metric goals?”

<table>
<thead>
<tr>
<th>3 Months</th>
<th>1 Year</th>
<th>3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPERIMENTS</td>
<td>EXPERIMENTS</td>
<td>EXPERIMENTS</td>
</tr>
<tr>
<td>SHORT-TERM ROADMAP</td>
<td>LONG-TERM ROADMAP</td>
<td></td>
</tr>
<tr>
<td>TACTICAL ACTIONS</td>
<td>TACTICAL ACTIONS</td>
<td>TACTICAL ACTIONS</td>
</tr>
</tbody>
</table>
DEVELOPING A TESTING MINDSET

Digital subscriptions facilitate an environment in which changes to the product, CX, marketing, pricing, etc., can be effectively tested and evaluated. The goal of embedding an experimentation mindset is to develop hypotheses, organize disciplined tests, and develop insights that can be utilized to grow or improve the digital subscription business. FTI recommends segmenting the design of the experiment into three phases to add organizational rigor to the process. Additional best practices involve designating a portion of traffic as a “sandbox” to test before expanding to a wider audience, and tracking experiment “batting average” to measure success across a series of experiments. The exhibit below illustrates a sample experiment, a 30-day onboarding email campaign, designed to improve engagement and retention of new subscribers.

PHASES

Planning and Implementation:
– What’s The Objective?
– Who Is Involved?
– What Are The Key Considerations/Potential Consequences?

Execution and Testing:
– How Do We Execute?
– Who Is The Test Group?

Iterate and Review Results:
– How Do We Measure Success?

MENU OF EXPERIMENTS

The following page provides a list of tactical experiments that can be plugged into the testing framework to drive improvement across various roadmap items.
## RECOMMENDED ROADMAP ITEMS AND TACTICAL EXPERIMENTS SHOULD INCLUDE:

<table>
<thead>
<tr>
<th>Roadmap Items</th>
<th>Tactical Experiments</th>
</tr>
</thead>
</table>
| **Audience Penetration** | - Audience Optimization  
- Content Distribution |
| **Visit Frequency/ Site Depth** | - Mobile/Desktop Push Alerts (Sign-ups, Content, Frequency, Timing)  
- Article Recirculation (Inline, Up Next, Top Stories, Right-Hand Side) |
| **Registration** | - Unlock with Email  
- Hard/Soft Registration Wall  
- Time-Based Registration  
- First Article Newsletter Model  
- Additional Newsletter Options |
| **Purchase Intent** | - Payment/Log-in Gateways  
- Reduce Data Entry  
- Increase Page Speed  
- Eliminate Scrolling/Additional Pages |
| **Paid Subscriber Conversion** | - Meter Setting (Articles/ Duration)  
- Close Paywall Exclusions  
- Individual Month vs. Calendar Month vs. Rolling 30 Days  
- Hybrid/Premium  
- Hardwall Print Content |
| **Monetization/ Engagement** | - Intro Offers/Seasonal Promotions  
- Quicker Step-up to Full Rate  
- Test Higher Price Point |
| **Retention** | - 30-, 60-, 90-Day Email Onboarding Campaign  
- Involuntary Churn Optimization |

- Paid-Site Article Recirculation Options on Free Site  
- Mobile-Friendly Platforms (AMP, FBIA)  
- Content Widgets (Recommendations, Models, Toasters)  
- Sticky Widgets  
- Segmented Experiences (Device, Geography, Referral)  
- Inline/Home Page Newsletter Assets  
- Subscriber-Only Newsletters  
- Personalized Newsletters  
- Email Capture First  
- Offer Presentation  
- Price Framing/Anchoring  
- Exit Intent Promo Offers  
- Segmented Meter (Geography, Referral Source, Propensity to Subscribe)  
- Native App  
- Edition-Based Products  
- Paid Newsletters  
- Subscriber-Only Newsletter  
- Likelihood to Churn Modeling (with Targeted Marketing)
LEVERAGING DASHBOARDS TO TRACK PERFORMANCE OVER TIME

Dashboards are an effective way to track progress against benchmarks over time and visualize the performance of KPIs. Certain metrics, such as meter stop rate or paid stop conversion rate, lend themselves to regular monitoring, while other milestone metrics, such as subscriber penetration, should be viewed periodically to track progress toward goals.

BEST PRACTICE

Effectively tracking digital subscription performance often requires compiling data from disparate analytics, subscriptions, emails and financial systems. Build an integrated dashboard with a prioritized set of metrics that incorporates this data into one single place, even if that means starting small, possibly with a spreadsheet report.
### INSIGHTS FROM GNI SUBSCRIPTIONS LAB

The GNI Subscriptions Lab frames seven fundamental themes to accelerate growth and drive success.

<table>
<thead>
<tr>
<th>1</th>
<th>Strategic Direction</th>
<th>Set a vision for the future sustainable model and frame decisions around that vision.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Organization Alignment</td>
<td>Optimize resource alignment around newsroom, product, marketing and tech.</td>
</tr>
<tr>
<td>3</td>
<td>Print/Digital</td>
<td>Clarify priorities between print and digital subscriber acquisition. Focus on digital engagement of full-access subscribers.</td>
</tr>
<tr>
<td>4</td>
<td>CX/Value Proposition</td>
<td>Improve customer experience: page speed, ad experience, calls-to-action, checkout flow, confirmation emails.</td>
</tr>
<tr>
<td>5</td>
<td>Digital Audience Management</td>
<td>Build the funnel and nurture the audience through newsletters, registration, recirculation and personalization.</td>
</tr>
<tr>
<td>6</td>
<td>Marketing Engine</td>
<td>Allocate resources to highest ROI channels, test pricing/offer positions, and use segment-based marketing tactics.</td>
</tr>
<tr>
<td>7</td>
<td>Data/Tech Stack</td>
<td>Understand/leverage tech stack capabilities. Focus data strategy on tracking the customer journey.</td>
</tr>
</tbody>
</table>
CONCLUSION

Executing a comprehensive business model transformation is a significant challenge that is often exacerbated by competing priorities in a resource-constrained environment. However, getting started — and doing so quickly — is critical to successfully completing the transition.

TO BEGIN THE TRANSFORMATION, PUBLISHERS MUST:

- **Commit fully to a digital transformation strategy.** Framing the long-term business model (including print segments) and developing the business case are the first steps towards transformation.

- **Resolve the print/digital and advertising/consumer trade-offs.** Setting strategic priorities and investing resources in people, process, and technology can accelerate growth. Clear strategic direction must be set from the top to unlock the transformation potential.

- **Track progress with a key set of metrics.** Map the outcome of each customer journey, calculate benchmarks, identify areas for improvement, and track progress over time.

- **Embed a bias toward action and an experimentation mindset.** Develop hypotheses, design tests, measure results, and adjust tactics accordingly.

- **Formalize planning with short- and long-term roadmaps.** Track progress against these roadmaps and refine them based on experiment findings and additional hypotheses.
APPENDIX: BENCHMARKING GLOSSARY

All traffic, conversion, and newsletter metrics referenced in the following formulas are calculated on a monthly basis (visits, unique visitors, starts, stops, sends, unique opens, unique clicks).

\[
\text{Unique Visitors Per Household} = \frac{\text{Unique Visitors}}{\text{In-Market Households}}
\]

*In-Market Households calculated using Metropolitan Statistical Area or Combined Statistical Area.

\[
\text{Monthly Churn} = \frac{\text{Digital-Only Stops}}{\text{Digital-Only Subscribers}}
\]

*Monthly Churn is calculated using the digital-only subscriber total at the beginning of the month.

\[
\text{Visit Frequency} = \frac{\text{Visits}}{\text{Unique Visitors}}
\]

\[
\% \text{ “Known” Unique Visitors} = \frac{\text{“Known” Unique Visitors}}{\text{Total Unique Visitors}}
\]

*“Known” Unique Visitors include print subscribers, digital-only subscribers, registered users, and email capture visitors.

**Article Count Distribution** — percentage of unique visitors (including both subscribers and non-subscribers) that read one article per month, two articles, three articles, etc. This can be tracked for subscribers, non-subscribers, or combined.

\[
\text{Digital Activation Rate} = \frac{\text{Digitally Activated Print Subscribers}}{\text{Total Print Subscribers}}
\]

*Digitally Activated indicates print subscribers that have successfully created digital accounts and linked their existing print subscription.
### DIGITAL SUBSCRIPTIONS PLAYBOOK

<table>
<thead>
<tr>
<th>Metric</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starts Per Unique Visitor</td>
<td>( \text{Digital-Only Starts} ) ( \div \text{Unique Visitors} )</td>
</tr>
<tr>
<td>Net Subscribers Per Unique Visitor</td>
<td>( \text{Digital-Only Starts} - \text{Digital-Only Stops} ) ( \div \text{Unique Visitors} )</td>
</tr>
<tr>
<td>Emails Per Unique Visitor</td>
<td>( \text{Email Database Size} ) ( \div \text{Unique Visitors} )</td>
</tr>
<tr>
<td>Unique Open Rate</td>
<td>( \text{Unique Newsletter Opens} ) ( \div \text{Newsletter Sends} )</td>
</tr>
<tr>
<td>Unique Click-Through Rate</td>
<td>( \text{Unique Newsletter Click-Throughs} ) ( \div \text{Newsletter Sends} )</td>
</tr>
<tr>
<td>Effective Average Revenue Per User (ARPU)</td>
<td>( \frac{\text{Digital-Only Consumer Revenue}}{\text{Digital-Only Subscribers}} )</td>
</tr>
<tr>
<td>Digital Revenue Per UV</td>
<td>( \frac{(\text{Digital-Only Consumer Revenue}) + (\text{Digital Ad Revenue})}{\text{Unique Visitors}} )</td>
</tr>
<tr>
<td>Subscriber Penetration</td>
<td>( \frac{\text{Digital-Only Subscribers}}{\text{Unique Visitors}} )</td>
</tr>
</tbody>
</table>

*Subscriber Penetration is a cumulative metric which reflects the number of total digital-only subscribers at a specific point in time.*
About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. For more information, visit www.fticonsulting.com and connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.

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About GNI

The Google News Initiative is a global $300 million initiative to work with the news industry to help journalism thrive in the digital age.

About LMA

The LMA is a non-profit trade association representing more than 2,800 U.S. media companies.