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Google News Initiative

Playbook Executive Summary

Google News Initiative Data Lab 2020

August 2020

This program was developed in partnership with the Google News Initiative and following partners: 55 the data company, Datalicious, e-Agency, MightyHive & Tatvic

55 the data company   datalicious   e-Agency

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For more in-depth insights and methodology, download the Google News Initiative Data Lab APAC 2020 Playbook here

Playbook Executive Summary

As the publishing industry discusses the state of its future, it's crucial publishers explore how sustainability and growth can be achieved through the use of data. Google News Initiative (hereafter, GNI) sponsored Deloitte's *Digital Transformation through Data: A Guide for News and Media Companies to Drive Value with Data (March 2019) study* (published by Deloitte with the support of GNI) to frame how the industry's current issues could be mitigated through data based solutions. Nine use cases were suggested as a means to achieve data maturity and future proof the publishing industry. Through the execution of these data focused projects, it's possible to affirm that maturity is essential for the success, growth and longevity of publishers. A publisher's investment in data orientated solutions is not only a practice in control, transparency and democratization of data, it's also the quickest way to grow digital maturity, realize better performance and drive revenue.

To ensure strong adoption rates and keep project momentum high, especially when COVID-19 hit, it was important all deadlines were met. To demonstrate practicality of the use cases, the implementation team sternly focused on delivering value in the quickest possible way. With this mentality and utilizing all available resources, the project was executed over a three month period whereby the impact could be observed. With some capability to work on these use cases in parallel, how much time would be required to master all nine of them and what should be the order of execution? There is no easy answer; although, based on the Data Lab cohort, content planning is the most obvious use case to begin the maturity journey followed by recirculation. Once a robust content planning strategy is implemented, experimenting with inventory yield management and audience advertising would be a natural progression as both are interconnected with pricing strategies.

When content, audiences and advertising data is harnessed correctly and thoroughly, a publisher can comfortably mature its business model to engage with a subscription model. The problem arises when many execute this project prematurely. Despite enjoying strong initial results (for example, higher conversion rates), often issues begin to arise (for example, regarding audience retention) that could have been avoided where data based solutions were adopted to aid in identifying and solving business challenges.

When it comes to lifetime value, the importance of this metric and related business outcome grows with maturity as a publisher's dependence on data starts to significantly influence strategic decisions. For this reason, this strategy shouldn't be implemented across nascent or developing organizations where such a structure is not developed nor sufficiently mature.

The GNI APAC Data Lab is a publisher-centric program that aims to help Asia-Pacific publishers transform from "developing" to "mature" by adopting data focused processes. Through collaboration, Google and MightyHive assisted publishers in becoming more data-driven through five Deloitte use cases. Publishers wishing to be assisted with the execution of these use cases were requested to self assess maturity. This self assessment was used to determine the appropriate publishers to become GNI's first APAC Data Lab cohort. Once selected, and crucial to the success of the program, MightyHive conducted in-depth publisher digital maturity evaluations. This consultative approach allowed for in-depth strategy and roadmaps to be developed for each participating publisher, outlining short and long term goals in addition to selecting focused use cases where the program could deliver direct impact of data maturity on the publisher's bottomline.

This program executed five use cases across a cohort of six publishers in six different Asia-Pacific markets: content planning, inventory yield management, recirculation, audience advertising and lifetime value. During the early stages of implementation, two main insights were immediately apparent:

As many publishers in the Asia-Pacific region ranked as "nascent", or low, in maturity, there is a wealth of opportunity available within the publishing industry for data-driven transformations.

Each publisher in the cohort already had a subscription model in place or was exploring the viability of introducing this model. To ensure the success of these subscription models, strong data infrastructures and strategies are necessary as an audience focused framework connected with content strategies enables a sustainable subscription service.

In the context of this playbook, maturity is constructed around the degree of audience segmentation and detailed analysis of accurate data available to lead financially successful business strategies.

Deloitte's "data maturity scale" defined four distinct levels of maturity, whereby a publisher's reliance on data, cross team capabilities, processes and decision making determines its readiness to implement a use case. For example, a 'developing' publisher has a basic level of readiness and functionality for the implementation of a use case, whilst a 'mature' publisher's infrastructure is far more detailed and ready to adopt more comprehensive data and audience driven business solutions.

Many publishers have an audience strategy but continue to rely heavily on third-party cookies, which will continue to be disrupted by external forces being rolled out or adopted globally (such as Intelligent Tracking Prevention (ITP), browser privacy updates and new privacy regulations (e.g. GDPR or CCPA)). As third party cookies are disappearing from the digital ecosystem, publishers need robust first party data strategies to maintain a competitive long term market position; imperatively, in markets where solutions like ITP are already impacting audience strategies. Whilst the Deloitte Study does not directly call out this urgency when describing audience advertising, there is a clear need for attention to be shifted towards a first party data strategy.

Coupled with this shift, is the need for publishers to adopt a strategy focused on growing its first-party cookie loyalty base by adapting content strategies to suit the need of a 'brand lover' rather than a casual reader. This control over data solutions allows for a reorientation and alignment in business strategy and cross functionality of teams. It creates a clear focus for editorial and content planning; sales teams can drive results through a comprehensive understanding of its audience; product and tech teams can tailor how the content is accessed to ensure ease, efficiency and an overall positive onsite experience for its loyal audience; and executive teams are able to forecast, strategize and undertake appropriate business planning around a focus on audience growth and retention strategies.

Whilst the implementation of agile data and technology solutions provide immediately positive results on a business, long term success is strongly dependent on far reaching organizational changes. The adoption of cross-functional teams aligned by mutual goals, education and appropriate processes (that are maintained) allows for true business growth to occur. Therefore, the use of a change management model is recommended to provide publishers with a framework to ensure the shift in roles, responsibilities and process is transparent and inclusive.

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As COVID-19 lockdowns were in place when the final delivery of this project occurred, audience behavioral patterns impacted and limited quantitative results; despite this, many compelling observations were made regarding the immediate results of these use cases. Overall, a simple approach to segmentation and exposure to new metrics was very welcomed across publishers with many cross functional teams successfully adopting dashboards displaying these insights.

Some more specific highlights include, the share of highly engaged audiences increased between 20% to 40% on a weekly basis due to a new content planning strategy. Whilst with recirculation, the parity between a third-party recommendation engine and the bespoke solution click-through rate was achieved between a third-party recommendation engine and the bespoke solution. Importantly, a full transition from an existing recommendation system to a custom solution created an opportunity to monetize new (and revived) ad space. For inventory yield management, publishers who adopted a three pillar approach of performance, troubleshooting and forecasting, were able to significantly increase viewability (up to 50% increase). Further to this, some publishers observed a 5% increase in eCPMs.

Across all publishers and use cases, it was observed that a culture of experimentation and testing needed to be established. The program exposed many challenges related to how data is currently structured and managed across organizations with many available solutions not being easy to deploy; creating a low willingness by the publisher to address these issues

The purpose of this playbook is to empower readers to make a case for change, facilitated by data driven processes. It outlines the execution of three use cases - content planning, inventory yield management and recirculation; based on the cohort experience, all provided the most immediately visible impact (i.e increase in revenue) on the business. The execution of these use cases follow an assumed order of implementation to support a look back loop. Based on the learnings from this program, these projects increase the likelihood of having successful subscription operations and more advanced revenue based business models.

Cross-functional collaboration, implementation of agile solutions and overall organizational changes are easier as discussion points than actual implementation. As such, this playbook is valuable for

organizations wanting to create and action change through cross functional teams engaged and aligned over mutual business goals. Whilst a step-by-step guide to implementation is not included, high level technical details are explored. Such details include the strategic approach, high level solution (including the technical solution), prerequisites to execute and change management features for each of the use cases. Each reflects the methods MightyHive, and partnering technologists, used in executing the use cases across multiple Asia Pacific publishers as part of the GNI Data Lab. Importantly, hurdles and blockers coupled with successful outcomes have been shared to provide insights into the nuances involved with practical executions of the use cases.

All described use cases require a multidisciplinary approach, therefore it is advised to share this playbook across relevant departments in order to facilitate the preparations necessary for change.

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