

## Chapter 3: Our Growth

When people inside the newsroom think of a WSJ reader, they imagine someone who has read us for years and knows our traditions and sections well. Off Duty, Personal Journal, Heard on the Street, the A-hed, What's News, we may think, prompt a warm fuzzy feeling. Indeed, we often address WSJ readers as if they're one monolithic group with us for the long haul: people who understand our ways and follow all the work we do with great interest.

The problem is, there are only so many of these hard-core WSJ readers. And there are only so many long-term WSJ readers. Unlike print, where people stick around, digital readers are more fickle. They come and go. And they don't religiously read everything we do—far from it.

The Newsroom and Membership teams have agreed to new ambitious goals that are driven by the desire for our journalism to have impact and relevance, as well as financial realities. A key goal is to reach a sustained 100 million monthly unique visitors to our owned-and-operated digital platforms by the end of fiscal year 2024. That goal was agreed upon by Matt Murray and Suzi Watford and has been talked about around our company. But it has not been articulated well enough in the newsroom. Unless Matt is abandoning that goal, it needs to be announced and explained robustly.

Goals can only be achieved with robust participation from the newsroom. While the Membership organization and the product teams within DXS will assist with goals, we can't get there without muscle, focus and conviction from the newsroom. Our content is what brings users to the Journal.

In fact, over the next year, we have a goal to grow our on-platform audience by 15 million unique visitors. It will be hard but necessary work.

**Here are some numbers and concepts we should all keep in mind:**

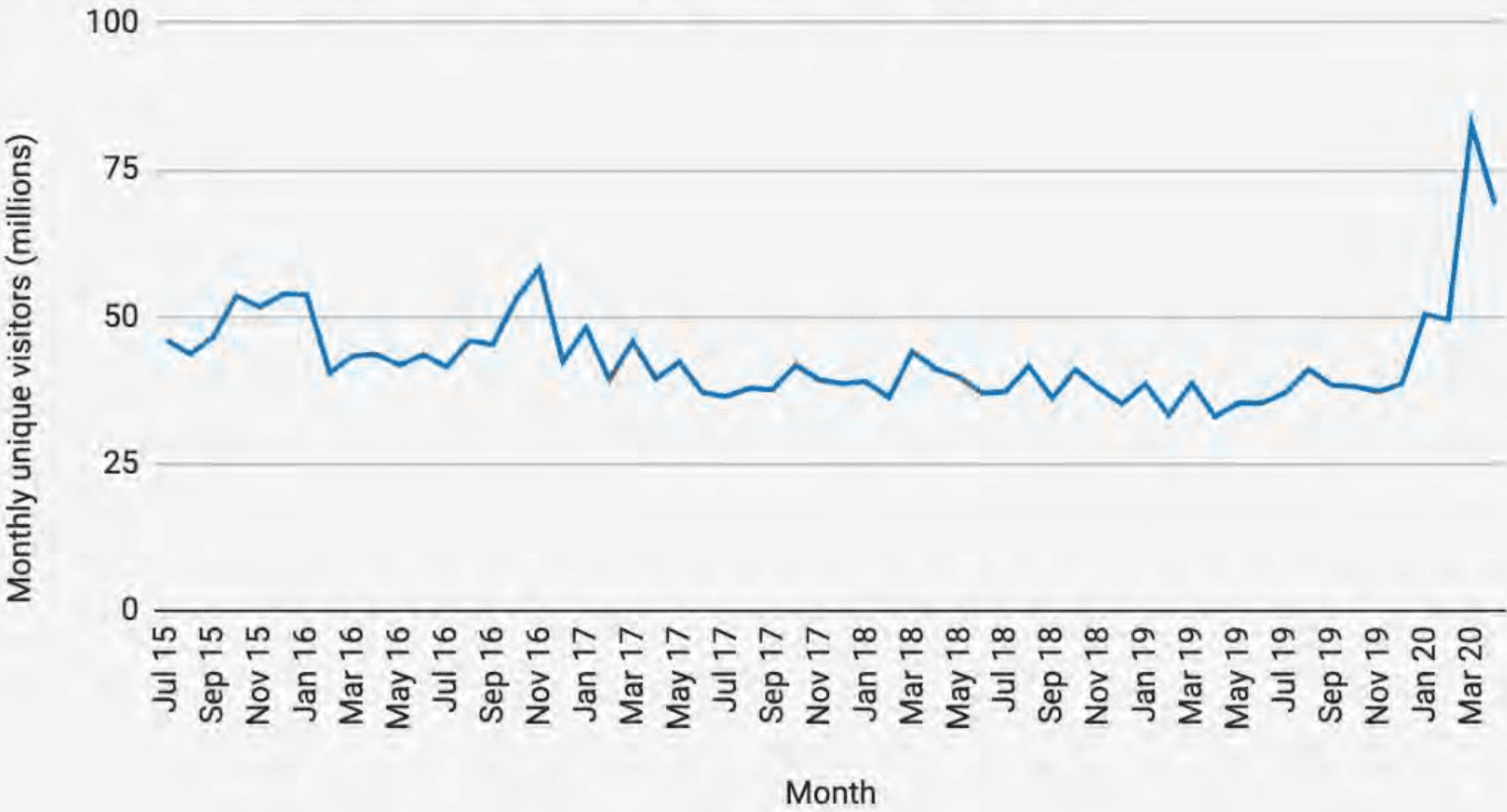
# Chapter 3: Our Growth

## 1. The 50 Million Ceiling

We have never sustained traffic of more than 50 million monthly unique visitors for more than a few months. In fact, we hovered just under 39 million for three years before the Covid-19 pandemic.

*What does this mean?* Our biggest traffic gains have been tied to large news stories, rather than an ability to create lasting loyalty with a news report of interest to the broader public.

WSJ Monthly Unique Visitors Since July 2015



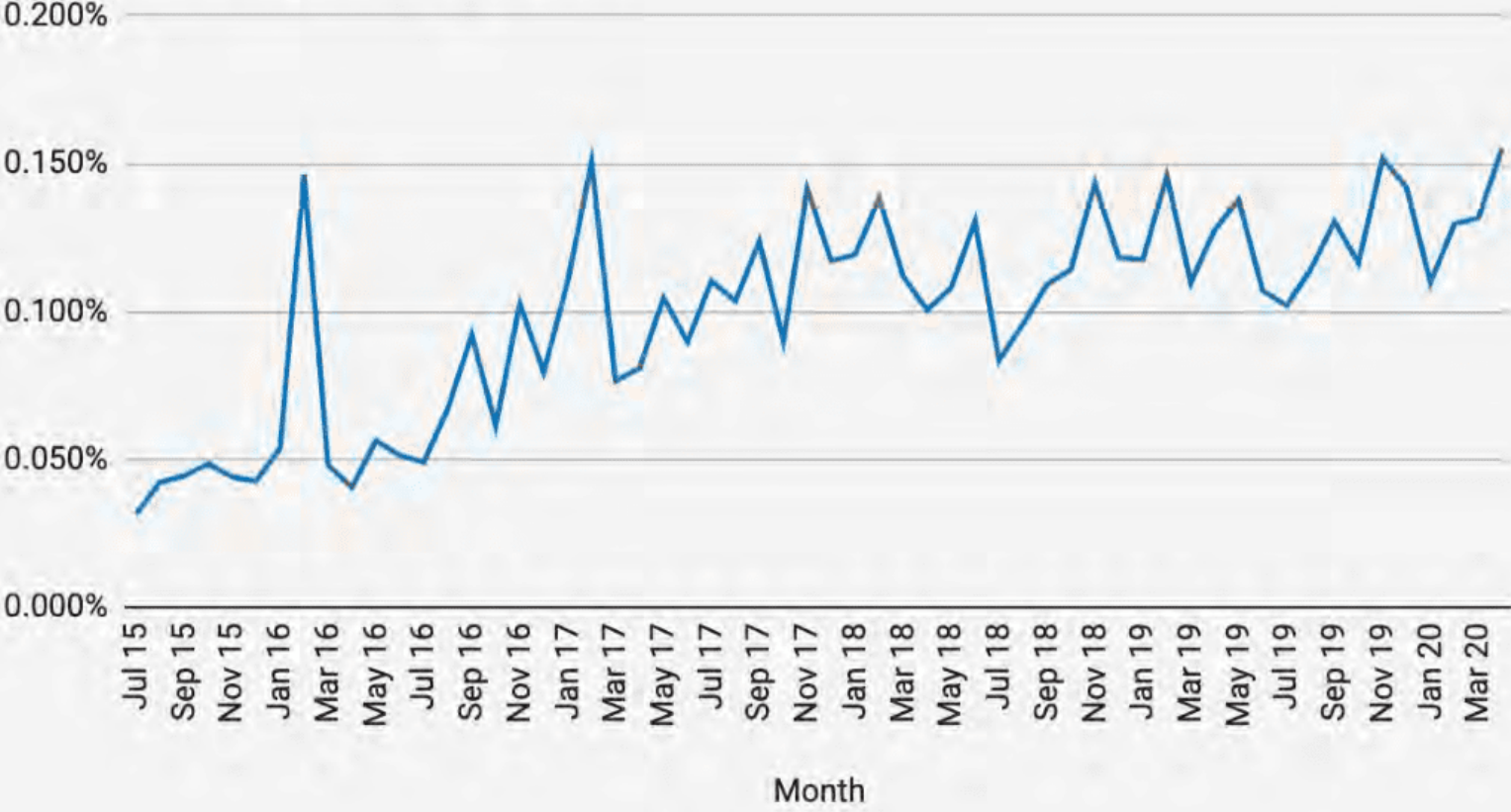
<sup>2</sup> This is the monthly on-site sales divided by our monthly unique visitors. Note that there are other sales, like corporate sales and sales in the college pack, and also a small amount in-app. But those aren't driven by traffic to our site in the way as our monthly on-site sales so don't make sense to compare to our traffic.

## 2. It's Not Easy Converting People

Our average conversion rate<sup>2</sup> ranges between 0.1% and 0.15% and hasn't moved much since early 2017.

*What does this mean?* Even when we've had huge spikes in traffic, like we did during coronavirus, we haven't materially improved our lasting, ongoing ability to convert visitors to become members. To move the needle significantly in our total digital subscriber base over time, we will need to sustain a far higher number of unique visitors. And, since our conversion rate is largely flat, we can't bank on news spikes to grow and sustain our subscriber base. We have to create content and product experiences that can attract and retain larger audiences.

Conversion Rate by Month





# Chapter 3: Our Growth

## 3. The Constant Trial

Quarterly churn and quarterly new subscriber growth are too often too close to each other.

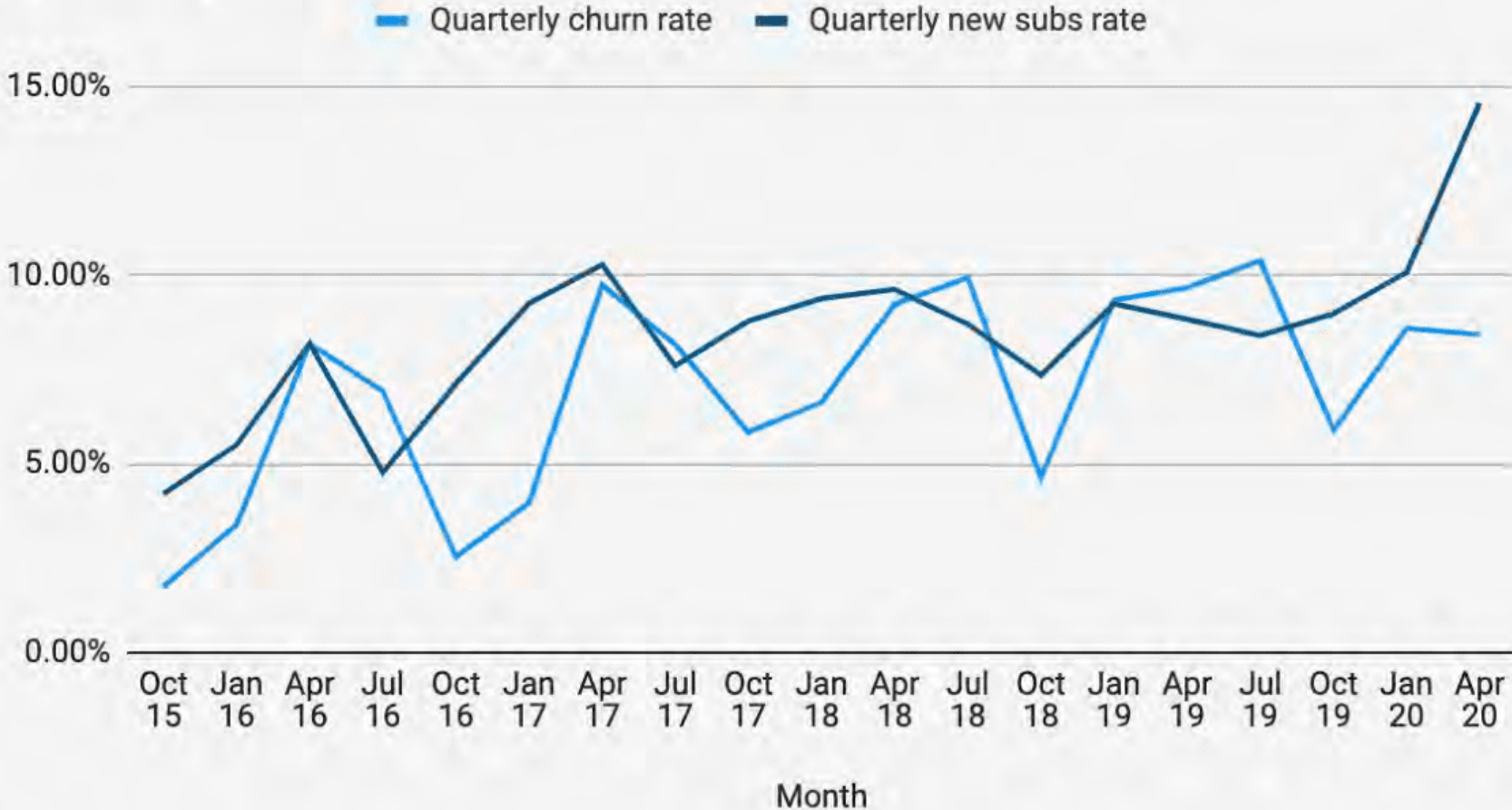
*What does this mean?* Even as we celebrate conversions each day in the news meeting, we are losing people—often, almost as many people as we are gaining. In fact, since the summer of 2015, our average individual, on-site digital subscriber growth rate (excluding student and corporate memberships) has been 8.5% per quarter, but our average churn rate per quarter has been 7%. And without the extra-strong uptick we saw during the initial coronavirus story, our growth rate would average to 8% over that period.

Another way of looking at this: We have had 2.459 million people purchase a new WSJ digital subscription on site since July 2015. But our net increase over that period is 392,868.

By comparison, from 2015 to the present, The New York Times<sup>3</sup> has grown from roughly one million digital-only subscribers to more than five million digital-only subscribers. And, as we grow, we lose people. In fact, in the past five years, we have had six quarters where we lost more subscribers than we gained<sup>4</sup>. Our annual churn rate is 25% while Netflix’s annual churn rate is 11%.

**In sum, we can’t think we’ve got a comfy base of digital subscribers who will be satisfied if we just keep doing what we’re doing. Instead, we must realize that we are on a constant trial with our audiences, even our subscribers.**

Quarterly Churn Rate and New Subscriptions Rate



WSJ vs NYT Digital Subscriber Growth



<sup>3</sup> An exact comparison with the NYT is difficult but this graphic comes from Membership, is similar to the numbers we are citing, and overall, illustrates where we stand. Keep in mind the NYT has some lower-price packs like crosswords, but you can see the NYT Core pack which is closest comparable to ours. Prices and revenue per user also differ. Notes: WSJ Subs include Digital Standalone, JIE Standalone, Corporate & Group, DJx, Mobile & e-Reader; WSJ Subs figures from Q3 2014 onward reported per PwC methodology NYT acquired Audm in 2020 Q1, adding 20k in non-core digital subs. 2019 Q4 was also adjusted down ~20k non-core subs. As a result, 2019 Q4 changed from 4,395k to 4,414k.

<sup>4</sup> There is an element of churn that is seasonal—they leave at some times more than they come. And sometimes they have higher churn than usual due to price increases. As we grow faster, there is sometimes higher churn. That said, no one in our company wants churn to stay where it is—there is universal agreement that we’d like to be lower.



# Chapter 3: Growth

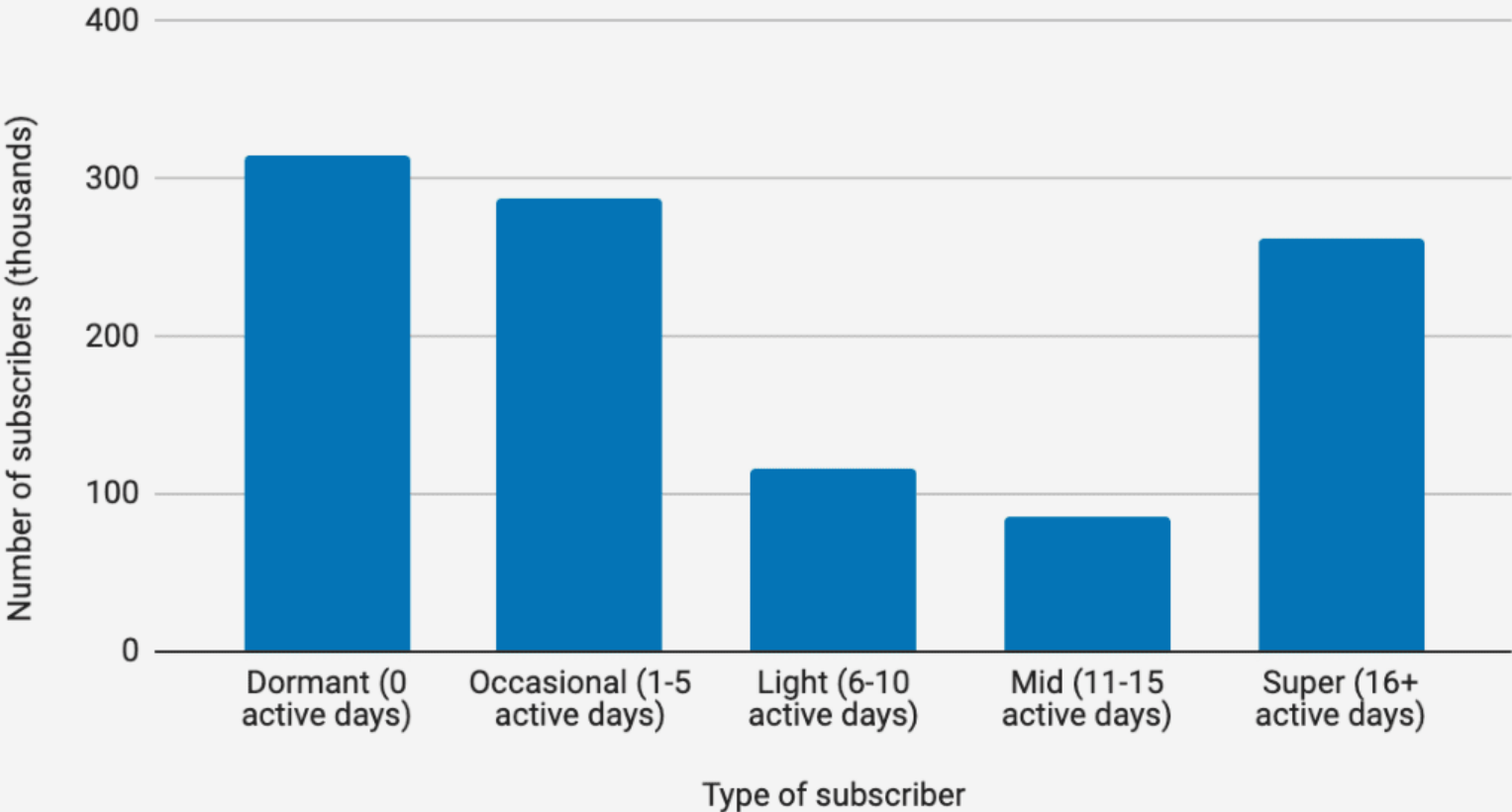
## 4. Many Subscribers Have Low Active Days

Part of our challenge is that many of our subscribers don't come to us very often.

*What does this mean?* Not surprisingly, our less active subscribers are more likely to unsubscribe. We're focusing far too much on keeping our super users when they're the least likely to churn.

As you'll hear in this report, our clearest opportunity and "right to win" is to focus more on these occasional and light readers to keep them around.

Wall Street Journal Subscribers, by Active Days



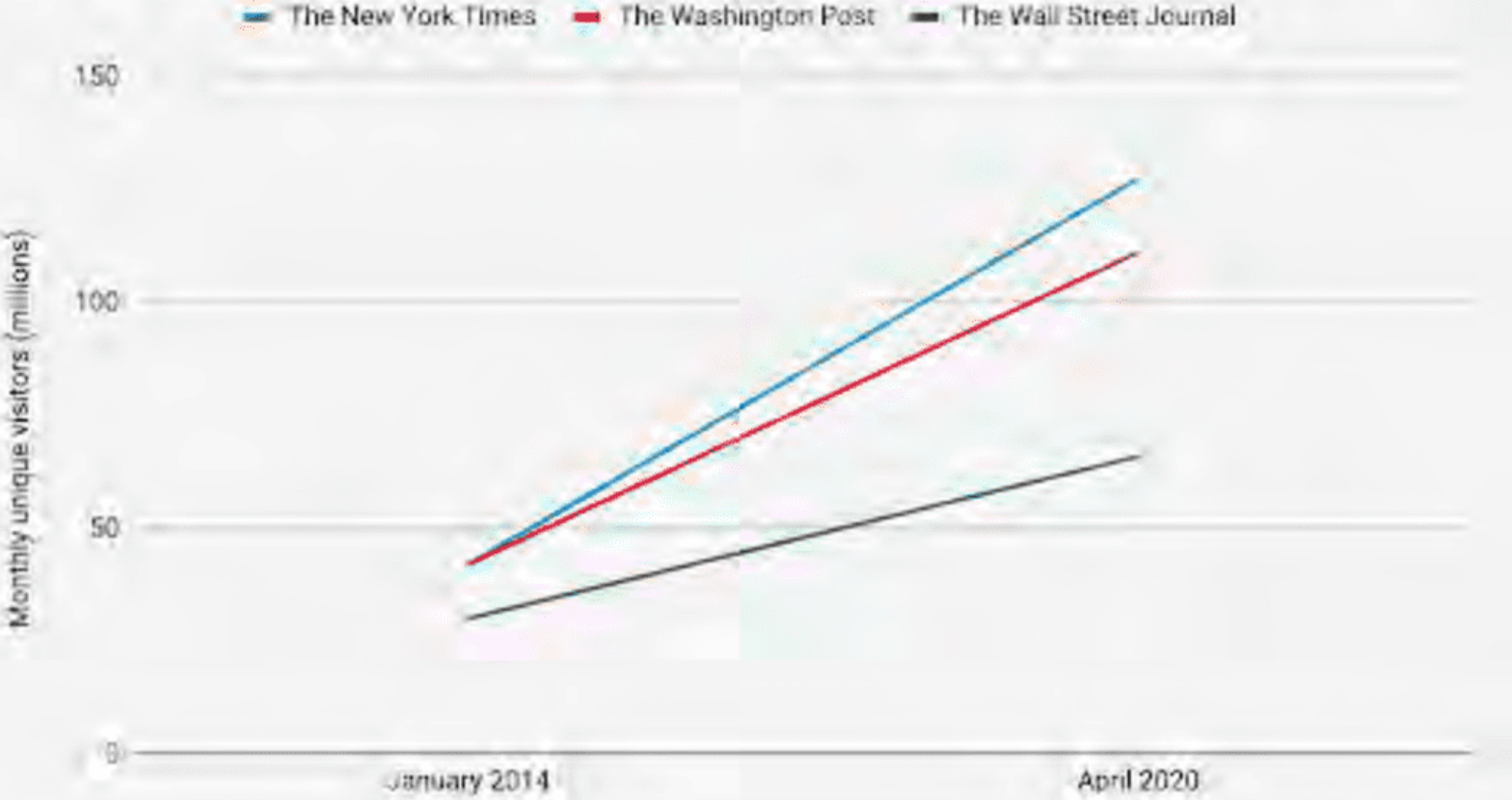
Data from June 2020

## 5. Not in the Conversation

Meantime, our overall audience reach—and its rate of growth—lag behind our traditional competitors, who made jumps in traffic about four years ago that we did not.

*What does this mean?* Most digital growth in media today is tied to subscriber growth. It's hard for us to pursue subscriber growth when we have generally been reaching just 15% of the adult news consuming population. We need to grow the top of our audience funnel, even as we improve conversion rates.

WSJ Traffic Has Grown at a Slower Rate Compared with Competitors



Source: Comscore

\*Data is approximate

## Chapter 3: Growth

**From all these points, here's the bottom line: If we want to grow to 5.5 million digital subscribers, and if we continue with churn, traffic and digital growth about where they are today—it will take us on the order of 22 years.**

**Things need to change.**



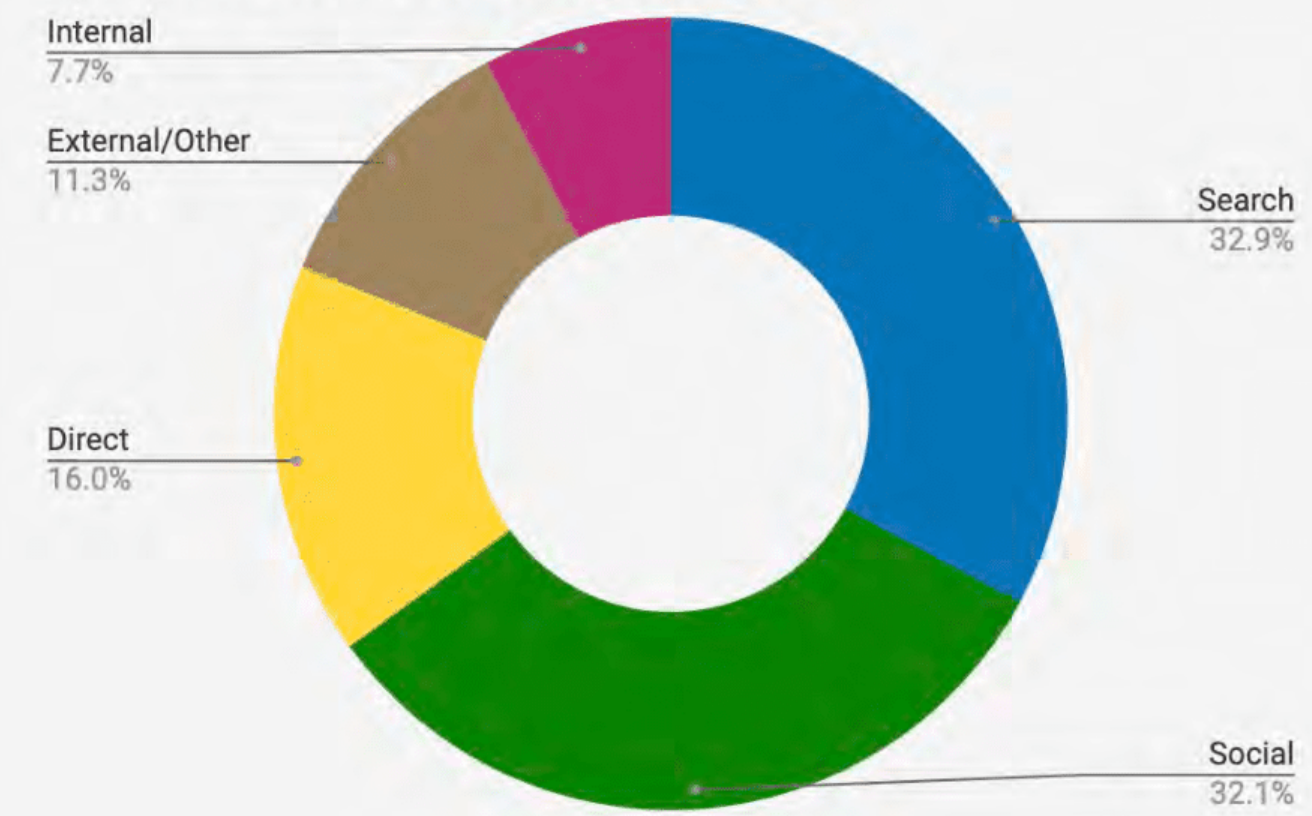
## Chapter 4: Focus on what our audiences do on our platforms

Before we can recommend ways to better serve our digital audiences, we need to understand our platforms better. We simply cannot think of wsj.com and our mobile apps as digitized versions of the day's printed paper. Our platforms are **so much bigger than that**. Our platforms are more akin to a constantly expanding library. The new releases are up at the front, but the stacks are filled with far more material that builds upon itself every day. It's organized in many ways with many different access points. And there are nooks where other visitors have left comments, and places they might even meet for conversation.

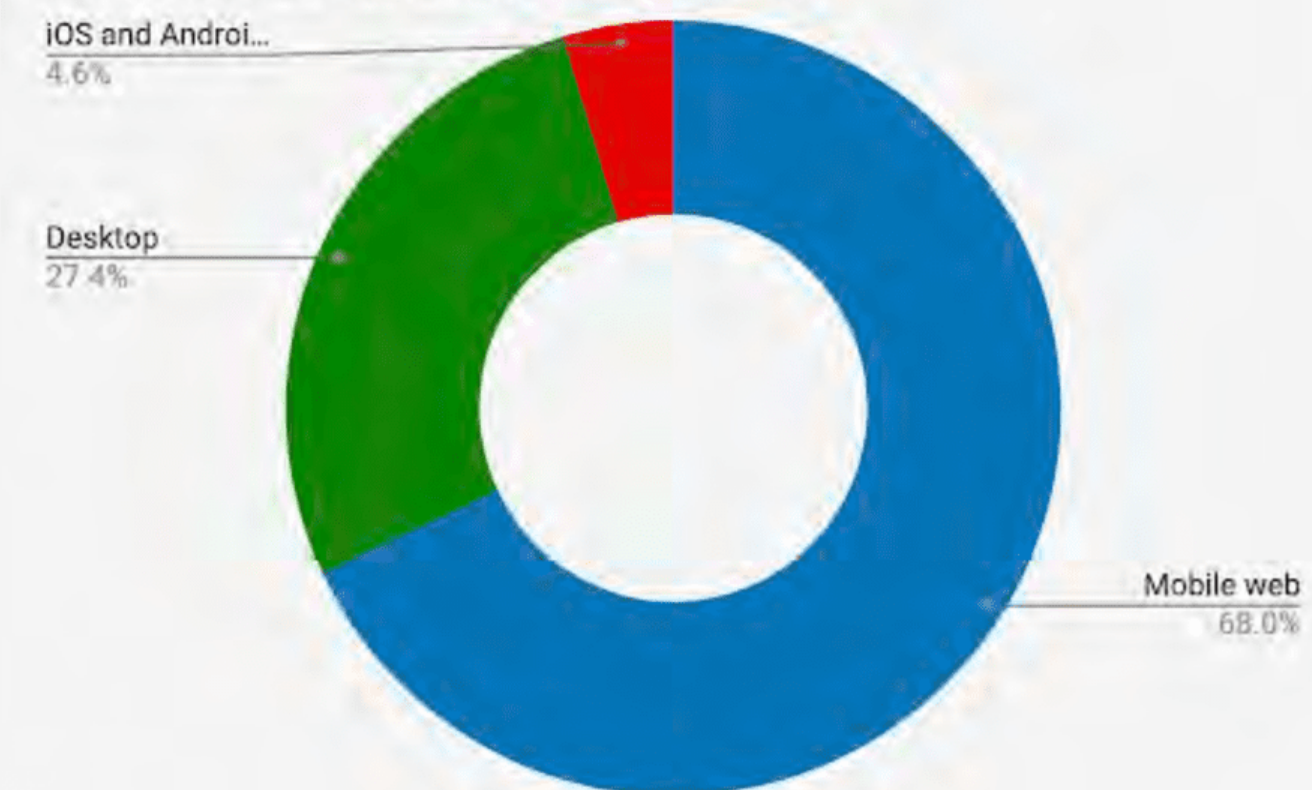
If we were building our digital platforms from scratch, with the benefit of hindsight, we'd probably structure them more like Wikipedia: capturing our expertise and knowledge in always-evolving pages that intentionally link to each other. More on this in Chapter 10.

Since we are focusing on growth throughout a lot of this report, let's look at the points of entry for our nonsubscribers—a much larger group of readers than our subscribers that frankly we think about less often. They come to us mainly on mobile web and desktop web, with very little app usage, and they reach us largely via search, social media and other external sources. Not our home page.

Non-Subscriber Views By Source\*



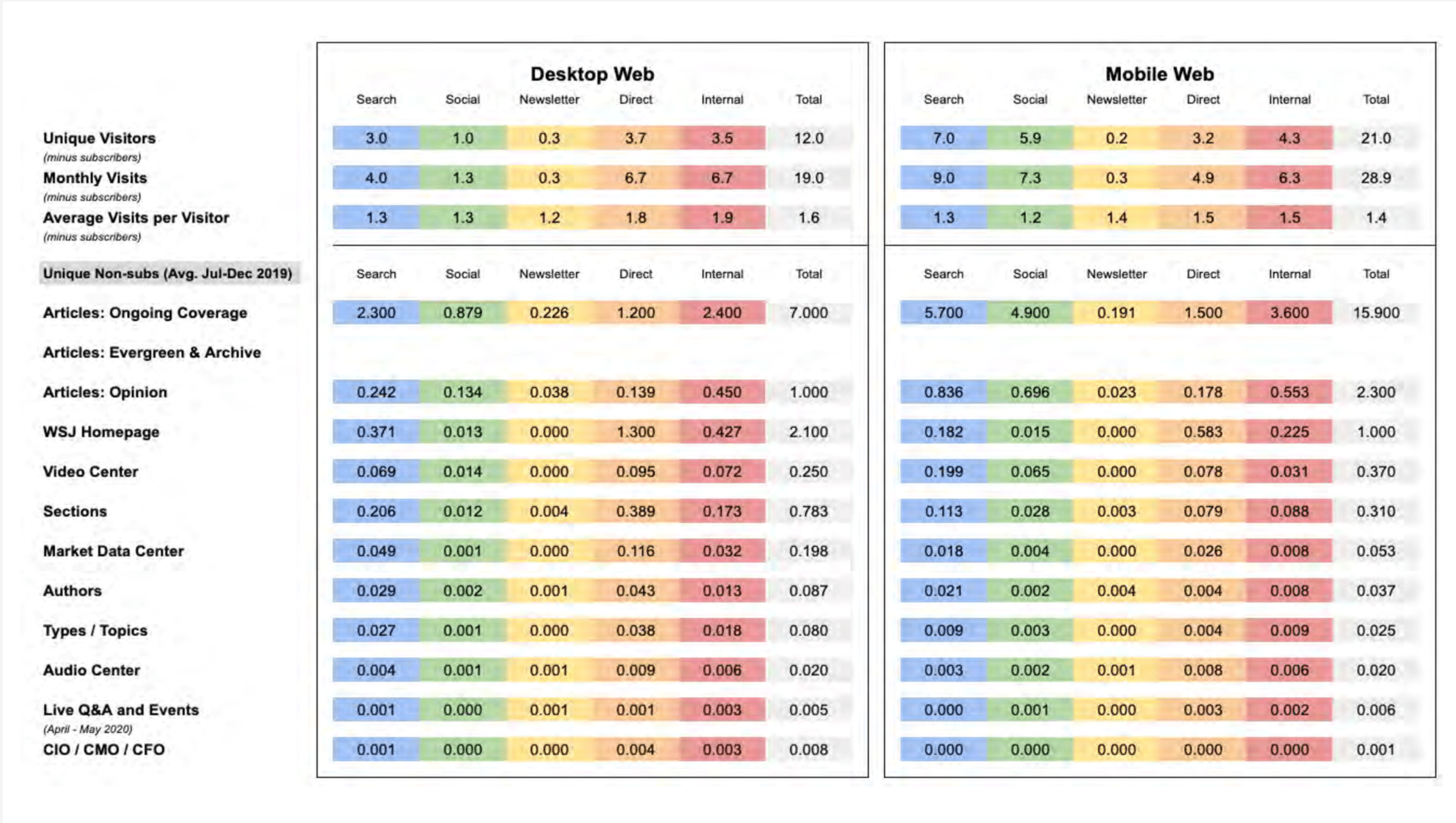
Non-Subscriber Uniques By Device





# Chapter 4: Focus on what our audiences do on our platforms

## The Audience Growth Goal Grid



As we are driving toward WSJ’s goal of reaching many more people, DXS has created a framework to better-understand where we have the largest opportunities to grow, and to ensure that our product and content priorities align with these areas. We call it the Goal Grid.

For nonsubscribers, it focuses on mobile web and desktop web, since that is where 95% of our nonsubscriber unique visitors come each month.

**We will return to the Goal Grid at the end of this report as we provide more detail on coverage areas. For now, as a baseline, notice the entrypoints of nonsubscribers are different from where our newsroom focuses.**

**For instance:** The homepage, where many people inside our newsroom spend lots of attention, gets 3.1 million unique nonsubscribers per month while our articles get 23 million different nonsubscribers per month. (And notice how much larger the portion is going to mobile web rather than desktop, yet few people in our newsroom focus on mobile web.)



## Chapter 4: Focus on what our audiences do on our platforms

**In other words, much of our audience is coming in a side door, while we tend to the garden out front.**



Desktop Homepage: **2.1MM** monthly nonsubscriber visitors



Mobile web articles: **18MM+** monthly nonsubscriber visitors



## Chapter 5: Who Are Our Audiences?

# We used to talk about “our audience.” Now we increasingly talk about “our audiences.”

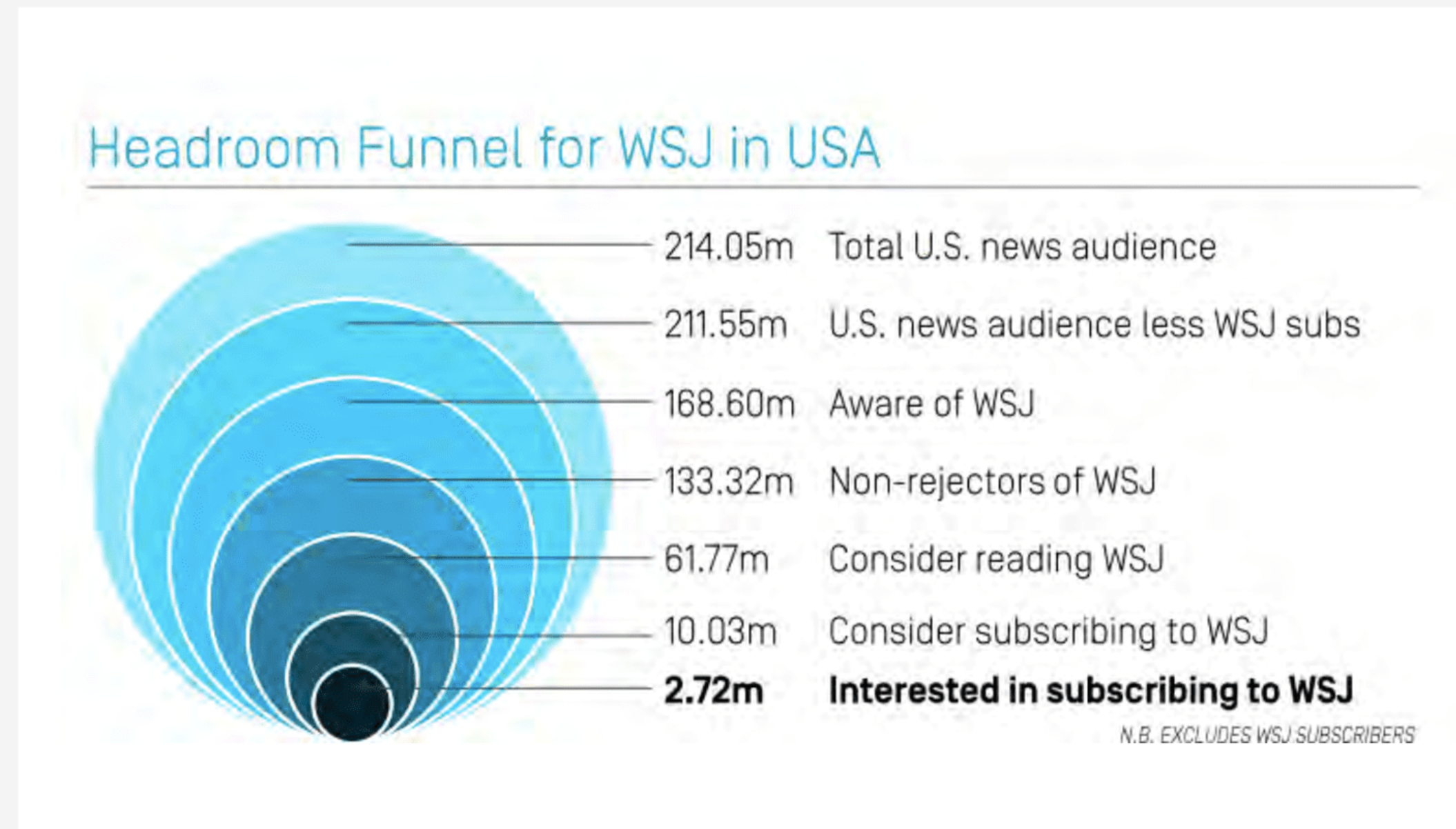
We don't just have one homogenous, loyal group that reads us, and to grow, we need to find ways to meet different needs of different audiences. To the right is the stereotypical image of “the WSJ reader” that we're told many readers associate with us.

Indeed, among our subscribers, just north of 60% are male, and more than half are over age 55. We also have information about many of our members' occupations. The largest concentration of our members work in a finance role, the second largest concentration are retired and financial advisors come in third.

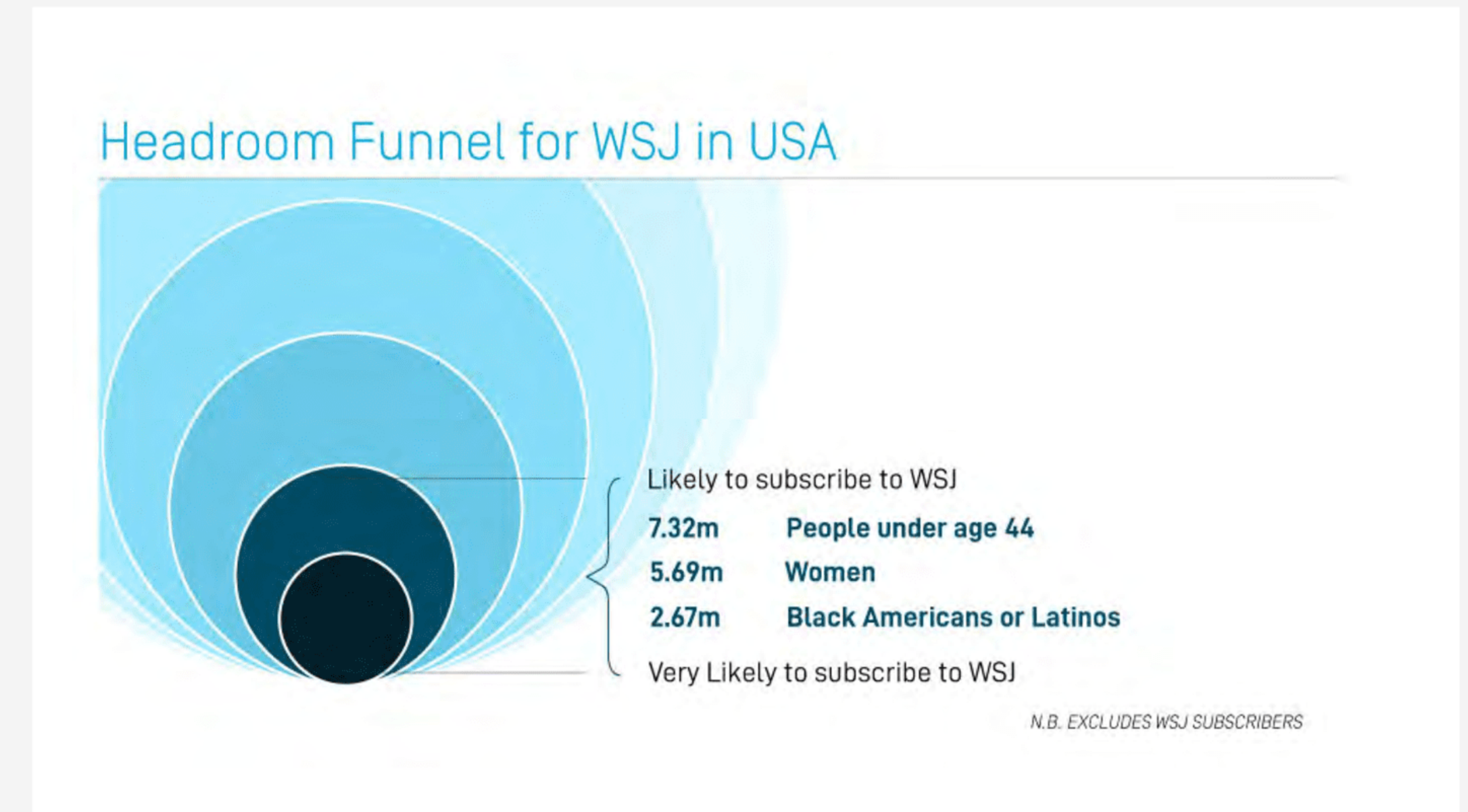




## Chapter 5: Who Are Our Audiences?



Market research by the WSJ offers us important lessons<sup>5</sup> about the news-consuming public, and people who are interested in spending time with our coverage.



**It's important to note that the audiences within these innermost blue circles are diverse.**

To be precise, within the two innermost circles, where people are most seriously considering subscribing to the WSJ, are shown above.

<sup>5</sup> These numbers are from the end of 2018 but still highly relevant and directionally helpful in thinking about how our growth audiences are changing.



## Chapter 5: Who Are Our Audiences?

In interviews, many newsroom leaders confirmed they believe growing with new audiences is essential to our future.

*“It is the single most important element of our future,” said Mike Siconolfi, our investigations editor.*

*“To be able to attract more diverse readers, younger readers, readers across the political spectrum is absolutely essential. We’ve made strides, but that is the core franchise question for us.”*

We will return in our recommendations to how we can pivot toward and embrace these audiences.

For now, in our baseline knowledge, we want to outline another way to look at our audiences—by their subscription group or pack and by how often they use our products. This method, frequently used by our colleagues in Membership, is the most reliable way to look at audiences and predict whether or not they will remain members. It turns out that readers’ behavior on our platforms is hugely predictive of whether they stay with us.



## Chapter 5: Who Are Our Audiences?

# Our recommendations will be framed around these cohorts.

### They are:

1. **Other Nonsubscribers**—These are nonsubscribers who are coming to us occasionally or in many cases, just once.
2. **Nonsubscriber Prospects**—These are nonsubscribers who are coming to us frequently
3. **College**—These are subscribers who are in university packs. About half of these pay for their subscription, at a reduced rate, and about half are people who have activated an account paid for by their university.
4. **Light**<sup>6</sup>—These are subscribers who visit us only a few times per month. They have one to 10 active days.
5. **Heavy**<sup>7</sup>—These are the subscribers who read us a lot. They have more than 10 active days visiting our platforms per month.
6. **Corona**—These are the new subscribers who joined during the peak of the coronavirus coverage. NOTE: Within this cohort of readers there are both “light” and “heavy” readers.

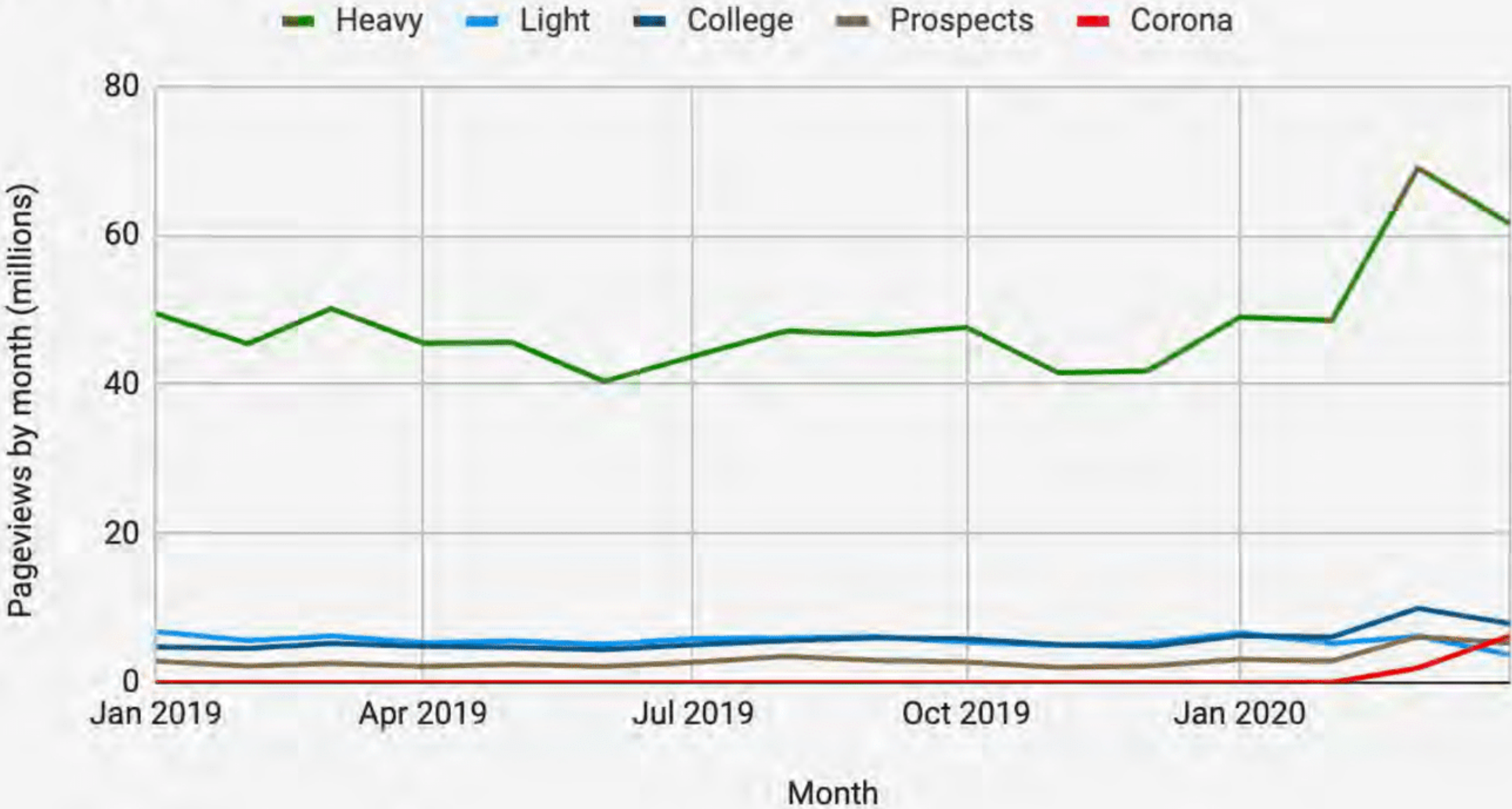
<sup>6</sup> For the content review, we have defined “Light” as being the two lightest cohorts that Membership looks at. Membership breaks what we call the “Light” cohort into two groups—one group with one to five active days per month and another group with six to 10 active days. Our “Light” group includes readers with one to 10 active days, combining those two groups.

<sup>7</sup> For the content review, we have defined “Heavy” as being the two heavier-use cohorts that Membership looks at. Membership looks at a “Mid” group with readers who are active 11 to 15 days per month and a “Super” group of readers who are active 16+ days per month. Our “Heavy” group includes people with 11+ days, combining those two groups.



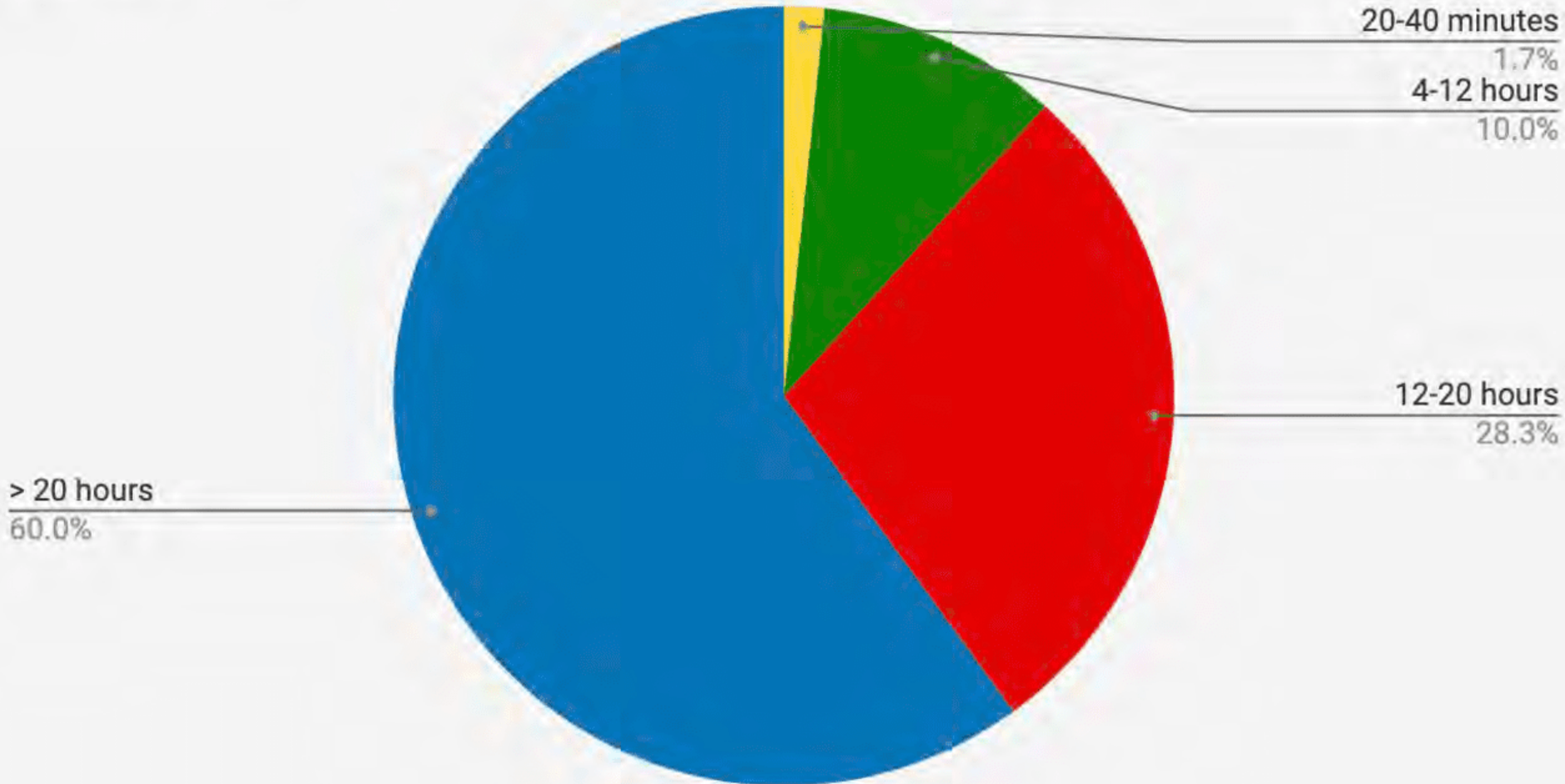
# Chapter 5: Who Are Our Audiences?

Heavy Users Account for the Majority of WSJ Traffic



As noted in the introduction to this report, heavy subscribers make up the vast majority of our pageviews.

How Much Time do You Spend Consuming WSJ Journalism Each Month?



And, as a side note, we need to keep in mind that WSJ journalists tend to be heavy readers. The above demonstrates what **members of the newsroom** said in our survey about their time spent per month.

Keep in mind: When you think of your own tastes and predilections, you are most likely a “heavy” reader!



## Chapter 5: Who Are Our Audiences?

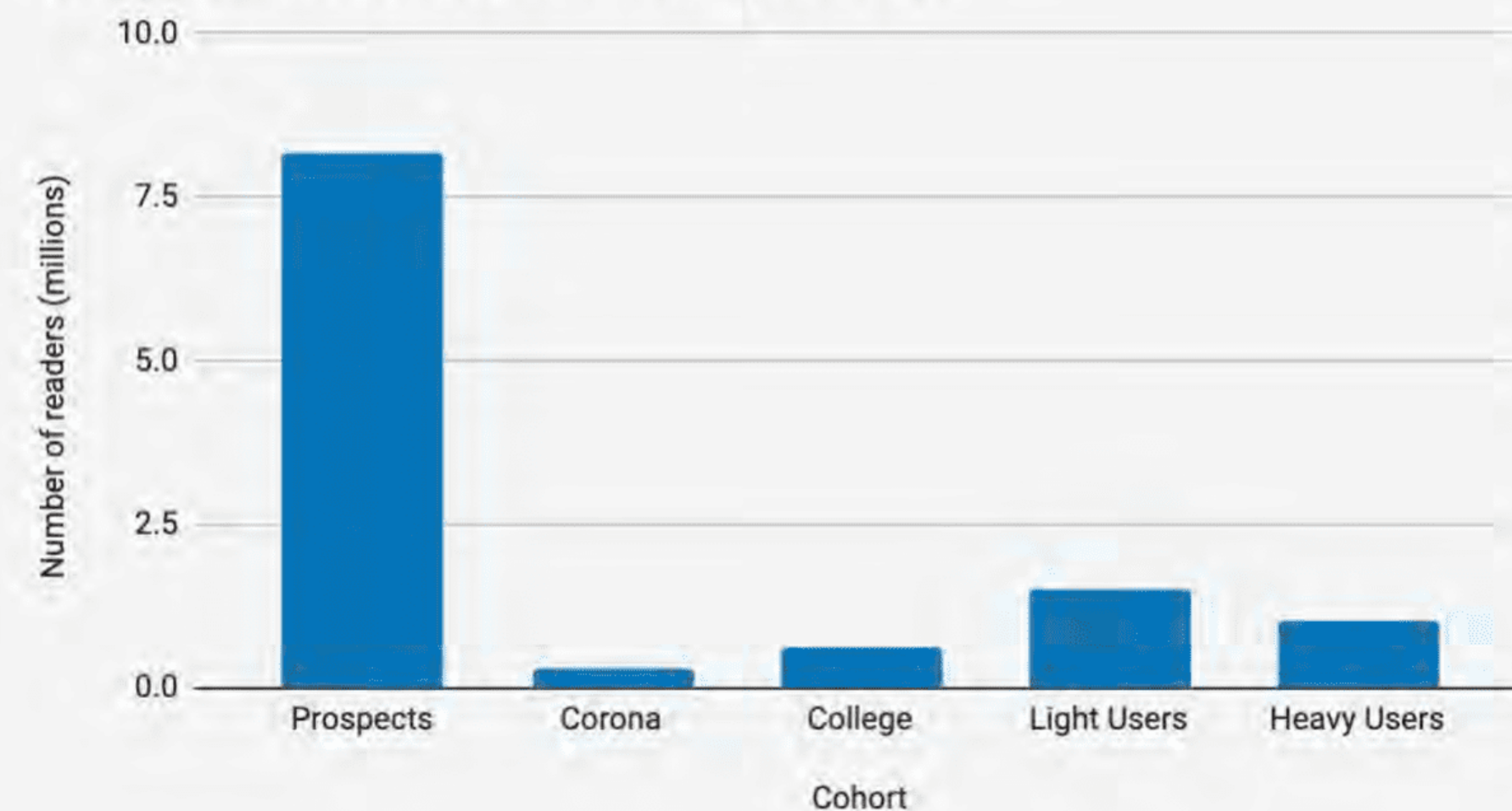
# Given that heavy readers make up the vast majority of our pageviews, you might ask: Why do the other readers matter?

Here are several reasons:

1. There are only 349,000 “heavy”<sup>8</sup> readers—making up 37% of our subscriber base. From a financial standpoint, their subscriptions alone would not sufficiently support our business. (Recall from Chapter 3 that the churn rate is extremely high for our light readers.)
2. We have a clear opportunity to improve our retention by adjusting our content and experience to improve engagement among our “light” readers.
3. Our most loyal base of heavy readers tends to be older. We need to think about new and different audiences to plan for the future.
4. The tastes of heavy readers can diverge from the tastes of light readers.
5. To have impact with our work, it needs to be part of the broader societal conversation. In the internet era, that means our journalism needs to generate attention from more than our heavy readers.

Take a look at the breakdown of how many readers are in each of these cohorts:

Wall Street Journal Readers, by Cohort



Data from January 2019 - May 2020

<sup>8</sup> In this report, as explained earlier, we are considering “heavy readers” to be the two Membership categories of “super” plus “mid” users.



## **Chapter 5: Who Are Our Audiences?**

**We need our journalism to resonate with a large audience. Chasing the tastes of heavy users is not going to get us there.**