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# DIGITAL MARKETING AHEAD OF THE CURVE

SEPTEMBER 4TH 2014

## What is The Economist for?

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THE ECONOMIST WAS FOUNDED IN 1843 TO  
CHAMPION THE CAUSE OF FREE TRADE.

We have a long history, but we have always been focused  
on the future.

An aerial photograph of Shanghai, China, taken at sunset. The sun is low on the horizon, partially obscured by dark, heavy clouds. A brilliant beam of golden light breaks through the clouds, shining down over the city. The Huangpu River flows through the center of the frame, with several boats visible. In the foreground, several modern skyscrapers are visible, including the Oriental Pearl Tower on the right. The overall scene is a mix of deep blues, oranges, and yellows, creating a dramatic and atmospheric setting.

WE SEEK TO BE THE BEST GUIDE TO THE FORCES  
THAT SHAPE THE FUTURE.

The  
Economist

Thinking about the future is the core of what we do

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THREE GLOBAL TRENDS  
ARE SUPPORTING OUR  
READERSHIP GROWTH:



# Technological change makes it more important to know what's next

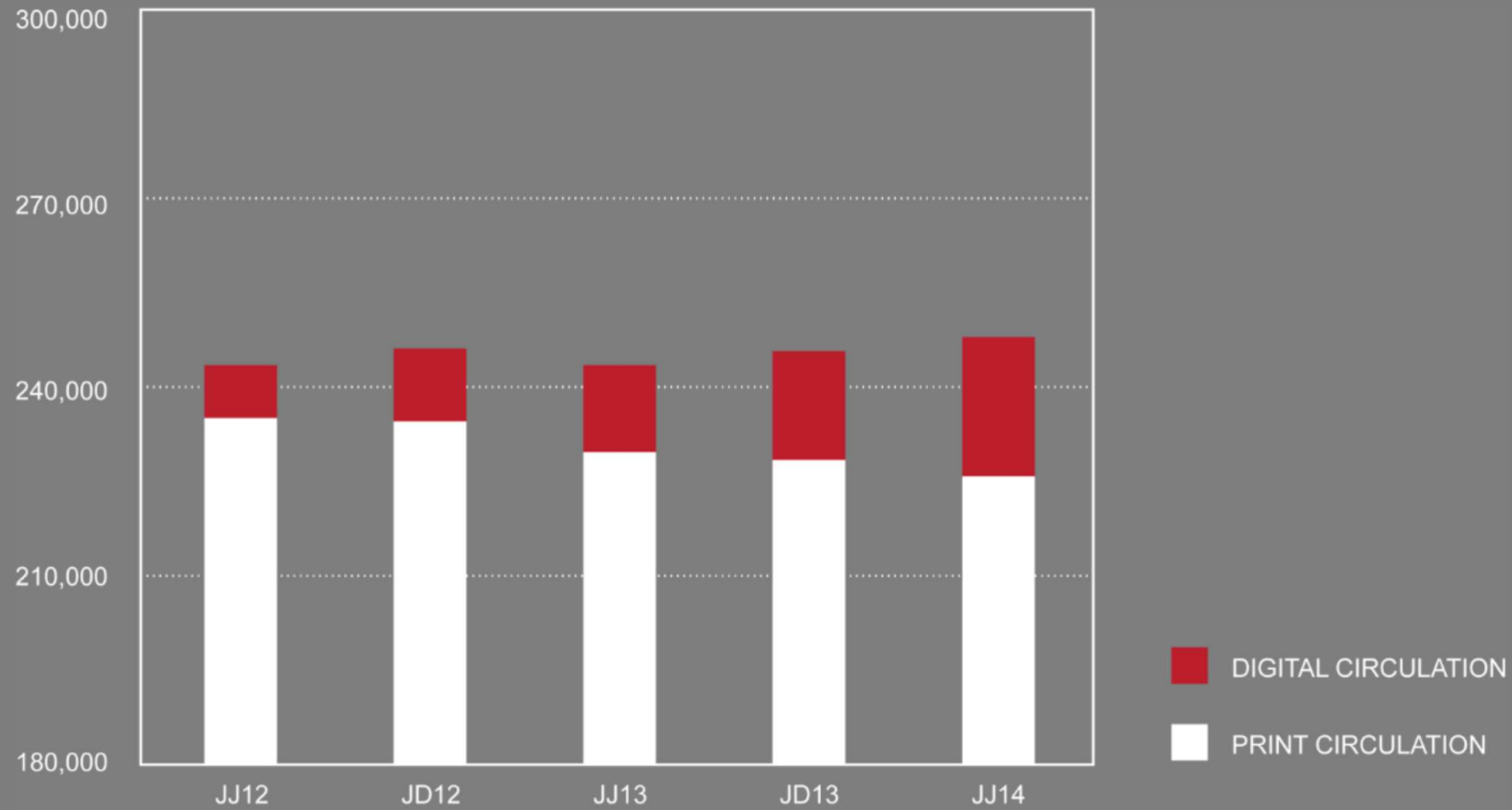


CHART: CIRCULATION IN CONTINENTAL EUROPE

And now our marketing is future-orientated and digital

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OUR STRATEGY IS TO:

PURSUE DETERMINEDLY.

BE ALWAYS ON FOR  
OUR PROSPECT POOL

MEASURE CONSTANTLY.

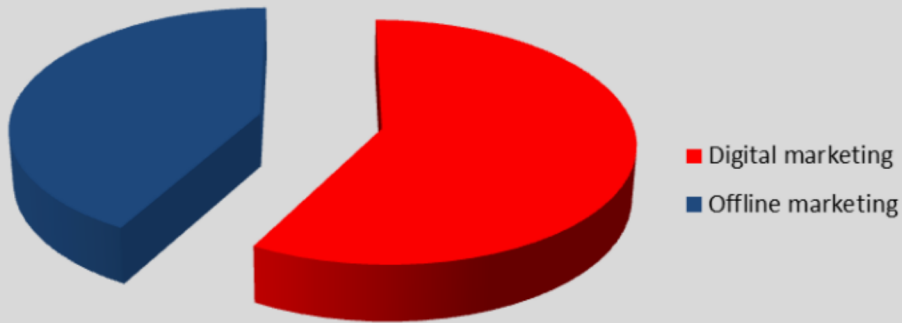
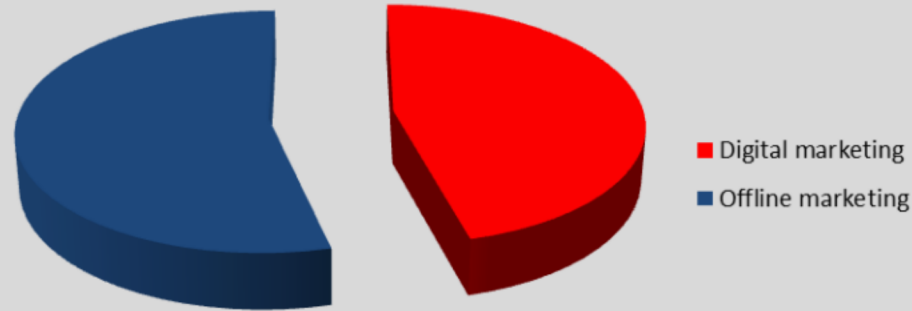
GAUGE PERFORMANCE

OPTIMISE ACTIVELY.

FINE TUNE IN REAL TIME

This shift to digital is noticeable in our results

IN 2010, 54% OF SUBSCRIPTION ORDERS GENERATED IN EUROPE WERE THROUGH OFF-LINE CHANNELS



IN 2014, THIS BALANCE HAS FLIPPED AND NOW 58% OF SUBSCRIPTION ORDERS ARE GENERATED THROUGH DIGITAL MARKETING EFFORTS

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GLOBALLY, WE HAVE REDUCED  
ACQUISITION COSTS BY 28% AND  
DELIVERED 15% MORE SUBSCRIBERS  
THROUGH DIGITAL MARKETING IN 2014.

## Our business model is a solid foundation for our marketing

- **TIGHT FREEMIUM BUSINESS MODEL** ENCOURAGES READERS TO SUBSCRIBE EARLY
- **OUR PAY BARRIER ON ECONOMIST.COM** KICKS IN AFTER 1 ARTICLE FOR REGISTRATION, AND 3 FOR PAYMENT
- WE CHARGE A **20% PREMIUM FOR A SUBSCRIPTION** THAT INCLUDES PRINT AND DIGITAL
- OVER 50% OF NEW CUSTOMERS CHOOSE THE **PREMIUM PRODUCT TYPE**
- WE MARKET “AGNOSTICALLY”, GIVING OUR CUSTOMER THE CHOICE



What we don't do is irritate our potential readers – we engage with them

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STRONG SOCIAL  
MEDIA PRESENCE

FREQUENCY CAPS ON  
SOCIAL MEDIA MARKETING

A BALANCE OF CONTENT  
AND OFFER-LED CREATIVE

We follow a 2-phased approach in our digital marketing

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BRAND-RESPONSE LEAD  
GENERATION PHASE

CONVERSION-LED PHASE:  
DIGITAL RESPONSE  
MARKETING

**TEST. SUCCEED OR FAIL. LEARN QUICKLY.**

## Social media is where brand and digital response marketing meet

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- SOPHISTICATED AD PLATFORM WITH VARIETY OF PRODUCTS AND TARGETING OPTIONS
- **THE ECONOMIST HAS OVER 3 MILLION FOLLOWERS**



- VARIETY OF TARGETING OPTIONS, NEW AD PRODUCTS BECOMING AVAILABLE
- **THE ECONOMIST HAS OVER 4.5 MILLION FOLLOWERS**



- ONSITE BANNER ADVERTISING
- **THE ECONOMIST HAS OVER 68,000 FOLLOWERS**



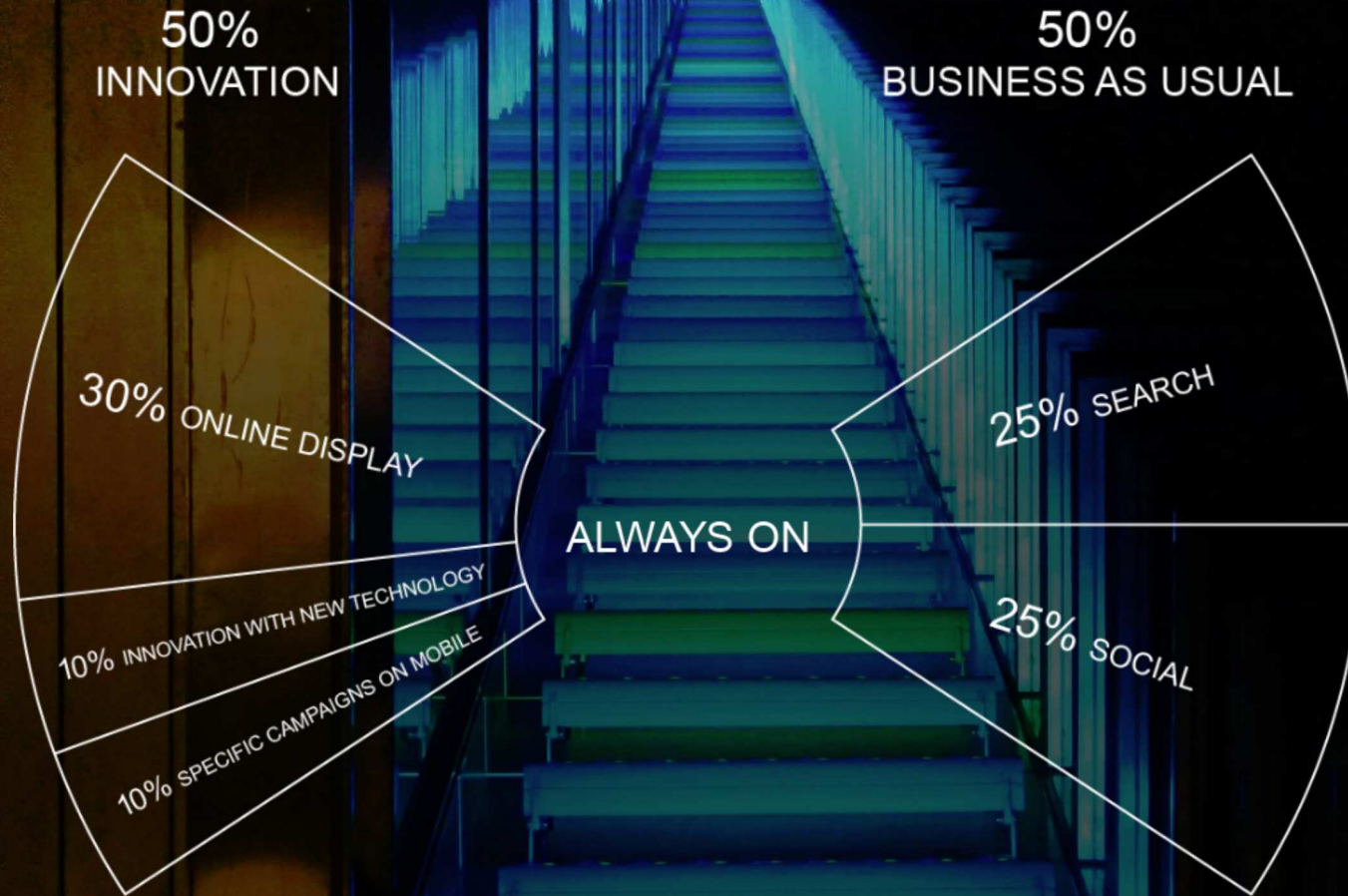
- AD PLATFORM IS IN DEVELOPMENT AND IS IN TESTING
- **THE ECONOMIST HAS OVER 3.8 MILLION FOLLOWERS**



- OPPORTUNITIES VIA ADWORDS
- **THE ECONOMIST HAS OVER 60,000 SUBSCRIBERS**

# Digital marketing runs with layers of innovation on a bedrock of “always on”

OUR MARKETING BUDGET IS SPLIT AS FOLLOWS:



# Engagement with content improves conversion

CONTENT-LED  
MARKETING

CONTEXTUAL  
PLACEMENT

CONTENT VIEWS

ACQUISITION

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WEB BANNER AD WHICH  
FEATURES A  
SUBSCRIPTION OFFER  
AND A TEASER TO SEE  
MORE CONTENT ON FIFA  
WORLD CUP

BANNER SHOWN ON  
EXTERNAL WEBSITES  
ALONGSIDE NATIVE  
SPORTS RELATED  
CONTENT

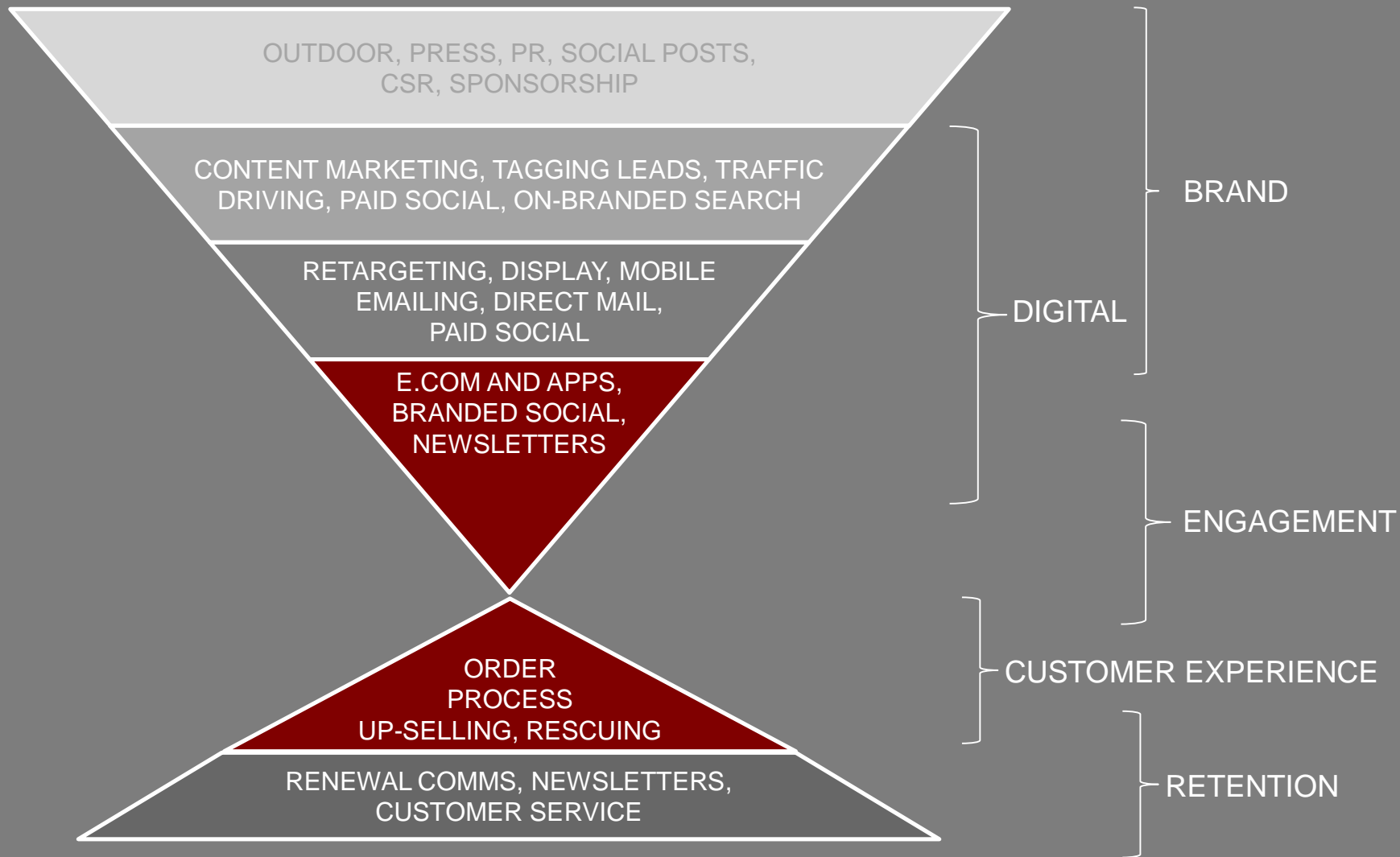
LEADS TO ECONOMIST  
ARTICLE ON  
CORRUPTION WITHIN  
FIFA ALONG WITH  
SUBSCRIPTION OFFER

LEADS TO ECONOMIST  
SUBSCRIPTION PAGE

DATA MANAGEMENT TOOLS

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Economist

# Our marketing is a data-driven funnel with content in the center



DATA MANAGEMENT TOOLS

## How does Germany respond to digital marketing?

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STRONG ENGAGEMENT

DIGITALLY-SAVVY STUDENTS

FACEBOOK OVER TWITTER

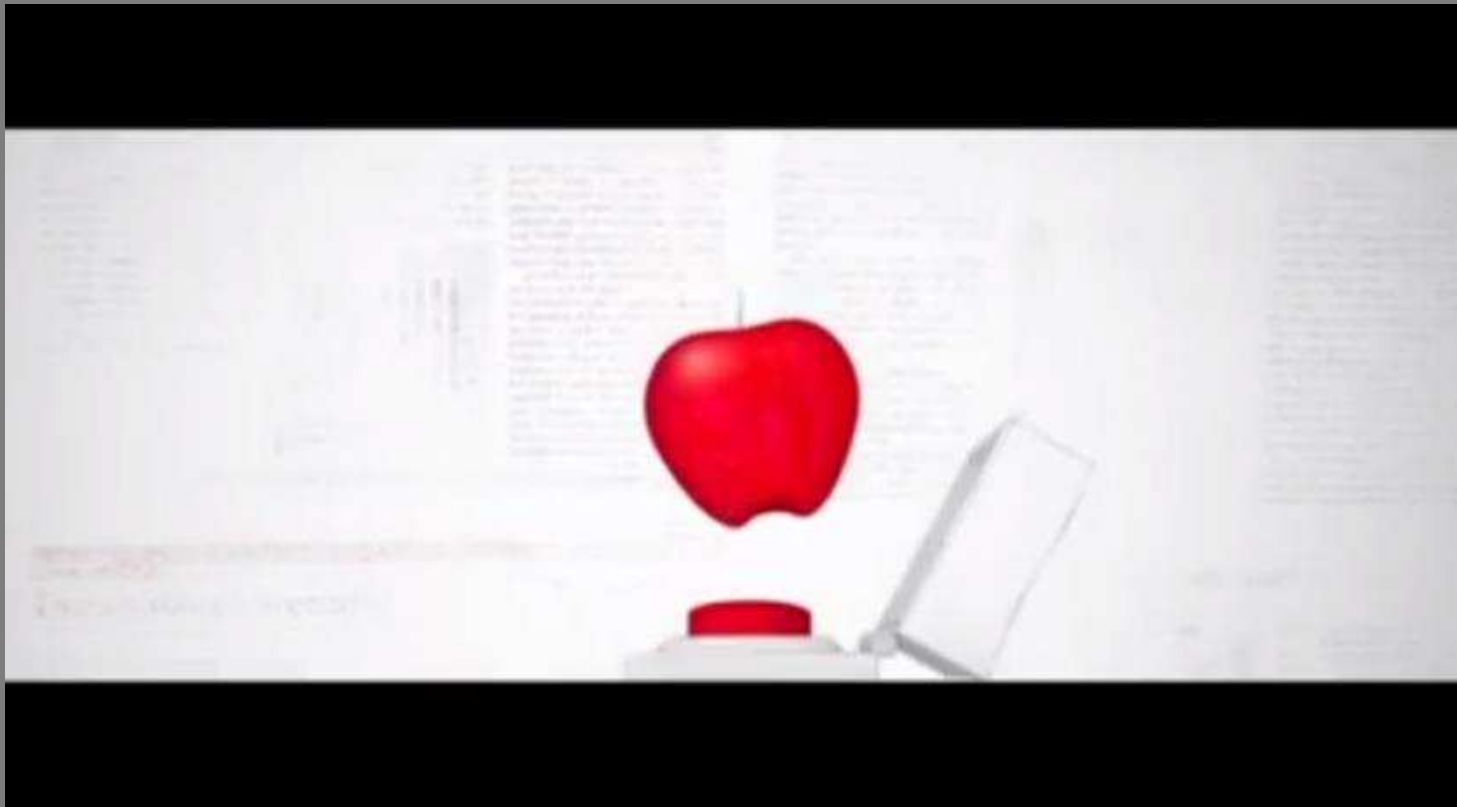
LOW WILLINGNESS TO PURCHASE FROM MOBILE

**THE CONVERSION PROCESS IN GERMANY IS A  
CONVERSATION THAT TAKES TIME.**

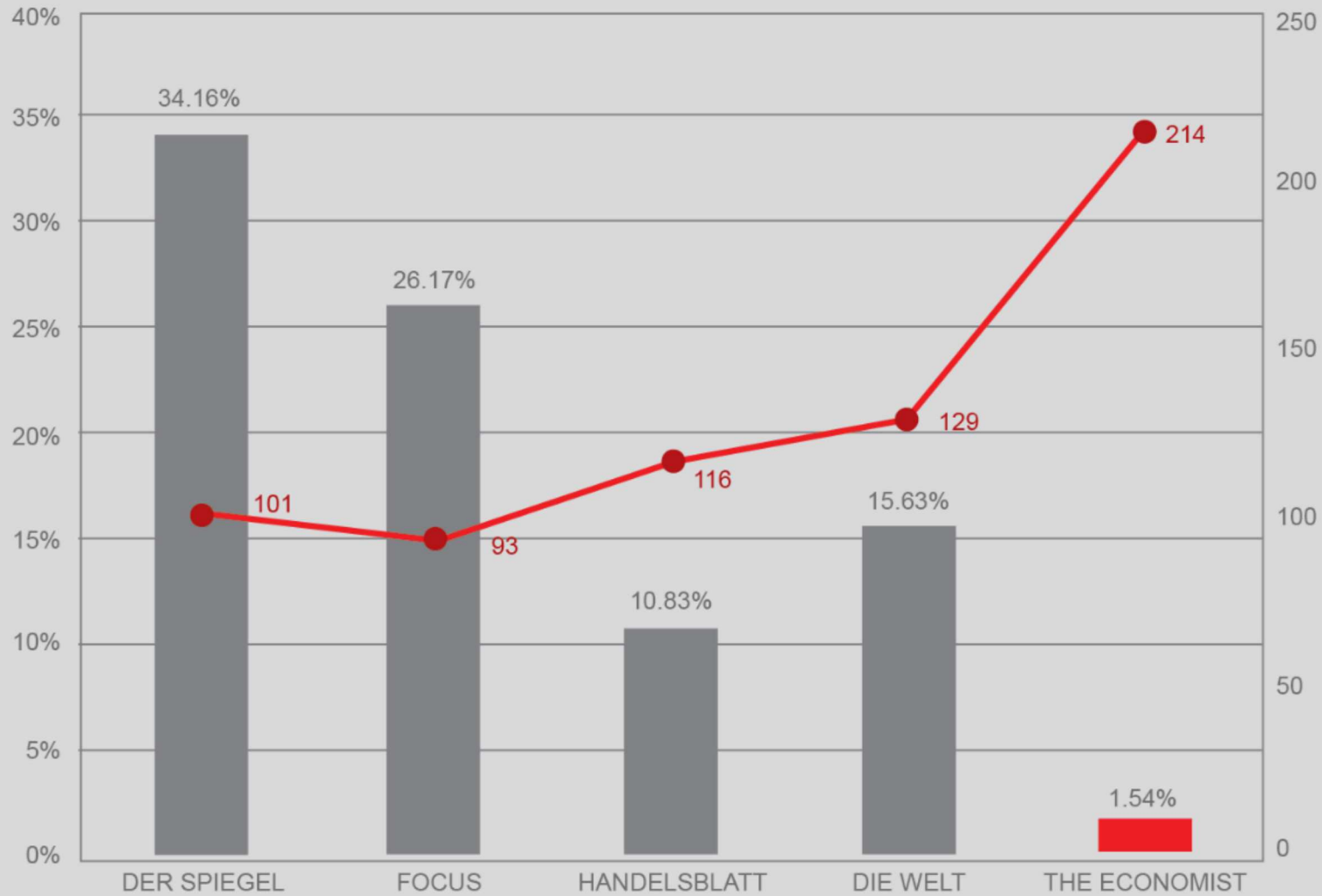
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## One example test in Germany: digital pre-roll video

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# Digital video consumption in Germany has a high affinity with our TA



# Pre-roll video delivered strong view through rates in Germany

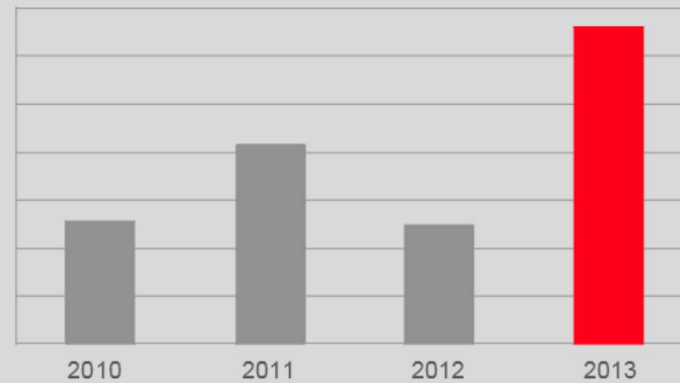
GERMANY		SWITZERLAND	
Zattoo.de	Omnispot	Zattoo.ch	Teleboy
IMPRESSIONS DELIVERED			
54,848	1,721,251 <b>+4%</b>	89,274 <b>+4%</b>	70,068 <b>+1.5%</b>
VTR			
<b>95%</b> Average Benchmark: 70%	<b>77%</b>	65% Average Benchmark: 60%	46%
CLICKS CTR			
810 <b>1.48%</b>	17,649 <b>1.03%</b>	1,249 <b>1.40%</b>	3,546 <b>5.06%</b>

ENGAGEMENT TIMES IN GERMANY ARE HIGHER THAN IN ANY OTHER MARKET.

## Our results in Germany



ECONOMIST SUBSCRIBERS IN GERMANY



BY FOCUSING ON DIGITAL MARKETING, SUBSCRIPTIONS IN GERMANY ARE GROWING

GERMANY NOW REPRESENTS 26% OF PAID SEARCH ORDERS IN EUROPE, DUE TO OUR ACTIVE DIGITAL MARKETING MIX

## Digital marketing ahead of the curve needs

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- **CONSTANT ACTIVITY USING THE FULL DIGITAL MARKETING MIX TO BE “EVER-ON”**
  - RETARGETING, SOCIAL, SEARCH, AFFILIATE NETWORKS
- **PROSPECT POOLS GENERATED BY ENGAGEMENT WITH OUR CONTENT AND INNOVATIVE MARKETING ACTIVITY**
- **DATA TOOLS TO CONSTANTLY MEASURE AND ACTIVELY OPTIMISE**

**AND INVESTMENT, FOCUS AND TOLERANCE OF FAILURE**