The KrehbielLetter

Two New Year's resolutions for publishers

#1. Before I collect any data on my customers, I will write a customer-facing explanation of why it's good *for them* for me to have that info.

Consumer privacy concerns include the sentiment that they and their data are not a product for you to sell. There are also issues of trust and consent. I.e., I didn't give you permission to collect this data, and I don't trust what you're doing with it.

Some privacy legislation requires companies to get consent before they store data, which has resulted in the somewhat ubiquitous and rather ridiculous "accept all cookies" pop-ups.

Let's face it. **Data collection has become dishonest.** We push the boundaries of what we can get away with, and we hide the extent of our snooping. **Common industry practices create an adversarial relationship with customers**, and that's not good business.

To get out of that mental rut, **make a habit of stating why it helps the customer for you to have the bit of data you're collecting**. You don't have to show it to your customer (yet), but the exercise will steer you away from being a sneaky bastard.

#2. In the first quarter of the year I will take a serious look at micropayments.

The days of a minimum credit card purchase are over. You can buy a stick of gum with your card. Why not an article or a video from a website?

Unfortunately, fees and T&Cs often make micropayments a bad deal for publishers. The worst is when the vendor (not the publisher) gets the customer information.

This is what I would want to see in a micropayment strategy for a content provider.

1. The content to be purchased is decently long. Not just an article on a website. (In which case the consumer will simply find it elsewhere.)
2. The publisher gets the purchaser's information -- which is more valuable than the price of the content, and the real reason for doing micropayments.
3. The publisher has an upsell for the content purchased.
4. The first few "purchases" are free. E.g., if you register, you get a $10 voucher.

It doesn't matter if the transaction is managed in the publisher's store, or with a vendor, provided the publisher gets the customer data.

Don't allow things you heard ten years ago to prejudice you against micropayments. Take a fresh look.

> **Takeaways:**
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> - Don't make data collection adversarial. Create a culture where data collection is part of your service to your customers.
> - We make micropayments all the time. Why not use them in publishing?

Thoughts on paywalls

Publishers erred when they relied on ad revenue and put their content on the internet for free. That revenue model isn't stable, and (worse) it created an assumption that digital content should be free. Now that ads aren't providing enough revenue, **publishers have to push back against consumer expectations of being entitled to free content**.

A publisher with the gall to ask for money for its professionally created content has to keep that attitude in mind. **Some portion of your market will be offended and annoyed by your paywall**, no matter how well you do it.

Think of your market in three groups:

1. Those who will never pay for content,
2. Those who will reluctantly / grudgingly pay for content, and
3. Those who think it's a fair exchange.

Note that I didn't include a group that wants to "support journalism" or anything along those lines. That seems like an editorial fantasy to me.

Group #1 will try to get past your paywall, and many of them will, no matter how hard you hard try to stop them. **Don't obsess over tightening your paywall to stop the cheaters. Focus on creating a positive relationship with those who are willing to pay you.**

Make the experience friendly, and focus on benefits. Deal with people who are willing and happy to deal with you.

Along these lines, almost a year ago I spent some time evaluating newspaper paywalls and was somewhat shocked at what I found. You can read my analysis and suggestions using the QR code to the right, or go to krehbielgroup.com and search for "How newspapers can get more subscribers."

> **Takeaways:**
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> - Publishers created the expectation that content should be free.
> - Don't waste much time battening down your paywall.
> - Make it easy and pleasant for customers to do business with you.

Quick thoughts

- How deeply should you micro-manage people? Do you treat them like competent professionals, or do you get into their business and check their work? I'm not sure there's a one-size-fits-all answer. What do you think?

- If you want to understand contemporary issues, read old books. You have to get your mind outside the trap of modern assumptions. Future books would work just as well, but we don't have them. (The idea comes from C.S. Lewis.)

Front-end vs. back-end CDPs

Think of CDP capabilities this way: there are back-end functions and front-end functions. By back-end I mean the data collection, cleaning, and processing efforts to create the mythical "golden record." By front-end I mean the activations: managing paywalls, displaying special offers to discrete audiences, personalization, and so on.

You may only need the front-end.

To figure this out, **start with your use cases**. What do you want to do for your customers?

Next, **determine how important it is in each use case to have one record for each customer**. It might not matter as much as you suspect.

For example, how much do you care if someone purchases an article on Tuesday using one email address, and on Thursday using another? Is it important to merge records based on personal identity (i.e., one person has one record with multiple emails), or is it just as useful to merge records based on the email address, or some other identifier?

Again, if you're managing consent, does it matter to you if the same person has elected different levels of consent on their iPad and their phone?

Merging customers across devices and platforms is a very powerful tool when you want to manage a subscription. But it can limit other options. **Don't start with the assumption that you have to merge all your data. Start with use cases that will drive revenue and a better experience for your customers and build from there.** If you find that you don't need to create one record for one person, don't pay for that capability.

> **Takeaways:**
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> - Conceptualize CDP functions as back-end and front-end.
> - Start with use cases and leave aside big-picture ideas about customer records.

From webinar to article using AI tools

You've created a great webinar on a topic that your market loves, and now you're wondering, "what else can I do with this?" You'd like to create an article for your website or e-newsletter, but that uses up editorial time. You could hire a freelancer, but that will take time, and it might not be worth the cost.

Try this. Use AI to convert audio content to text.

There are several tools that will create a transcript of your webinar. They're not perfect, by any means, but they're good enough for what we're going to do with them. Consider using Descript or otter.ai.

Once you have your AI-generated transcript, consider cleaning it up, adding additional information, and organizing it into sections, with subheadings, as appropriate.

At this point, you could add some video or images from the webinar and publish the transcript. But **if you want a shorter, summarized version, use AI a second time**.

> **Takeaways:**
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> - AI-generated transcripts are good enough for some uses.
> - ChatGPT can turn your transcript into an article.

Drop your transcript into ChatGPT, Jasper.ai, or tldrthis.com, to create a summary. If the summary of the entire transcript is too short, enter the transcript in smaller pieces and get summaries of each section.

Now you have the basics of an article. It won't be perfect, and it will still require some human work. But it's a lot better than asking an editor to listen to the whole webinar and write a story about it.

AI isn't ready to do the whole job, but **you can use AI to increase editorial efficiency**.

Is attention a legit metric, or ad-sales smoke?

In the last issue, I mentioned why we should be skeptical of 3rd-party advertising claims. Along those lines, **is attention measurement a real thing, or is it another way for the ad sales industry to snow people with BS metrics?**

> **Takeaways:**
> - Don't buy into "attention" quite yet.

Some "attention measurement" technologies require special apps and permission to track eye movements. Are people going to allow that? Zuckerberg famously puts tape over his laptop camera, and I don't think people are in the mood to give up even more privacy.

There are other options for phones, but at this point, I'm not sold on "attention."

Don't be fooled by "print vs. digital" metrics

It's such an old issue you might expect we'd be pros at this by now, but I continue to see serious, professional publishers making decisions about print and digital based on shallow metrics, like "we'll save all the money we spend on printing and mailing."

Please. There are so many other things to consider.

Are print or digital subscribers more likely to renew? If your business relies on renewal revenue, you'd better know that before you start pushing people to digital.

Do you have the tech to track digital engagement? Engagement is the lifeblood of a digital subscription. Make sure you can track it effectively.

Is it easier to cross- and up-sell on print or on digital? Many publishers rely on their ability to sell across their catalog. Does that work equally well in different mediums?

In short, **don't assume the business practices and metrics you've used in print will transfer automatically to digital.** Review the Key Performance Indicators of your publishing business and make sure you can track them in a digital environment.

Much of the analysis I see is far too simplistic. If you're in the middle of this question or making a transition, please give me a call.

Call me at 240-687-1230, or visit krehbielgroup.com.