

## Module 3: Monetization

[00:00:08] **Caroline Porter** Hi everyone, Caroline Porter here. Thank you so much for joining us today. This is video two in module three, and we are going to get into pathways to monetization which is, obviously, a very important subject, because we need sustainable news organizations to continue the work. So without further ado, I'm going to share my slides.

[00:00:26] **Caroline Porter** OK so today, paths to monetization, how tiny bets can become big bets. We are going to cover three things today. First, some key concepts to consider when you're thinking about revenue streams. Second, a menu of options, and three examples.

[00:00:44] **Caroline Porter** So let's jump into it here. Concepts to remember. Habits, I'm sure you all are pretty familiar with this, but for example, let's say you wake up in the morning. What is the first thing you reach for? Perhaps it's your phone, maybe you check your email, maybe you go to a newsletter with the headlines, or in the afternoon, when it's time for your afternoon tea break and you want to read an essay that you love. These are all habits and they help us structure our day, obviously. The more that we can add newsletters or your editorial content to that structure, the more engaged readership we have and then the more success we have, especially in luring advertisers and potential sponsors or community members who want to be more involved in your work. So habits, that's important. Second, experimentation. In finding the right thing that works best for your news product, it's valuable to try things out and you can be direct with your readers about this and what you're doing. This third thing we want to mention are is the value of funnel and audience funnel is essentially the different ways that you can lead your readers toward becoming either subscribers or members, and the newsletters are an important mechanism on that path to becoming a member or subscriber. When you're thinking about revenue, it's important to keep in mind that funnel and how the different steps you can take that will ultimately show the value-ad, as we talked about in video one, of your newsletter and its content to your reader.

[00:02:23] **Caroline Porter** OK, so moving on. Our menu of monetization options. So, we categorized these options into three buckets, and the first bucket is what we're calling our business paths. So here are three examples. Classifieds, advertising and sponsorships. You may remember classifieds is something we brought up in our video one. Essentially, this is a great way to embed other people's advertisements within your own newsletter. You can charge a flat fee and make it pretty simple, but that's the first one. The second is advertising. We're all familiar with this. You know, as you develop a strong relationship with your readers, it's that much easier to target the appropriate businesses who would be interested in reaching those readers and proving why advertising with your newsletter is a positive thing. Sponsorship, this is when you have an entity that's willing to sponsor the entirety of your newsletter, which is terrific in the sense that you can benefit from that in a regular and consistent way as you can with advertising, but sponsorship is also a great path for that.

[00:03:40] **Caroline Porter** So here's some examples. Classifieds, the example here you may recall from video one, and this is Ann Friedman's Classifieds. She was one of the first to use classifieds in her newsletter and, you know, has been very successful on that front. Advertising, so here this is The Wall Street Journal's COVID newsletter, and the third sponsorships you can see with Axios, the "Presented by Facebook" at the top with their masthead.

[00:04:07] **Caroline Porter** So now, the next bucket - readers. So here we're talking about gifts and donations. This is pretty straightforward, but this can be a one-off action by a reader, which can be great, and you can use your newsletter to actually build donation drives or campaigns, which is another neat thing. Depending, also, on how specific you want to get, you can even segment your email list and send specific donation drive letters to some and not to others. So that's one thing to consider, especially at different times of the year when people are used to giving. Second are paid subscriptions. An important thing to talk about with subscriptions is how there are definitely lots of ways to do this. So there are tiers, you can do paying for monthly or annual. Someone can have a free subscription, but then they can pay at one part. You can also become a member. So this is a good transition to membership, which is often when you get added perks. This is for the super engaged readers. They are your people who want to go to every community event, or they respond to your emails with feedback and tips and ideas. This is a really important segment of your email list to be paying attention to and finding out what is valuable to them and how that could lead to a revenue stream.

[00:05:38] **Caroline Porter** Here are some examples, so with gifts and donations, you can see this is the LAist, and you can see their "donate now" button. With paid subscriptions, you can see at the bottom, this is The New York Times. You can see "this newsletter is free, however, we encourage you to subscribe" so that's an example there. We're talking about how a newsletter can be a part of leading a reader down the funnel to becoming a member or a subscriber. Then the final is a membership example. So this is The New Tropic newsletter, and if you can read in that print, they talk about exclusive content and member-only goodies, things like that, which for your super readers is going to be highly attractive.

[00:06:20] **Caroline Porter** Our third bucket are community revenue streams. So here we're talking about merchandise. Who doesn't love a tote bag? I mean, come on, they're so useful. Also mugs, everyone loves a mug. But these actually are important, and we talk about merchandise in the interview with Delia Cai from Deez Links about some of the hiccups she experienced, so it's worth checking that out because merchandise can be valuable, you know, it's free advertising, but it's also not without its complexities too. Like all of these. Then community events, so here this is where you might partner with another community organization. This will not only extend your brand and show other forms of service that your newsletter, your content is providing, but it will also be an opportunity to perhaps benefit from some of the proceeds. Then finally pop-up newsletter. So here, let's say you have a complimentary newsletter that you'd like to put out that you could also generate revenue from. This is a way that you can build your community and then also build revenue.

[00:07:25] **Caroline Porter** So some examples. With merchandise, I mentioned Deez Links. You can see those tote bags with community events. This is Girl's Night In, and they do an excellent job of bringing the community from the newsletter into other arenas. Then finally, we have the Telegraph's The Good News newsletter, which was a special newsletter that came up in the pandemic that is obviously bringing in readers, and perhaps providing a different point of view. Sarah Ebner is someone who Joseph also interviewed, so keep an eye out for that.

[00:08:02] **Caroline Porter** OK, a recap. Key concepts, habits: critical. With monetization options, try it out and mix it up. Some examples, definitely respond to your audience, find out what is of interest to them, then lean into that and it doesn't hurt to ask questions.

[00:08:19] **Caroline Porter** So next up, we're going to talk about how you actually can implement some of these ideas and we'll provide some examples there.