TRANSFORMATION IN PROGRESS
How Grupo RBS is finding its way into digital
Andiara Petterle
Vice-President of Product & Operations
News and entertainment for TV, radio, newspaper and digital platforms

One of the largest multimedia business groups in Brazil

3 regional and local newspapers

60 years of operations in southern Brazil

Impacts

11MM people monthly
OUR TRANSFORMATION MANTRA

The right PEOPLE in the right place
CONSUMER is our king

Digital subscription ONLY
We are LOCAL for LOCALS
We are obsessed about MARGIN
TRANSFORMATION TIMELINE

- **New management**
  - 2016
  - Paywall
  - Strategy focused on subscriptions
  - ZH Tablet
  - Divestment of 5 local papers

- **Business and operational integration of newspapers, radios and television**
  - 2017
  - Focus on digital-only subscription
  - Premium pricing for print
  - Launch of gauchazh.com integrating radio and newspaper

- **Brand repositioning Corporate culture**
  - 2018
  - Newsrooms integration with newspapers and radio news
  - Sports integration
  - Focus on consolidating gauchazh.com

Other initiatives:
- **2016**
  - New marketing and sales integrated team

- **2017**
  - Business and operational integration of newspapers, radios and television
  - Focus on consolidating gauchazh.com

- **2018**
  - Brand repositioning Corporate culture
  - Newsrooms integration with newspapers and radio news
  - Sports integration
  - Focus on consolidating gauchazh.com
THE STATE OF NEWSPAPERS BUSINESS AT RBS

19% EBITDA margin in 2017

Print advertising declining fast

Print is still a good business. Premium price is key to sustainability.

Digital is helping to grow subscription base
Every brand could have its own digital strategy and newspaper wouldn’t COMPETE with radio and television online.

Print readers would MIGRATE TO DIGITAL due to high prices and would stay there.

Integration was worthless and too difficult.

On digital space, they all compete. You had to strength the value of paywall. We decided to MERGE newspaper and radio.

Print readers WILL PAY higher prices to keep the habit. They stay less than 6 months if they migrate from print to digital only.

Integration is generating GREAT RESULTS either in higher revenues and efficiency.
DIGITAL: COSTUMER SEGMENTATION

- Need of Organization & Curatorship
  - LOW
  - INTERMEDIATE
  - HIGH

- Digital Adoption
  - SECONDARY TARGET
    - Traditional
  - MAIN TARGET
    - Digital Conservative
    - Go with the Flow
    - Digital Explorer

- 2016
- 2018

- Low
  - INTERMEDIATE
  - High
Print 6-day

- 6 editions per week
- 6-day home delivery
- Daily edition
- SuperWeekend Edition
- All digital access
- Membership

R$ 96,90 / month

Comparing

ZH Tablet

- 12 editions per week
- Daily interactive e-paper
- Exclusive Daily Evening edition
- Exclusive Sunday edition
- Interactive and Crosswords
- All digital access
- Membership
- 12-months lock-up plan

R$ 109,90 / month

Did it work? Partially

- Over 8,000 subscribers in the first year
- High product satisfaction among elders
- 70% migrated to digital basic plan on the second year
- Hard to keep up with new devices on the market
- Difficult relationship with Samsung
NEW DIGITAL PRODUCT: NEWSPAPER + RADIO

Two of the most credible brands in Brazilian journalism, Zero Hora and Rádio Gaúcha, joined forces in the digital universe to launch, in September 2017, the GaúchaZH platform, a site full of exclusive content, focused on proximity to the public, coverage of local issues and sports.

The digital unification, named after the co-branding, in addition to simplifying the search for reliable information, also seeks to combine the recognized depth of the newspaper Zero Hora with the instantaneousness of Radio Gaúcha. GaúchaZH delivers the best exclusive digital content to the public in one place, with modern design, focused on the user experience.
0 to 5 am

MOBILE
• Access to content in people's palm
• Online publishers doubled their audience in the last three years

7 to 11 pm

TELEVISION
• 92% of people watch TV at least 5x a week
• High and fast range
• 66% of Brazilians think that TV has never been as good as it is now

3 to 6 pm

CONSUMER JOURNEY
TOOL DRIVING
PRODUCTION AND
DISTRIBUTION

6 to 10 am

NEWSPAPER
• Means of communication with more exclusive attention
• Largest weekend reading
• RS is the state in which people most claim to read newspaper in the country

11 am to 2 pm

RADIO
• Simultaneous consumption to other activities
• Interactivity and instantaneousness
• Retention: presence in the listener's daily life

1st screen 2nd screen

DIGITAL
• 100% measurable and segmented communication formats
• Constant update of the facts

1st screen 2nd screen

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GAUCHAZH ECOSYSTEM

- Digital-Only Subscription
- Upselling / Retention
- Entry product / Upselling
- Engagement / Collaborative
- Entry product / Upselling
FREE
Access to 5 articles

SIGN WALL
*Total sum of access in articles: 7

PAID
Unlimited access

INCREASING CONVERSIONS ON PAYWALL
RESULTS

PRINT + DIGITAL

TOTAL

PRINT

-15%
10%
8%

DIGITAL-ONLY

186.7
158.7
174.5
188.5

172.3
136.9
113.4
97.6

14.4
21.8
61.1
90.9

10% -15%
8%

DIGITAL GROWTH = 85% CAGR
Content production designed to address the consumer journey needs by hour, topic and device

New newsroom shifts

Creation of Hour Editor, a position to coordinate hourly content distribution through all channels accordingly to the audience demand

ON AIR => DIGITAL => PRINT production flow
NEW BUSINESS MODELS:
EXPERIENCE BEYOND CONTENT

Multiplatform gourmet experience

NEWSPAPER SUPLEMENT
ONLINE
MOBILE
FOOD EXPERIENCE HOUSE
NEW BUSINESS MODELS:
EXPERIENCE BEYOND CONTENT

Sports bar to engage audiences in live sports shows
NEW BUSINESS MODELS:
EXPERIENCE BEYOND CONTENT

Women’s platform with a premium concept store to engage brands and costumers in a unique experience

WEEKLY MAGAZINE
ONLINE
DONNA BEAUTY POMPÉIA
LICENSED PRODUCTS
1. Organizational structure follows strategy. But sometimes you just need the right people in the right place in order to have a strategy.

2. Integration is hard, but it is really worthy. You can’t make transformation without changing culture.

3. Digital needs time to find the right model. Print can buy that time if well managed.

4. Understanding consumer journey is critical. Newsrooms need to adapt.

5. Reducing distribution costs => investments in journalism.
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