

**From:** Rachael Corn

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**To:** FRG-AFR Editorial-DL, FRG-Advertising Melbourne-DL, FRG-All Sales and Marketing Sydney-DL, Bob Fairless, "Peter Castle (SA)", Anthony Chapman, Pat Zinghini, Peter Sheriff, Mark Hobson

**Cc:** Rachael Corn

**Subject:** Message from Brett Clegg, Simon Anderson and Rajhev Rajkumar | Adoption of 'metered model' for [afr.com](http://afr.com)

**Message from Brett Clegg, Simon Anderson and Rajhev Rajkumar | Adoption of 'metered model' for [afr.com](http://afr.com)**

Colleagues,

As you know, this time last year we conducted a detailed review of our strategy, with particular focus on [afr.com](http://afr.com). We believed [afr.com](http://afr.com) was ripe for revitalisation and that included change across its pricing and paywall dynamics. And the results are coming through loud and clear.

Since the relaunch of [afr.com](http://afr.com) in December:

- Unique browsers (UBs) have grown every month and in October hit a record 1.2 million across [afr.com](http://afr.com), [brw.com.au](http://brw.com.au) and [afrmartinvestor.com](http://afrmartinvestor.com);
- From a distant third, [afr.com](http://afr.com) leads the Nielson ratings premium business category with a Unique Audience of 265,000 – that's up 147% on the same time last year;
- Our iPad app was launched in May and has had in excess of 56,000 downloads, winning the prestigious PANPA award for best news destination, while three weeks ago we launched in-app purchases; and
- Digital subscribers – spanning print/digital bundles and digital only – have nearly tripled to 22,630 and continue to grow at a rate well ahead of initial expectations.

As you know, stage one saw us lower the price and move away from the old 'hard' paywall where virtually all your content was locked. We moved instead to a 'freemium' model, where editorial judgement determines what is in front or behind the paywall. For example, categories such as opinion and technology were unlocked. The extraordinary growth in traffic and subscriber numbers - well ahead of plan - and has allowed us to move early to stage two: the meter.

We have analysed and tested all variations of paywall models and identified the metered model – one chosen by the likes of the *Financial Times* and *New York Times* – as the one most suitable for our high-quality and valuable reporting.

So what is a metered model? A meter allows casual readers and light users free access to our sites. As readers become more regular users, they are prompted to subscribe. At the *New York Times*, casual readers get 10 free articles a month before being asked to subscribe. At the *Financial Times*, they get 8 free articles a month.

There will be no change for subscribers, who will continue to enjoy unlimited access.

There are many benefits of a meter. It allows us to maintain growth in traffic from non-paying users in our premium decision-maker audience, which will allow us to continue our very strong advertising revenue growth. It also encourages more people to sample our websites and consider subscribing. And it removes the sometimes confusing process of deciding what articles are locked and unlocked from the News Desk.

The appointment of Danielle Harmer, who begins today in our Sydney office as Head of Product: Financial Review, positions us to adopt a meter for all our websites in the first half of 2013.

As Rajhev has said, Danielle joins us from the Big Apple where she was an integral part of the team at the *New York Times* that launched and maintained its very successful pay wall and digital subscription model.

She will lead the process of setting up the business rules for the meter – such as the stage at which users are asked to register, the number of free articles and how we can best align with the *Sydney Morning Herald* and *The Age*.

Best wishes,

Brett

Simon

Rajhev