



TRANSFORMATION IN PROGRESS

How Grupo RBS is finding its way into digital

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News and entertainment for TV, radio, newspaper and digital platforms



One of the largest multimedia business groups in Brazil



Impacts

11MM
people monthly



3 regional and local newspapers

60 years of operations in southern Brazil



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**

Grupo **RBS**

TRANSFORMANTION 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

● New marketing and sales integrated team

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

THE STATE OF **NEWSPAPERS** BUSINESS AT RBS

19% EBITDA margin in 2017

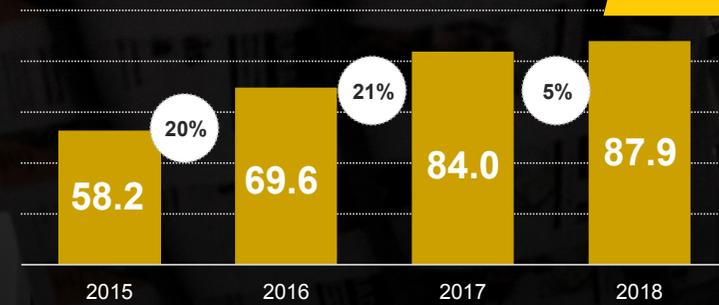
Print advertising declining fast

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

Digital is helping to grow subscription base

Print Average Ticket

CAGR +15%



Circulation Print + Digital

CAGR +0.3%



IN THE LAST 3 YEARS...



WHAT WE THOUGHT

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



WHAT REALLY HAPPENED

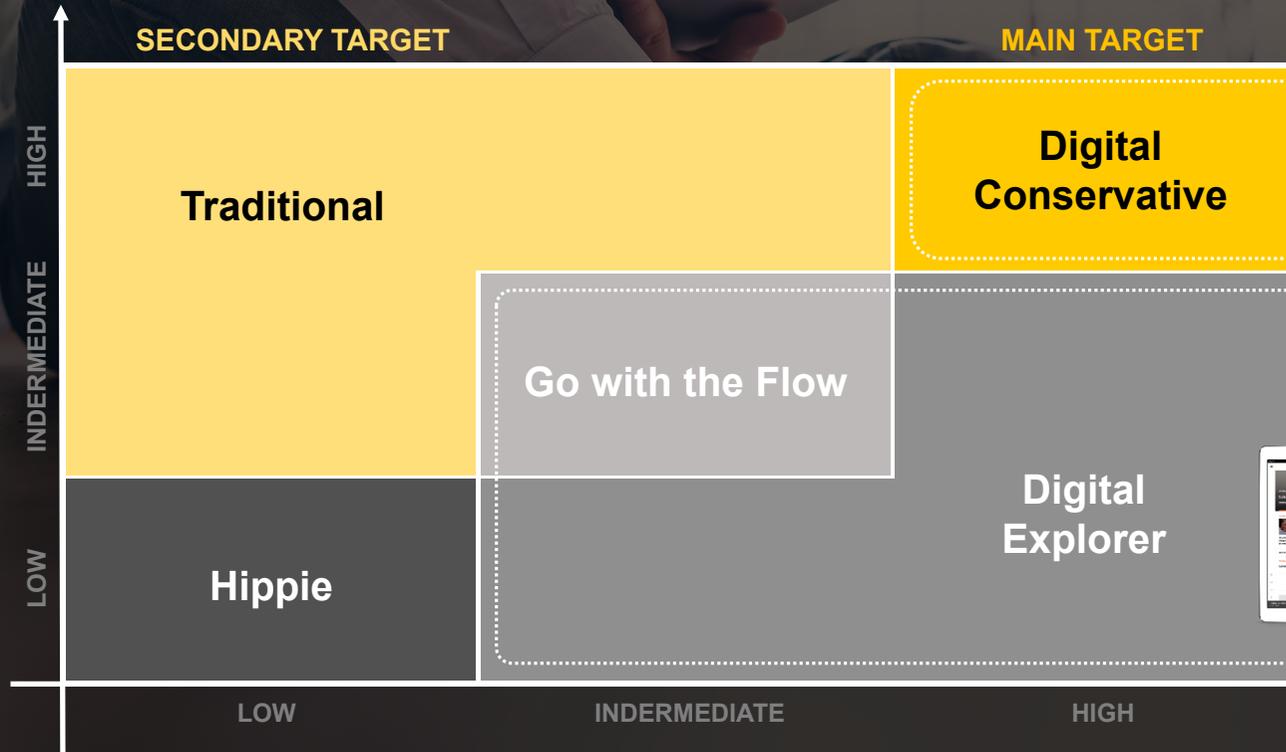
On digital space, they all compete. You had to strength the value of paywall. We decided to **MERGE** newspaper and radio.

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: CUSTOMER SEGMENTATION

Need of Organization & Curatorship



2016

2018



Digital Adoption



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**



- 4th largest quality newspaper in Brazil
- 188K subscribers
- 10MM unique users
- Paid content

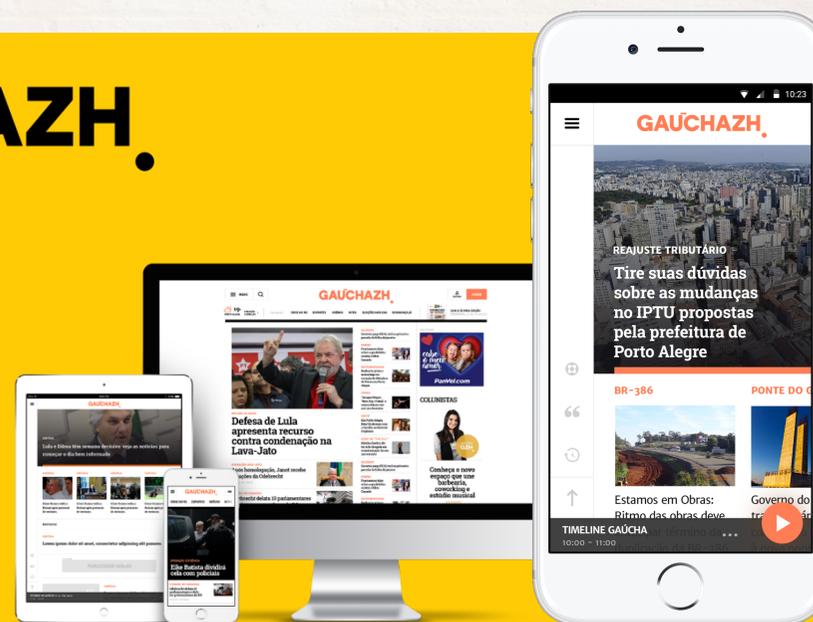


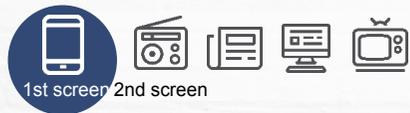
- Leader radio in south of Brazil
- News and Sports
- 1.2MM listeners per month
- 3MM unique users
- Free content

GAÚCHAZH.

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.





1st screen 2nd screen

MOBILE

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



1st screen 2nd screen

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

0 to 5 am

6 to 10 am



1st screen 2nd screen

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



1st screen 2nd screen

RADIO

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

7 to 11 pm

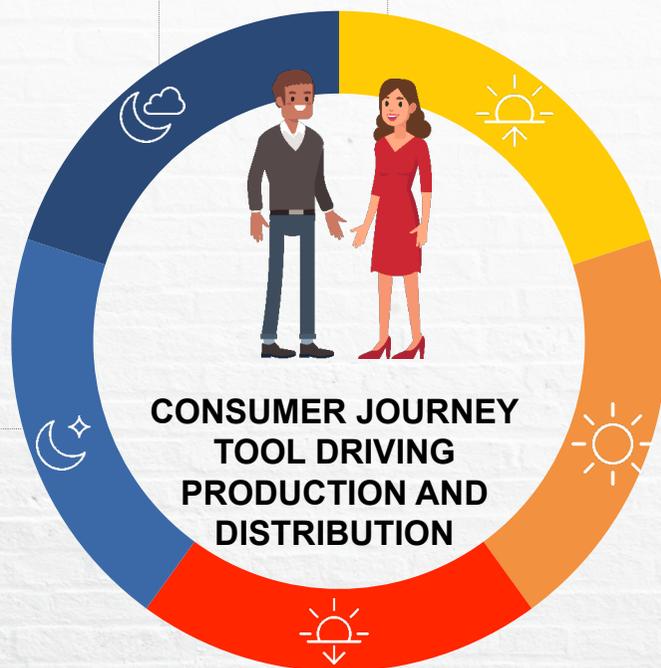
3 to 6 pm



1st screen 2nd screen

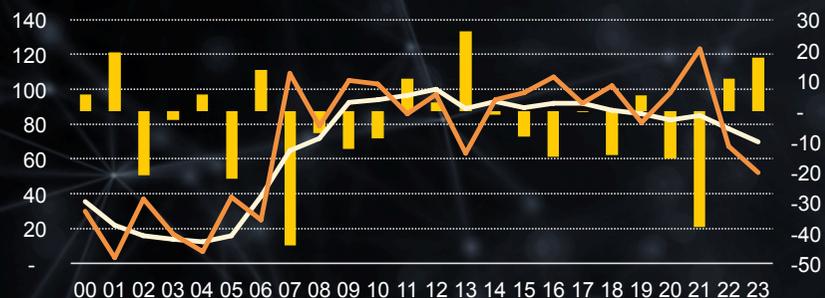
DIGITAL

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

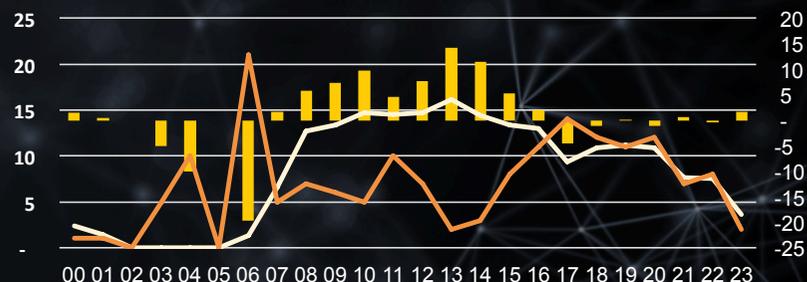


CONSUMER JOURNEY TOOL DRIVING PRODUCTION AND DISTRIBUTION

Breaking News



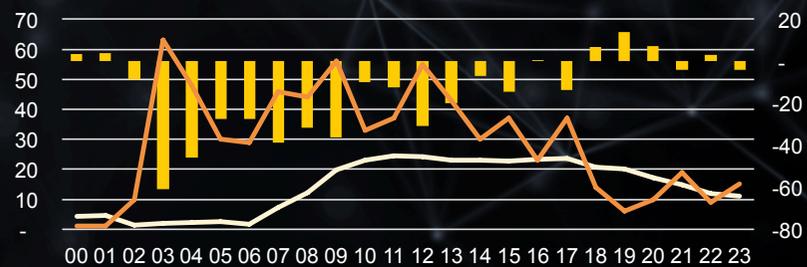
Hyperlocal



Sports



Entertainment



● Our production
 ● Audience
 ● Production gap

May/2017

Grupo **RBS**

GAUCHAZH ECOSYSTEM



GZH

Digital-Only
Subscription

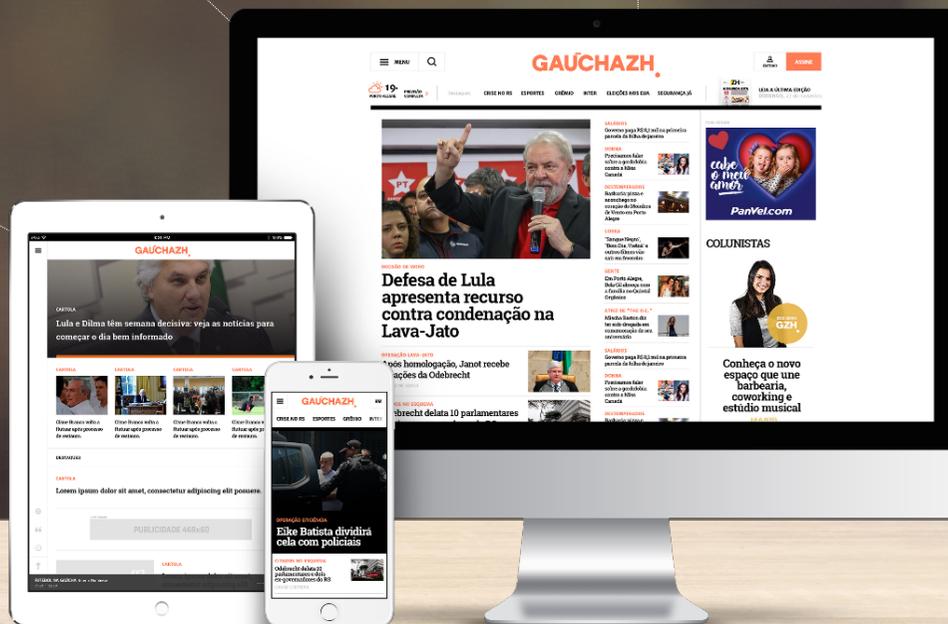
donna

Entry product /
Upselling

Engagement /
Collaborative



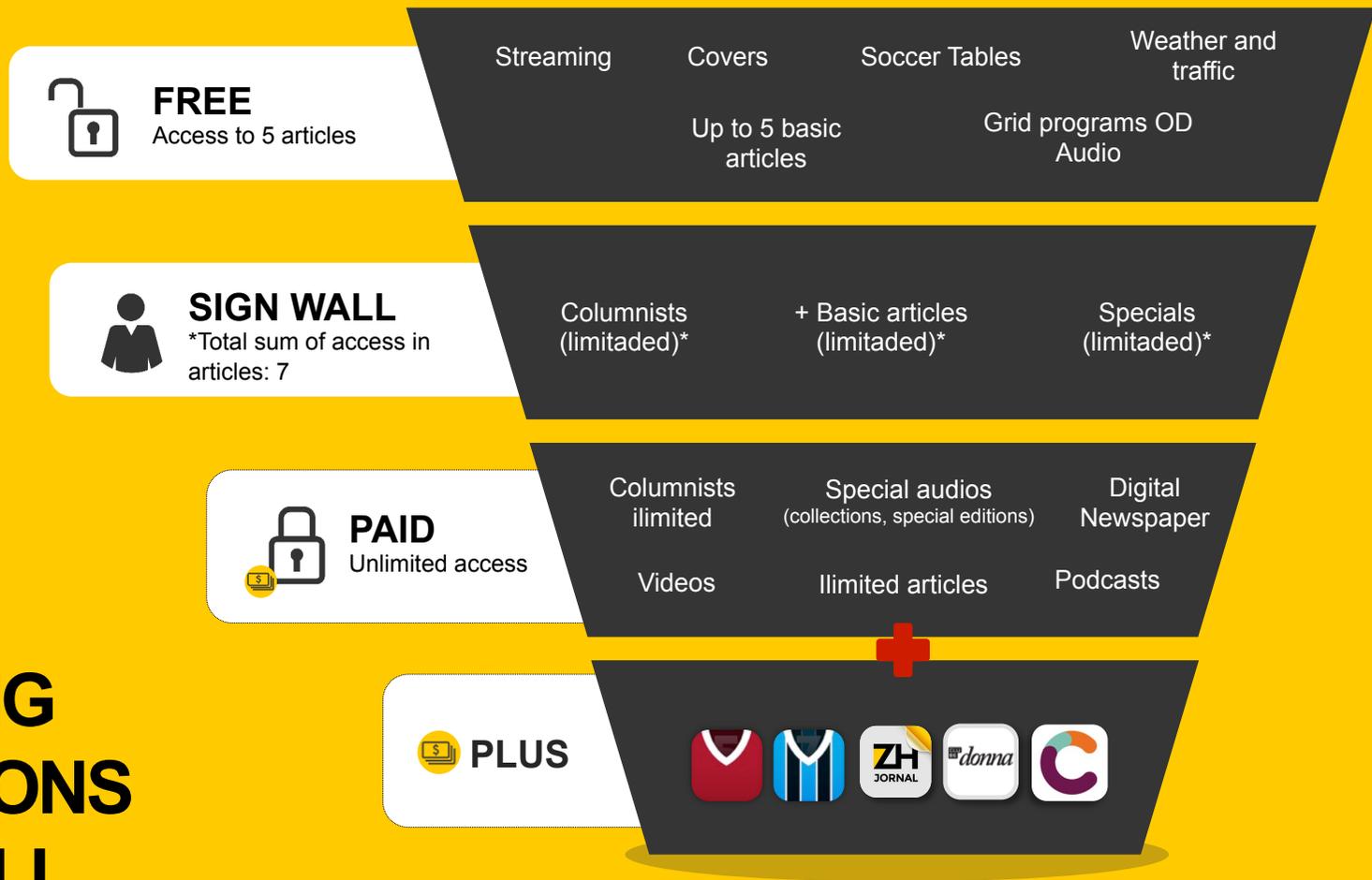
Upselling /
Retention



Entry product /
Upselling



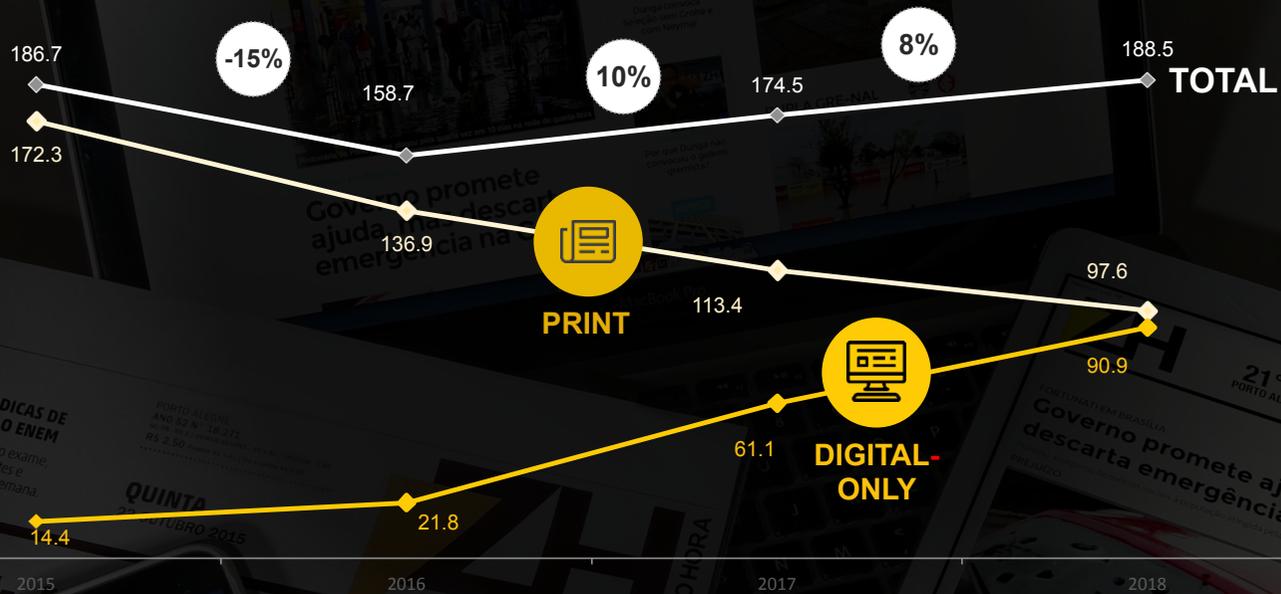
INCREASING CONVERSIONS ON PAYWALL



RESULTS

PRINT + DIGITAL

DIGITAL GROWTH =
85% CAGR



Carteira final ano: em mil.

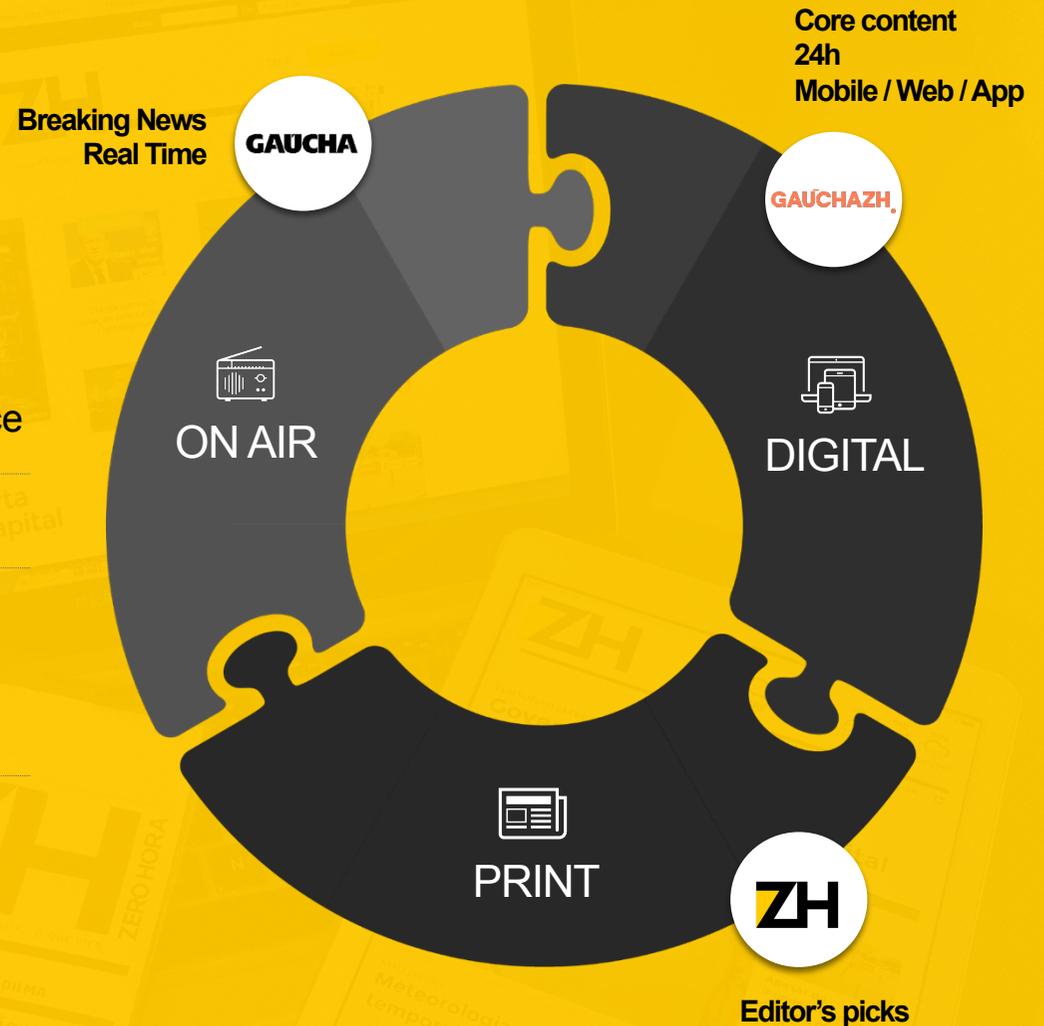
NEWSROOMS INTEGRATION

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:

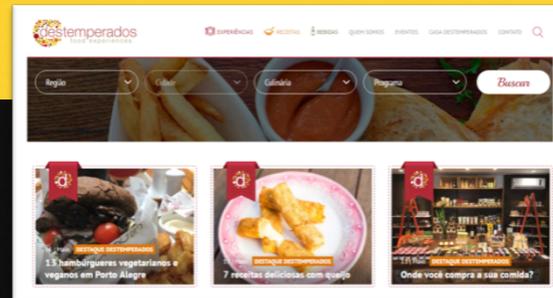
EXPERIENCE BEYOND CONTENT



Multiplatform gourmet experience



NEWSPAPER
SUPPLEMENT



ONLINE



MOBILE



FOOD
EXPERIENCE
HOUSE

Grupo **RBS**

NEW BUSINESS MODELS:

EXPERIENCE BEYOND CONTENT

GAUCHA

Sports bar to engage audiences in live sports shows



RADIO



GAUHAZH



GAUCHA SPORTS BAR

NEW BUSINESS MODELS:

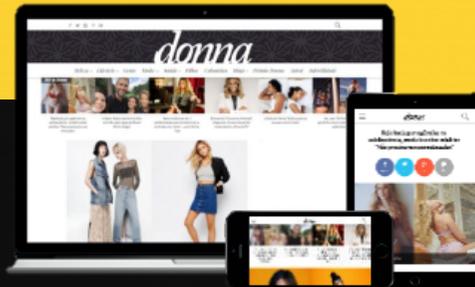
EXPERIENCE BEYOND CONTENT

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

donna



WEEKLY
MAGAZINE



ONLINE



DONNA BEAUTY
POMPÉIA



LICENSED
PRODUCTS

KEY LEARNINGS

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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