



# R&D for Product Innovation & New Revenue Streams

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 @VErrico @DISummit

 **TRUSTED  
MEDIA  
BRANDS**

Taste of Home

Reader's  
Digest

family  
handyman

CONSTRUCTION  
PRO TIPS

Haven Home

Birds  
& Blooms

 FAMILY HANDYMAN  
DIY UNIVERSITY

REMINISCENCE

Country

CountryWoman

farm & ranch  
LIVING

# TRUSTED MEDIA BRANDS IN BRIEF



 @VErrico @DISummit

- US-based company founded in 1922
- Company name changed 3 years ago to Trusted Media Brands from Reader's Digest Association
- A dozen magazine titles, of which, 4 largest are:
  - *Taste of Home*
  - *Reader's Digest*
  - *The Family Handyman*
  - *Birds & Blooms*

*Taste  
of Home*

*Reader's  
Digest*

*family  
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*Birds  
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**CONSTRUCTION  
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**FAMILY HANDYMAN  
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**REMINISCE**

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**farm&ranch  
LIVING**

# TRUSTED MEDIA BRANDS IN BRIEF



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**50+ countries**

**In the U.S.**

- Top 50 ComScore Property
- 60+ Million Monthly Unique Visitors
- 40+ Million Monthly Print Readership
- Number 1 and Number 2 Magazine Brands on Pinterest

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# TRUSTED MEDIA BRANDS IN BRIEF



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## MISSION

Connect consumers with compelling content, uplifting communities, and products & services that bring their passions to life.

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REMINISCE

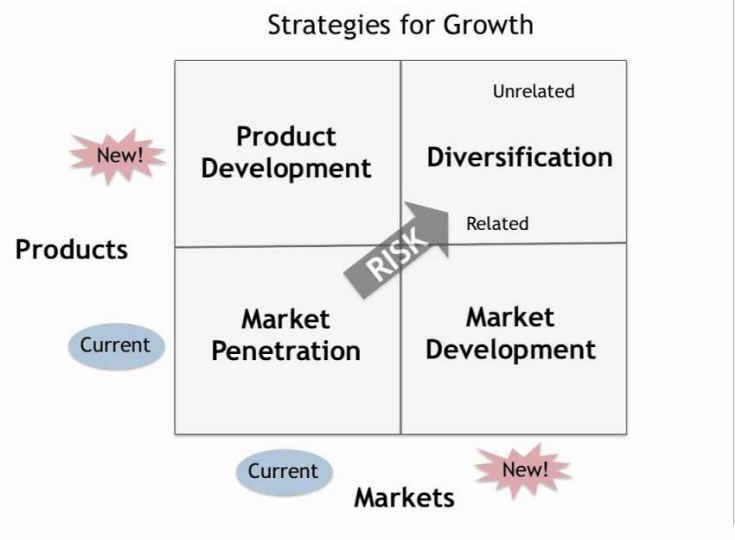
Country

CountryWoman

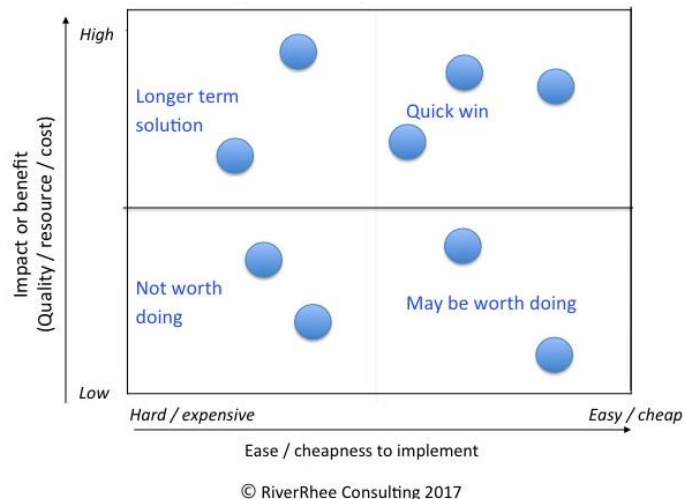
farm&ranch  
LIVING

# PRODUCT DEVELOPMENT MODELS

## ANSOFF MATRIX

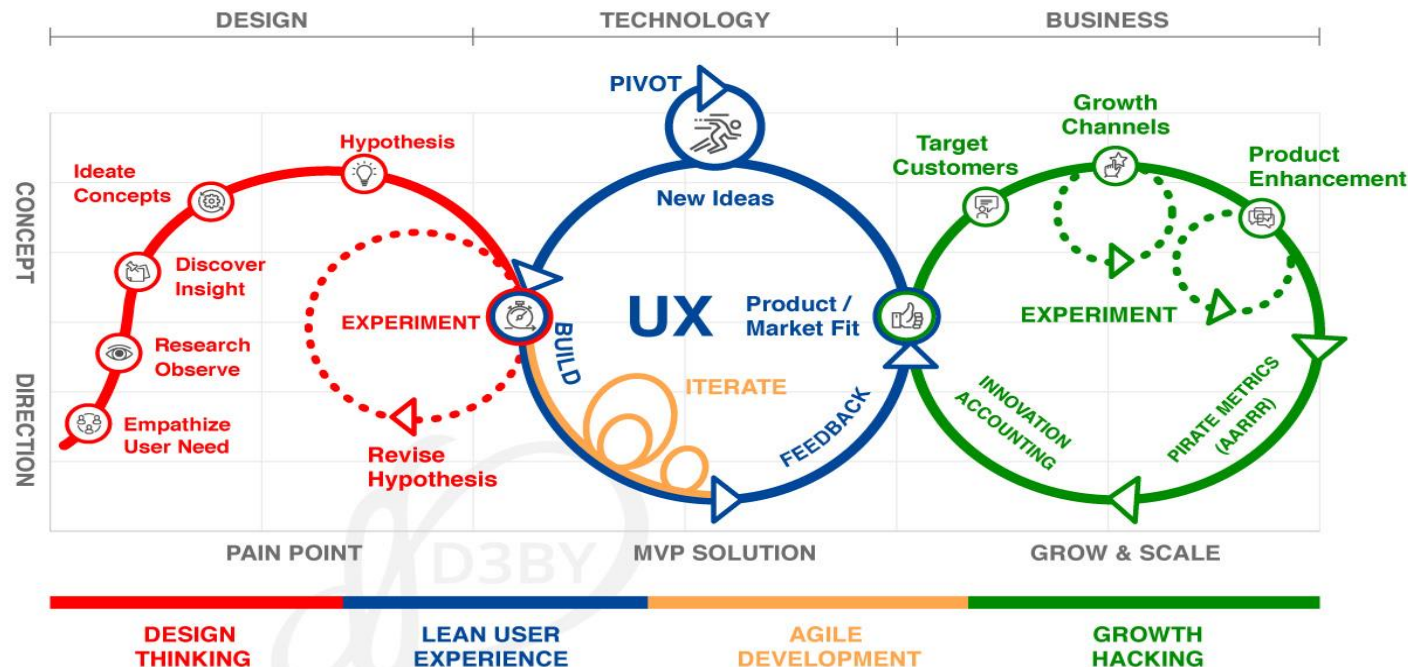


## IMPACT/EASE MATRIX



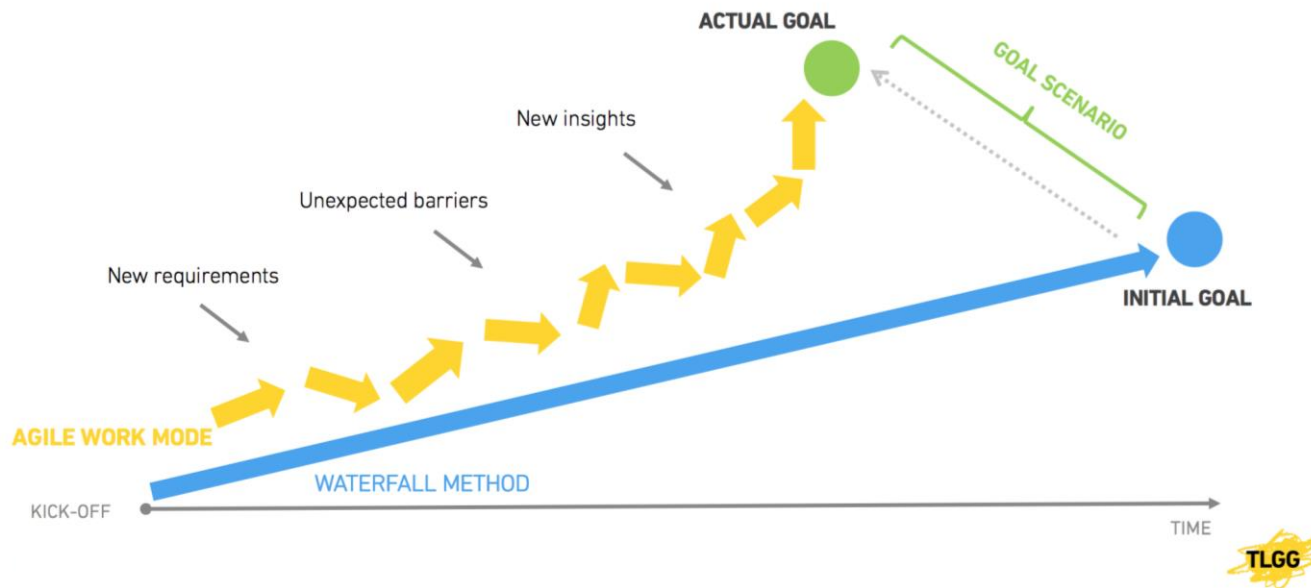


# DIGITAL PRODUCT DEVELOPMENT MODEL



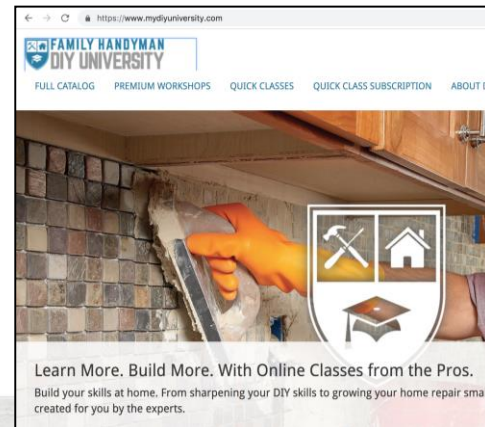
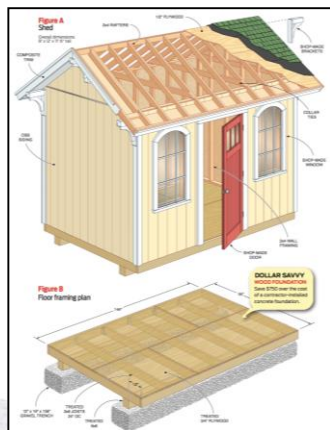
# BENEFIT OF LEAN/AGILE

**WORK PROCESS:** IN COMPLEX AND DYNAMIC PROJECT CONTEXTS, AN AGILE WORK MODE ENABLES THE ACHIEVEMENT OF GOALS



# INITIAL IDEAS

Deriving Digital Revenue From Original Print Magazine Content	Deriving Print Revenue From Original Digital Content	Deriving Digital Revenue From Original Print and Digital Content
Detailed Family Handyman building plans (for sheds, patio chairs, etc.)	Most popular health content from ReadersDigest.com made into SIP	Online Learning classes for Taste of Home and Family Handyman





# ONLINE LEARNING: INITIAL AUDIT

## TECHNICAL & OPERATIONAL

At a basic level, is the platform/site functioning?

Are the internal teams in place to support basic site function?

## SITE EXPERIENCE

Is the visual design helping or hurting?

Is the site easy to understand and navigate?

## CONTENT OFFERING

Are we making it easy to understand the benefits of a specific class?

Are we offering the right kind of classes, both in topic and format?

# ONLINE LEARNING: AUDIT FINDINGS

- Traditional waterfall approach was too slow
  - Substituted marketing research when live in-market testing would have been more effective
- Looked too much like free YouTube content
- Aimed at the wrong audience segments
- No instructional design expertise employed
  - Not enough supporting educational materials (non-video)
- First year results showed marketing promise, but low renewals
- Wrong business model, too slow to adapt model to inputs

# ONLINE LEARNING: CHANGES MADE

- Moved to design thinking/lean product/agile/growth hacking organization
- Shut down Taste of Home (repurposed assets)
- Segmented course offerings and launched differentiated pricing models:
  - Premium workshops with live instructor \$150 - \$300 price range
  - Quick course (self paced, asynchronous support) \$20 – \$50 price range
  - Subscription model (all you can eat) – still testing price ranges
- Hired instructional design expert and added supporting educational materials (non-video) where appropriate
- More live, in-market testing
- Rebuilt business model based on reality

# ONLINE LEARNING: RESULTS

- 79% **increase** in revenue between year 3 & 4
- 61% **increase** in revenue between year 2 & 3
- 18% **decrease** in revenue between year 1 & 2

Costs & Margin as a Percent of Revenue	Year 1	Year 2	Year 3	Year 4	Year 5 (Projected)
Revenue	100%	100%	100%	100%	100%
Expenses	155%	100%	100%	90%	85%
Margin	-55%	0%	0%	10%	15%

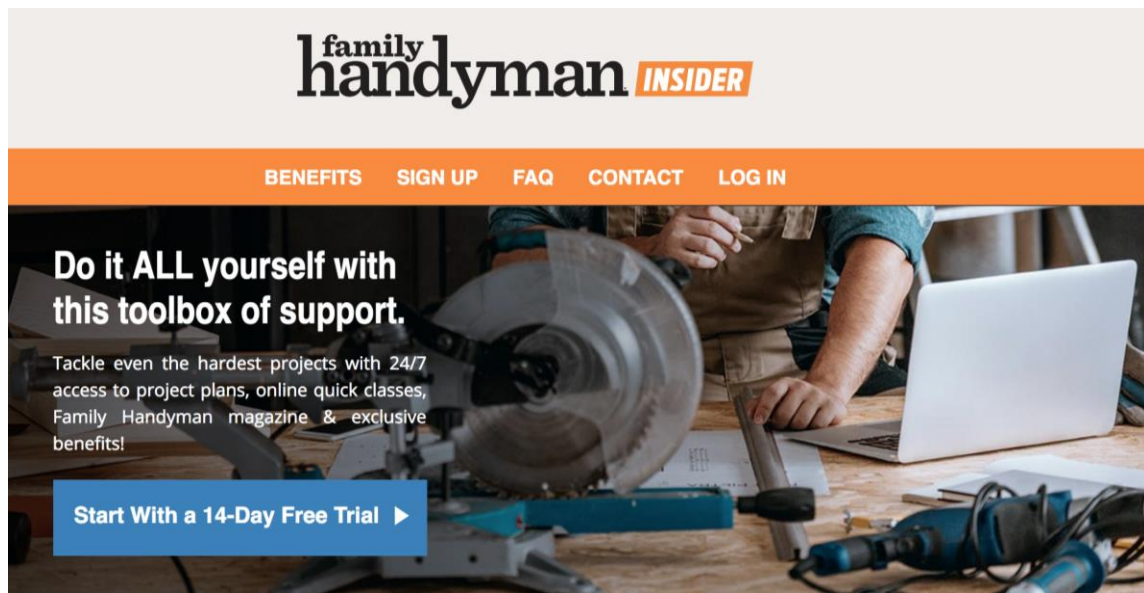


# ONLINE LEARNING: FAMILY HANDYMAN

## RELAUNCH RESULTS

- Bringing in customers completely new to the brand
- Increasing LTV of existing Family Handyman customers, **in some cases by 5X**
- Attracting highly skilled DIY'ers (not original target of beginners)
- SEO is much more important channel than expected
- Higher cost of acquisition drives marketing synergies with other products (post transaction offers)
  - Leading to another new product: Family Handyman Insider

# INTRODUCING: FAMILY HANDYMAN INSIDER



## MEMBERSHIP FEATURES

- Unlimited Quick Classes
- Detailed Project Plans
- Family Handyman Magazine Subscription
- Ask the Experts (access to our editors and other experts)
- Monthly “Insider” E-mail Newsletter

