



# How the Financial Times Drove Double-Digit Growth with a North Star Metric

Every publishing company wants to achieve breakout growth, but few have found the tools and processes they need to achieve it, especially in today's challenging marketplace. The technology demands of being a digital publishing company are ever-evolving, unrelenting, and highly competitive.

Yet, the Financial Times has not only overcome these challenges, but has found a way to unite internal teams, dazzle customers, and achieve dramatic growth. Through the adoption of a [North Star Metric](#) and the skillful utilization of data, The Financial Times has successfully driven unprecedented double-digit, year-on-year growth.

## Why use a North Star Metric?

The use of a North Star metric has proven successful not just for the Financial Times, but for many other organizations heavily focused on growth. A North Star Metric, simply defined, is one company-wide metric that guides your entire business and all teams towards a single unified goal. A North Star Metric focuses on capturing the value that your product delivers to customers to align teams across siloes and drive sustainable growth.

Because a North Star Metric is used by all organizations in the business, it streamlines decision making, provides a common language, and connects disparate teams to help them to work in unison. It also focuses teams on long-term, sustainable growth, because a North Star is rooted in value delivered to customers.

For modern publishers, the North Star most frequently aligns to goals for the acquisition of new users and/or the engagement of existing users -- such is the case for the Financial Times whose North Star focuses on growing customer engagement.

The Financial Times has set an aggressive goal to get a million paying subscribers by 2020. According to Cait O'Riordan, chief product and information officer, the Financial Times has "920,000 paying subscribers, around 720,000 of which are digital-only." However, setting a goal to reach a subscription metric alone identifies a clear end goal, but doesn't provide clear parameters for how to achieve that goal, leaving individual teams to interpret the "how" for themselves. Thus, their North Star Metric isn't to grow to a million paying subscribers, but instead focuses on how the Financial Times will reach that goal.

## Finding true north

To increase subscription numbers, the Financial Times recognized that they needed to provide subscribers with the greatest possible value -- and to determine how subscribers attributed value, they needed to analyze their subscriber data. After considering a variety of factors, they discovered high correlation between customer engagement and perceived value. Unsurprisingly, if people were spending time reading, sharing stories, liking stories on Facebook, opening email alerts, etc., they were more likely to see clear value and thus maintain their subscription. Thus, the Financial times deduced that engagement was core to increasing their subscription rate.

Ultimately, the Financial Times settled on building their North Star on user engagement scores, called RFVs. Per O’Riordan, RFVs were the best measure of customer value and they were based on three main indicators, “the recency, so how recently you came to the FT, the frequency with which you come, so how many times you come in a particular time period, and lastly it measures the volume of content that people consume when they come to the FT.”

The RFV score provided a clear indicator of people’s likelihood of maintaining their Financial Times subscription or becoming a new subscriber. “What we discovered was is that if a subscriber’s RFV score tips over the magical number of 18.2, they are more likely to retain their subscription. This also applies to people who sign up for trials. If their score is over 18.2, they’re also more likely to pay for a subscription when their trial ended,” said O’Riordan. The Financial Times now had both identified and end goal and set a clear path for how they would achieve that goal.

## Using experimentation to set a course

Deciding upon a North Star Metric was only the beginning of the Financial Times’ journey. Once they’d identified the RFV as their North Star metric, they had to determine how they could increase subscriber engagement, and thus RFV scores. They found that experimentation at the engineering and product levels was, and is, critical to the Financial Times’ success.

O’Riordan’s team found that for the greatest impact, they needed to focus on one specific user group. O’Riordan explains, “There’s nothing to be gained from raising the base all together. What we really care about is those who are borderline engaged, somebody who’s reading us four or five times a month but not eight times a month. If we can tip them above that 18.2 threshold, they are less likely to churn. And, if we concentrate our efforts on those borderline engaged, the total number of engaged users will continue to go up.”

In one experiment, the team looked at two cohorts of people all with similar engagement scores and their usage of myFT, a version of the Financial Times where readers select the news topics they want to see. The groups were split by subscribers who became myFT users and a group of people who didn’t. “What we found was that the group who became myFT users were 86% more engaged than the similar looking cohorts of people who didn’t. It’s absolutely enormous and it’s growing,” said O’Riordan.

A revamp of myFT improving the performance of the site also resulted in increased engagement. “The first iteration of the revamped myFT was incredibly simple. It was very stripped back and had very little content compared to the old myFT, but the early adopters’ engagement went up, and the question was why,” said O’Riordan. “Our hypothesis was that the new website was faster and therefore would drive engagement, because basically people were spending less time looking at a buffer wheel and more time looking at our content. That turned out to be true.” The team found that by making the site one second faster, engagement was increased by 5%—leading to the powerful conclusion that a single second of speed is worth millions of dollars to the Financial Times.

Experimentation went beyond just testing the myFT site. Individual teams were given the power to decide which experiments to run and enabled to challenge existing assumptions about customer behavior and preferences. As a result, teams tested changes to the onboarding processes for new subscribers, email design and content, and prioritized an iOS app for inclusion in the Apple App Store. All of these endeavors provided realistic paths to improving customer experience and driving higher RFV scores.

## Proactively test (and retest) your assumptions

In an evolving marketplace with changing customer expectations, testing to confirm customer behavior and preferences must happen continuously. O’Riordan relayed that running the same test at regular intervals proved that customer expectations were evolving rapidly. In fact, O’Riordan reported that the myFT tests that were so successful at driving higher RFV scores changed radically over time. She said, “A year before we ran this number, we did exactly the same experiment and we found that becoming a myFT user increased your engagement by 35%.” Had they not been committed to consistent experimentation, they could have missed this important indicator of subscriber engagement.

O’Riordan warned that, “We also found that you can’t declare victory too early. Things that made a difference initially can go down over time. So, we need to keep iterating our site, because some of that halo effect around a new feature will decay. In addition, we need to keep thinking about how to keep driving that engagement by keeping the website fresh.”

## Focusing on outcomes

Through their journey to identify and implement a North Star Metric, the Financial Times fundamentally changed how they approach their business. The impetus was no longer on big projects, but instead they used their resources to fund outcomes. O’Riordan concluded, “When we go through our financial planning process at the beginning of the year and continuously throughout the year we’re thinking about what do we want to invest in, and we invest heavily in engagement.”

To meet the target of increasing engagement, changes were made throughout the entire company – editorial, product, engineering, B2C and the B2B marketing teams. Now, they all continuously think about how could they change the way that they talk to customers to drive engagement. And, it is working.

This shift in focus, planning, and execution has served the Financial Times exceedingly well--they’re on track to their goal of one million paying subscribers before the end of 2019.

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