



TRANSITIONING PERFORMANCE BASED PRICING

Dennis van Allemeersch
Kayleigh Groenendijk

DPG MEDIA

WHO ARE WE

- started in 1987
- largest Media company in the Netherlands, Belgium and Denmark
- the Netherlands:
 - 2800 employees
 - 10 newspapers
 - 12 online service platforms
 - 2 major jobboards
 - 1 radio station
- leader in digital media transformation
- number 1 local hero

we contact 9.9 million people per day in the Netherlands.

intermediair

 nationale vacaturebank

 tweakers

Het Parool

 independender

  Q music

 de ONDERNEMER

deVerdieping
Trouw

de Volkskrant

media
dpg



WHY MOVE TOWARDS PERFORMANCED BASED PRICING?

1

Focus on performance and adding more value to customers

2

Move to a more data driven & sustainable model

3

Attract new clients based on a more customized solution

WHAT WERE OUR BUILDING BLOCKS?



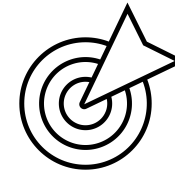
**RESEARCH
& INSIGHTS**



**RAPIDLY
EXPERIMENTING**



**CALCULATED
RISKS**



**ENSURE
MEASURING**



**TRACKING
PERFORMANCE**

GET INSIGHTS DATA COLLECTION, RESEARCH AND ANALYSIS

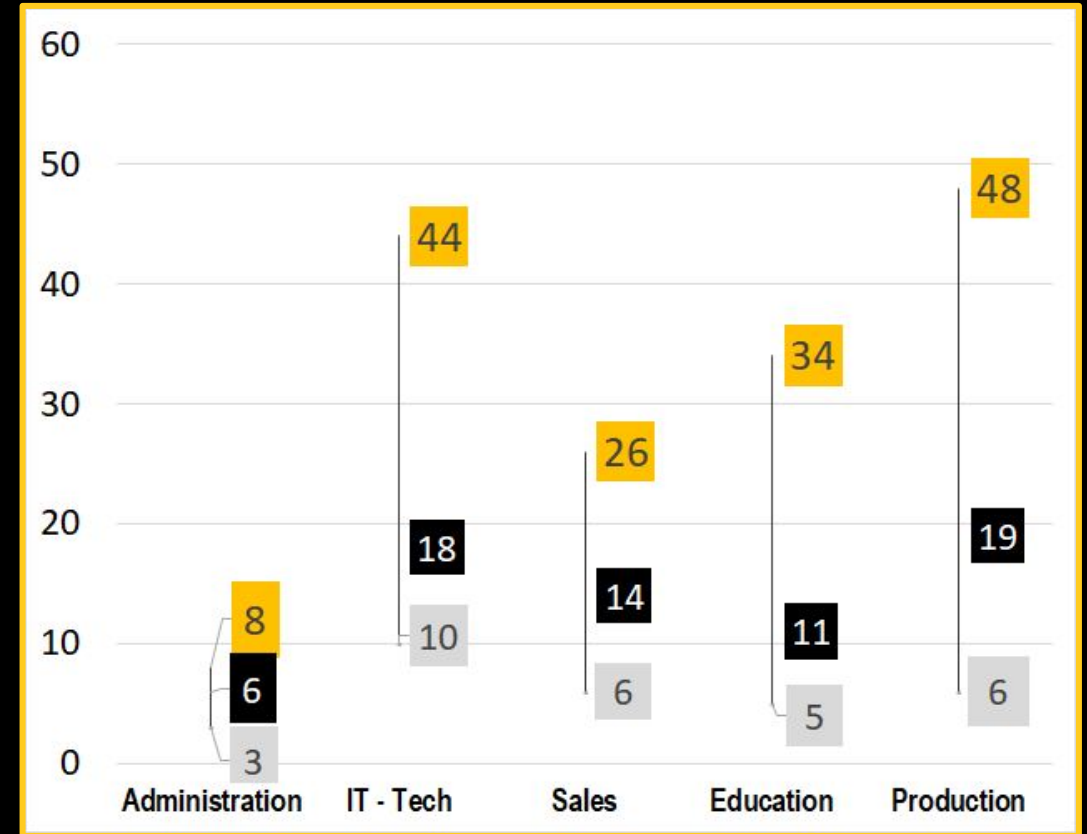
To get the right insights and understand our current business we researched various topics. Our most important findings were:

CONSULTANCY	impact	approach	financial impact	-10% till -20%* *an overnight switch in model, change in client segment needed
SURVEY CLIENTS & SALES	the willingness to change	qualitative research		80% positive* *research on churned clients in SME segment
PERFORMANCE ANALYSE	revenue & performance	drivers	understanding underperformance	€ 8 - € 100 CPA* *across all company segments and job types

USE HISTORICAL PERFORMANCE TO DETERMINE YOUR STARTING PRICE POINT

We used a wide range of performance data in different segments.

- Job types
- Client Segment
- Education
- Region



apply click

44 Small Medium Enterprise

44 Direct clients (volume discount)

44 Agencies

START SMALL CONDUCT DIFFERENT EXPERIMENTS

Conduct small experiments and find an effective way to scale up. We conducted different experiments:

TARGET AUDIENCES

direct clients NB
and winback

staffing agencies

churned big
clients

CHANNELS

selected clients

CRM &
landingpages

dedicated sales

PRICING

3 buckets

20 categories

lowering price

PERFORMANCE MODELS

pay per view of a
job detail page

pay per click on
apply button

pay per apply

MITIGATE RISK ON CURRENT BUSINESS

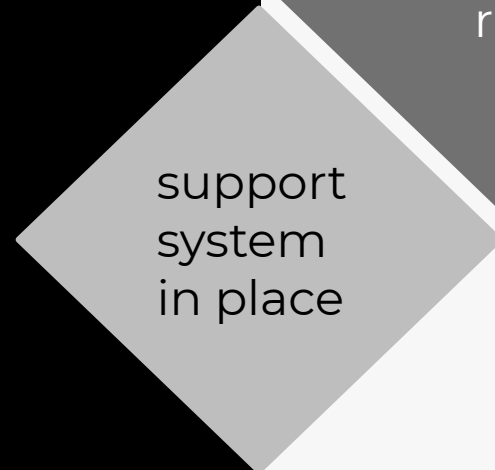
Reduce risk and financial impact and making sure there is a controlled cannibalization of the current revenue stream.



- set out an MVP
- agile approach
- work multidisciplinair



- new business first
- dedicated sales
- direct channels

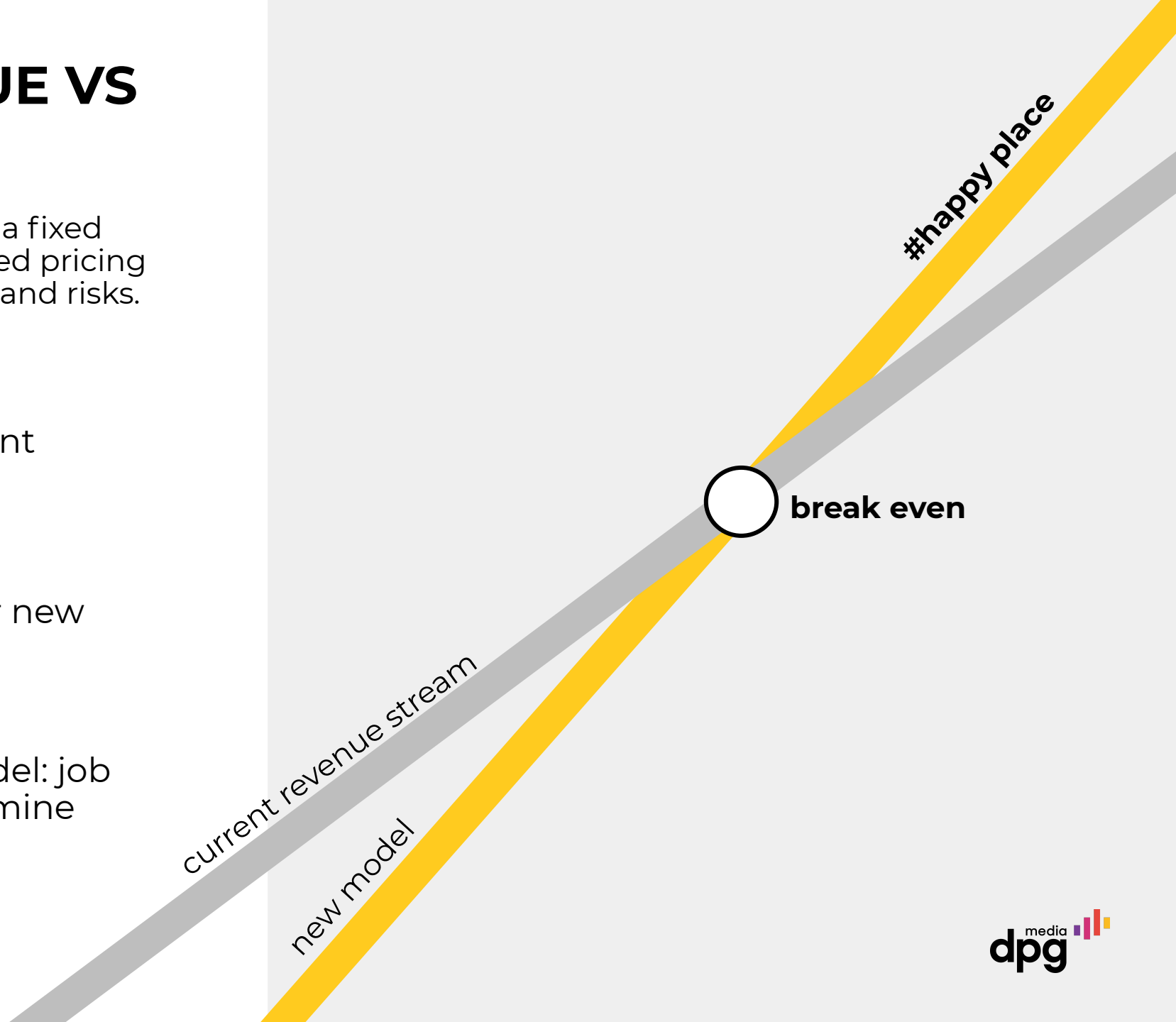


- data model
- measure performance
- basic DMP SSP functionality

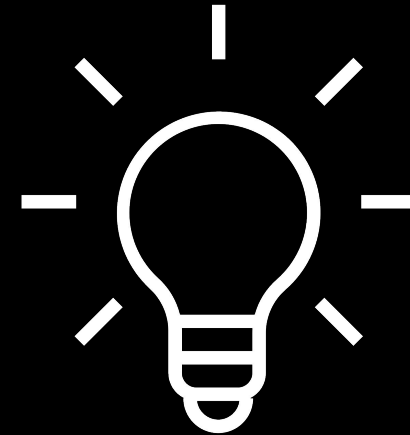
TAKE A HIT | REVENUE VS SUSTAINABILITY

If your considering transitioning from a fixed duration model to a performance based pricing model, there will be short term losses and risks.

- 1 Focus on keeping current business
- 2 Gain revenue from your new business and winback
- 3 Offer a transparent model: job relevance should determine ranking, not the pricing



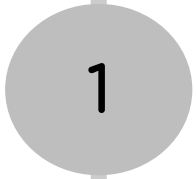
LESSONS LEARNED.



SIMILARITIES | THE CONSIDERATIONS ARE ALMOST THE SAME, THE OUTCOME NOT QUITE



existing
jobboard



no big bang, small
iterations



start with low risk
customer segments



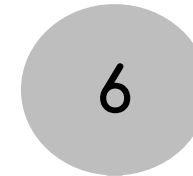
align sales and
modify
commission
model



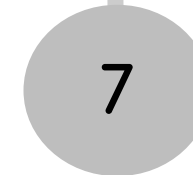
fixed price around
demand drivers



focus on price per
apply (click)



continue
measurements &
evaluation



manage company
politics &
expectations



DIFFERENCES PER COUNTRY

OUTCOME DEPENDS LOCAL MARKET

The steps in the proces are the same, but target audiences, the willingness to adapt to change and price setting are different.



VS



ELECT | STARTING A PAY PER HIRE PLATFORM

1

Difficult for existing local hero to launch brand & proposition

2

Starting with MVP is OK, as long as you commit to the needed scaling later

3

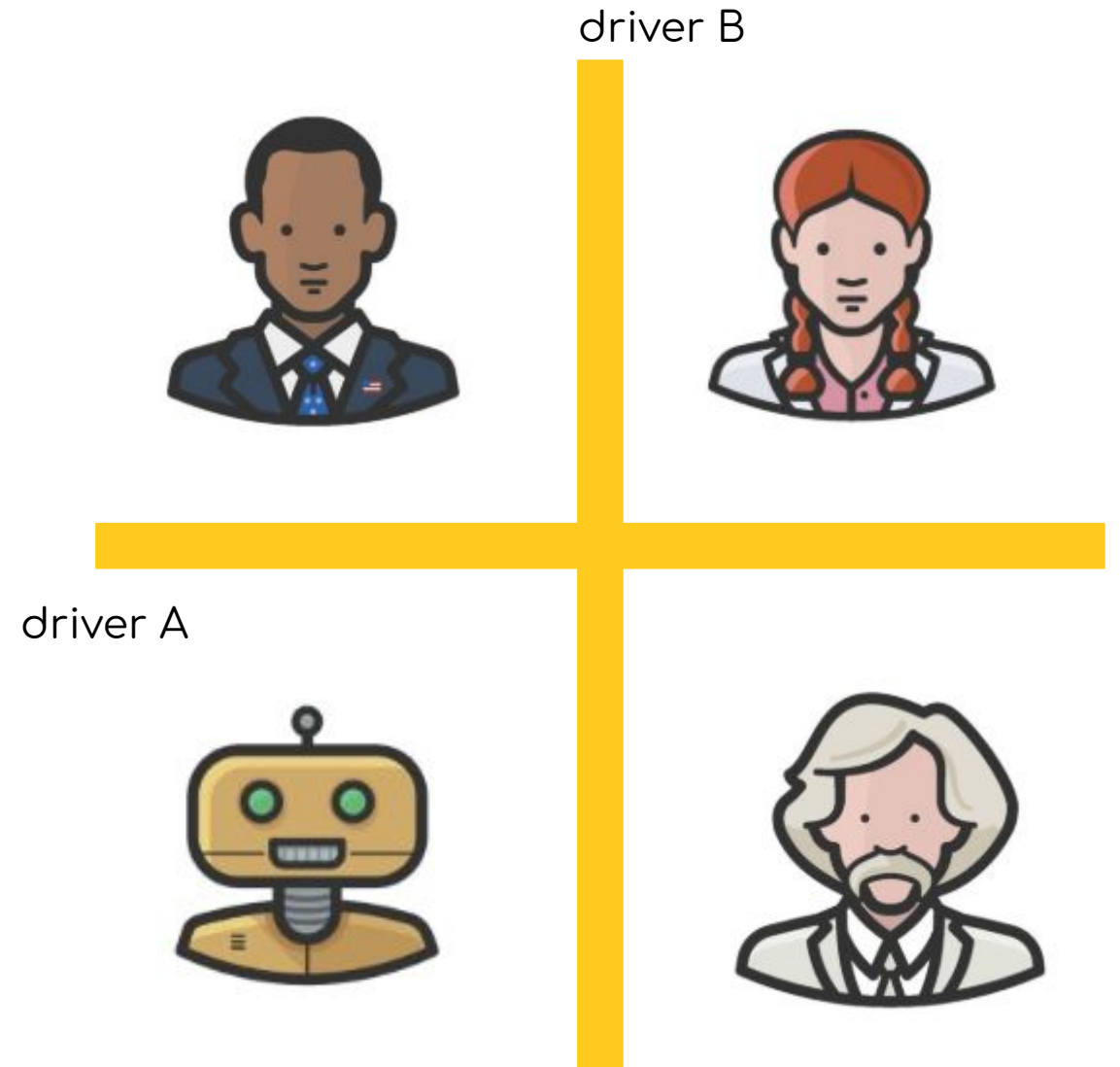
How to solve the classical classifieds chicken-egg problem

4

Pay per hire was bridge too far

KNOW YOUR CUSTOMERS DIFFERENT BUSINESS MODELS WILL COEXIST

the need for
performance based
pricing depends on
the specific target
audience and
vacancy



NEXT STEPS GO FROM EXPERIMENTS TO STRUCTURAL IMPLEMENTATION

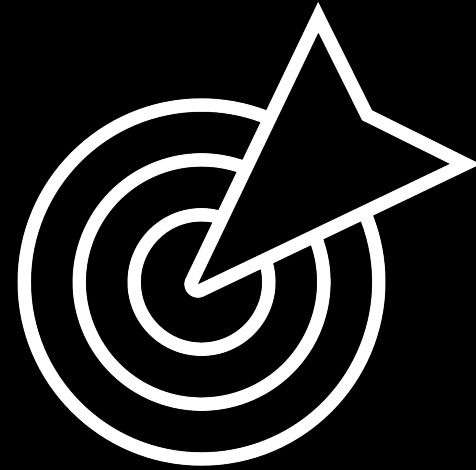
For the upcoming period these are our focus points:

1. scaling (data) platform and process

2. open up to larger target customer segment

3. match traffic acquisition to jobs

**THE CHOICE
IS NOT IF,
BUT WHEN
AND HOW.**



THANK YOU

Reach us if you have any questions
or want to connect



**Kayleigh
Groenendijk**



**Dennis
van Allemeersch**