

The Publisher's Digital Subscription Toolbox

Four steps to create successful
subscription journeys

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Introduction

As subscriptions become an established revenue stream for digital publishing and media businesses, it's important to understand how your content and communications can cut through the noise and stand out from the crowd.

In this guide, we cover the four steps to delivering compelling subscription experiences that ensure your business thrives in the subscription economy, helping you build longer, healthier and more valuable relationships with your customers.

What is the Subscription Economy?

Subscription Economy® is a term coined by Zuora's CEO, Tien Tzuo, back in 2007, describing a new business landscape in which traditional pay-per-product (or service) companies are making a way for subscription-based business models that collect predictable, recurring revenue.

The subscription economy has expanded massively since then and this growth has only been accelerated by the COVID-19 pandemic. The revenues of subscription businesses are growing, on average, five times faster than those of S&P 500 companies, while the subscription economy as a whole has grown by over 350% since 2012.¹

For publishers specifically, home-bound readers looking for reliable updates on their devices - the so-called 'COVID bump' of digital news consumption - presents an opportune moment in which to capture long-term subscribers. This comes as a lifeline to media business models that have seen a trend of falling advertising revenues in recent years, worsened by keyword blacklisting throughout 2020, whereby advertisers refuse to pay for space on COVID-19 related articles.

Increased customer expectations and changing consumption habits are a challenge that every company must face.

So how can you set yourself up for success in the subscription economy?

Let's get straight into the four steps that you can take to create digital experiences that win subscribers over, effectively get them engaged and, ultimately, keep them coming back for more.

¹<https://www.zuora.com/vision/subscription-economy/>

Data is key

Data is at the heart of any business, especially those with a subscription offering, making it possible for companies to establish long-lasting relationships with their customers.

To create the foundation of these relationships, you need to collect first-party data that helps build out your audience understanding. But we're not just talking registration forms that collect relevant information on your readers, such as Name, Job Title and Hobbies. Analytics data such as timestamps, URLs visited and what kind of device your reader is on, as well as specific on-site behavior and purchase history, all come together to help turn your unknown visitors into known users, giving you the ability to segment and group your audiences into cohorts with similar interests and preferences.

The best way to achieve this is through insight-driven paywall strategies. Publishers can now use gated or semi-gated content to capture visitors' data via an intelligent paywall that targets potential customers at their most likely buying point. And when we say 'intelligent' paywall, we mean it.

Blanket messaging and one-size-fits-all no longer cuts it

Modern technology, such as Zephr's dynamic Rules Builder, lets you create deeply personalized subscriber journeys that only show paywalls at the moment the reader is most likely to convert.

Data capture makes this possible by shedding light on who your readers are and where they take most value from your content. Insight on your visitors makes it much easier, quicker and cost-effective to determine commercial strategies, such as when to offer free trials and how many articles to show before asking for registration.

Through first-party data, publishers begin to understand their customer base far better, unlocking valuable information that informs their monetization decisions along the path to subscription. Studies have found that a registered user, with explicit data unlocked, is 10x more likely to convert to a paying subscriber than an anonymous one. **With that in mind, can you really afford not to boost your chances?**



Understand your audience

Once you have started gathering first-party data, it's time to turn that knowledge into genuine understanding.

A subscription business is made or broken by the relationships it establishes with its customers since recurring revenue growth comes from monetizing and maintaining long-term value exchange.

So how do you do that? First, you need to understand the motivations and behavior of your audience. Take a step back and look at your data, ask yourself the following questions:

- Where are your users coming from - countries, cities, mobile or desktop?
- How much are they browsing - one-off vs repeated visitors, bounce and click-through rates?
- When are they consuming content commuters vs lunchtime readers?
- Are there specific topics or articles that capture their interests - sports vs politics, long-form vs short-form and quick reads?

Once you have the answer to some of these questions you can start grouping customers into segments of like-minded readers and start delivering personalized and relevant communications and content. **Doing this effectively shouldn't involve guesswork**, it should be a mixture of strategy and experimentation.

Existing subscriber experience solutions make it easy to bucket users by joint interests or behaviors before A/B testing different conversion triggers, messaging and product packages to see which strategies work best.

Let's say, for instance, you find that a segment of your audience is mainly interested in sports coverage and is typically online on the weekends. Why not offer them a Sunday newsletter covering all sporting news and events? Get creative with your paywall options too, perhaps testing different lengths of free trials, or comparing the performance of a hard paywall that gates entire articles vs a metered one that allows access to a set number of reads before users are asked to subscribe. Use the results of these tests to continually update your business models and commercial decisions so that you **never let your subscription strategy go stale**.

Here's what our Customer Success & Strategy Manager, Roisin O'Brien, had to say:

"If we understand what readers are interested in, we can build products for specific user segments, recommend relevant content to increase engagement, even feed this data back to editorial teams to refine the content being produced. Once we know what the users are willing to pay for, we can optimize paywalls for both new and existing customers."

Leveraging data and truly understanding your readers allows you to forge valuable relationships with your audience and anticipate their needs. Only once you know what content your readers want can you then effectively begin charging them for it.

Subscription optimization

With full data sets, a complete understanding of your users and effective conversion strategies, the customers should come rolling in.

But your customers' subscription lifecycle doesn't end at sign up, it continues to cover things such as cancellations, renewals, customer service, upsell and so on. To be able to deliver a great subscription experience you need a tool to manage the process from start to finish. Once a reader has committed to becoming a subscriber, they cannot be ignored. Harvard Business Review famously estimated that it's 5-25x easier to sell to an existing customer than a new one², and yet far too-often subscribers are taken for granted. Keep your customers happy by creating personalized product packages, such as bundles of content based around a particular topic of interest, or by giving them multi-site access to your other publications at a discount. **By aligning content with value you will find it much easier to keep subscribers longer** while creating cross- and up-sell opportunities, maximizing the lifespan and lifetime value of each customer.

For your less engaged subscribers, the same theory of value-alignment also holds true. We know that consumers nowadays are "serial-switchers", and customer loyalty is hard-won but easy to lose. Using the behavior and interest data we mentioned earlier, identify potential churn risks and use the information you have to make sure they see the content that is most likely to re-engage. We like to call this avoiding readers "falling through the gaps."

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I'm often asked about the best way to upsell to customers. It's not always about getting the user to pay more and more; we need to understand what the users are doing and offer them the right product to increase their lifetime value (it's better to have a customer paying \$6 a month for 5 years, than \$12 a month for one year, for example).

If they only pay for what they're actually using, they're much more likely to stay.

Roisin O'Brien

Customer Success & Strategy Manager,
Zephr

Being flexible in your offering and allowing customers to pause their subscription, change their preference or downgrade their plan builds trust between your brand and your riskiest customers. At the end of the day, **a happy customer is better than no customer at all.**

²The Value of Keeping the Right Business Customers, Harvard Business Review, May 2014.

Prioritize experience

Imagine yourself in the shoes of your customers. If you bought a product or service - subscription or otherwise - that doesn't make your life easier, wouldn't you simply move on and find a better alternative in the market?

And what if you received the same static experience over and over? You would once again move on to a better provider. In the end, **why should you stay if the experience isn't tailored to your interests and expectations?**

Customer experience is of paramount importance for companies as their audience becomes savvier and will not hesitate to leave if the experience doesn't meet their expectations. **This makes Customer Experience the currency of the subscription economy.**

There are many ways to make the customer journey better and more relevant for each user. No one idea will satisfy every subscriber so you have to be creative, but can take the following examples as a starting point:

- **Localized content** - think geographically relevant articles (e.g. sports, news, COVID-19)
- **Personalized messaging** - different users have different pain points, tell them each what they want to hear
- **Varying paywall and ad tactics** - sticky footers vs pop-ups, etc
- **Relevant email marketing** - personalize both the image and content
- **Trial extensions** - in exchange for data, feedback or referrals
- **Flexible product packages** - increase the number of price points that a customer can buy in at

With the data, understanding and optimized subscription journeys all in place from Steps 1 to 3, this stage is all about bringing together every aspect of your value proposition and tying it into the user experience.

In conclusion...

There are a lot of moving parts making up a subscription business. We have summarized here the key areas that are all essential to the success of a recurring subscription revenue business.

1. Data:

Data is a key component of a successful subscription business. Gathering first-party data is vital to building a successful subscription experience for your customers. By collecting this data, you will then be able to build customer profiles and better match your content or product to their needs.

2. Customer Identity:

A customer database should have subscription specific information such as purchases, products, local pricing, promotions, payment history, refund history, renewal value, usage metrics and much more. Don't just know your customers, understand them.

3. Subscription Optimization:

A subscription management tool is a must-have, making the day-to-day management of a subscription business easier. Customer lifecycles are long, and that should be a good thing. Keep both your most and your least engaged visitors happy to gain customers for life.

4. The Journey:

Companies need to think about their user journeys and have full control over the complete subscriber experience. The journey needs to be highly personalized and nurture the relationship from initial sign-up and purchase to include upgrades, add-ons, new services and renewals.

Ready to start putting these tools to work?

Meet Zuora



Zuora provides the leading cloud-based subscription management platform that functions as a system of record for subscription businesses across all industries. Powering the Subscription Economy®, the Zuora® platform was architected specifically for dynamic, recurring subscription business models and acts as an intelligent subscription management hub that automates and orchestrates the entire subscription order-to-cash process, including billing and revenue recognition. Zuora serves more than 1,000 companies around the world, including Box, Komatsu, Rogers, Schneider Electric, Xplornet and Zendesk.

More at www.zuora.com