

# Starter Kit: Succeed With Digital Subscriptions

A guide to getting the most out of your  
subscription strategy

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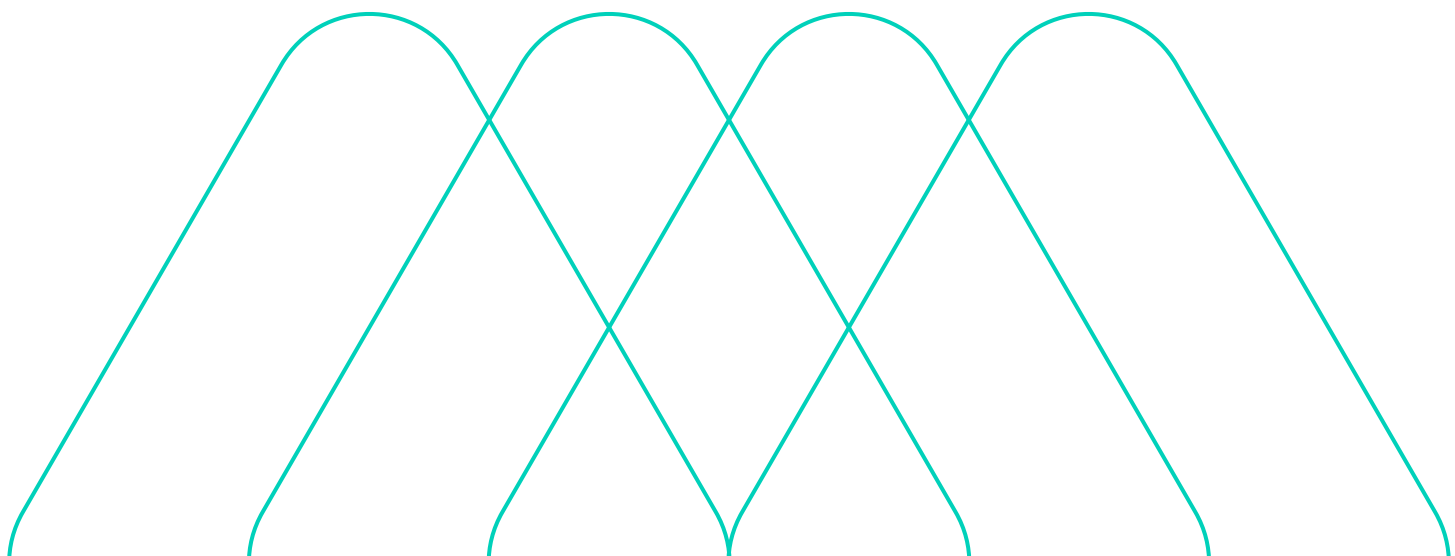
# Introduction

## A guide to getting the most out of your subscription strategy

In this e-book, we'll delve into the most important actions you can take to build, or improve upon, your subscription strategy — covering a range of topics from key terminology in the digital publishing industry to subscription personalization, retention, and churn management. The aim is to include everything you need to ensure digital subscriptions are profitable, reliable, and achievable.

This starter kit is perfect for both technical and commercial teams — deepening their understanding of industry trends and requirements in order to succeed with a subscription model.

If you already have a subscription model, we recommend going through each section in sequence to methodically audit your subscriptions and find areas for improvement. Publishers can also use this guide to add important tactics and features to expand and scale their business.



# Getting to know the industry

## What is a subscription model?

Subscription business models are based on the concept of selling a product or service in order to receive recurring subscription income. In the case of digital publishing, this means selling access to digital content for a recurring monthly fee. Subscription models generally prioritize retention over new customer acquisition.

In other words, subscription business models are concerned with how revenue is generated by encouraging a single customer to pay multiple installments for long-term access, rather than a large one-time fee.

In order to be effective, all subscription-based business models need to start with a clearly defined funnel. Funnels are tools that identify the steps required along the way to help a business reach its goals. But even though they're considered a staple in any subscription business, not all publishers take the time to draft out the clear steps.

Nowadays, knowing exactly where a user is in a funnel (or subscriber journey) is essential so publishers can personalize their experience with relevant offers or content. Without knowing where a user is in the funnel or what to do to move them further down the funnel, publishers will struggle to provide these users with the service they're seeking, resulting in lost revenue.

### Steps for creating your funnel:

1. Identify the type of model you need and then clearly define the stages.
2. Identify funnel stage criteria (e.g., how do you define when someone moves to the next stage in a funnel?). Defining this allows you to measure movement through the funnel effectively.
3. Create funnel tactics and KPIs (e.g., what will you do to drive people through your funnel?).

Here's an example of how a **subscription funnel** might look:



Alternatively, a funnel may be broken down into **customer relationship stages**:





## Subscriptions in digital publishing: the untapped potential

The worldwide subscription e-commerce market is anticipated to reach \$2.64 trillion by 2028, according to **UnivDatos Market Insights**<sup>1</sup>. Digital subscription products of all types offer significant convenience, dependability, and value for customers.

Subscriptions are a way for businesses to earn recurring revenue, increasing customer lifetime value (CLV). Subscription services also have numerous benefits for customers, both large and small. The subscription business model's recurring nature and established user touchpoints enable publishers to develop long-term subscriber relationships. This increases the likelihood of generating customers who last, and then become loyalists who spread the message to friends and family.

According to Recharge payments, subscription businesses keep **42%**<sup>2</sup> of their customers for at least a year. In comparison, non-subscription-based eCommerce companies retain an average of just 1% of their customers after one month.

With that in mind, how can publishers ensure they're making the most of their subscription models? To start, a good subscription business relies on tech and commercial teams speaking the same language.

### Glossary of key terms

Untangling the web of technological jargon, acronyms, and buzzwords associated with digital publishing can be overwhelming, to say the least. Every day, new terminology seems to spring into existence, created to make communication easier. But without a genuine understanding of what these terms stand for and mean, it's easy to find yourself lost in a sea of three-letter words. That confusion can lead to miscommunication between teams, leading not only to frustration and poor alignment, but also to faults in the subscription model and key objectives being missed.

General communication skills just don't cut it anymore - you're also required to be digitally fluent to thrive in digital publishing.

So what do you do if you can't tell your CDPs from your CRMs, or your data layers from your data walls? To make it easier, here's a list of some of the key technical jargon every publishing company should know:

#### A/B TESTING

Refers to the experimentation process (also known as split testing) where two or more versions of a variable, such as an article, email, or journey, are tested by putting half of your audience through each and seeing which performs best. This allows you to double down on one optimized strategy.

#### BOUNCE RATE

A bounce is a single-page session on a site. The bounce rate is the percentage of total website visitors who only view one page before leaving. A high bounce rate means readers click on your content but leave quickly. The problem could be that there's no clear next step on your pages, such as links to a related page.

#### BEST-OF-BREED

A term used to describe software that is considered the best within its referenced category or niche. Best-of-breed solutions usually perform specialized functions better than end-to-end (i.e., they do everything) systems, but are constrained to a more limited capacity within that specialization.

#### CDP

A customer data platform is a tool that combines data from multiple sources into a succinct profile of each of your customers. Storing each customer's data in one place allows companies to build an "address book" of their audience and cater better to their preferences.

#### CRM

A customer relationship management system that allows businesses to gather, track, and share customer information, enabling effective management of the customer-business relationship. This is essential for maintaining the happiness of existing customers, as well as preparing for new potential customers.

<sup>1</sup> <https://univdatos.com/report/subscription-e-commerce-market/>

<sup>2</sup> <https://rechargepayments.com/blog/customer-experience-for-subscription-brands-before-during-after-purchase/>

## ESP

Event stream processing software is used by companies to manage email marketing, such as sending out promotional email campaigns or simply communicating with their customers.

## FIRST-PARTY DATA

This is information that the company owns as it is collected directly from its customers and is, therefore, the most reliable and sought-after type of data. First-party data is a crucial part of the range of data available and can reduce the need for other kinds of data. Strategies such as data walls are an effective way of collecting first-party data.

## GDPR

The General Data Protection Regulation defines the legal guidelines for the collection and processing of personal information from individuals who live in the European Union. Since the regulation applies regardless of where websites are based, it must be heeded by all sites that attract European visitors, even if they don't specifically market goods or services to EU residents.

## IDAM

Identity and access management is the managerial process which ensures that the right people have the appropriate access. This might be through passwords or more in-depth security systems.

## PAYWALL

A system in which access to all or part of a website is restricted to everyone except those visitors who are paid subscribers. Read [\*\*Zuora's overall guide on paywalls here\*\*](#)<sup>3</sup>.

## UPSELLING

A tactic that involves encouraging customers to add additional products to their package, such as access to premium content.

## ZOMBIE SUBSCRIBERS

Zombie subscribers are subscribers that do not interact with your platform, simply existing and not actively participating.

We recommend sharing these key terms with your teams to ensure everyone uses the same vocabulary and can easily understand requirements, progress, or objectives that might include them. With a general overview of some key industry terms complete, it's time to focus on the first tangible step in a subscription model funnel – attracting subscribers.

<sup>3</sup> <https://www.zuora.com/products/intelligent-paywall-solutions>



# Building your subscription model

## How to attract subscribers

Often digital publishers spend the majority of time focusing on the middle of their subscription funnel (e.g., the point at which a registered user becomes a paying subscriber). While this is a crucial stage that drives revenue, the funnel will cease to work if it's not continually topped up with new potential subscribers. To ensure a subscription model is self-perpetuating, the top of the funnel should be given the attention it deserves.

To begin, here are five tactics to boost subscriber acquisition:

1. Optimize your website
2. Offer a free trial
3. Enticing pricing
4. Launch intuitive (and compelling) paywalls and regwalls
5. Develop an acquisition based marketing plan

### 1. Optimize your website for engagement

Attention spans online are at an **all-time low**<sup>4</sup>. Any points of friction will amplify the potential for a user to leave. One point is the browser experience for mobile users. Pew research found that **86% of US adults now read news on their mobiles**<sup>5</sup>. Ensuring the effectiveness of your site on mobile will keep users engaged and increase the chances of conversion from unknown to known to registered. It is as simple as improving the user experience for mobile.

To further this reasoning, Google prioritizes mobile-friendly websites in search results, making this strategy especially crucial in order to compete with other digital publications. A few key features to take the mobile experience to the next level include: clear mobile registration forms, appropriate calls to action, simple button functionality, one-page sign-ups, and the ability to accept payments from a variety of providers (e.g., Apple Pay). In addition to ensuring content is easily accessible across multiple devices (such as mobile), prioritizing page load times will be beneficial in terms of appealing to the short attention span of the digital reader.

### 2. Offer a free trial (and collect data!)

Free trials are the perfect way to show potential subscribers how valuable your product or service is. On the surface, offering a free trial might seem like you're giving away something for free without any gain. But in reality, it can be one of the most powerful convincers to get potential subscribers to convert.

**Dropbox**<sup>6</sup>, for example, offers a free trial for a full 30 days. By offering customers the chance to explore its "Advanced" plan, they're more likely to wow them with features.

Digital publishers can adopt this initiative by offering access to exclusive content in their trial, access to premium services, or create ad-free trials like YouTube's ad-less YouTube premium.

Free trials are also an excellent opportunity to gather more user data around preferences (more on this later). For instance, you can monitor the type of content a reader engages with most during their trial, and then use that information to tailor their experience and the content they see in the future.

<sup>4</sup> <https://www.ranieriandco.com/post/changing-attention-span-and-what-it-means-for-content-in-2021#:~:text=A%20recent%20study%20by%20Microsoft,to%20stop%2C%20collaborate%20and%20listen%3F>

<sup>5</sup> <https://www.pewresearch.org/fact-tank/2021/01/12/more-than-eight-in-ten-americans-get-news-from-digital-devices/>

<sup>6</sup> [https://www.dropbox.com/pro?\\_tk=paid\\_sem\\_goog\\_indv\\_b&\\_camp=1520859508&\\_kw=dropbox%20pro%20free%20trial%7C%7Bbidmatchtype%7D&\\_ad=479824396229%7C%7C&gclid=CjwKCAjw0dKXBhBPEiwA2bmObXpbtuNXEIsIQ8uUf7uhhWtC360yTk0SdTTtGTQaeWRMZ6TBduR3xoCYnoQAvD\\_BwE](https://www.dropbox.com/pro?_tk=paid_sem_goog_indv_b&_camp=1520859508&_kw=dropbox%20pro%20free%20trial%7C%7Bbidmatchtype%7D&_ad=479824396229%7C%7C&gclid=CjwKCAjw0dKXBhBPEiwA2bmObXpbtuNXEIsIQ8uUf7uhhWtC360yTk0SdTTtGTQaeWRMZ6TBduR3xoCYnoQAvD_BwE)

### 3. Enticing pricing

An infamous **Harvard Business Review study**<sup>7</sup> by Michael Marn (pricing consultant, McKinsey & Company) and Robert Rosiello (principal, McKinsey & Company) found that a 1% improvement in pricing leads to an estimated 11.1% increase in operating profits.

With that in mind, it makes sense that managing offer pricing is a great way to entice new users and generate significant revenue. Creative and enticing offers can come in many forms and don't just have to mean discounts. For example, while some companies offer student discounts if they know a user is in a particular demographic, others may offer additional exclusive features if they know a user has a higher average income.

### 4. Launch intuitive (and compelling) paywalls and regwalls

Even the most enticing offer can struggle to bring in significant conversions if a paywall form isn't easy and intuitive. But what actually makes a good form that encourages readers to take action?

Paywall forms can be handled, in many cases, by the latest tech software available. However, it's important to consider ease of integration before choosing a provider. A paywall software's ability to integrate with other tech in your stack is not only essential for innovation and testing on your backend, but also makes life easier for your customers.

If a customer can't use a specific payment method or needs a particular browser to load a form, you're adding points of unnecessary friction.

From their perspective, there is nothing worse than having to click through multiple windows to enter details, choose a package, verify a captcha, or insert payment information, just to be able to read an article. Simplifying this process will unclog a significant friction point in your subscription funnel.

Remember, before designing any regwall or paywall form, consider your reader's point of view first.

### 5. Develop an acquisition-based marketing plan

An acquisition-based plan means thinking about the channels you're likely to find your target audience, and how to get your products in front of them. Nowadays, digital channels are an extension of a business's brand and a valuable tool for boosting traffic to your products, engaging with an existing audience, and humanizing your brand.

#### ORGANIC

Publishers building out their organic social media strategy should be sure to customize messaging to suit the nuances of each platform. For example, Twitter can be an excellent area to showcase key takeaways from articles, while Instagram can be used to encourage image or video reactions or even user-generated content.

#### PAID

Paid advertising on these platforms can also be a key strategy to boost engagement. Most social media platforms today offer the ability to target lookalike audiences for people who have interests in similar brands, or people who are specifically engaged with content on niche topics.

#### SEO

SEO is another essential strategy for acquiring new subscribers and raising awareness. In fact, according to **a study by BrightEdge**<sup>8</sup>, over 50% of traffic to a website or social page comes from organic search. While good content is always key, articles and social posts also need to focus on SEO to boost rankings in search engines, increasing the likelihood that more of the right people find your content. Fundamentals of SEO involve identifying valuable keywords that audiences are searching for, and then strategically using those in headlines, subheads, and meta descriptions to build "EAT" (expertise, authoritativeness, and trustworthiness) in search engines.

<sup>7</sup> <https://hbr.org/1992/09/managing-price-gaining-profit>

<sup>8</sup> <https://www.brightedge.com/blog/organic-share-of-traffic-increases-to-53>



## How to convert subscribers

Though more digital readers are buying into subscriptions, many still don't yet understand the value of these offerings. By drafting out a step-by-step user journey for visitors, publishers can determine what is required at each stage to educate users on the benefits of a subscription, and to ensure they move down the funnel. The different stages in this user journey are defined as user states. The main user states in digital publishing include unknown or anonymous visitors, known or registered visitors, subscribed visitors (paid), and brand evangelists.

To help convert users through each stage of this journey, consider the following tips:

- Consistently showcase the brand's unique value: Consumers reading news need to be reminded of what makes a business unique (e.g., the top resource on politics of a magazine specialized for a particular niche).
- Clearly communicate unique subscription benefits: What is a user gaining from a subscription package? How does that differ from their everyday experience?
- Test and iterate paywalls and strategies: When to show a form, what form messaging to use, which device to target, which articles to put forms on, and the frequency of registration forms.
- Offer a range of subscription purchase options: This could be a range of price points or different durations (e.g., a yearly recurring purchase, a monthly recurring purchase, or a set metered package).
- Create enticing discounts: By looking at demographic data, publishers can create offers that appeal to different user needs (e.g., student discounts).

In general, encouraging users to become paying subscribers relies on providing value upfront, building a user relationship that grows over time, and showing users a paywall at the right moment.

## What is a paywall, and how do they work?

A paywall is a way of gatekeeping all or part of your digital content behind a "wall" that is only permeable to paid subscribers.

Paywalls help digital publishers to monetize their content by encouraging casual readers to convert into paid subscribers. They come in a variety of forms, but most digital publishers use one of the following:

- **Soft paywalls**
- **Hard paywalls**
- **Dynamic or intelligent paywalls**

### Soft paywalls

Many publishers turn to soft paywalls to appeal to modern audiences who expect free content. Enabling users to read and access parts of the site keeps users engaged for longer, and builds a relationship before asking them to subscribe for full access. Access can either be granted to all articles with some restrictions on certain areas of the site, or to everything in its entirety for a set time period.

For example, **MittMedia**<sup>9</sup> saw great results by implementing a timed soft paywall. Opening up all content on their site for 60 minutes instead of enforcing a limit on the number of articles accessible to readers made for a refreshing take on the soft paywall everyone is familiar with, and the idea paid off. This approach meant they were able to **increase subscriber conversions by 20%**<sup>10</sup>.

<sup>9</sup> <https://www.bonnier.com/en/news/bonnier-news-acquires-mittmedia/>

<sup>10</sup> <https://digiday.com/media/swedens-mittmedia-increases-subscriber-conversions-20-time-wall/>

## Hard paywalls

Hard paywalls keep all content exclusively accessible to subscribers. Though website visitors may get a small "sneak peek" of the content, they'll be invited to subscribe to gain unfettered access. Hard paywalls are straightforward because they establish a definitive binary. If you're not a subscriber, you won't be able to access anything. If you are, you can access everything.

Major publications such as *The Times*<sup>11</sup>, the *Financial Times*<sup>12</sup>, and *The Wall Street Journal (WSJ)*<sup>13</sup> all have hard paywalls in place, which goes to show that they do work. That being said, according to a **report by the Reuters Institute**<sup>14</sup>, only 3% of media outlets opt for hard paywalls, making them the rarest type on the market. This could be because of the substantial trust and brand awareness required to get people to convert and commit.

## Dynamic or intelligent paywalls

A dynamic paywall offers "metered" access to content readers. Allowing finite access to a number of premium articles before gating the articles. Dynamic paywalls break away from traditional static paywalls by offering an intuitive and constantly evolving paywall that adapts to each user's behavior. They do this by harnessing user data to personalize each reader's conversion strategy and determine when is the best time to gate content depending on interests and engagement level.

For example, a user who is highly engaged and interested in content is more likely to be open to a paywall sooner in their experience than a user whose online behavior shows low engagement or interest.

Publishers cannot treat paywalls as an afterthought. The advent of new digital media has sparked a genuine desire for readers to get their content online and has necessitated that publishers be able to provide that content profitably. With this rise in digital content comes the need to monetize using paywalls, else lose out on growth.

However, choosing to implement a paywall is only step one. A publisher's real challenge lies in deciding what kind of paywall to implement and what features to install. Paywalls have a vast impact on how users interact with products and, ultimately, whether they convert to paid subscribers or not, so how can publishers ensure they have the right paywall strategy?

A good paywall strategy has three common features:

- **Data-driven**  
As the single most important building block to intelligent paywalls, first-party data must be insightful and usable so that all paywall strategies can be built on it.
- **Personalized**  
As personalization becomes more important for subscribers, the ability to alter a conversion strategy depending on who is interacting with content becomes critical. Personalization demonstrates to the reader that your publication can provide them with uniquely engaging content they will want to return to. Your paywall should be able to employ a different strategy for each unique user based on reader behavior to persuade them to subscribe.
- **Patient**  
Content accessibility is crucial. Ensuring that readers can adequately preview content and see its value is central to converting users into paid subscribers. Readers won't commit to a subscription without knowing whether the media appeals to them, unless the brand is exceptionally well-known and trusted. Of course, this varies from reader to reader, but showing a paywall too soon is a surefire way to damage a potential customer relationship with someone who isn't ready to convert.

<sup>11</sup> <https://www.thetimes.co.uk/>

<sup>12</sup> <https://www.ft.com/>

<sup>13</sup> <https://www.wsj.com/>

<sup>14</sup> [https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-05/Paymodels\\_for\\_Online\\_News\\_FINAL\\_1.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-05/Paymodels_for_Online_News_FINAL_1.pdf)

# Elevating the subscriber experience

## Personalization — the key to happy subscribers

**SmarterHQ**<sup>15</sup> says that 72% of consumers now only engage with marketing messages that are personalized and tailored to their interests.

Mark Whistler, Head of Product Marketing & Enablement at Zoura, outlined the importance of connecting all parts of the subscriber journey:

“For media publishers, the concept of personalization centers around their ability to demonstrate relevant value to each of their readers. The sooner relevant value is realized, the lower the acquisition costs, the happier your customers are, and the greater their lifetime value.

However, many media publishers are failing to connect their pre- and post-acquisition customer journeys (and the tools used to facilitate them). The data is there, it’s just siloed and not being used to harmonize on-site experiences with off-site messaging.

The information gathered on a reader’s first visit to your site should inform your registration strategy for that reader. That connected journey continues through to how and when you show them a subscription offer, how it’s presented to them through email marketing, and how that relationship is cultivated post-subscription. One of the biggest pitfalls for digital publishers is assuming the subscription journey ends at subscription.

If a subscriber is going to stick around long term, you want to continuously improve their personal experience at every stage and learn from them as much as possible.”

Suppose you know information about a reader’s behavior (types of articles they are interested in, etc.) In that case, you can use that information to persuade them to purchase your subscription products by offering packages that meet the reader’s needs.

Knowing a reader consumes world news in the mornings on mobile, a publisher can recommend a paid mobile news-based package to fit. Or if a publisher knows this particular user watches videos instead of reading content, they could offer a video package instead. Providing specific value like this can help maximize revenue and increase the chances of developing a long-term customer relationship.

We’ve all seen “recommended” or “you might also like” sections at the bottom of articles. But often, those custom content recommendations have nothing to do with the article you’re reading or your interests in general. Using accurate interest and behavioral data to recommend articles that users actually enjoy will boost engagement and keep readers coming back for more. Recommending content they have a high likelihood of engaging with will increase the time they spend on your site, improve their overall subscriber experience on your site, and grow the relationship they build with your brand.

<sup>15</sup> <https://www.wunderkind.co/blog/article/smarterhq-wunderkind-audiences/>

## How to grow subscription revenue

Subscriptions are a commitment for both publishers and subscribers. That commitment lays the groundwork for highly valuable long-term customer relationships.

By continually adding value for your subscribers in strategic ways, you can simultaneously increase average order value (AOV) and lifetime value (LTV) for your business to grow revenue.

By this stage, a publisher might have already attracted a core group of subscribers. Now it's time to maximize customer value, increasing AOV and LTV.

Here are four tactics for growing subscription revenue:

1. Create new package bundles
2. Create new offers with different features
3. Consider cross-sell and upsell
4. Give subscribers flexibility

### 1. Create new package bundles

These are assortments of products that are packaged and sold together, often at a discount to the customer to incentivize them to purchase. One of the major benefits of product bundling is that it encourages customers to purchase more items in a single transaction, increasing AOV.

At its most effective, bundling offers even greater value, increasing customer satisfaction, brand loyalty, and LTV.

Consider bundling together an assortment of bestselling subscription offers at a discounted rate, encouraging customers to try out items with proven success that they may be more likely to purchase again. Bundling is also an opportunity to package two or more bestsellers with less popular products at a discounted rate to incentivize customers to purchase lower performing products too. Ultimately, creating successful bundles boils down to testing and trying multiple different versions.

### 2. Create new offers with different features

Create new offers with different features. To maximize the revenue received from new subscribers, you'll need to appeal to greater audiences and improve the chances of conversion. To do this, it's essential to provide subscribers with a range of product options and tailored offerings to match their interests. That way, if they feel a misalignment with one package, there's still a chance they will purchase a different package that better matches their needs.

Give subscribers what they want and what they will actually use.

We can see examples of tailored product offerings in almost all major news companies. *The Telegraph*<sup>16</sup>, for instance, realized that rugby-related content was of particular interest to their audience. So, in 2018 they made content around the sport an essential product in their subscription options.

### 3. Consider cross-sell & upsell opportunities

**75% – 95% of revenue**<sup>17</sup> comes from subscriber renewals and upsells, and only 5% – 30% comes from new subscriber acquisitions. With stats like that, it's clear that upsells are not an opportunity to be missed.

Ideas for potential upsell add-ons include extra commentary from particular writers a reader is interested in, additional content such as a Q&A, access to a podcast or video series, or even print magazines delivered in the post.

### 4. Give subscribers flexibility

While this might sound counterintuitive, making it easy for subscribers to skip or delay a monthly subscription when they need a break actually makes them **less likely to cancel**<sup>18</sup>, increasing LTV and trust in your brand. Subscribers want to be able to edit their orders and make changes to their accounts at any time. Facilitate these actions by optimizing the customer portal and leveraging easy one-click transactions or on-off buttons, allowing users to customize their subscriptions easily.

<sup>16</sup> <https://www.telegraph.co.uk/sport/2018/05/25/introducing-telegraph-premium-sport-unlimited-access-finest/>

<sup>17</sup> <https://whatsnewinpublishing.com/how-can-publishers-drive-subscription-revenue-growth-and-become-a-subscriber-first-business/>

<sup>18</sup> <https://rechargepayments.com/blog/offering-flexibility-subscriptions/>



## How to tackle churn

Converting readers into loyal subscribers takes work, and churn undoes a lot of this effort. Research shows that for a majority of publishers, subscription revenue is impacted by churn and over a third expect that to increase in the next six months.

Publishers work hard to obtain audiences through quality content and experiences online, but frequently lack an effective strategy for retaining those hard-earned readers, and their achievements too often end up undone.

As with the acquisition stage of the subscription funnel, many publishers neglect the later stages of retention and churn management too. Choosing to focus solely on the point of conversion is a common pitfall. In reality, boosting customer retention can prove far more effective than boosting acquisition or conversion rates, so it needs to be a priority in your subscription strategy.

Small increases in customer retention can lead to **25%-95%**<sup>19</sup> increases in profit.

To boost retention and encourage subscribers to renew, utilize customer feedback loops to see what actions will make the biggest difference. The insight you gain from real-person interactions and customer surveys will prove incredibly valuable in this respect. To gain this valuable feedback, it's important to employ the right tech solutions that can analyze the data and provide clear outcomes.

For example, without the right tech tracking how subscribers feel about the product choices they have access to, it's impossible to gauge how likely they are to churn. Readers may decide the content is too expensive, irrelevant, or no longer valuable. If not addressed, it could lead to potential customers falling through the gaps and current subscribers looking elsewhere. Without this vital data, publishers won't know to provide alternative products or prices. Lessening their ability to align customer value with their content offering and resulting in missed conversion opportunities and costly churn.



Companies that use good technology in order to understand and enhance the customer experience and journey, and increase their positive touchpoints with their customers can benefit from a more efficient and stable business over the long term.

**Ari Assuied**  
CEO and Founder,  
Cafeyn

The publishers we surveyed still have some work to do in diversifying their product range — over half (51%) have only three or fewer paid product packages, and 1 in 5 don't offer products at different price points.

Publishers need to diversify their product offerings, using data and insight from trials to cater to the needs and wants of their audiences — new and existing. Lower priced options, specific interests, and timed access are all potential avenues to explore to avoid costly churn.

Ultimately, reducing churn revolves around being able to offer subscribers what they want. That means being able to provide continued and relevant value, and being clear on what a subscription offers and what content a user can expect.

James Henderson, VP GTM Subscriber Experience & former CEO of Zephr, Zuora, agrees:

**“People are accustomed to choosing what’s right for them, whether it’s buying products by frequency or features, opting into a premium package or a family focused deal. Successful recurring relationships are built on personalization, where consumers can access a product or package that’s right for them and leave the rest. If they can’t do so, they walk away.”**

<sup>19</sup> <https://blog.hubspot.com/service/customer-retention>

## Methods for tackling churn

### Create a compelling value proposition

A value proposition not only attracts new users to sign up to become a subscriber, but it also encourages existing customers to remain loyal. The possibility of customers churning is greater when they lose sight of your value, so to avoid this, make sure your value proposition is woven throughout your products and that you remind your subscribers of it on a regular basis.

### Understand churn types and what they mean

Active churn is when subscribers voluntarily unsubscribe from a subscription package. They might engage a support team to cancel or take action themselves from their customer portal. Here, it's essential to learn from their churn reasons and try to mitigate these risks to stop these from happening in future.

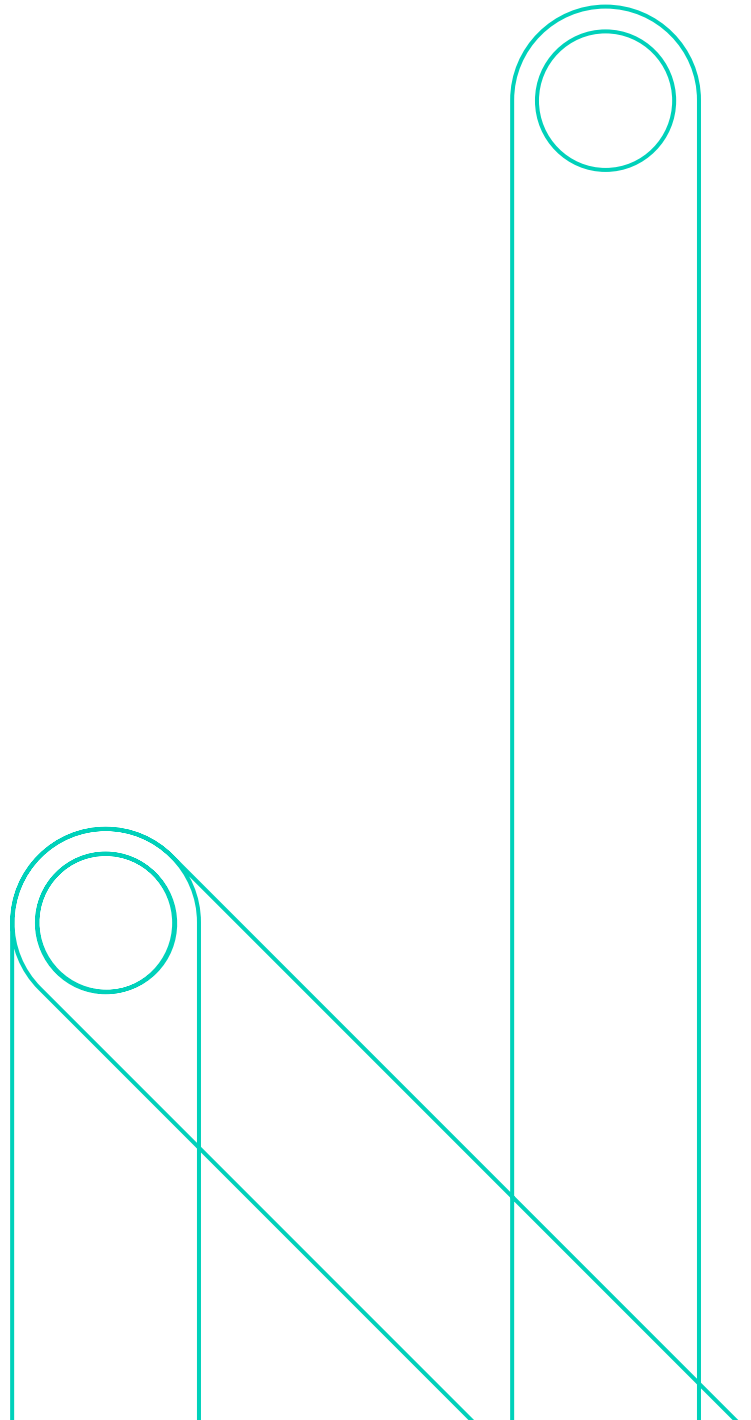
Potential reasons a subscriber might actively choose to leave a subscription product:

- Too expensive
- Too many emails
- Not enough local content
- Lack of continued value
- Don't have enough time to read
- Content wasn't as expected
- No longer working in the space the content is about

Passive churn, on the other hand, is when a subscriber's subscription is canceled without the customer taking action. That could happen if their credit card expires, their billing address changes, or there are issues with the payment provider. Here, it's crucial for publishers to offer renewal reminders and early renewal incentives, as well as review payment provider or paywall issues to see what the most common sources of passive churn are.

### Consider a re-engagement campaign

No matter what mitigation tactics you employ, some subscriber churn is unfortunately unavoidable. Once a subscriber has ended a subscription package, publishers can leverage the data they have on those users to experiment with email outreach and special discount offers to try to get them to return.



## Taking the customer experience further

These days, the customer experience is a make-or-break factor for digital publishers. Unpack how to get it right and keep your subscribers coming back for more.

Today, businesses are increasingly having to compete with each other on the quality of their customer experience versus factors like product offerings and price.

In fact, **according to PWC's customer experience report**<sup>20</sup>, 59% of US customers will walk away after several bad experiences, and 17% will walk away after just one bad experience.

When done effectively, optimizing your customer experience has the power to create lasting customer relationships that stand the test of time. So how do publishers improve customer experience?

Firstly, publishers need to consider a mutual value exchange for everything they ask of customers. That includes collecting data. For this to feel worthwhile, publishers should make it easy and valuable for customers to share data.

A reader's likelihood to share their information can be based on three factors – the level of trust they have for your brand, the level of value they perceive from using your service, and the ease of sharing their data at the lowest inconvenience.

As mentioned previously, any points in a subscriber journey that generate friction or resistance will increase the chances of a potential customer leaving. One particular mistake publishers make is rushing to collect as much data on users as possible all at once. Requesting lots of information at once can deter potential customers from engaging with your product again. Instead, effective data strategies involve progressively gathering more data over time throughout the user journey. This can be done through email sign-up, free trials, and offers. Overall, the publisher ends up with the same amount of useful information about their customer, and the customer feels like the process was natural and not arduous or overkill.

Creating a good customer experience is all about making users feel like they receive substantial value from their interactions with your brand.

<sup>20</sup> <https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/future-of-customer-experience.html#:~:text=In%20the%20U.S.%2C%20even%20when,brand%20after%20one%20bad%20experience.>



# Innovation in subscriptions

## How to choose the right tech to make it all possible

With users demanding more personalization in their online experiences, digital publishers are under mounting pressure to be able to meet these needs. That means having the necessary technology to be able to give users what they want becomes essential.

Here are a few things to consider when choosing technology:

- **Think about speed of testing**

Not all of your technology solutions will allow you to test different strategies and campaigns. But for those that do, ask yourself if the infrastructure is in place to rapidly and efficiently get useful information from a test. If the answer is no, your tech stack likely needs a overhaul. The ability to run tests in a short time frame allows companies to move the needle by focusing on quick wins that deliver big outcomes. A media company may, for example, test numerous methods to offer registration forms to readers and pick the best one that results in the most sign-ups.

- **Look to the future**

Often, commercial teams can get distracted by short-term wins while looking to boost conversion rate for the next month or looking for the next best tool that can boost paid ad results or SEO.

While these are important, it's also essential to think about how the technology chosen now will impact the future of the business in the long term (or vice versa). Finding solutions that won't limit you in future is a must-have. Purchasing technology that becomes obsolete in a few years because of limited features will negatively impact a publisher's profitability.

- **Buy vs. build**

With an urgent push for new technology, how can digital publishers decide whether to develop required tech in house or work with an external provider?

With more than half of marketing professionals now believing that building tech in house is a fleeting trend, it may be time to reconsider a more balanced approach to the build versus buy debate. Since new technology within the digital publishing value chain develops fast, it's not unusual for market changes to develop ahead of your company's implementation of a concept. As a result, you may start an in-house project for a specific piece of tech that rapidly becomes obsolete before the work is even complete.

Ultimately, the case for whether publishers should choose an external solution will still vary depending on the company and the project. But if you always choose in house, there's a chance you could limit advancement in the future.

- **Consider best-in-breed**

Instead of depending on a restrictive set of tools that typically only work on their own, commercial teams may opt for a best-in-breed technology stack to ensure adaptability and flexibility. Best-in-breed means being able to integrate with the best products of their type, thus future-proofing a business by allowing them to pivot should they need a different service or have a change in strategy.

This can be especially useful in times when commercial teams have no choice but to embrace new strategies in order to survive difficult periods. A best-of-breed approach allows publishers the ability to add innovation into their technology stack as they see fit (versus only receiving the solutions provided under the umbrella of all-in-one providers).



## The necessity to test, learn, and iterate

It's never too late to improve your subscriptions. Having an effective subscription strategy means constantly evolving with the needs of the market and the current trends. To stay ahead of the competition, publishers could consider optimization as a standard part of business operations.

Publishers can create a foundation for long-term subscriber relationships by constantly fine-tuning, listening to comments, and effectively iterating at a rapid rate.

A/B testing helps digital publishers determine which particular elements work best to elicit a desired response from a user (e.g., a conversion). For example, by leveraging subscription experience platforms, digital publishers can understand what content users have been engaging with, what device they're using, where they are located, and what demographic they belong to. They can then use this data to build unique subscription journeys that enhance the user experience by having the ability to deliver content and offers that are more relevant, testing where best to display ads, offers, and paywalls for the highest chance of clicks or conversions.

As mentioned earlier in this guide, different products and price plans can significantly impact revenue, but you'll need to test them first to see which works best. Being able to test paywalls, tiers, or product pricing quickly saves you time and money that would otherwise be "left on the table." You don't want to be waiting months to find out you could've doubled revenue had you offered a different package early on. Optimizing products and pricing quickly should be a top priority for publishers seeking to maximize subscriber revenue.



# What next?

**The Zoura team recommends you go through this e-book methodologically, implementing each stage throughout. To help you gain an overview of the key information, here's a recap of the essential steps:**

1. Clearly define your subscription funnel (e.g., what does each stage of the funnel look like? How do you know when users have reached the next stage in their subscriber journey?).
2. Understand and share key terminology across teams to foster alignment between tech and commercial departments.
3. Attract new potential subscribers through SEO, organic and paid social media, paid search ads, and brand evangelists. Consider creating enticing free trials and offers to provide value upfront.
4. Convert registered users into paid subscribers by clearly communicating the benefits of a subscription, offering various price points, and appealing to a range of different preferences with your packages.
5. Choose a paywall that allows for flexibility and can intelligently adjust based on audience data. Focus on long-term functionality and easy payment provider integrations.
6. Aim to personalize every stage of the subscriber journey, utilizing data where possible to give each reader a satisfactory experience.
7. Focus on customer lifetime value. Grow subscription revenue with new package bundles and upsell opportunities. Remember that a significant portion of subscription revenue comes from retained customers.

8. Tackle subscriber churn with effective customer feedback loops and win-back or retention campaigns (e.g., discounted resubscription rates).
9. Take the subscriber experience further by reducing friction and resistance. Avoid trying to collect lots of user information at once, and instead, look to remove potential barriers to a smooth experience wherever possible.
10. Choose technology that supports innovation and future growth. Consider best-in-breed providers where appropriate so your tech stack can evolve with the market.
11. Continue to test, learn, and iterate ideas (e.g., different paywalls, offers, and content). One of the biggest pitfalls for digital publishers is assuming the subscription journey ends at subscription. To retain subscribers, aim to continuously improve their user experience at every stage and learn from your audience as much as possible.



Hopefully, this e-book has provided vital insight, outlining the different stages in a successful subscription business. For more information, and to see how Zuora is helping other media businesses and publishers succeed in the subscription economy at unprecedented speed and scale, request a demo with our experts here.

[Speak to an expert](#)



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.

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