Keep Customers for Life

The Digital Publisher's Handbook
For Reducing Customer Churn

ZUORA

Contents

Introduction

With ad revenue declining in recent years, many digital publishers have turned to online subscriptions to make up for lost revenue. But with the cost of living going up, and fears that consumers will be cutting down on the number of subscriptions per household, **how can publishers keep readers from cancelling their subscriptions?**

In this guide, we'll explore some of the reasons readers choose to cancel subscriptions, and we'll offer tips on how publishers can put mitigations in place to help reduce churn.

Fortunately, the reasons people unsubscribe from digital publications have stayed relatively consistent throughout the years. This means the strategies we're about to cover are well-established and used by leading publishers to minimise churn risks.
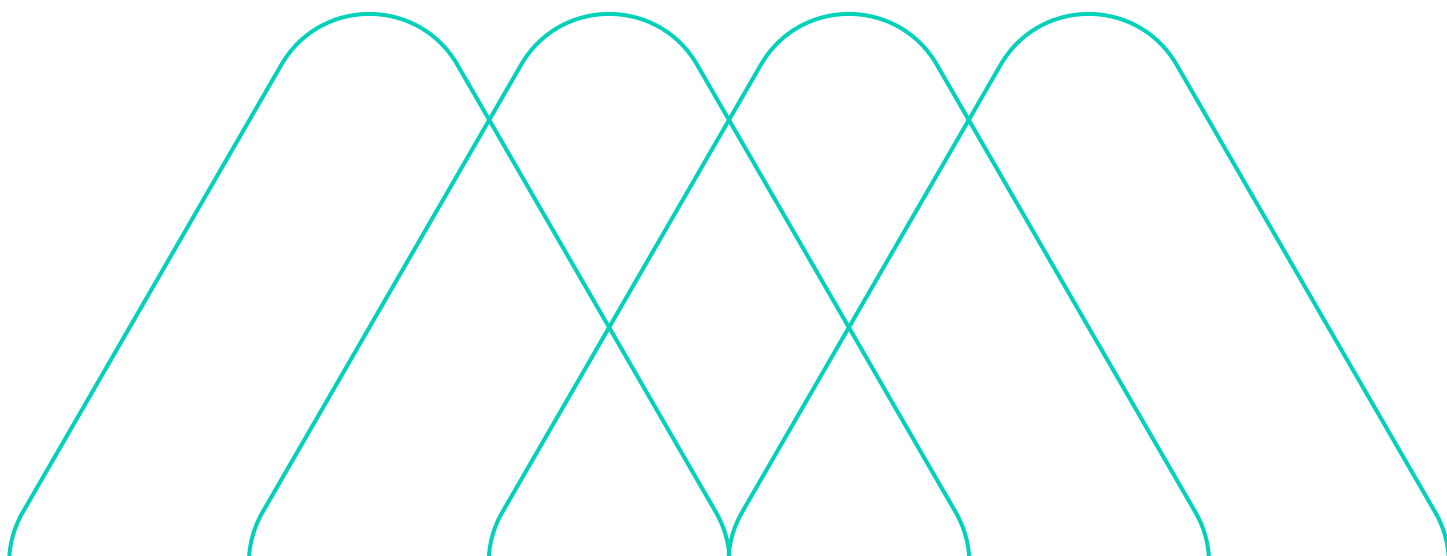
8 Reasons Readers Don't Pay for News

According to a Journalism 2022 study by Tim Groot Kormelink, the main reasons for not paying for news can be broken down into four key areas: **cost, access to free news sources, commitment issues,** and **technical difficulties.**

But since each of these areas has multiple intricacies to them, we need to break them down further to truly understand customer reasoning.

01 Too expensive

As we enter uncertain economic times, some new users are likely to find **expensive introductory offers** discouraging at the start of a new subscription, and on the flip side, existing users will find long-term high prices as a reason to cancel their subscription. With **people's budgeting concerns rising,** money will likely continue to be one of the most significant issues for subscriptions.

Luckily, price isn't as much of an issue if a user's perceived value of the service matches what they're paying. An interesting discovery in the **Journalism.co.uk** study showed that (at least for younger audiences), digital subscription services such as Spotify and Netflix have established a reference point for digital news.

The study suggests "that these services may even create a rather exact price point in the mind of users."

As a result, value-to-price reference points can play a big role in whether a subscription is deemed worth the cost. Any other subscription service that doesn't appear to provide as much value as these base reference points will likely be considered expensive.

Digital publishers are attempting to mitigate this problem among younger audiences by providing **discounted student subscriptions.** These pricing strategies work for the long-term because students are attracted to the lower price, and will then build a habit of engaging with these brands, meaning there's a greater chance that they will continue subscribing at the regular price point once they've found employment.

> But this strategy doesn't stop with students. News organisations such as The Boston Globe provide introductory pricing for all, with an initial offer that's 99% off the regular subscription amount.

02 Hassle and Commitment Friction

Another issue highlighted in the **Journalism.co.uk** study was that some subscribers felt a digital news subscription was an **additional commitment,** something else they had to keep up with and spend more time on. This feeling of additional effort is likely to add friction to the process and make users less likely to engage frequently.

To counteract this, publishers might consider **improving the user's experience** by ensuring it's as easy and frictionless as possible. This can be achieved by enabling easy signup, login, payment process (e.g. Apple pay), and even by adding a message alongside the "buy" button reminding readers they can easily "cancel at any time."

All these minor adjustments can put the user's mind at ease in terms of additional hassle and worry over being tied in for the long term.

03 Daunting Content Format

Some experts in the industry have suggested that moving forward, publishers should focus more on digestible news content that doesn't seem so daunting or arduous to consume, e.g. podcasts. **Eleni Stefanou, former editor and producer at the Guardian,** said in her **interview with Journalism. co.uk [2022]:**

> **"If I had to rank the major news formats from most to least stressful I would put television first, then the written word, and then audio. With audio, my senses are less stimulated (in a good way). It feels like I'm expending less energy and can process information with ease."**

Since news can be listened to on the go, users might feel they can enjoy it without having to put in as much effort. The ability to be able to simply press play and, for example, listen to an interview. From this perspective, we can see how podcasts might be a more enticing subscription option for someone worried about having to commit a lot of time or effort in order to get value from their subscription.

With the potential for subscriber content preferences to shift in the near future, it becomes crucial for publishers to think about **branching out into new channels** and consider the value customers receive from each.

04 Freely Available News

Another point for discussion is that news will always be **accessible for free**. While paid news sources are usually more comprehensive, users may be content with free options, if the sources provide ample insights and reliability for them to feel satisfied.

With this in mind, publishers might think of regular everyday news as merely a **gateway** to persuade people to subscribe and access other, more exclusive content instead. This could mean regular news reports from various writers, and then access to exclusive interviews and opinion pieces from specific favourites when users become subscribers.

> The Sun, for example, recently added Piers Morgan as a columnist, a writer with a substantial following. Knowing Piers is a writer for The Sun, fans of his will frequently engage to hear what he has to say, and be open to paying for exclusive content from him. This is a strategy many publishers could employ to persuade users to look beyond freely available news and seek more exclusive content.

05 Subscription-Saturation

As mentioned previously, there's a general concern in the industry that consumers are **cutting back on the number of subscriptions** they have per household.

> Participants in the Journalism.co.uk survey said they spent enough money on other services such as video and music streaming, indicating a lack of interest in subscribing to multiple news outlets on top of these. This means digital publishers aren't just competing with each other for subscribers, but also with other subscription industries too!

With large enterprise businesses like Apple launching **"Apple One"** and bundling all six of their subscription services, we could see a future where users sign up for just a single subscription package with one company, covering news, podcasts, music, video streaming, and more.

Taking this into account, it becomes more important than ever for publishers to **consider future partnerships and tech integrations,** as well as focus on producing a great customer experience with highly relevant and varied content.

06 Customer Experience and Technical Issues

Another big reason for churn is poor customer experience. With attention spans at an **all-time low,** anything that adds friction or slows down a webpage or app can cause users to get frustrated and stop reading, or worse, end their subscription.

For others, lots of pop-ups or a lack of mobile responsiveness can seriously impact a reader's likelihood to continue interacting with a brand. The New York Times is an excellent example of how to keep churn in check by concentrating on a high-quality customer experience.

For example, the New York Times offers a popup-free experience with a wide range of subscription options, including digital-only access, print-plus-digital access, and full access to both the print and digital versions of the paper.

They make it easy for readers to access their content across various devices with an app, and they provide excellent customer service through troubleshooting pages and a dedicated help centre.

All these factors combine to create a seamless experience, contributing to the brand's well-established **status** and **longevity.**

07 Insufficient Use

Some people choose to unsubscribe from a digital publication because they believe they don't have time to read it or think they won't be able to get through all content in one sitting. **This is only a surface-level diagnosis.** Insufficient use is ultimately caused by **disengagement** and a **lack of relevant content.** A reader who is truly engaged in a brand's content will not worry about having time to read it.

> When a reader doesn't find content enticing, it feels like more of an effort to read. This is often the case if a publication focuses on hard news, and not enough on features, culture, and other topics that match a user's needs. If subscribers don't find content relevant to their life, they will likely churn.

That's why now more than ever, there is significant attention being given to **personalising subscriber experiences.** Using first-party data to determine exactly what topics a user interacts with, gaining insight into their preferences, demographics and behaviours, and then tailoring future content and experiences to their needs.

For example, through the collection of first-party data, a publisher might discover that a user's main interest lies in politics. Seeing that this user tends to read political news on a mobile device or watch news videos on their commute to work, the publisher can then recommend similar content around these times to align with the user's behaviour. **This is just one of the many tactics that can be employed to engage users more frequently and build the habit of interacting with a brand.**

08 Lack of Transparency in Pricing, Billing, & Packages

Another easily avoidable churn reason is a **lack of transparency** or understanding about subscriptions. Some users simply don't understand what they're subscribing to, whether it be digital access, the entire paper, or a specific section. There might also be confusion over pricing, e.g. how much the price will increase in subsequent years, if payment will be taken weekly, monthly or yearly, and what the cancellation options are.

This is why it's essential to **clearly outline exactly what's included** in a subscription package. Offering **transparency** over features, price, and visible cancellation policies is key to reducing confusion and cutting down churn related to a lack of understanding.

> We can see an example of how impactful this confusion can be with The Washington Post. In 2013, The Washington Post switched from unlimited access to a metered access subscription model, allowing users to pay for a set number of articles to read. The problem was, very few subscribers actually understood the new system. The lack of clarity caused issues because it prevented users from being able to budget accordingly for their subscription costs, nor did they know exactly what they were paying for. Consequently, more readers began churning!

How Publishers Tackle Churn Challenges

Knowing the reasons a user might churn is only half the story. With the above challenges in mind, we will now delve deeper into the key takeaways and strategies publishers can employ to help reduce churn.

09 Onboarding

As mentioned above, a good **churn management strategy** focuses on delivering a great customer experience and support. This extends past customer care teams and can rely heavily on a customer's first impressions of their subscription. This is where an onboarding series comes in.

'Onboarding' is defined as 'the act or process of familiarising a new customer with your products or services.'

If done correctly, the onboarding process will result in the customer taking full advantage of what's on offer- using their subscription to the fullest. This can result in customer churn being greatly reduced.

Here are a few key things to keep in mind when creating an onboarding journey for digital subscriptions:

01. Keep it short and simple

Nobody wants to be bombarded with information when they're just trying to get started with a new product. Keep onboarding journeys short, and allow customers to choose their marketing and communication preferences.

02. Make it engaging

New customers should be excited to start using a subscription product, so ensure the onboarding journey is engaging and fun. Regular email reminders of relevant articles, viral topics, helpful tutorials, interactive exercises, varied content channels, and other activities will help them learn about your subscription benefits while building a strong reader relationship.

03. Tailor it to your audience

Not every reader is the same, so they shouldn't receive the same sequence during the onboarding process. Tailor recommended content specifically to each customer segment, based on their needs and preferences

04. Make it easy to follow

Customers should be able to easily follow the onboarding journey without constantly referring back to instructions or FAQs. Make sure all of the information is easy to find and comprehensible, and that the steps are easy to follow. Refining a strong onboarding sequence can have a significant impact on retention. In fact, up to a 67% reduction in churn is possible if publishers focus on customer solutions during the first interaction. Thus proving just how important it is to get this right!

10 Signup journey

Many publishers make the **mistake of overwhelming their new subscribers** with long processes, too much information, or difficult login experiences when they first sign-up

Since first impressions can have such a big impact on a subscriber's likelihood to churn in the future, it's important for publishers to make sure new subscribers have an easy sign-up journey.

- Carefully **consider** how forms look when a user registers or completes a paywall, what they see next, and how easy it is to access their account once registered (single sign-in using social media accounts or google can be useful here). To help convert users through each stage of this journey, consider the following tips:

- Aim to immediately **ensure** new subscribers are aware of all the benefits they're entitled to as a member, as well as clearly highlighting the cancellation policy. By doing so, you can help avoid 'post sign-up regret'. This helps remind the customer of all the value they're receiving before any doubts or concerns can creep in.

- It's also good **practice** in the post sign-up process to ensure the subscriber has instant access to the article behind the paywall that prompted signup in the first place. There's nothing worse than signing up to access a specific article someone wants to read, only to be taken to an entirely different page and lose the article altogether!

- Finally, **rewarding** desired behaviours will encourage future action from subscribers. For example, publishers can give their subscribers points for reading articles, posting comments, or sharing something on social networks. These points can be redeemed for more exclusive content, freebies, and features- a great way to keep subscribers engaged!

11 Product and price diversification

If a reader decides that a subscription package is **too expensive, irrelevant** or **no longer valuable** to them, the result is a high propensity to churn.

Increasing the number of subscription offers and being more flexible with pricing makes it easier for potential customers to find a package that meets their needs, reducing the likelihood of current subscribers cancelling.

Publishers can provide a variety of goods and pricing to different user segments by **understanding their interests.** Customers who only have interest in specific content (e.g. sports news) may want to pay less, while users that want access to all content are more likely to pay more.

As we saw in previous examples, this can be done by offering a lower-priced digital subscription to students, or a higher priced subscription that includes access to premium content. Additionally, providing discounts for longer-term subscriptions, or bundles that include other products such as

merchandise or event tickets. By tailoring prices to match the value different user segments seek from their content, publishers can satisfy all users' needs, reducing churn and increasing revenue in the process.

But while multiple pricing options are nothing new to the industry, **over half (51 percent) of publishers we spoke with at Zephr still need to diversify their product offerings.** Our research shows that less than half of the publishers we surveyed had three or fewer paid product bundles, and 1-in-5 didn't provide offers at varied costs at all. It's clear, then, that there's still some room for improvement here.

With increased subscription offers and more flexible pricing, digital publishers can appeal to readers who might otherwise cancel by providing them with more suitable options that meet their needs.
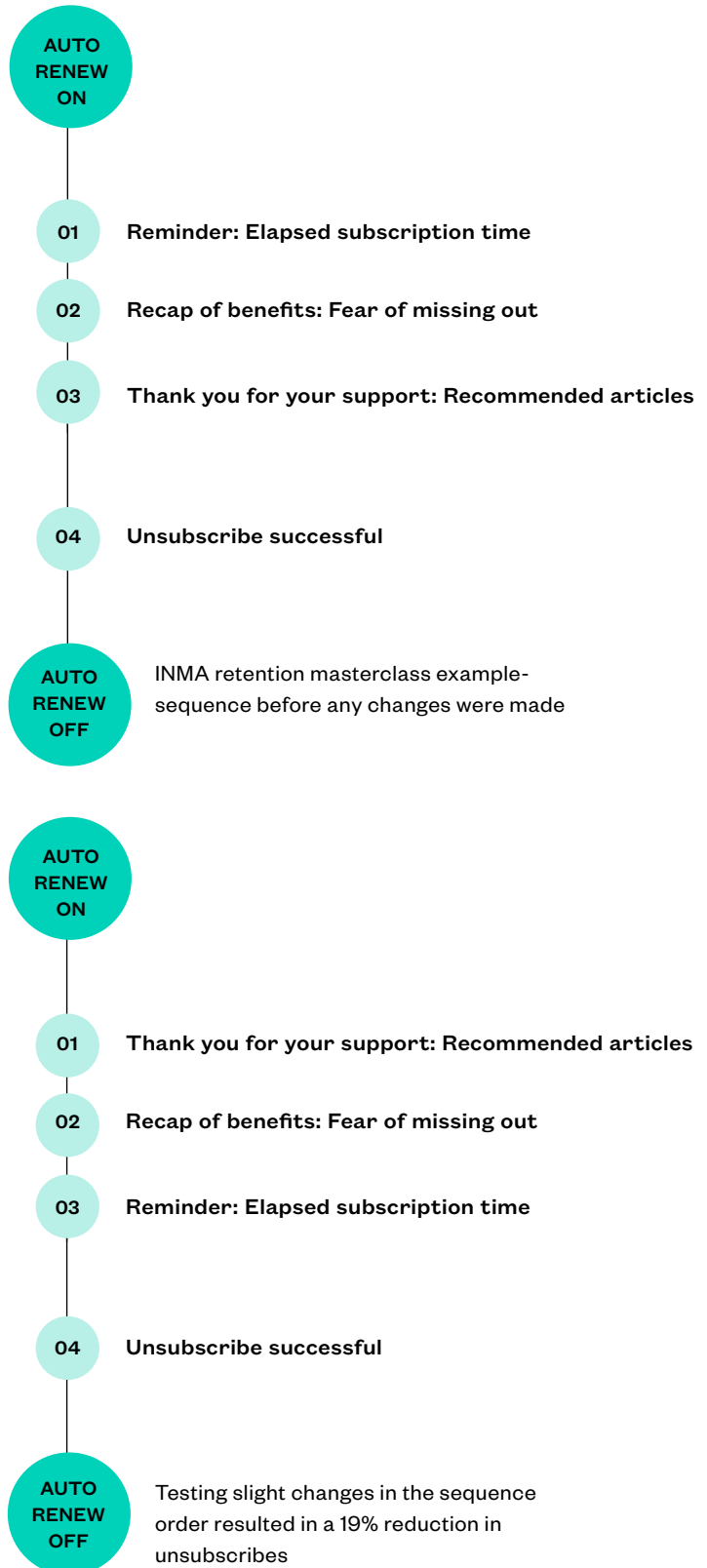
12   Unsubscribe sequence

As important as the onboarding sequence is, the **unsubscribe sequence** is equally as crucial. This is the last chance a publisher has to try and persuade a customer to stay.

Since this sequence is right at the point at which a subscriber may cancel, minor tweaks can significantly impact results. In the below example from INMA's 2022 retention masterclass, we can see how a slight change to the unsubscribe process example, resulted in a 19% reduction in users who completed their unsubscription:

More than anything else, the example on the right shows how having a test and optimise approach can play a big role in a publisher's ability to reduce churn quickly.

With the solutions in place to enable rapid adjustments like the above, publishers can quickly see results from tests and adapt promptly with dramatic impact. Consider testing a different order within the unsubscribe sequence, try different form messaging, display feature recaps, or even use different buttons. The faster a publisher can run these tests and come to valid conclusions, the quicker they can begin to reduce churn.

AUTO RENEW ON

01   **Reminder: Elapsed subscription time**

02   **Recap of benefits: Fear of missing out**

03   **Thank you for your support: Recommended articles**

04   **Unsubscribe successful**

AUTO RENEW OFF   INMA retention masterclass example-sequence before any changes were made

AUTO RENEW ON

01   **Thank you for your support: Recommended articles**

02   **Recap of benefits: Fear of missing out**

03   **Reminder: Elapsed subscription time**

04   **Unsubscribe successful**

AUTO RENEW OFF   Testing slight changes in the sequence order resulted in a 19% reduction in unsubscribes

13 Engagement

SmarterHQ says that 72% of consumers now only engage with marketing messages that are personalised and tailored to their interests.

Since readers come in all shapes and sizes, the methods publishers use to keep them reading should reflect that.

> "In a saturated subscription economy, publishers need to establish more meaningful ways to understand and engage their user base. Active engagement and retention strategies are underpinned by a simple goal - consistently finding ways to increase the value that your subscriber base experiences from your product. This can be achieved by establishing a greater personal connection between publisher and user via dynamic personalisation. Publishers should consider insights, trends, user behaviours, and where possible, first-party data in order to adapt every aspect of their subscription strategies."
>
> - Kyle Whitworth, Senior Customer Success Manager, Zephr

Publishers who want to create **relevant content** for their readers need to start by understanding their audience. The key to achieving this objective is by collecting and analysing first-party data, which comes directly from users. This data can include information about reader interests, demographics, and even location or device type. Once the data is obtained, publishers can use it to create targeted content that is more likely to appeal to their readers.

Using **accurate behaviour data** to recommend articles that users are actually interested in will boost engagement and keep readers coming back for more. **Recommending content** that users have a high likelihood of engaging with will not only increase the time they spend on-site, but also improve their overall subscriber experience and grow the relationship they build with your brand.

The more **detailed** and **granular** a publisher can be with the user attributes and preferences they collect, the more likely it is that they will assist readers in **locating what they're interested in.**

Effective Tracking

Recency, Frequency, Volume

Recency

When did the last user visit?

Frequency

How often does the user access content?

Volume

When does the user engage, and **how much** content do they consume?

> Using RFV to calculate a user's likelihood to churn is common practice in the publishing industry, but the importance of each metric may be grossly misrepresented. Consider a re-engagement campaign

Surprisingly, while many publishers think **volume** of consumption is the most critical factor for determining if a user will churn, INMA's subscriber retention research suggests that **frequency** is actually the most important metric. Finding that users who visit **eight times or more per month** are the most likely to retain.

Taking that into account, it's evident that tracking and prioritising the right data could be one of the most important factors in accurately predicting churn. Without tracking all the relevant data, churn predictions could be skewed.

For example, if a user has read twenty articles in the last month (volume), then it might be assumed this user is engaged and has a low propensity to churn. But by tracking all of the RFV metrics properly, it could become evident that this is the first time this user has read anything on the site for 6 months! In this case, it's obvious this is a high churn risk relationship.

For more help on measuring and analysing metrics, download our e-guide **"Are Your Metrics Meaningful"**

The churn problem simplified

To make sure you didn't miss any of the key points throughout this guide, here's a recap on some of the essentials.

1. Intentional churn in its purest form is when a customer does not see the value in a product vs the spend exerted.

2. Publishers ought to consider putting as much effort into churn and reacquisition as acquisition.

3. Retention strategies start immediately after a customer has completed a purchase.

4. Driving consistent engagement is key to building brand advocates and maintaining a steady RFV.

5. User experiences should be personalised wherever possible to ensure that the customer feels the value vs the spend.

To conclude, churn prevention and reacquisition strategies centre around providing customers with an unmatched user experience. Publishers who rely heavily on fixed subscription packages and content may want to consider shifting their focus to a personalised approach, using solutions and technologies that will actively generate revenue by enhancing the subscriber journey.

> **While many publishers today are thinking about churn through a lens of payment failures, trigger actions, and re-acquisition email sequences, there's also a lot of value to be gained in activating and engaging subscribers (as INMA demonstrated in their subscriber retention masterclass):**

Best practices in retaining digital subscribers: Engage customers

Adjust products to the needs of subscribers

- Motivations to buy, cancel
- News habits
- Interest in features
- Satisfaction / NPS
- Review content supply vs.
- subscribers' demand
- Study feature adoption

Activate and engage subscribers

- Post-check our on-site
- sequence
- E-mail sequence
- Editions-based journalism
- Community features

Reduce churn

- Segment active days or
- propensity to churn
- Trigger actions to low
- engaged segments
- Review dunning periods

Many publishers focus on reducing churn by monitoring engagement and churn triggers (left), but few proactively tackle churn by focusing on engagement strategies (middle).

Here lies the opportunity to stand out from other digital publications and create memorable and valuable customer experiences that drive lifelong reader relationships. Review payment retry policy

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