

The Publisher's Revenue Playbook:

8 strategies to boost revenue

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Introduction

Digital publishers have typically focused on advertising as their main source of revenue in the past.

But as the world of online content and third-party cookies is changing, publishers are required to consider a more holistic view of their revenue streams in order to keep up.

Luckily, there are various revenue streams that digital publishers can take advantage of, and each one has its own benefits. Having a combination of these revenue streams can help publishers thrive in a competitive market and generate consistent and predictable revenue.

With that in mind, this guide will cover 8 of the most effective ways you can boost your revenue by taking a holistic view of your monetization strategies, optimizing for conversions, and taking a customer-first approach across your business.

Let's dive in...



By looking at the total value of a reader across both the subscription side of a business and the advertising side of a business, you can truly monetize that reader to the highest potential.

Michael Mendoza
CEO, Lineup Systems

Offer more than one subscription package

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 a chance they will still 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**,¹ for instance, realized that rugby-related content was of particular interest to their audience. So, they recently made content around the sport a key product in their subscription options.

In a similar scenario,² McClatchy discovered that their sports readers were also particularly engaged and loyal. Even though these readers only made up about 20% of the total audience, they accounted for more than 50% of page views and were three times more likely to return than other readers. To guarantee this audience had their needs met, McClatchy created a subscription sports product called "Sports Pass", allowing readers to pay for just sports articles. This new package helped McClatchy double subscription conversions within just one week!

From these two examples alone, it's clear that there's a lot of potential for publishers who can provide specific product packages that match customer needs. To know what these customer needs are, publishers will need to employ first-party data analytics to understand trends in user behavior and see which content is most frequently engaged with.

¹ <https://www.telegraph.co.uk/sport/2018/05/25/introducing-telegraph-premium-sport-unlimited-access-finest/>

² <https://www.twipemobile.com/why-publishers-are-adding-vertical-subscription-products/>



Offer more than one price point

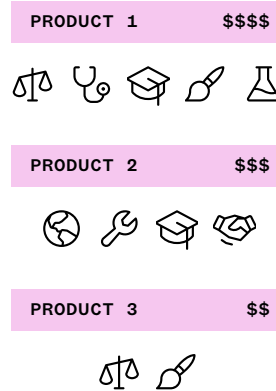
As well as having multiple subscription packages with different features to offer, experimenting with new price points for those packages has proven to have a significant impact on revenue too.

A one-size-fits-all pricing strategy will no longer work in this digital age. Users want prices to match the value they receive from your products, and that perceived value will differ from user to user.

An infamous [Harvard Business Review study](https://hbr.org/1992/09/managing-price-gaining-profit)³ by Michael Marn and Robert Rosiello found that a 1% improvement in pricing led to an estimated 11.1% increase in operating profits! This means that pricing optimization is over 3x more influential to your revenue earnings than increases in sales.

Adjusting your price can make your subscription services more appealing to a broader audience, but that doesn't just mean offering discounts.

Instead, here are some alternative pricing strategies to consider:



1. Tiered pricing model

Tiered pricing enables digital publishers to sell two or more packages with set features at various price points. Customers may pick from one of the many tiers, allowing them greater flexibility and the ability to pay for only the services they require. With tier prices increasing as you add value (either through more premium products or more features), each tier in this setup can be tailored to the demands of a buyer persona.

³ <https://hbr.org/1992/09/managing-price-gaining-profit>

Numerous real-world examples suggest that tiered pricing works extremely well because better persona targeting leads to higher conversions and maximum revenue. However, while tiers can provide more options for customers and encourage them to make a purchase, this pricing model also has dangers.

Too much choice in your tiers can actually be detrimental. In a well-documented study by Sheena Iyengar and Mark Lepper, researchers served jam to customers in a supermarket. When confronted with just six flavors, 30% of testers went on to buy something. But when presented with 24 alternative flavors, only 3% decided to purchase.

According to experts, when people have too many alternatives, they get stuck in analysis paralysis, which stops them from making a decision altogether.

If you choose to go down this route, be wary of adding too many tier options. Tiered pricing is widely used in the digital publishing industry, and often helps consumers break down the benefits they're receiving, but most subscription businesses provide just two or three pricing levels to avoid confusion.

2. Usage pricing model

While currently only utilized by SaaS and IT services,⁴ publishers have an opportunity to set up their pricing so that users are charged according to how much content they consume or how much time is spent on the site.

Tying pricing to usage makes it simpler for new users to get started, avoiding the friction associated with more considerable upfront costs of a full package, and charging them fairly based on how much value they get from your site.

It's worth noting that while this usage model often leads to more organic customer relationships with your brand, many publishers still choose "traditional" pricing routes. This is likely due to the fact that it's difficult to predict recurring revenue with fluctuating usage, and it's not as reliable or consistent as other models.

3. Intelligent pricing model

Intelligent pricing is a tailored approach that takes into account a potential customer's willingness to pay for a product based on a variety of user attributes. These attributes might include device type, frequency of engagement, location, and even previous purchasing behavior. Publishers who choose intelligent pricing will use these customer attributes to segment audiences and provide more personalized pricing or offers they are likely to convert on.

For example, an infrequent buyer is more likely to purchase a low-cost offer than a premium product, and a mobile user is more inclined to purchase a podcast offer than someone who is solely a desktop user.

If you can segment audiences according to their attributes and their likelihood to purchase, you can customize pricing to match each need.

For more help with pricing your offers, see our guide: "**The 5 Dos and Don'ts of Digital Subscription Pricing.**"⁵

⁴ <https://www.forbes.com/sites/forbestechcouncil/2022/03/14/usage-based-pricing-an-evolution-for-the-taking>

⁵ <https://www.zephr.com/eguide-the-5-dos-and-donts-of-digital-subscription-pricing>

Make ads transparent and relevant

Some digital publishers opt for "paid-for" posts instead of sidebar ads or in-article pop-ups. In these paid-for posts, a full sponsored article is written about a particular product and disguised as regular content to blend in with the rest of the site. While this method maintains the appearance and theme of an uninterrupted content experience, many readers feel cheated when they find out an article isn't genuinely valuable.

The Reuters Institute's Digital News Report 2015⁶ found that 33% of internet users in the UK and 43% in the US felt "disappointed or deceived" after reading an article when they later discovered it was sponsored by a brand or company. Not only did that leave readers feeling cheated, but it also undermined the credibility of the news organization.

The issue with these paid-for posts is that they can often ruin a brand's credibility.

Trust can take many months to build but can be entirely destroyed if readers feel used or tricked for advertising gain.

Instead, digital publishers should aim to be as transparent and relevant with their advertising as possible. While it's apparent that no reader particularly enjoys seeing advertisements, making it obvious which sections contain regular site content and which sections contain advertisements helps maintain a publisher's content credibility. In addition to this, making these advertisements more personalized and relevant improves the chances of



⁶ <https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2017-06/Reuters%20Institute%20Digital%20News%20Report%202015%20Sponsored%20Content%20Press%20Release.pdf>

a conversion, reduces friction, and eliminates the feeling of being used or deceived.

Showing ads that users are likely to engage with based on their interests and demographics, or displaying ads on specific topics that are genuinely related to the article a user is reading are examples of ad personalization.

Many successful companies have already proved that segment-specific and content-specific advertising like this can be lucrative—including Facebook and Apple News (to name a few).

If the goal is to drive advertising revenue in this way, the key is to track user behavior across your site, build a profile of an individual's preferences, interests, and demographics, and then to use that information to customize or match users with advertisements they're likely to engage with on your site.

Subscription experience platforms make it easy to segment audiences, curate different journeys, and personalize experiences based on demographics.



Ads [like these] take on the appearance of real news stories, and are crafted by people inside news publications who want to create and spread commercial messages that don't look like traditional advertisements. This practice borrows credibility from the newsroom in order to enhance the value of the ad created for clients.

The Tow Center

"Guide to Native Advertising"

"Test & optimize" strategies

A/B testing helps digital publishers determine what particular elements work best to elicit a desired response, e.g., a conversion.

Here are a few things you can test to increase revenue and conversions:

1. Test different ads:

Advertisements appear on nearly every digital news and publishing site today. Although they can be a lucrative source of revenue when appropriately tailored to target audiences, many publishers don't align audience needs with the adverts displayed, resulting in low clicks or conversions (e.g., Showing an advertisement for winter clothes to someone in a hot climate).



Having a system in place to test new ideas quickly enables teams to make rapid advancements towards company goals. The ability to alter individual website components and quickly see an impact enables teams to highlight key areas of focus.

Marisa Espada

Digital Marketing Manager, Zephra

Through tools such as 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. With this information comes the ability to deliver adverts that are more relevant, testing where best to display each advertisement for the highest chance of clicks.

These insights also enable publishers to share general demographic insights with advertisers, such as average age range, profession, interests, etc. Publishers can then work with their third-party advertisers to generate and test creatives that are specifically tailored to different audiences on the site.

2. Test different products and pricing:

As mentioned in the first section of this guide, different products and price plans can have a significant impact on revenue, but you'll need to actually 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 looking to maximize revenue from customers.

3. Test when to show ads and paywalls

Publishers should consider different user experiences on their sites. There must be a working equilibrium between when to make content available for free and when to encourage readers to make a purchase or see an ad.

Consider how an active user who regularly views your content might be more receptive to ads or paywalls than someone who is disengaged and only visits once or twice a month.

Getting the balance right could mean the difference between a thriving subscription business with regular returning customers, or one with infrequent users who are likely to churn. It should be evident that to retain customers and build long-lasting relationships, it's vital for publishers to carefully map out the different user journeys in order to reach users at the point at which they are most likely to convert.

Remember these key points when running any A/B test:

- What specific concept or preference is being tested?
- Are all visitors being tested, or just a specific segment?
- Where on the site are you testing, and under what circumstances?
- When and how long will the test run?
- What will you learn from the test? What results are you hoping for?



Offer a free trial (and use the data effectively!)

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

Dropbox, 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. And once the trial is up, Dropbox follows up automatically and offers to shift the potential customer onto their chosen subscription plan quickly and easily.

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." (Strategies like this make it clear how subscription revenue and ad revenue streams are closely intertwined).

Don't miss the data!

As well as offering users a unique new look at your service, and enticing them to sign up for a paid subscription, trials also afford the opportunity to collect data and user preferences. You can monitor what 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.

Our research at Zephr shows that while **45% of publishers** offer a trial period, only 30% actually use that trial period data to tailor their content and products for re-engagement in future. It's clear there's work to be done here to utilize collected information better.

In-article purchases

E-commerce and affiliate businesses offer big revenue streams for publishers, but linking offsite means you lose insight and additional ad opportunities from your own content. Not only that but additional clicks and navigation create added friction to the user experience.

In the past, this has posed a real problem, but in recent times, digital publishers like BDG Media have tackled the challenge head-on by pushing for in-content checkout.

In-content checkout means giving readers the option to make purchases to third parties while remaining on your site (without even having to leave the article where they receive the ad).

This functionality is extremely useful from a customer data perspective, but to maximize potential revenue, publishers must also optimize the user experience, creating aesthetic checkouts that encourage purchasing and enhance trust. In the future, BDG Media aim to do this by exploring other formats for in-article checkout, including live video.

Checkouts like this could be a rapidly emerging trend for publishers, but they're only possible with on-site integrations and **the right tech to do so.**⁷ To ensure you future-proof your business for any potential trends in the future, you'll need to employ a best-of-breed approach to your technology stack so you can implement new technologies with relative ease.

⁷ <https://www.zephr.com/monolithormicroservicepart2>



Expand your offerings with upsell strategies

Providing attractive add-ons to existing subscription products can be an alternative way to create additional revenue. Rather than upgrading to a new subscription tier, subscribers can pick and choose specific features they'd like to add to their existing product or service instead.

It might be that a subscriber really likes a particular feature of your premium offer but has no use for the rest, causing them to refrain from upgrading. But if you break down features into add-ons, you can still gain additional revenue that would otherwise be lost.

Good upselling results in a "revenue on top of revenue" phenomenon. Your business is already earning recurring revenue on these user accounts, but with upsells, it earns more. When employed tactically, an upselling strategy is an excellent way for businesses to boost customer lifetime value (CLV).

75%–95%⁸ of revenue comes from subscriber renewals and upsells, and only **5%–30%** comes from new customer acquisitions. With stats like that, it's clear this is an opportunity not to be missed. from new customer acquisitions.

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Your free newsletter subscribers or social media followers are an excellent option for upselling, since you know they are already interested in your content. They might just be waiting for the right offer to come along to convert to a paid subscriber, or maybe they don't even know that there is a paid/premium option.

Michel Benjamin

Director of Marketing, Lotame

Ideas for potential upsell add-ons include:



Access to a podcast or video series



Print magazines delivered in the post



Extra commentary from particular writers a reader is interested in



Exclusive author content

⁸ <https://whatsnewinpublishing.com/how-can-publishers-drive-subscription-revenue-growth-and-become-a-subscriber-first-business/>

Increase subscriber renewal

While there are actions you can take to make an impact on new user acquisition (like onboarding sequences and making sign up available across all of your channels), it's far easier to drive revenue growth when a steady stream of customers are renewing their subscriptions over the long term.

Not only do renewal purchases increase the value of customer relationships, they're also proven to drive more sales. Customers that have happily invested in your products previously tend to spend more on new offers than customers who have only recently discovered your brand. On average, repeat customers spend **67% more in the third year**⁹ of their relationship with a company than at prior stages.

In addition to this increased likelihood of future purchases, **Forbes noted**¹⁰ that it also costs five times more to acquire a new customer than it does to retain current ones. With these stats in mind, it's worthwhile to make increasing customer retention and lowering churn a top priority for digital publishers today.

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To be successful, it's really important that you think beyond revenue. You need to be thinking about [long-term] customer value, the volume of subscribers you have, and their activity levels.

Katrina Broster

Performance Director, Dennis Publishing

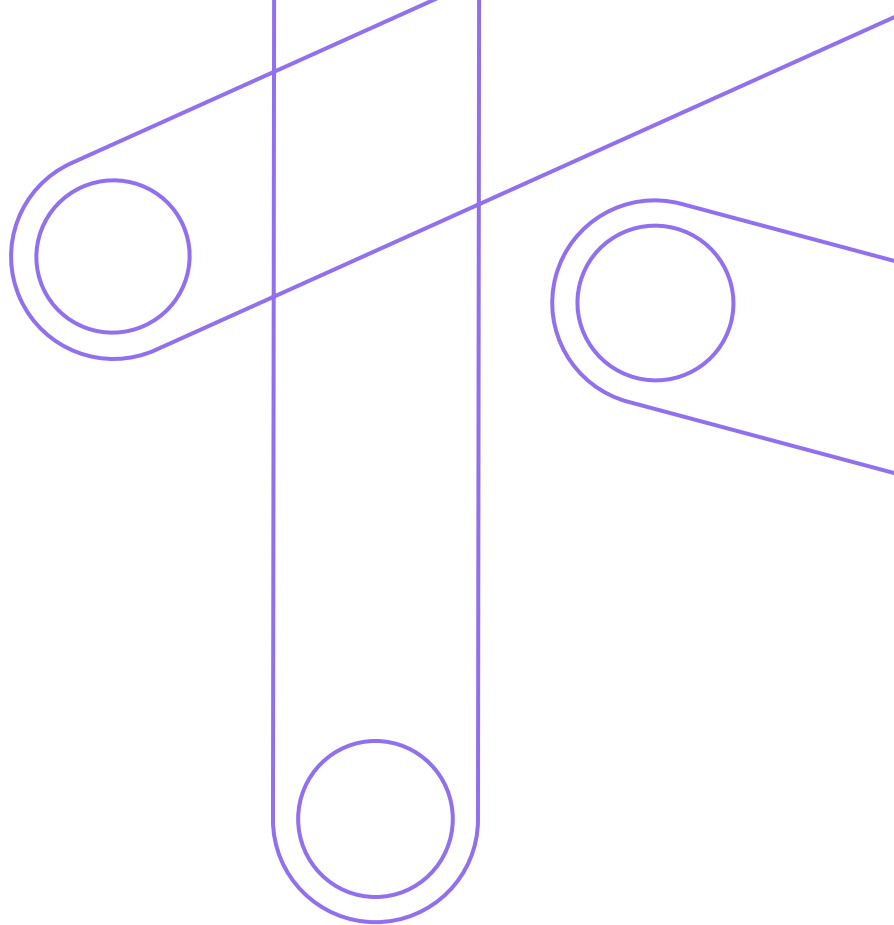
⁹ https://media.bain.com/Images/Value_online_customer_loyalty_you_capture.pdf

¹⁰ <https://www.forbes.com/sites/jiawertz/2018/09/12/dont-spend-5-times-more-attracting-new-customers-nurture-the-existing-ones>

Small increases in customer retention can lead to 25%–95% 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.

As well as utilizing feedback and improving areas customers are dissatisfied with, reminding customers when their subscription period is due to end is also a popular strategy for retention among publishers. Reiterating the benefits a customer has enjoyed over the past year could be the nudge they need to continue the relationship. Customers should realize the value they receive from your product or service at every step of the journey.



For additional ideas and insight, here's a chart showing some popular industry strategies for retention: How publishers try to encourage existing digital subscribers to renew

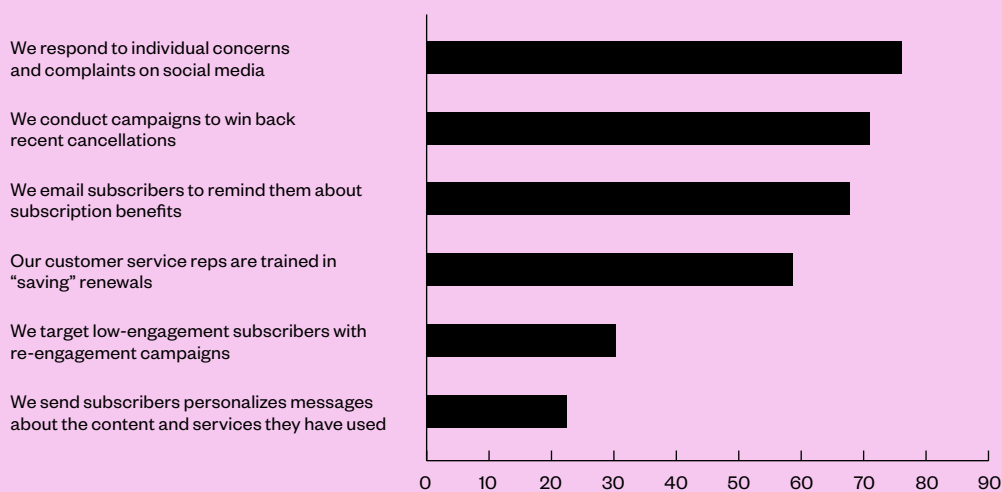


Chart showing popular methods to encourage renewal – **What's New in Publishing**¹¹

¹¹ <https://whatsnewinpublishing.com/most-effective-subscriber-retention-strategies-according-to-publishers-api-report/>

Taking the holistic approach

There are multiple active revenue streams in digital publishing, but to truly thrive in the industry, publishers must consider a holistic approach instead of siloing different revenue models.

Subscription revenue and ad revenue streams don't have to compete but can rather work together to produce a personalized experience at every interaction with your brand.

To recap the key points we covered, consider implementing the following:

- Offer multiple subscription packages at different price points.
- Experiment with packages and price points by running A/B tests to find the highest converting ones (the faster you can implement these tests, the faster you can boost revenue and recover lost income).

- Be transparent with your advertising, make advertisements relevant, and consider improvements to the user experience, such as in-article checkout.
- Consider innovations like in-article checkouts, anticipate changes and consumer trends, and implement ideas using best-in-breed solutions to future-proof the business.
- Offer free trials but don't forget about the valuable data collected during this period!
- Consider upsell add-ons instead of entirely new packages.
- Focus on retention to build a lasting relationship with customers and create a more reliable revenue stream.

For more help with any of the above, see how we help digital publishers **build, test, and optimize digital subscription journeys**¹² to accelerate their revenue growth.

¹² <https://www.zephr.com/subscription-experience-platform>



Ready to unsilo your revenue streams?

Speak to someone on our team



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