

Four Ways to Strengthen your Retention Strategy

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The best retention tactic for a subscriber addresses the value proposition of the product to that customer. We have observed four primary categories of subscriber motivation: interest in particular **content**, interest in the **local community**, passion for the **cause of journalism**, and **cost-conscious consumers** that are sensitive to prices.

We can identify the segment for a subscriber by observing their acquisition channel, subscription offer, and behavior as a reader. Recommended retention tactics for each segment are summarized below.



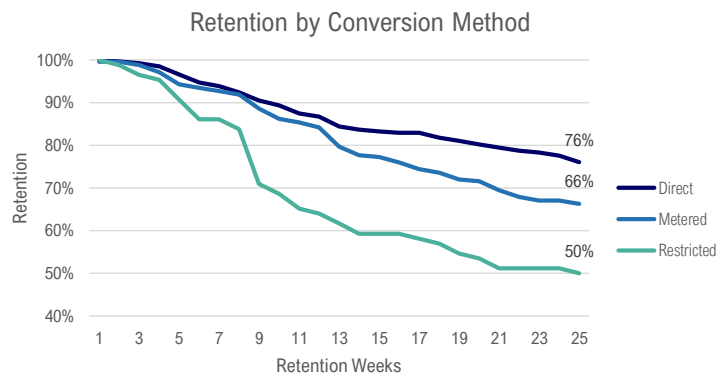
CONTENT

People that have subscribed due to interest in certain content

Indications that customers belong to this segment are subscription conversions from premium content or consumption of content predominantly in one content category. They typically select offers that are shorter in term. **Content-driven subscribers represent about 25% of a typical publisher's digital customers.**

Retention tactics that work well for this segment are campaigns that focus on the reader's primary content area. In Case You Missed It (ICYMI) emails of articles they have not read in their primary content area are an effective strategy.

The chart above shows retention by three types of start sources for a large publisher:



Direct Users who converted from an email link or the "Subscribe" button.

Metered Users who converted after reaching the meter limit (2 articles per 30 days).

Restricted Users who converted after hitting a premium article.

Engaging these readers in other types of content can reduce their churn risk by deepening their relationship with the publication.

Recommended content personalized to their preferences or identified by observing look-alike readers can achieve this diversification of content consumption.

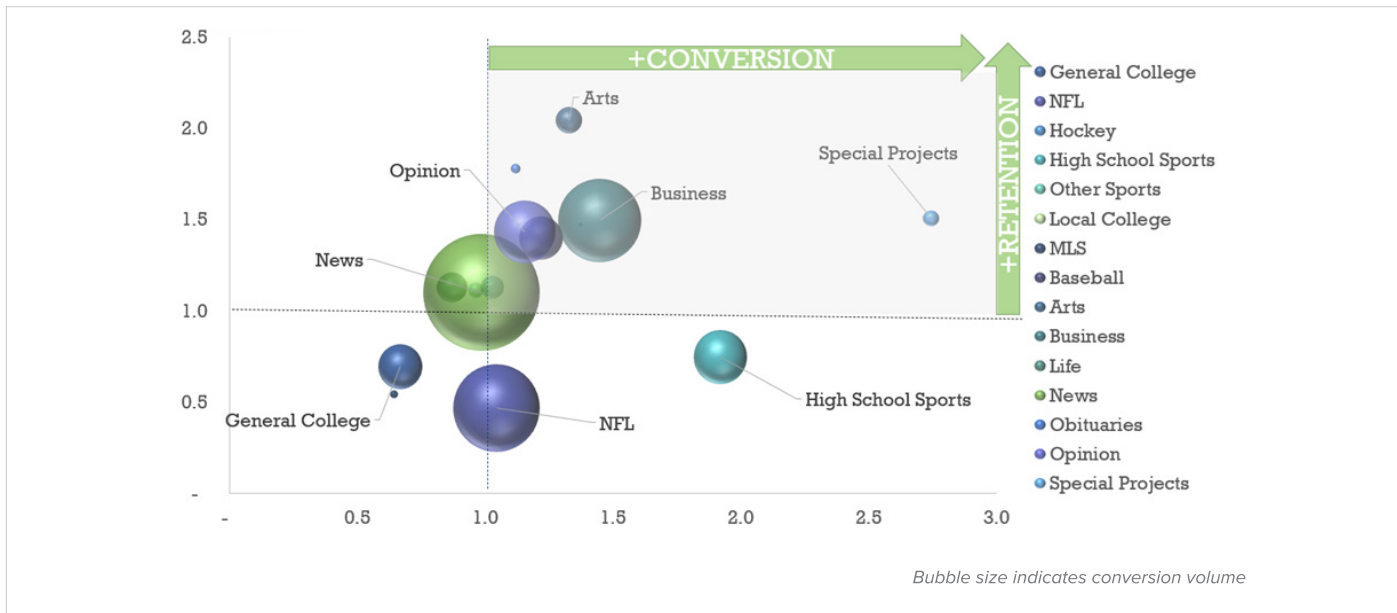


COMMUNITY

These subscribers are very interested in local news

Community-driven subscribers often convert to paid customers from metered content, or they have a print subscription. These readers will typically select subscriptions with longer term lengths (annual subscriptions.)

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This category of **subscribers are often about 50% of digital customers.**

Effective retention tactics for this segment are campaigns that **focus on local journalism and community events.** Newsletters focused on local news help engagement with these subscribers as well as non-subscribers.

Subscriber tastes may evolve or be driven by cyclical content, such as elections, or seasonality, such as sports. The framework above allows newsrooms to see what content resonates more on the path to conversion or long after the subscriber has been acquired and renewed.

For the above publisher, Business, Opinion, and Arts content both attracts and retains subscribers. However, NFL and High School Sports content does not retain long term subscribers though indexes high on acquisition.

In conclusion, drilling further into these high-level sections will reveal subsections and other topics that may resonate on either side of the subscription lifecycle.



COST
These subscribers have a high price elasticity

These customers often have converted to paid subscribers from a direct email campaign, and they may have started and stopped several times. These customers often remain on an introductory rate or call customer service regarding price changes. **This segment is typically about 10% of your subscribers.**

The retention tactics for this segment are targeted renewal offers that reflect their heightened price sensitivity. Targeted stop-save offers that reflect the last price they paid can retain revenue from these customers compared with retention offers at standard new-offer rates.

Mather works with many publishers on targeted renewal and retention offers. We can identify the customers most likely to stop following a price increase and recommend offers that balance revenue and churn risk. We also provide targeted stop-save offers for subscribers so customer

service representatives can be prepared for calls with customers inquiring about price changes.



CONTRIBUTORS

These people are not engaged with your digital product, but are reliable and consistent payers

These customers are usually on your standard subscription offer and often convert on premium or metered content. This segment represents about **10% to 15% of digital subscribers in a market.**

The question of whether to increase the price to these customers comes up frequently. We have tested increases to this segment with different results. We can offer benchmarks and case studies of how other publishers have treated this group.

Recommended retention tactics for this segment include communications that stress the value of investigative journalism and recent investigative pieces completed by the newsroom. Asking this group for donations in addition to their subscription can yield incremental revenue. Recognition of these customers is an effective retention tactic.

GET THE HELP YOU NEED FROM OUR EXPERTS

Over the past 20 years, Mather Economics has helped clients around the world manage their subscription relationships with print and digital customers. Our services help publishers transform their organizations to digital-subscription revenue-based business models. As the global leader in subscription analytics, we manage over \$6 billion in combined annual subscriber revenue and receive data weekly on 30 million subscribers. Mather services can provide payback of our fees as quickly as 90 days, and typical client results are a 10X annual return on our costs.



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