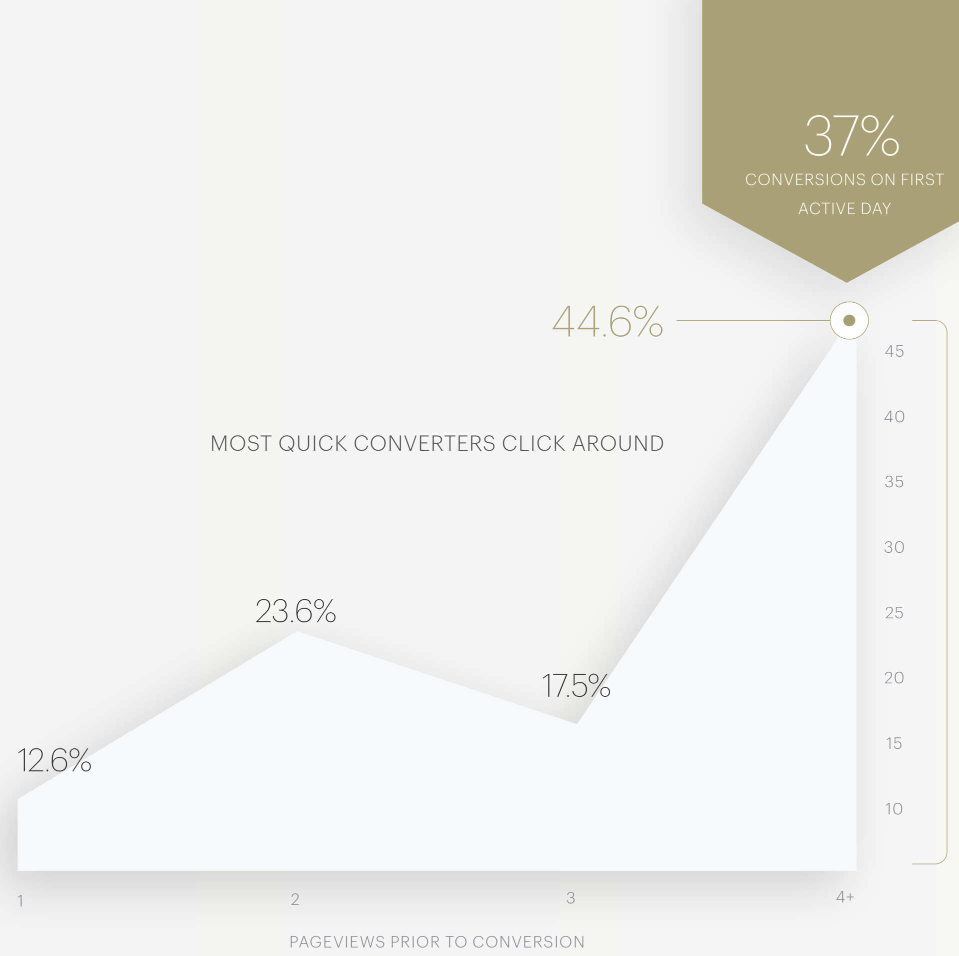
A guidebook to the subscriber journey

10 **Strategic recommendations**
fuelled by Piano's benchmark data

piano



01

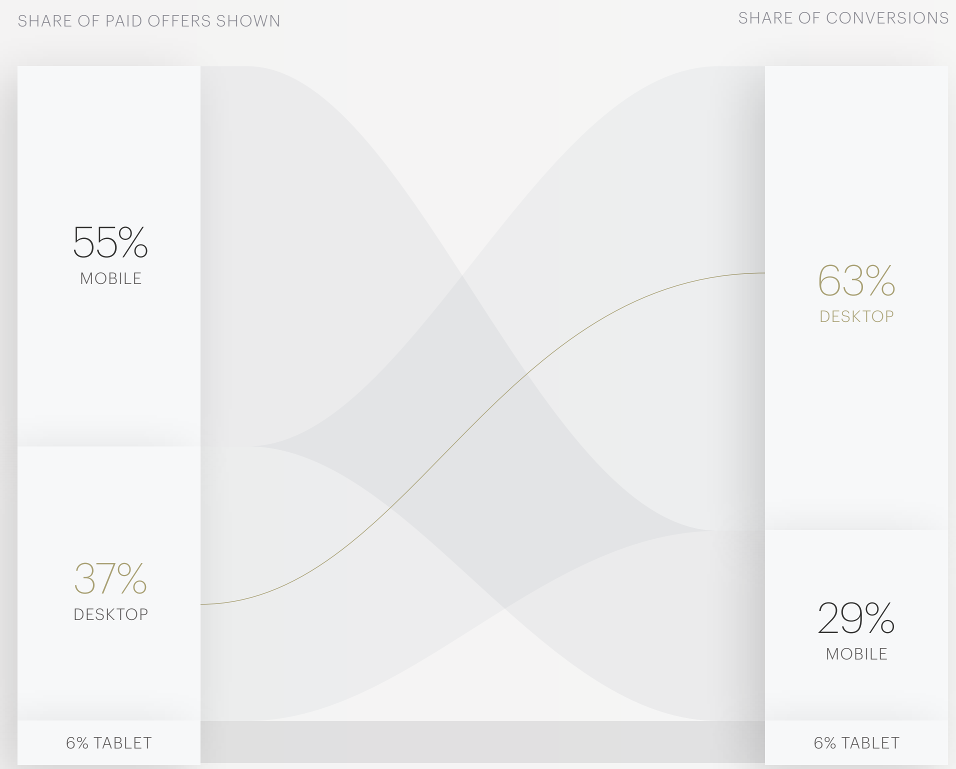
Harness the quick converters.

It's generally assumed that it takes a long time to convince someone to subscribe. But a pretty big share — 37% of subscribers — convert quick, on their very first active day of the month. That said, the vast majority of these converters have more than one pageview prior to conversion — making it critical to design pathways to conversion that allow for deeper engagement before payment.

It's easy to get distracted by single pageview visitors — they are 68% of overall audience — but this majority accounts for under a quarter of ad revenue and a couple percent of subscriptions — making engaged visitors the real cash cow.

01

02



02

Optimize desktop offers; reduce mobile friction.

A majority of visitors come from mobile these days, but desktop visitors still convert to subscriptions at a rate nearly four times that of mobile. This is thanks, at least in part, to the pain of typing a credit card number into your phone.

Streamlining mobile checkout is all the more important because visitors who do subscribe from mobile retain just as well as desktop converters. And visitors who subscribe via desktop but never visit from their phones are more likely to cancel. Desktop may be critical at the point of conversion, but cross-device usage is key to retention.

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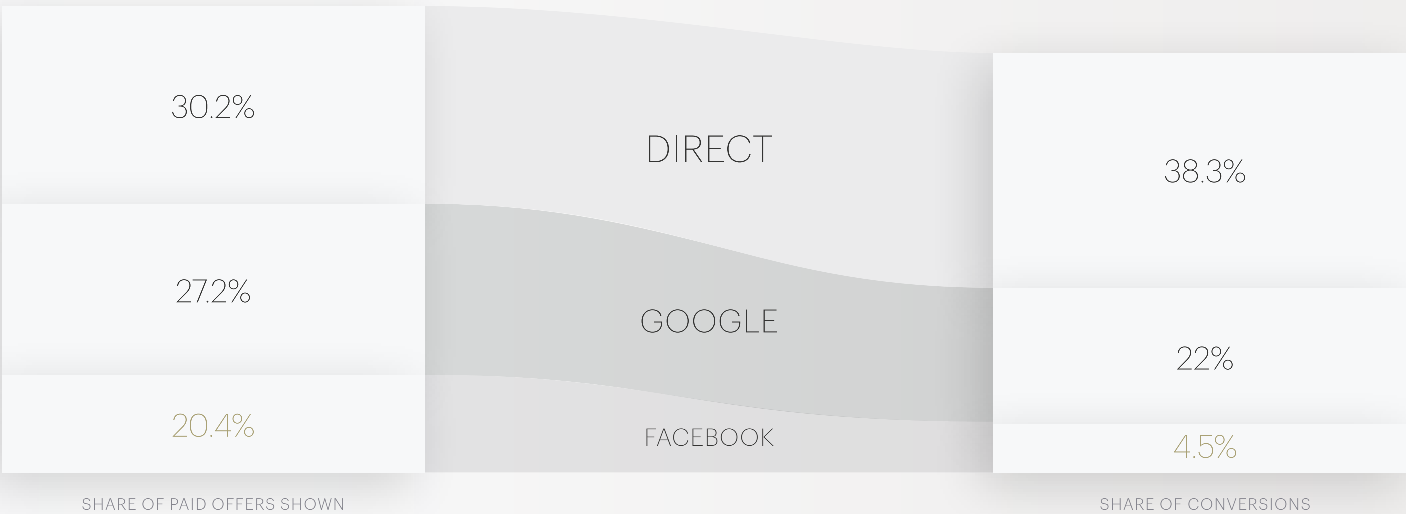
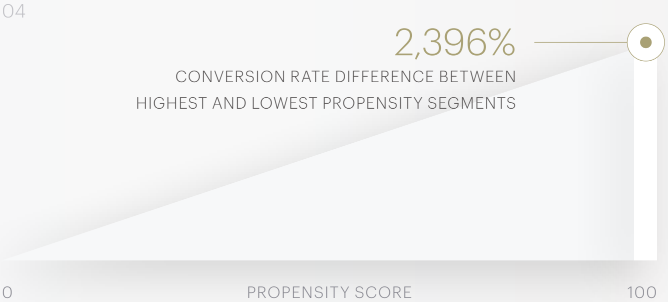
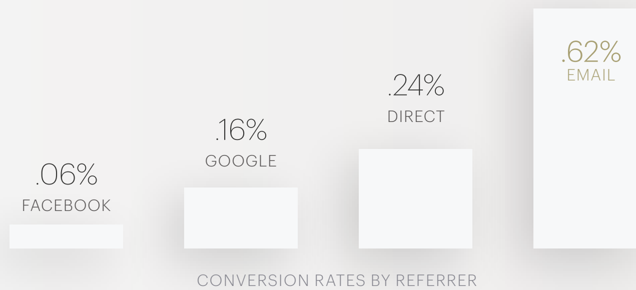


03

04



05



03

Invest in search over social.

Traffic referred from Google converts at nearly three times the rate of traffic referred from Facebook and is the biggest third-party referral source for subscriptions.

That's because the act of search itself is an indication of intent. Search visitors are looking for an answer to a question or for a product that fits their needs. They will often convert when they find what they seek. Social visitors, by contrast, are browsing passively.

This makes search particularly important for digital products focused on a particular niche — such as an individual sport or a business vertical — where a high share of conversions are likely to come from consumers actively seeking out the offering.

04

Ask the right prospects to pay.

Around 5% of visitors actually see a subscription offer to the average paid site. There are a variety of reasons — high meters, few premium articles, hidden subscription landing pages — but the main underlying cause is a fear among ad-dependent sites of losing pageviews, and digital advertising dollars along with them.

Propensity modeling of the kind Piano offers, which scores each visitor based on likelihood to convert using dozens of metrics — including number of sections read, active days, pageviews per visit, geographic location, number of paywall hits, and many others — can help strike the right balance between subscription and ad dollars.

05

Harness the power of email.

Email has the highest conversion rate of any acquisition channel, but only one in twenty conversions come from email because it's underexploited by most sites. Growing your email list requires providing benefits in exchange for an email address, most often limited access to premium content or personalization of the user experience.

An email address itself does not magically make an individual more likely to convert — it's what you do with that email once you have it. Your email list is a population of prospects you can tempt with subscriber-only content, special offers, and new features.

06

Keep conversion rates in context.

Low conversion rates aren't always bad. Nor are high conversion rates always good.

High-traffic websites with low conversion rates often have big subscription bases thanks to their large audiences. While there are certainly successful businesses with high conversion rates, a double digit conversion rate tends to be the result of low awareness of an offer, with few visitors getting to the point where they can make a purchase decision.

There is nearly a 600X difference in conversion rate between sites at the highest and lowest ends of the spectrum — with type of offer, targeting strategy, referrer, device, and a host of other factors having a big impact — making it unwise to fixate on conversion rate in isolation.

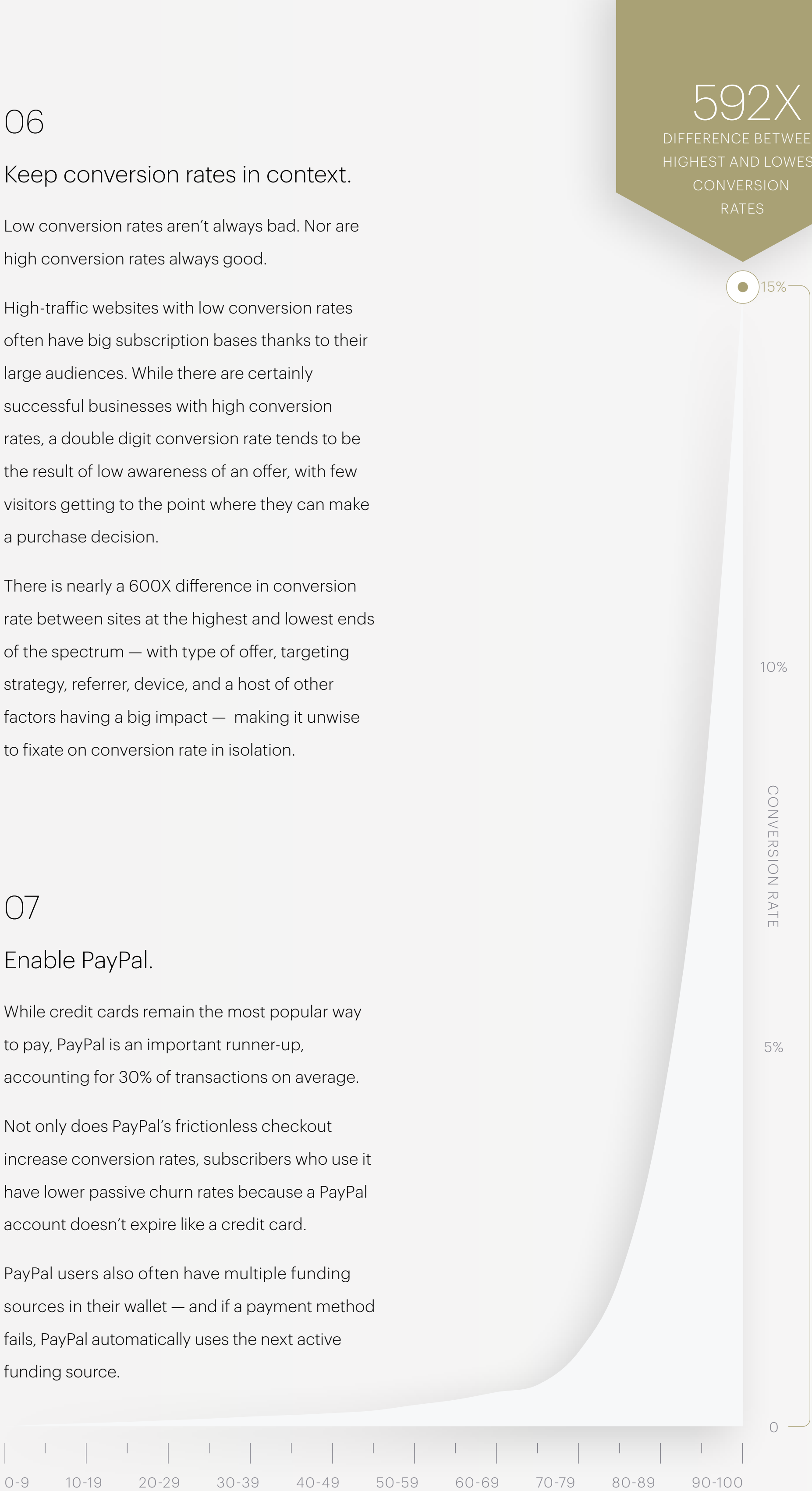
07

Enable PayPal.

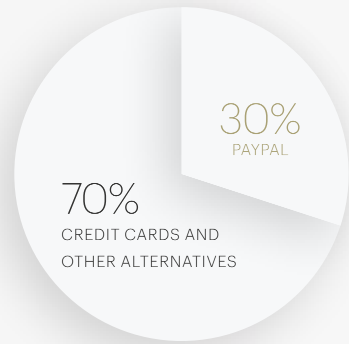
While credit cards remain the most popular way to pay, PayPal is an important runner-up, accounting for 30% of transactions on average.

Not only does PayPal's frictionless checkout increase conversion rates, subscribers who use it have lower passive churn rates because a PayPal account doesn't expire like a credit card.

PayPal users also often have multiple funding sources in their wallet — and if a payment method fails, PayPal automatically uses the next active funding source.

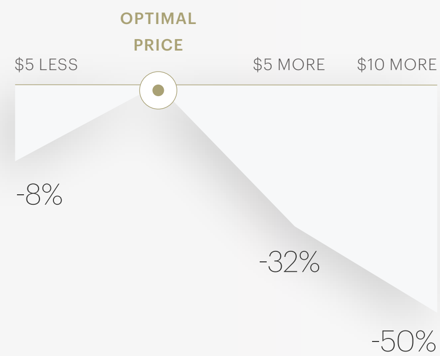


CONVERSION RATE DISTRIBUTION



SHARE OF PAID CONVERSIONS

REVENUE CHANGE FROM OPTIMUM MONTHLY PRICE



08

Don't price too high.

Lower prices can mean higher revenue. There are instances where three times as many consumers will buy a digital product at $10/month as $20/month, resulting in 50% more revenue at the lower price.

While high prices make sense in certain circumstances, killing demand by overpricing a product is the most common pricing mistake. Many new subscription outfits will initially try to optimize for revenue, but it tends to be easier to rally an organization around large subscriber numbers than large revenue numbers, making a lower price with more subscribers a more surefire way to get a product off the ground.

01, 02, 03, 05, 06, 07

These benchmarks show median performance in Q4 2019 across hundreds of sites on the Piano platform. 04 *This data point is based on clients using Piano's subscription propensity algorithm.* 08 *This benchmark is based on aggregate pricing surveys.* 09, 10 *These findings are based on multiple years of Piano data.*

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09

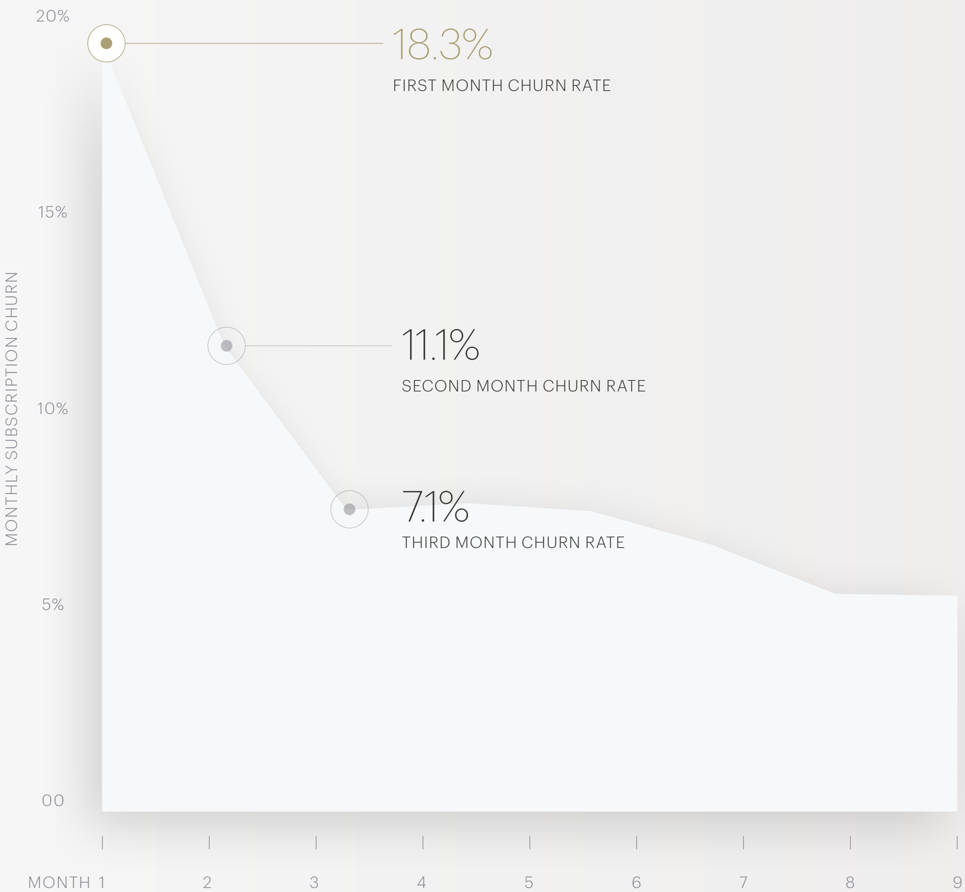
Combat early cancellation risk.

For monthly subscriptions, churn rates are nearly three times higher in month one than month three, perhaps because certain subscribers don't see the longterm value of the offering.

To get subscribers through the initial high-risk period, create onboarding campaigns that optimize messaging just before and after conversion. And provide sizable price breaks for longer-term subscriptions, which retain better.

Piano's algorithm that predicts cancellation likelihood using hundreds of metrics — analyzing everything from the referrer at the moment of conversion to whether a subscriber paid with Visa or Amex — typically finds that the length of the subscription is among the most important factors.

Such models can help identify the biggest drivers of cancellation — and enable the messaging of high and low cancellation risk subscribers separately.



10

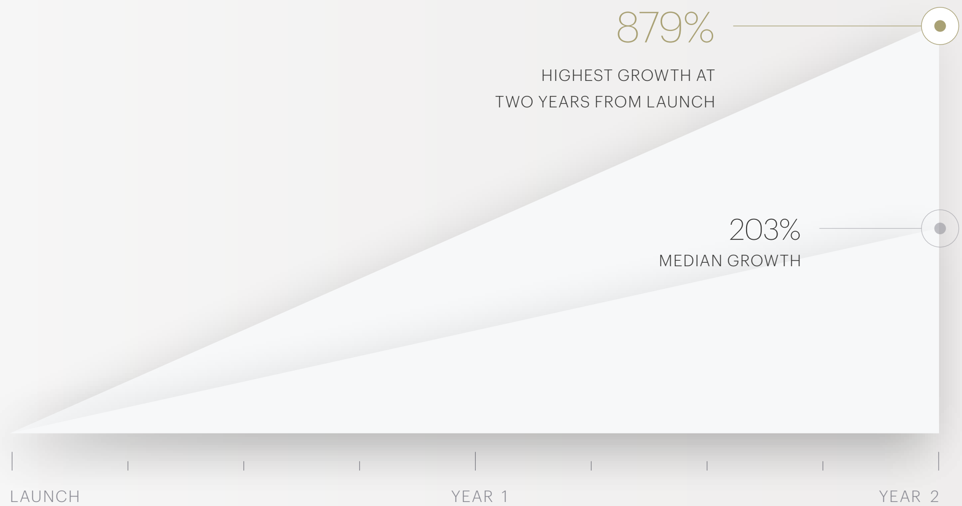
Shorten your test and learn cycles.

The mark of a top performer is accelerated growth over time. There is often a burst of subscriptions at launch, when the easiest prospects are converted, followed by a dip.

But if a product's features, pricing, and marketing are being continually and rapidly optimized, the number of new subscribers per quarter can be 200% higher at the median and over 800% higher than the first quarter by the end of year two.

These accelerating sites are also the most active — creating on average nearly five times the user experiences on Piano's platform.

GROWTH TRAJECTORIES FOR ACCELERATING SUBSCRIPTION BUSINESSES



**Growth defined as percent increase in new subscriptions in final quarter of year two compared to launch quarter.*

ABOUT PIANO

Piano accelerates content businesses' ability to understand, engage and monetize their customers. Leading organizations around the world — including Hearst, CNBC, The Wall Street Journal, the Associated Press, NBC Sports, Business Insider, The Economist, Gannett, Le Parisien, TechCrunch, Ringier Axel Springer, Thomson Reuters, Prometheus, Singapore Press Holdings, MIT, The Telegraph, Mansueto, the Harvard Business Review and more than 300 other clients — use Piano to power their subscription, advertising, analytics and personalization efforts. In 2019, Piano was recognized as one of the fastest growing technology companies in the world by Red Herring, Deloitte and Crain, and was included in the top 1000 of the Inc. 5000 list for its second consecutive year.

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