


piano™

SUBSCRIPTION STORIES

PPA Customer Direct Conference 2017



Piano helps the world's leading media companies
market, sell and fulfill their digital content.



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“If you encounter a paywall anywhere on the
Web, chances are Piano are the ones who built it.”

PETER KAFKA
RE/CODE

Scope.

The observations in this presentation span 150 Piano subscription sites as well as some third-party data or primary research we've collected.

Note.

Please note that there is no such thing as an apples-to-apples comparison of different sites' audiences, strategies, content, creative messages, etc. The "stories" in this document are meant to be overall observations, and not provide predictive data.

1. Conversion rate has to be examined on both an exposure and user level.

Conversions

Average conversion rate (monthly, exposure): .79%

Average conversion rate (monthly, user): 1.79%

Average conversion rate (4-months, user): 2.23%

- Look to conversions per exposure to help identify your best performing offers
- Set KPIs for converting a percentage of your uniques
- Don't expect to convert users the first time

2. Users have to be asked more than once to take action.

Conversions

Average number of exposures to convert a subscriber: 7.24

Average number of exposures to convert an ad blocker: 2.8

- The more you ask for, the more you have to ask
- Test longitudinal strategies and sequential messages to drive the average down over time
- Offer discounts and promotions to users who are approaching the median conversion point

3. Metering alone is a less compelling model for users than “hard” or “freemium” models.

Metered

Average conversion rate (exposure): .28%

Average conversion rate (user): 1.16%

Time to convert: 14.16 days

Hard

Average conversion rate (exposure): 4.13%

Average conversion rate (user): 8.80%

Time to convert: 5.58 days

- Metered has a growing multi-device, multi-browser problem
- Piano clients who launch hard paywalls traditionally have more valuable (i.e. must-have, hard to substitute for) content
- The act of launching a hard paywall makes our client think about product development in a different way than launching a meter
- Metered is better in a mass-use, mass audience scenario, e.g. 1.8% of NYT users are subs

4. Monthly and annual offers should not be considered roughly equivalent.

Pricing

Median price (monthly): \$9.95

Median price (annual): \$99.95

Churn

Monthly churn (monthly): 9.1%

Monthly churn (annual): 13.3%

- The value of an annual subscriber is about double the value of a monthly subscriber
- Offer significant discounts or other incentives for annual subscription

5. Bundling reduces churn.

Number of stated benefits vs. churn rate

One benefit (total annual churn): 33%

Two benefits (total annual churn): 19%

Three benefits (total annual churn): 17%

Four benefits (total annual churn): 9%

- NOTE: These are aggregated third-party numbers that include non-editorial services (e.g. telecom), but we believe the observation is relevant in media as well.

6. A lot of subscribers are asleep.

On an average subscription site, 66.5% of all subscribers did not use the service in the last month.

- Very few publishers pursue onboarding and retention campaigns
- This is partially because they wish not to “wake the sleepers” who are on monthly plans, but differentiated messaging could be provided to monthly and annual subscriber segments.

7. Loyal users both consume most of the page views and are the only ones who subscribe.

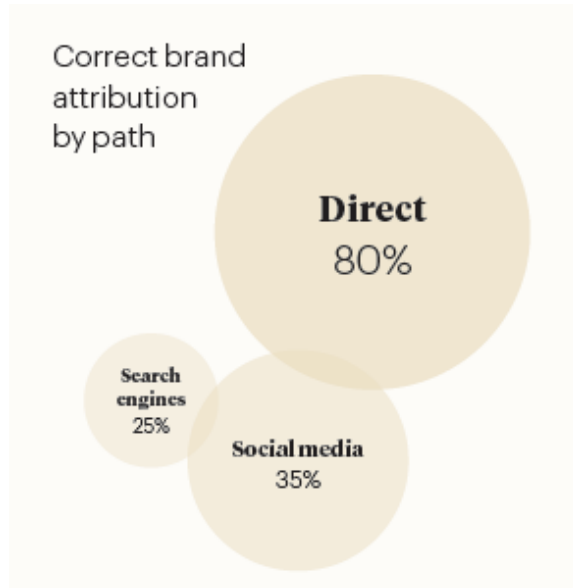
Percentage of users consuming 50% of page views

5th percentile	9.83%
15th percentile	8.64%
25th percentile	8.17%
35th percentile	7.64%
45th percentile	7.13%
55th percentile	6.43%
65th percentile	6.14%
75th percentile	5.61%
85th percentile	5.20%
95th percentile	4.56%
Average	7.08%

Browsers who were in “direct & dedicated” segment upon conversion

93.3%

8. Direct, desktop traffic matters most for brand affinity and conversion.



Metric	Non-converters	Converters	Difference
Share of pageviews (mobile)	0.39	0.21	0.99
Share of social page views	0.18	0.1	0.92

According to a July 2017 study by the Reuters Institute, “people are more likely to remember the platform where they found [the content], rather than the news brand that created the content.”

The data above shows recall of brand based on discovery source.

Piano eliminates the technical hurdles that
keep media businesses from growing revenues.

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