

A close-up portrait of a woman with light brown hair, wearing glasses and a white blazer. She is looking slightly to the right of the camera with a subtle smile. The background is a soft, out-of-focus grey.

MEDIA HOUSES AND PUBLISHERS

How CRM can revolutionise
your subscription business



The publishing and media industry has had an interesting decade. The growth in digital and social media has meant that traditional advertising spend has been spread more widely, as companies have directed their advertising dollars towards Google, Facebook et al.

Take the US market – forecasts from research firm eMarketer have predicted that US digital spend will increase this year to \$129.3 billion, as traditional falls 19% to \$109.5 billion, meaning digital will overtake traditional advertising for the first time.

Against this backdrop, publishers have worked to differentiate their business models and adapt to the times. As a result, subscriptions have become popular as publishers try to generate revenue directly from their audience.

But building a subscription business isn't easy. Firstly, it's a question of engagement – finding content isn't an issue these days – we're all drowning in it. So trying to develop a product that audiences will pay for and then trying to convert those into subscriptions is a major challenge for publishers.

There are lots of different types of subscription models. They might be paid for, free or something like a membership scheme, which encourages readers to sign up and pay a donation for the year – the Guardian's membership scheme has been a runaway success, for example. Publishers also use paywalls – a bit like the Telegraph's – where readers can access some content but pay to access other 'premium content.'

Subscriptions are basically a valuable way for publishers to turn 'one-off payment' customers into recurring revenue. As such, paid for subscriptions - particularly corporate subscriptions with multiple licenses - are an excellent, steady revenue stream for publishers.

But subscriptions are not always about generating money from their audience. Free schemes are more about engendering customer loyalty. Being able to prove customer loyalty to potential advertisers results in a more valuable advertising proposition.





HOW TO APPROACH subscription management

Developing a subscription model that works is tough. In 2017, just 3% of people in the UK paid for an ongoing news subscription (Reuters Institute Digital News Report), which is not surprising given the sheer volume of free content consumers can choose online.

But subscriptions are important. Recurring revenue from subscriptions can be a big contributory factor towards growing a media business, so developing a successful subscription business and subscriber retention should be a key focus for publishers - having a robust subscription management process to underpin that is vital.

Subscription management refers to the process around managing the subscription lifecycle. Every publisher that has a paid subscription model needs to be able to manage their customer base, manage trials and track sign ups, payments and cancellations. They need to be able to have a record of the customers' purchasing history, be able to send invoices, chase invoices that haven't been paid, collect payment and manage renewals.

To do this, publishers have to make a big commitment with the resource they invest in subscription management, from the people (some media houses have large teams dedicated to generating reader revenue) to the technological infrastructure to make it happen. And many publishers just don't have that infrastructure - they are restricted by manual, cumbersome processes and systems that aren't integrated, which negatively impacts the performance of the subscription team.

For publishers, technologies like customer relationship management (CRM) can revolutionise their subscription management process. This paper explains how.





HOW TO DEVELOP AN END TO END subscription management process

Subscriptions are a complex business operation. It isn't just about selling the subscription, then sitting back to enjoy the recurring revenue. The process has to be tightly managed to ensure subscribers don't cancel, remain engaged and don't forget to pay invoices. This means a standalone subscription system just won't cut it. It needs to be properly integrated with lots of different business areas. Here are some key considerations when developing a subscription management process:



CHALLENGES AND OPPORTUNITIES IN THE SUBSCRIPTION LIFECYCLE

When a customer changes from simply being a one-time payment customer, to becoming a returning subscriber, your relationship with them changes. It's not just a transaction anymore – you have an on-going relationship with them, with all the ups and the downs that can create. This is why subscription lifecycle management is so important. There are some key milestones in the subscription lifecycle, which create opportunities and challenges for publishers:



1. TRIAL

A customer might sign up for a trial – the challenge is then to convert that prospect into a regularly paying customer. At this stage it is important to use tools to demonstrate how valuable the content is – getting readers to sign up for newsletters around specific themes they might be interested in, for example. The subscription management team also need to be empowered to extend trial periods to ensure they can do everything necessary to tempt the customer to pay for a subscription.



2. SIGNING UP FOR PAID SUBSCRIPTION

At this stage the customer signs a contract and then either pays online, sets up a direct debit or gets an invoice sent to their company, if they are a B2B customer. Customers who pay by direct debit are much easier to manage, so perhaps offering an incentive to clients to select the direct debit option would help publishers manage that repeat revenue more easily.





3. ONGOING SUBSCRIPTION

This might be a rolling, monthly subscription that is reviewed on an annual basis. However, these subscribers might have issues – they might want to upgrade or down grade their subscription. They might have queries about finance. The subscription management team needs to be able to deal effectively with the nature of queries and any problems that arise.



4. SUBSCRIPTION RENEWAL

Renewals are immensely important to publishers – it is much cheaper and easier to retain existing customers than it is to source new ones. And the value of losing a subscriber is significant – it's not just one sale, but potentially years of lost revenue. It is really important for publishers to understand subscription attrition rates – the reasons why subscribers might end their subscription, the nature of the relationship with that subscriber and how queries were dealt with etc. For example, if a customer hadn't logged on to the website for months, this was a red flag they planned to cancel their subscription. Information like this is valuable insight, which can be fed back into the process. It's cyclical.

Having a subscription management system and process that can track and map the subscriber relationship is imperative. It's valuable because it can help you understand the relationship you have with subscribers, professionalise that relationship and improve your customer management.



HOW TECHNOLOGY FACILITATES SUBSCRIPTIONS

To work effectively, a subscription management system must integrate with lots of different parts of the business, from sales and marketing, to finance and fulfilment. Pulling the different strands of the business together is essential and technology is the only way to do this. Technology can ensure all of the following areas work seamlessly together to create the perfect customer experience and an efficient subscription mechanism for publishers:



1. AUDIENCE MANAGEMENT

Being able to understand your audience and segment customer and prospective customer data is as important when selling subscriptions, as it is for any other element of publishing sales. If you have granular demographic and behavioural information about your audience, this provides valuable management insight about subscriptions and can help with the new business effort.



2. LEAD GENERATION

The sales team need to be able to screen and segment the prospective audience effectively to ensure they can provide a list of viable leads of potential subscribers to the subscription management team.



3. SALES PROCESS MANAGEMENT

Using a sales and marketing funnel - a process that ensures leads move from one stage to another through the sales cycle - sales people within the subscription team can work at converting prospects into paying subscribers.



4. ORDER PROCESSING

Once the subscription has been sold, the order needs to be entered onto the system and processed.





5. INVOICING

Integration with finance systems is paramount, as once the customer has been converted and the subscription sold, an invoice needs to be generated.



6. FULFILMENT

Order fulfilment is the physical (or virtual) delivery of the newspaper, magazine or newsletter. Whether it's a digital copy of the publication or a hard copy, an automated process will facilitate fulfilment and provide a better customer experience, as well as significantly lowering the incidence of human error (and the costs and customer service issues associated with it).



7. SUBSCRIPTION ACCOUNT MANAGEMENT AND RENEWALS

This part of the process involves looking after customers once they have signed up for a subscription, managing any problems they might have, any cancellations and also dealing with renewals. As we have explained, renewals are almost more important than finding new customers. Subscriptions mean that publishers are reliant on recurring revenue so protecting it is paramount. Renewals need to be automated so teams can see at a glance which subscribers are approaching the renewals stage. A system can also identify 'drifting subscribers,' those that might not have engaged with the content for a while – this alerts the team to the fact they might not renew, so the team is able to intervene with more relevant content or with an offer that might be of interest to them.





CRM TO UNDERPIN subscription management

In the battle to protect and build their revenue streams, publishers and media companies have had to think more laterally and diversify their business models. And there is no doubt that subscriptions, with their recurring revenue streams, are an important part of this.

But as audiences get more sophisticated and demand smooth and seamless service, publishers can't risk providing subscription services that are substandard. That's why technologies such as customer relationship management (CRM) are so important.

CRM will help pull those different strands of the business together, linking audience management, sales and marketing with production and finance systems. In doing this and acting as a single platform across the business, CRM is able to provide valuable management information, essential when publishers want to grow and protect their recurring revenue stream from subscriptions.

CRM also helps the subscription team manage and prioritise their work load and improve the work flow of the subscription process. A single system incorporating data points around subscriptions, advertisements and events enables publishers to create a truly holistic subscription management model. Which is great news for subscribers and publishers alike.