

Launching the Metered Model

Successful Digital Revenue Strategies from Over 400 Publishers



A SERVICE OF RR DONNELLEY

The paid model has come a long way

- Most major North American newspapers **now have a paid model** of some form (either a paywall or meter)
- Europe and other markets are moving rapidly in this direction.
- Launching a paid model is one thing – but **succeeding with one** requires careful attention
- **Data will play a critical role** in the evolution of paid models – and will help you sell to and retain customers more effectively

“Pay walls, long the bête noir of evangelists of a free and open Internet, are **almost sexy** right now.”

— David Carr

And so has Press+

- **Press+ is the number one provider of paid content systems** in the world. Now owned by RR Donnelley, an \$11 billion global company with operations in nearly 40 countries across the world.
- Currently, over **400 publications use our software**. An **additional 200 have signed with us** and are planning to launch in the near future.
- Our Affiliates include **newspapers, online-only publications, B2B websites, magazines and non-profits**.
- **None have lost display ad revenue** or their voice in their community; **all are generating incremental subscription revenue** that is key to their long-term sustainability.

PRESS+

Selected Publishers Using Press+



What We Have Learned

- You can keep your online advertising revenue as you gain online circulation revenue.
- You can keep your online visitors and your “voice” as you add some digital subscribers.
- You can defend and strengthen your print franchise – but without building a harsh paywall.

Today's question: How?

‘Freemium’ and the Metered Model

- Press+ allows publishers to dip a toe in the water rather than jump off a cliff with an either/or “paywall”
- Most publishers launching with Press+ are implementing some form of a “metered” approach to charging for access to their websites.
 - **The standard metered model:**
 - Home page remains free, but each user may read X full articles or posts for free per month.
 - If a user wishes to view more than X articles in a given month, the reader must purchase a monthly or annual subscription.
 - **The meter only asks the most engaged readers to subscribe:**
 - Metering enables casual readers to continue sampling content for free – so it does not impact SEO or limit exposure for “big” stories that cause traffic spikes.
 - The only readers asked to pay under the metered model are the readers most likely to pay – the ones getting the most value from your content.

Messages: “Welcome”

The screenshot shows the homepage of The Post and Courier website. At the top, there is a navigation bar with links for Customer Care, Shopping, Jobs, Autos, Real Estate, Pets, Classifieds, Obituaries, Place an Ad, Become a Member, Get Connected, and Log. The main header features the site's name, a search bar, and a 'SIGN OUT' button. A modal window is overlaid on the page, titled 'The Post and Courier' and featuring a VeriSign Trusted logo. The modal contains the following text:

WELCOME ADVANTAGE MEMBERS

Thank you for visiting postandcourier.com, the best online source for news about Charleston and surrounding communities.

An Advantage Membership grants you unlimited access to postandcourier.com, along with many other new benefits. Current print subscribers are entitled to a **free** Advantage Membership. Simply click "Next" below to activate your account.

NOT YET A MEMBER?

We appreciate your visits to postandcourier.com. If you are not a current Advantage Member, you will have access to five stories every 30 days. To register for unlimited online access, please click "Next" below or click [here](#) if you're interested in starting a print subscription.

At the bottom of the modal are three buttons: 'Sign Out', 'No Thanks', and 'Next'. The footer of the modal includes the text 'Powered By PRESS+ Help | Privacy'.

Messages: “Warn”

The screenshot shows the website **thespeg.com** with a dark header and navigation menu. A prominent green-bordered pop-up window is centered on the page. The pop-up contains the following text and elements:

- thespeg.com** logo in the top left corner.
- VeriSign Trusted** logo in the top right corner.
- Text: "Thanks for being a frequent visitor of thespeg.com"
- An image of a laptop displaying the website with a yellow starburst graphic that says "95¢ Trial Offer".
- Text: "Thespeg.com has recently adopted a metered model where users may view 15 content pages in a 30-day period. Upon reaching that limit, you'll be asked to purchase a monthly subscription for digital access for the low price of only \$6.95/month (now included with a print subscription)."
- BONUS – THE FIRST 30 DAYS ARE ONLY 95 CENTS!**
- Text: "Simply click below to receive trusted content from Hamilton's Largest News Team without interruption."
- At the bottom left: "Have a Press+ Account? [Sign In](#)"
- At the bottom right: a green "Next" button.
- At the very bottom of the pop-up: "Powered By **PRESS+** [Help](#) | [Privacy](#)"

The background website shows a search bar, navigation links like "Home", "News", "Sports", and "Business", and a main article titled "Falling cormorant..." with a sub-headline "BURLINGTON It was a warm day at Beachway Park and..."

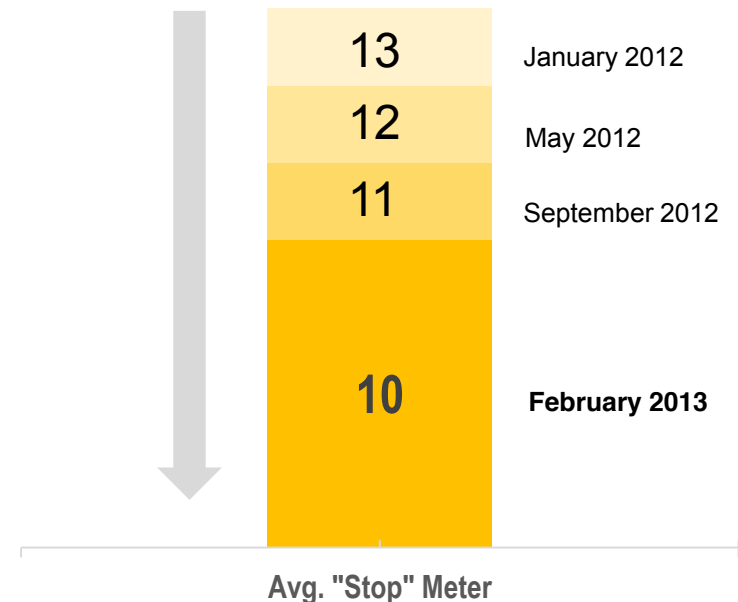
Messages: “Stop”

The image shows a screenshot of the Billings Gazette website with a large, white promotional pop-up centered on the screen. The pop-up has a yellow header that reads "Start your All-Access package today - just 99¢". Below the header, there is an image of a tablet and a laptop displaying the website, with a yellow starburst graphic next to it that says "99¢ Trial Offer". The main text of the pop-up says: "Thank you for reading and relying on billingsgazette.com for your news and information. You have now viewed your 30-day allowance of 10 FREE pages. Want to read more?" Below this, it says: "For unlimited access, sign up now and get your first month of access for just 99¢! To subscribe, simply click on the 'Next' button below." There are two green buttons: "See My Options" and "Sign In". At the bottom of the pop-up, it asks "Already have a Press+ account?" and has a "Sign In" button. The background of the website is dimmed, showing the Billings Gazette logo, navigation menu (News, Sports, etc.), and search bar. At the bottom of the pop-up, it says "Powered By PRESS+ Help | Privacy".

For most brands, meter limit should be 10 or less

- The meter has to be low enough that a subscription is valuable to readers.
 - The New York Times grants readers access to 10 free articles per month. The Times produces 8,000 stories per month, meaning **it only gives away 0.1% of its content.**
 - What proportion of your content are you giving away for free?
- The meter has to be low enough to cast a wide net.
 - A high meter (anything over 10) significantly narrows the number of visitors who see the lightbox screens, let alone who are stopped from access.

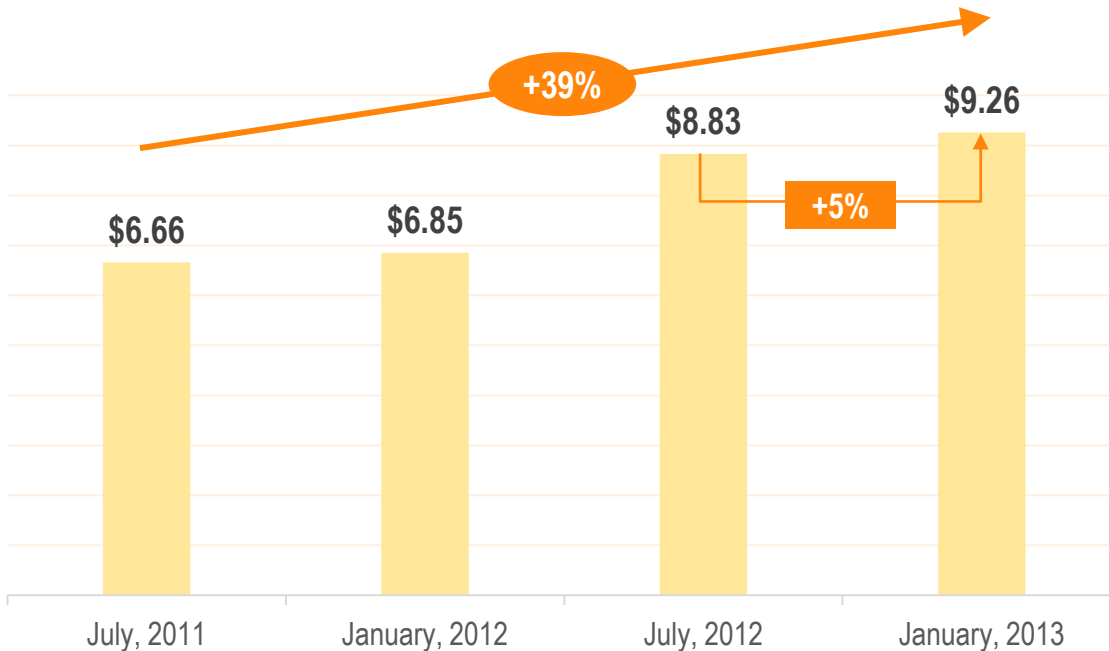
Average "Stop" Meter Setting



The average price of digital content across our affiliates continues to rise...

Average Price of a Monthly Digital Subscription

Active Newspaper and Online-Only Affiliates



“News access has been long undervalued, and we’re now testing not pricing floors, but pricing ceilings. How much is too much? ... **That’s a good problem to have.**”

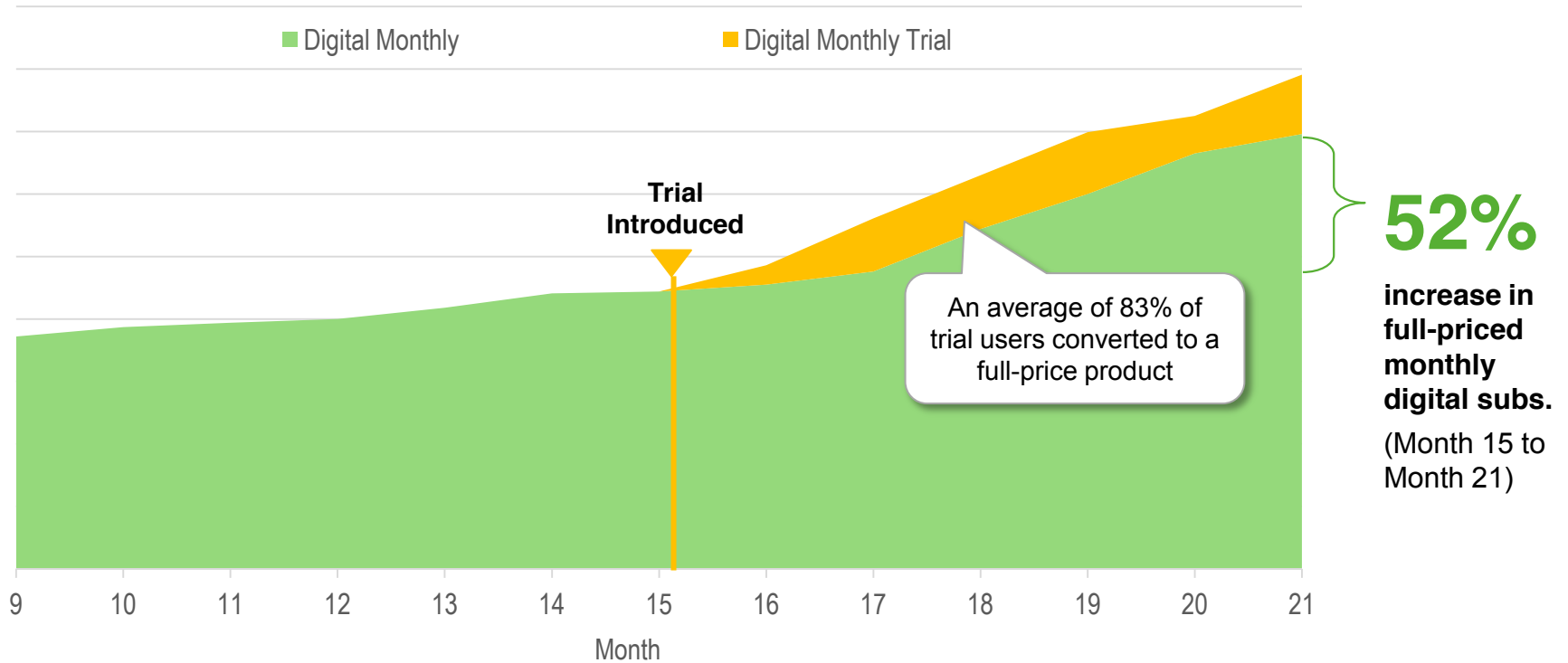
— Ken Doctor

Trial pricing significantly improves sales

- The majority of Press+ affiliates (over 75%) offer a trial rate of \$0.99 for the first month of access. After one month, the user's subscription automatically converts to the full monthly rate.
- Trial rates have increased sell-through rates significantly at publications that have adopted it.
- At one publication that adopted the 99-cent trial, the number of subscribers who signed up in the first month after the trial began equaled the total number of subscribers the publication had signed up in the previous 10 months.

Trial pricing significantly improves sales

Active Digital Monthly Subscriptions Following Trial Product



Subscribers want all-digital access

- Today, many affiliates are launching “all-digital” subscriptions that include their website, iPad and iPhone apps, Android apps, mobile web products, and digital replica editions.
- Affiliates with all-digital access subscriptions are able to **charge higher prices** and still **sell more digital subscriptions** than those who sell web-only subscriptions.

Simple cross-platform integration

Mobile Websites



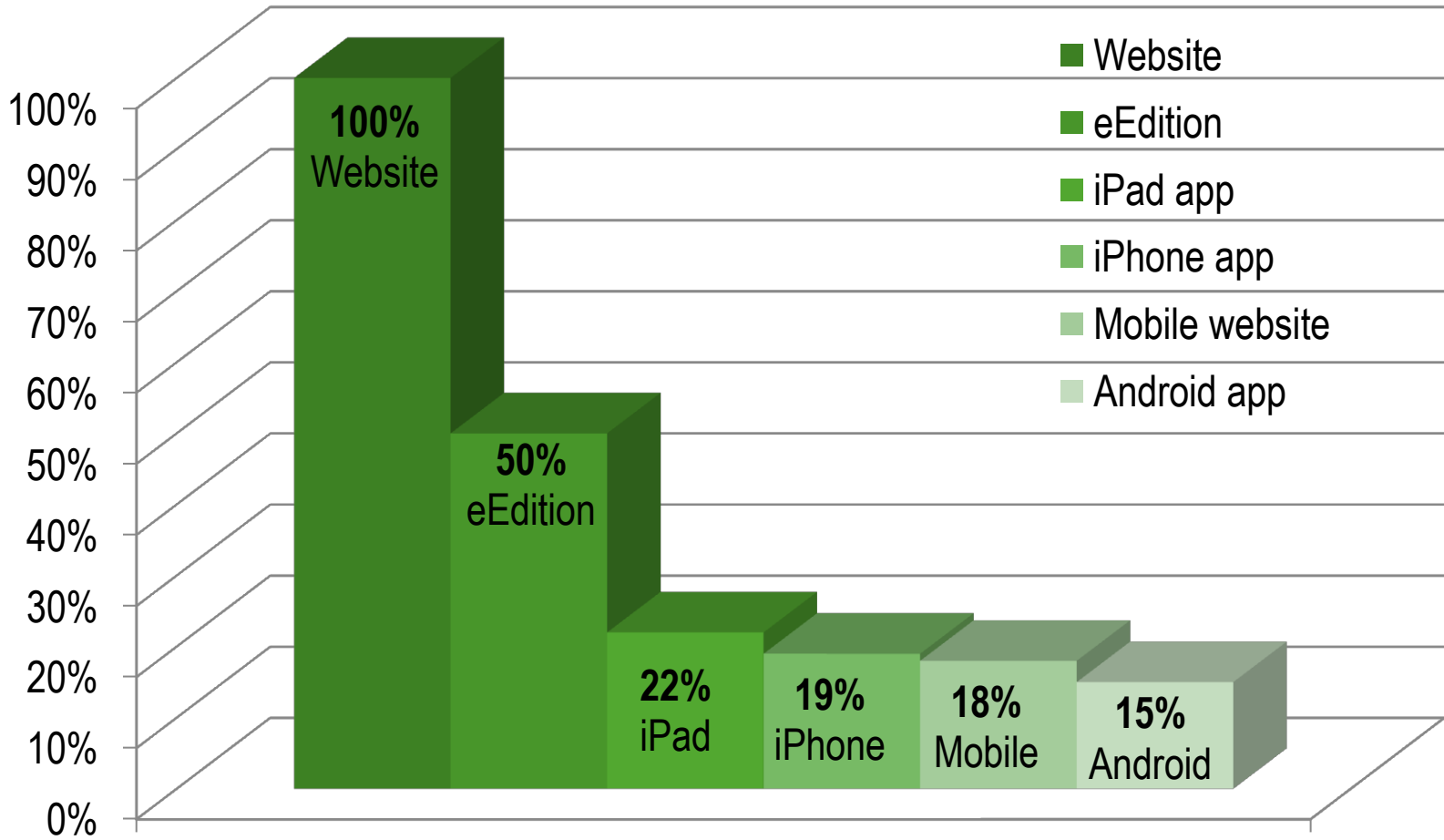
iOS Apps



Android Apps



And publishers are responding to the demand



Percentage of Affiliates

Print/digital bundles: A big opportunity

- **Dozens of Press+ affiliates have used “opt-out” print-digital bundle offers to immediately boost circulation revenue by up to 15%.**
- Under this approach, print subscribers are automatically enrolled in a digital access subscription at an additional cost unless they opt out of the enrollment.
- Publishers are pricing the digital access subscription at an additional 10-25% over the print-only subscription rate.
- With adoption rates of up 75% to 95%, the immediate boost to print circulation revenue can be significant – with no downside, because print subscribers can opt out of the higher rate if they do not want digital access.
- **Example:** Publisher implemented opt-out bundle at a 20% price increase over the usual print price. 75% of readers enrolled in the print/digital bundle (meaning they did not opt out when given the option), resulting in an immediate 15% overall circulation revenue increase.

Improving your value proposition

Overwhelmingly, publishers with print-digital bundles report seeing better print subscriber retention after launching print/digital bundles

Survey Results: Print vs. Print-Digital Bundle Retention Rates

61

affiliates

Retention rates are higher for print-digital bundles

2

affiliates

Retention rates are the same

0

affiliates

Retention rates are higher for print-only products

3

affiliates

Unable to separate retention rates / Too soon to tell

PRESS+

More compelling metering messages will improve sales



Myrecordjournal.com

Start your R-J Digital Access today for **only 99¢**

Website iPad Smartphone E-Edition Online Archives Email Alerts

Thank you for being a loyal visitor to Myrecordjournal.com! You're entitled to free access up to a certain amount of news pages. Once you have reached your free access limit, we'll ask you to support our journalism by purchasing a subscription.

7-day print subscribers, please click the R-J All Access button below to activate your digital account.

Have a Press+ Account? [Sign In](#)

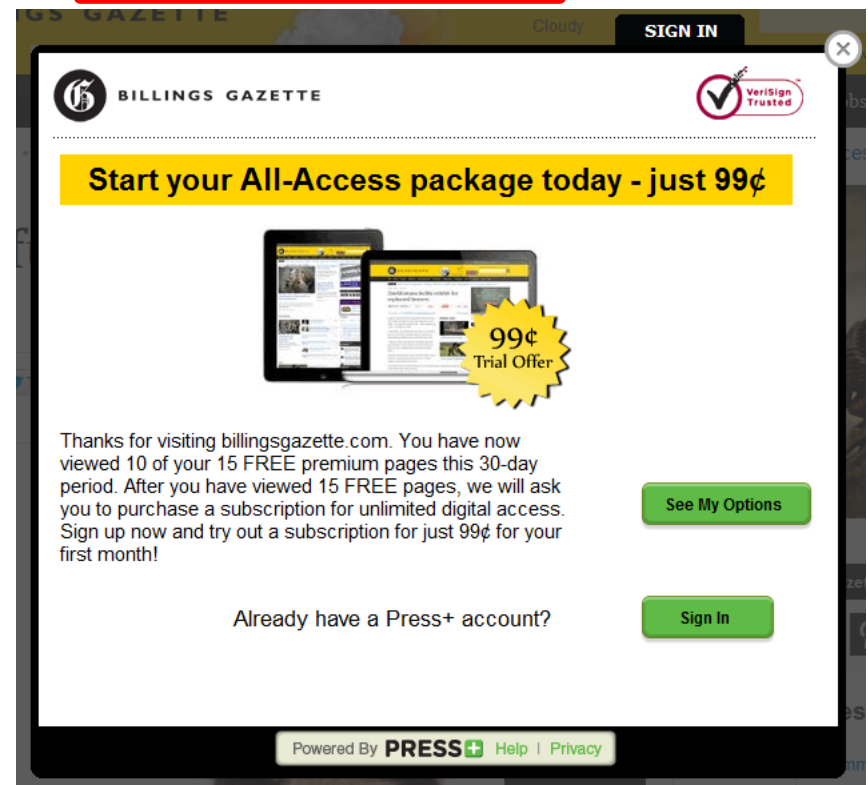
7-Day Print & Digital Subscription

Digital-Only 99¢ Trial

Powered By **PRESS+** [Help](#) | [Privacy](#)

- Strong call to action
- Graphical elements

- Advertise a trial offer



BILLINGS GAZETTE

Start your All-Access package today - just **99¢**

99¢ Trial Offer

Thanks for visiting billingsgazette.com. You have now viewed 10 of your 15 FREE premium pages this 30-day period. After you have viewed 15 FREE pages, we will ask you to purchase a subscription for unlimited digital access. Sign up now and try out a subscription for just 99¢ for your first month!

[See My Options](#)

Already have a Press+ account? [Sign In](#)

Powered By **PRESS+** [Help](#) | [Privacy](#)

A well-executed “Subscribe Now” page generates easy results

- Affiliates using a “Subscribe Now” button, which allows readers to click on a subscription link to automatically trigger a lightbox, see higher overall conversion rates than Affiliates without a Subscribe Now button.
- Readers take the opportunity to subscribe even before they have encountered a stop screen.
- A “Subscribe Now” is an easy change that all Affiliates should implement on their websites.

Example: Billings Gazette

BILLINGS GAZETTE Join the conversation | Log In | Register | Subscribe

News Sports Opinion Entertainment Lifestyles Obituaries Calendar Get It! Homes Cars Jobs

Hot Topics Playground rescue • MontanaFair • Tea Party • North Park disturbance • Titanic • Gun scare • Roller derby • SD2 •

Billings Gazette Digital Subscriptions

Unlimited access.

Subscribe today for unlimited access to all content on billingsgazette.com.

View Rates and Subscribe Sign In

Download the Gazette iPad app

Many readers won't notice a difference, as they will be able to view 15 pages of premium content free during any 30-day period.

Many information categories are free and do not count toward the 15-page limit. The free categories include the home page, photo galleries, videos, community calendar, classifieds, all advertisements, Get it! Marketplace, Today's Deal, search results, index pages and Magic City Magazine.

Frequently Asked Questions

What is a digital subscription? What do I get when I subscribe?

Buttons that launch lightbox appear above the fold on splash page

Marketing examples: Emails and ads

THE BALTIMORE SUN

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The Baltimore Sun is now offering digital subscriptions! Subscribers can view all the content on baltimoresun.com, while everyone else is now limited to 15 page views a month.

You know that baltimoresun.com provides local breaking news, investigative reporting and a host of other features you can't find anywhere else.

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4 minutes ago



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Get Offer · Expires February 22, 2013

Like · Comment · Share

- Affiliates have launched campaigns that include ads in the online and print editions of the publication, Facebook promotions, and emails to current subscriber/alert lists.
- Emails have been particularly effective – one metro daily saw 2X the typical subscriptions on days after they sent marketing emails.

After launch, A/B test to optimize results

- Until recently our A/B test system was by far the least-used feature we offer. But to succeed in this new industry of digital content subscriptions, publishers need to make smart, data-driven decisions.
- As publishers move past the initial stage of launching a paid model, A/B testing is becoming the **key to most digital subscription companies' success**, as it enables them to identify the optimal offers, meter settings, marketing messages, and more based on data rather than guesswork.
- **Using our multivariate testing system**, publishers are testing to answer questions such as:
 - Testing whether a two-week trial or four-week trial leads to better results
 - Testing which types of marketing messages will generate the best conversion rates
 - Testing a meter level change or new price on a small percentage of readers before implementing it site-wide.

Examples: Data-driven decisions

Finding

A

High school sports was the 4th most read section by users who hit the “Stop” message requiring them to pay

B

A surprising number of readers were entering the lightbox payment screens after **reading in an article in the “Outdoors” section**

Action

- **Created a themed lightbox** using high school sports colors
- Launched a **targeted marketing effort** during the height of the sports season

- Moved “Outdoors” to the **top-navigation bar on their website** to ensure visibility and ease of access

QUESTIONS?

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