Chasing zero churn: Powerful strategies to transform your digital subscription game

Presenter:
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Today’s agenda

- Calculating churn
- Our findings
- Practical strategies
- Q&A
Defining and calculating churn

The proportion of subscriptions that do not renew during a given time period.

Churn rate = \[ \frac{\text{Lost subscribers}}{\text{Total subscribers at month start}} \times 100 \]

Involuntary churn: The subscription was set to auto-renew but failed, often due to credit card.

Voluntary churn: Subscription explicitly canceled upon request by the subscriber.

Learn how at help.BLOXDigital.com
Our methodology for this study

This comprehensive approach, **encompassing various domains, extensive data sources, and a diverse set of metrics**, enables us to provide nuanced insights into the intricacies of subscriber attrition within the digital subscription landscape.

- **Four months**
- **Seven domains**
- **Five+ sources**
- **Twelve variables**
What we found

- Up to 29% of churn is due to CC expiration
- Higher prices equal higher churn rates
- Longer tenure equals more expired cards
- Engaged subscribers churn less
- Number of subscribers does not impact churn
Practical strategies to improve subscriber retention
Behind the scenes: Update cards automatically

- **What:** Proactive handling of credit cards reaching expiration
- **Why:** Prevent involuntary churn due to expired credit cards
- **How:** Invest in automatic updates now available with Premium Credit Card Management
Behind the scenes: Turn on grace periods

- **What:** Allows the user to have access for 7, 14, or 30 days after their expiration date
- **Why:** Provides subscribers a chance to rectify payment issues before cancellation
- **How:** Enable grace periods on each Subscription Service
Behind the scenes: Use system emails

- **What:** Automated communication for subscription-related updates
- **Why:** Keeps subscribers informed and engaged, reducing the likelihood of churn
- **How:** Enable automated emails for credit card failure, expiring accounts and more

Turn on automated subscription emails
What: Enable users to update their account by adding a new card

Why: Ensures uninterrupted service by accommodating changes in payment methods

How: Enable the “Add A Card” features in backend and user dashboard

now available with Premium Credit Card Management
Customer-facing: Evaluate your pricing

► **What:** Strategic adjustment of subscription pricing

► **Why:** Balance revenue goals with subscriber retention

► **How:** Use promotional pricing, and analyze market trends and subscriber feedback
Customer-facing: Improve the experience

► **What:** Improvement of the initial subscriber experience

► **Why:** Creates a positive first impression, fostering subscriber loyalty

► **How:** Improve onboarding process, reinforce your value proposition, offer email newsletters, and more
Customer-facing: Engage with subscribers

► **What:** Continuous efforts to build and maintain subscriber relationships

► **Why:** Deepens connection, reducing the likelihood of churn

► **How:** Improve subscriber experiences with fewer ads, live e-Edition, and exclusive content
Reduce churn: Strategy checklist

- Address credit card expiration
- Enable grace periods
- Turn on automated subscription emails
- Allow the addition of new credit cards
- Optimize pricing strategies
- Enhance onboarding processes
- Nurture the relationship

Scan to download our free report, "Preventing digital subscription churn"
Premium Credit Card Management

BLOX Audience+ offers a suite of retention and payment tools to help our partners mitigate churn.

► Automatic credit card updates
► Self-serve update payment and saved cards for fast re-subscribing
► “Add a card” option for your support team
► More choices for payment gateways
► NEW payment options
Customer success stories

How four Lee Enterprises sites supersized paywall conversions 187% with Audience+
In April 2021, Lee Enterprises launched four of the group’s sites on Audience+. For the next eleven weeks, the dynamic paywall technology was tested on Billings Gazette, Omaha World-Herald, The Daily Progress, and NWI Times. The team also met...

How The Texan made the switch to BLOX Digital without disrupting subscribers
“Our primary goal was to improve the stability of the back-end of our website without overhauling the front-end design our customers are used to,” said Daniel Friend, marketing and media manager for The Texan. “BLOX Digital seemed like the pe...

Wick Communications slashes subscription friction, lifts conversions nearly 128% with Audience+
Like most news organizations, the team at Wick Communications is always on the hunt for new ways to grow reader revenue. When Reilly Kneedler, digital audience editor at Wick, learned that BLOX Digital was seeking beta testers for their revam...

Read more at BLOXDigital.com/success_stories
Scan to download our free report, "Preventing digital subscription churn"
Glossary of variables measured

**Average monthly churn rate**: Calculating the average monthly stops/cancellations relative to the overall active subscriber counts.

**Baseline offer price**: Evaluating the initial subscription pricing offered to subscribers at the time of data capture.

**Grace days status**: Identifying whether grace days were enabled on the services at the time of data collection.

**Involuntary churn rate**: The rate of involuntary churn caused by factors like credit card expiration, relative to the total number of stops.

**Lifetime value or customer lifetime value (LTV/CLTV)**: Subscriber ARPU divided by monthly churn rate.

**Monthly average revenue per user (ARPU)**: Calculated as monthly revenue divided by the number of users in a month.

**Monthly stops/cancellations**: Tracking the number of subscribers discontinuing their subscriptions on a monthly basis.

**Percentage of involuntary/recoverable stops**: Determining the proportion of stops that are involuntary due to credit card failure. This category of stops is potentially recoverable.

**Percentage of subscriptions logged in**: Measuring subscribers who logged in and visited at least once during the month.

**Tenure on platform**: Tracking how long the site has been using BLOX Audience+ and BLOX Subscription.

**Total active subscribers**: The total number of active subscribers on the last day of the calendar month. Alternatively, this can also be measured by an average across the month.

**Total subscription revenue**: Collected at each domain in a month, from both new and recurring sales.