

The Numbers That Matter In Subscriptions: Insights From Piano Benchmarks

Digital Content Next Subscription Innovation
September 3, 2020

piano

THE DIGITAL
BUSINESS PLATFORM



Scale.

Benchmarks.

Learning.

42 Billion

Monthly Pageviews

6.1 Billion

Monthly Content Recommendations

1.9 Billion

DMP Lookalikes tagged daily

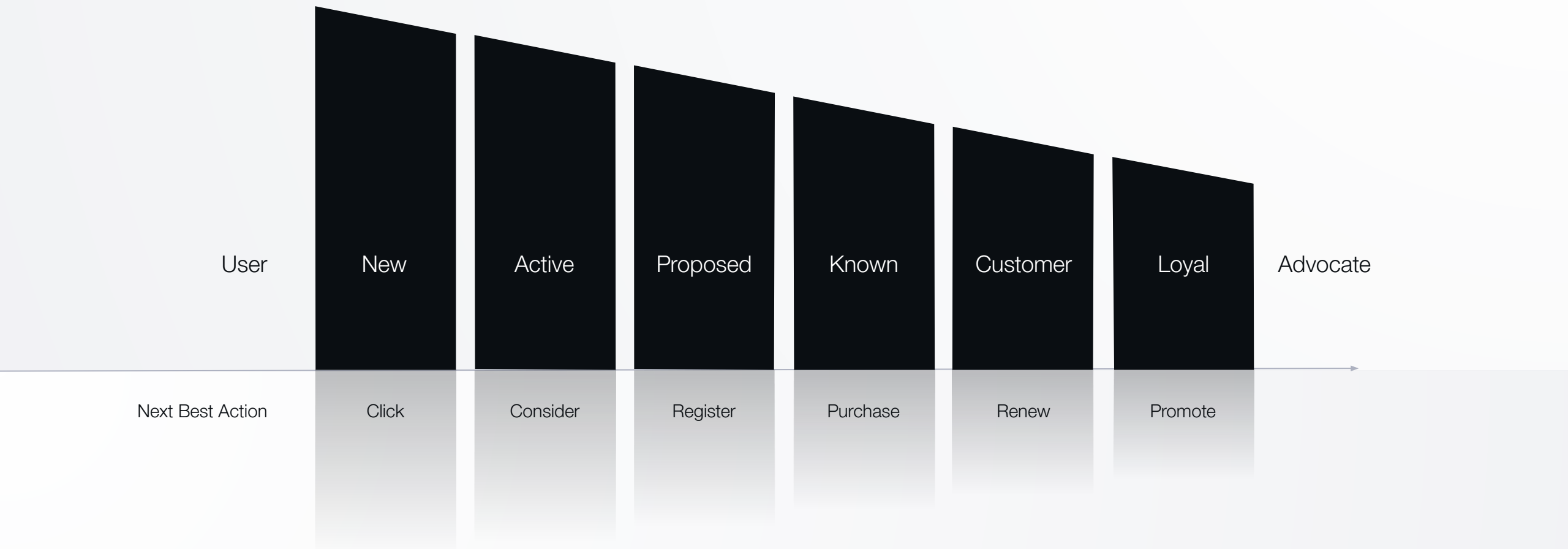
122 Million

Emails delivered monthly

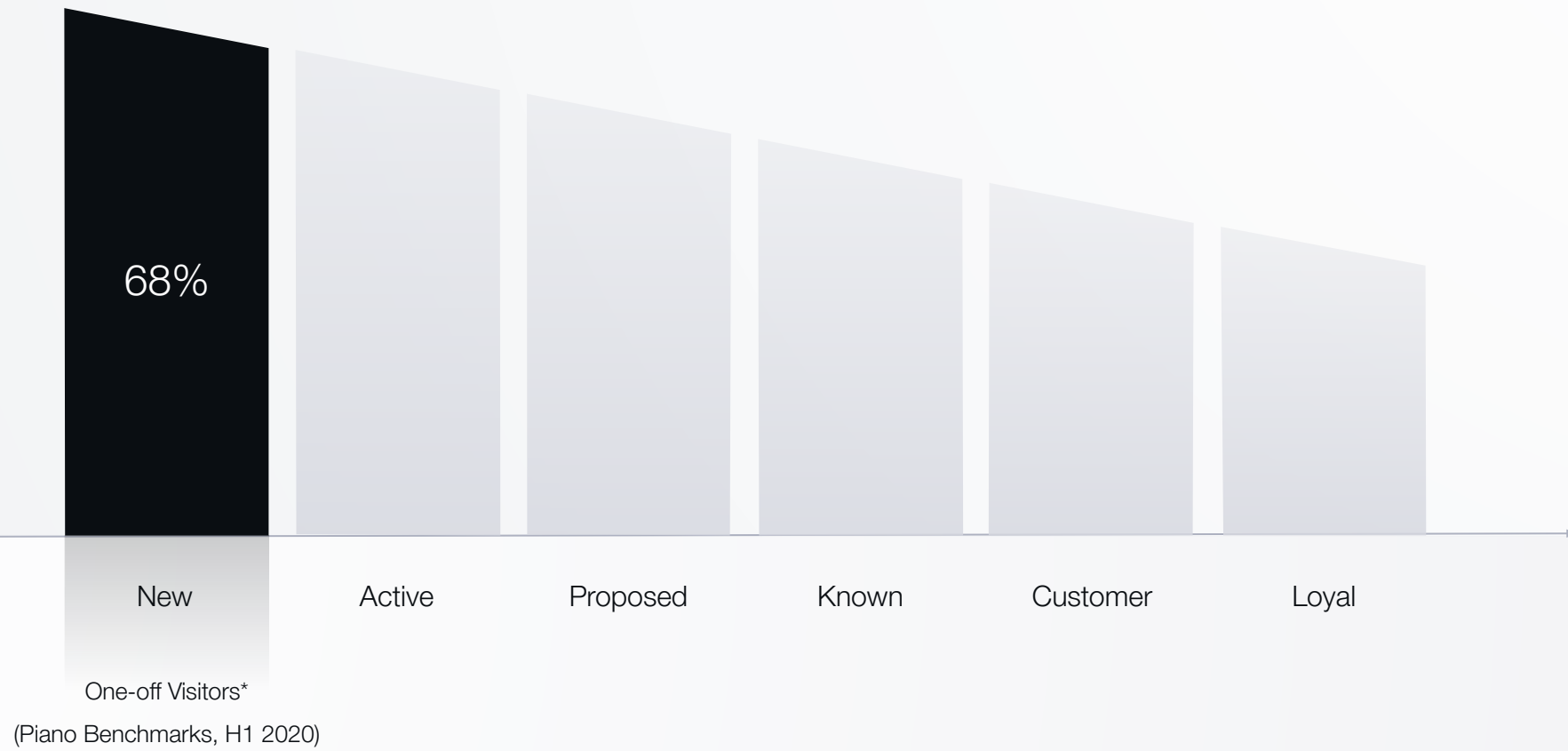
1.8 Million

Active subscriptions managed

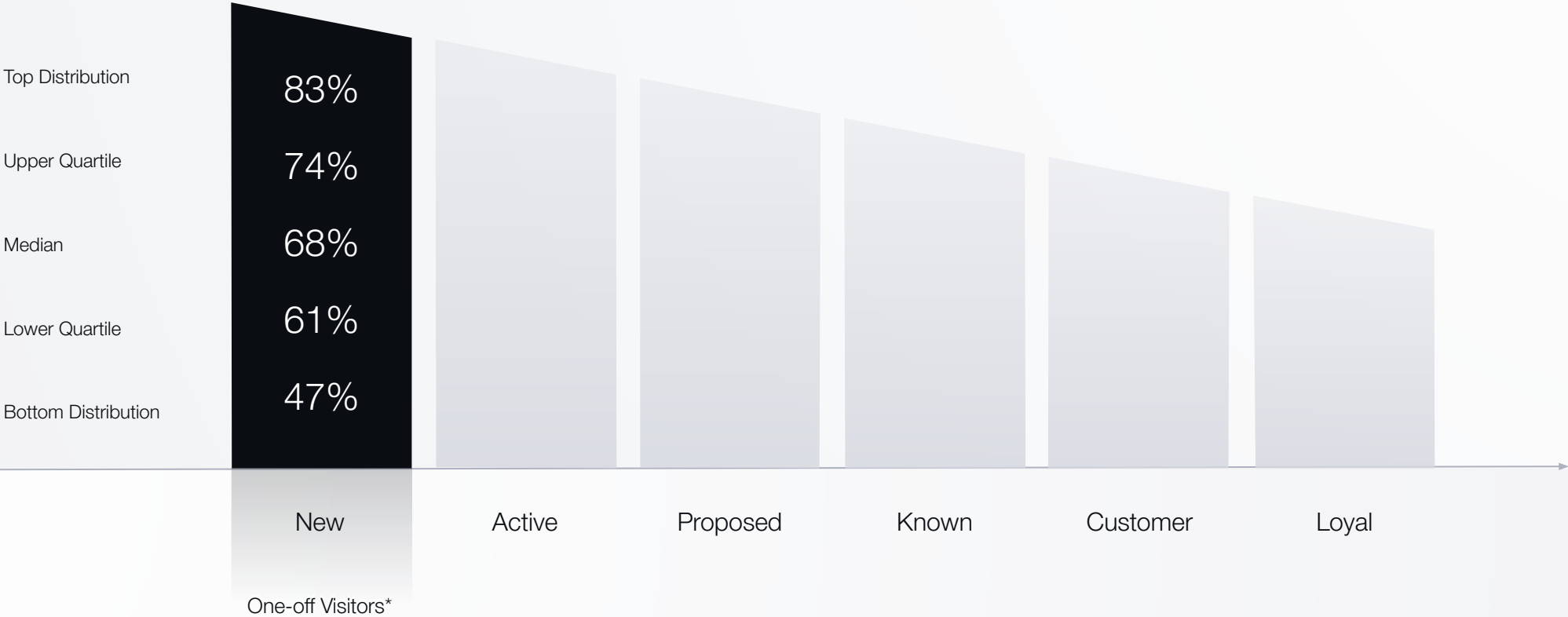
The customer journey



Most visitors don't engage



Most visitors don't engage



(Piano Benchmarks, H1 2020)

*ONE OFF VISITOR DEFINED AS VISITORS GENERATING A SINGLE PAGE VIEW DURING THE MONTH

But engagement is where
the money is — even for
quick converters

7.7%

Paid Conversions Occur on First Pageview in Month

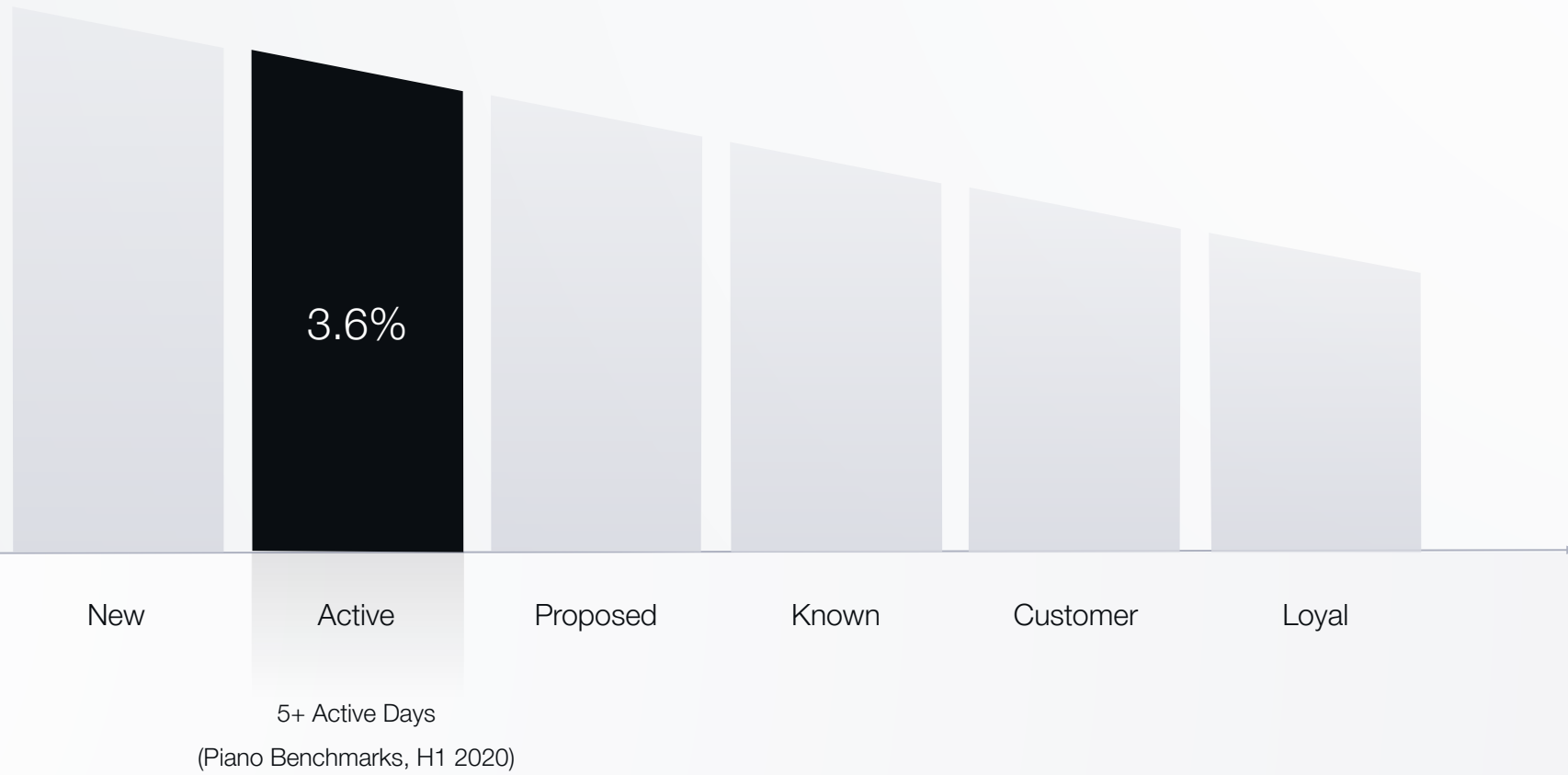
PIANO BENCHMARK DATA

51%

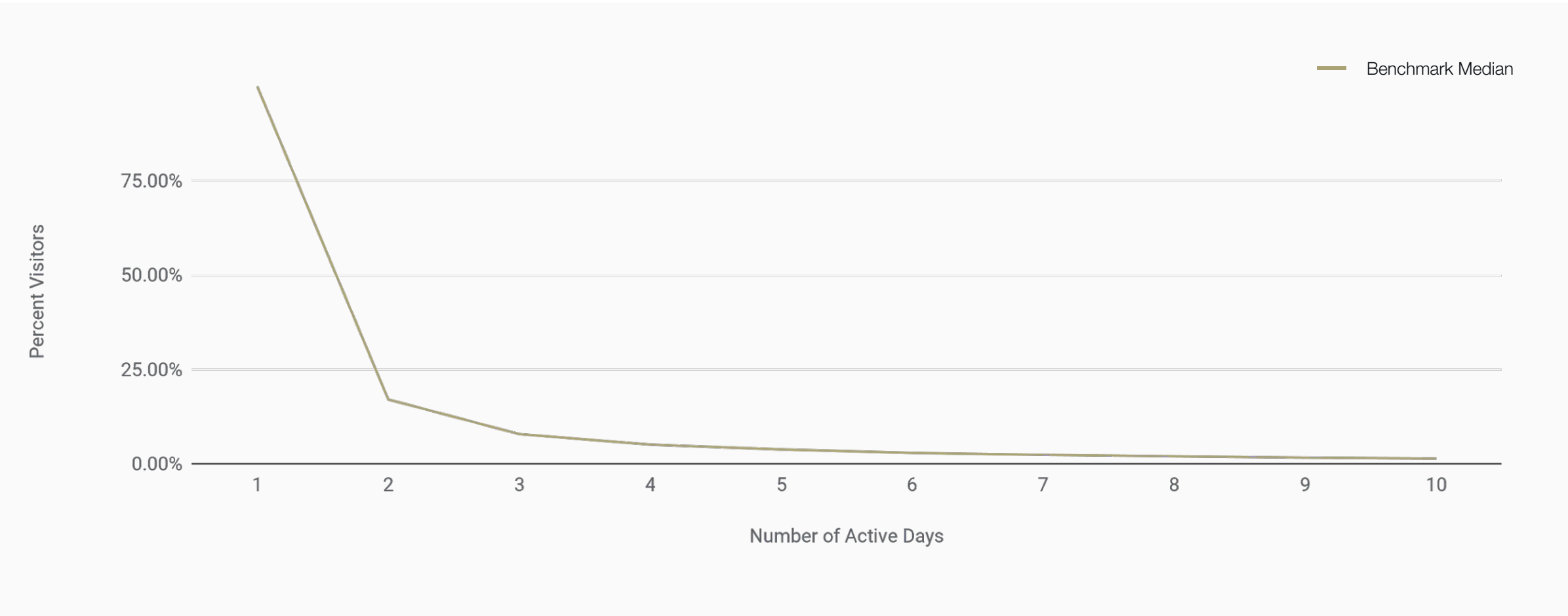
Paid Conversions on First Active Day in Month

PIANO BENCHMARK DATA

Understanding engagement is a critical first step

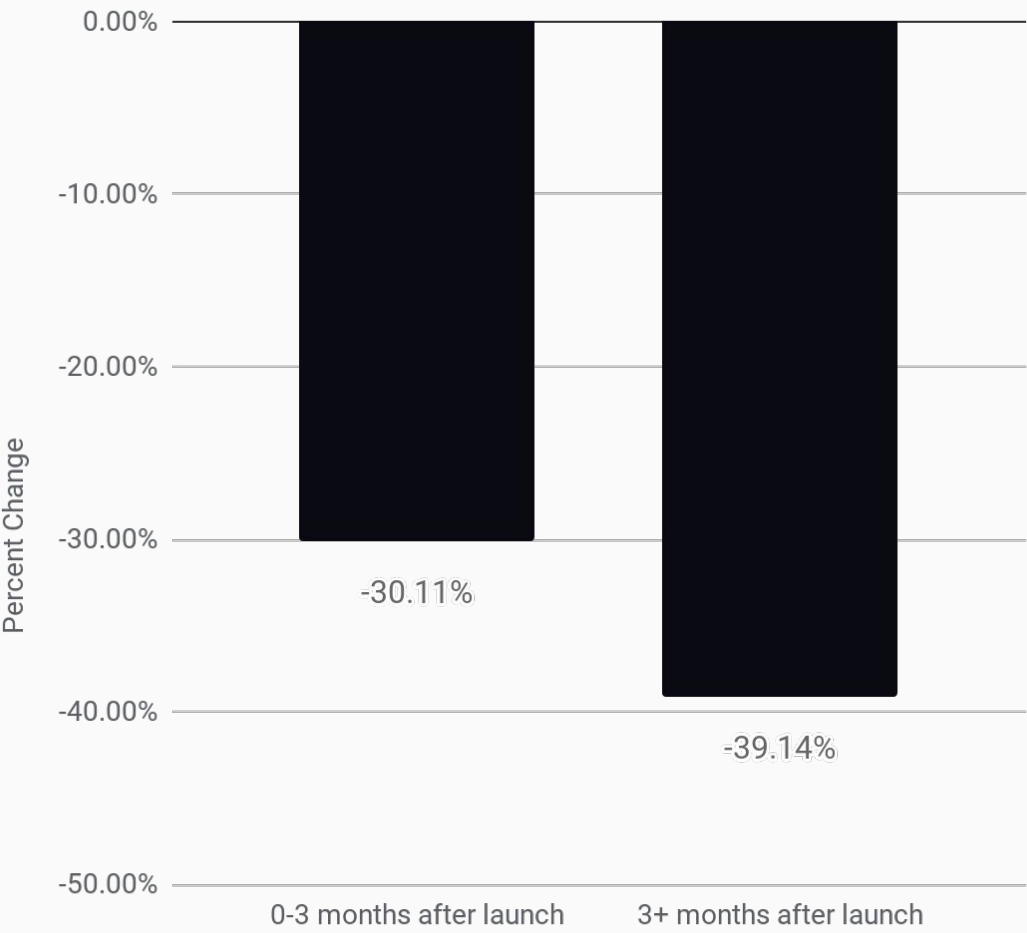


Engagement falls off quickly

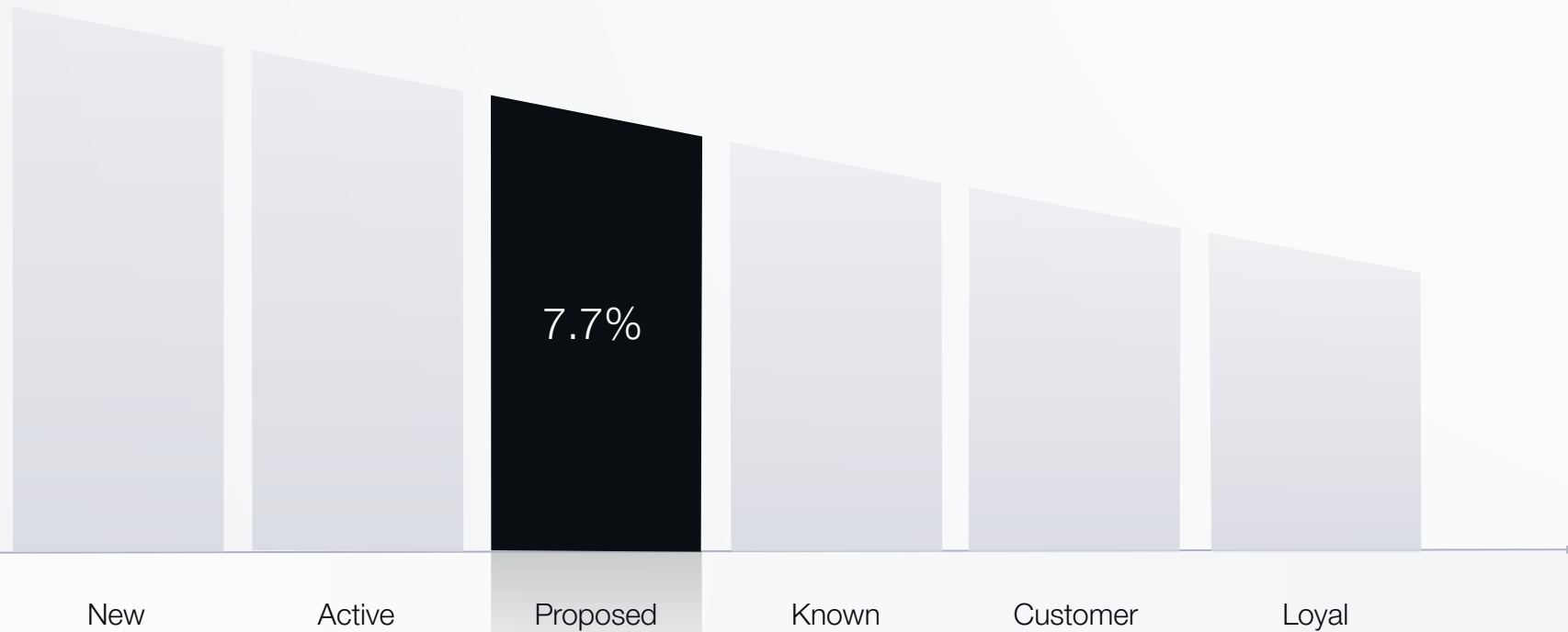


Engagement matters for
ad blocking too

Average Decrease In Desktop Adblock Pageviews After
Launching Adblock Mitigation



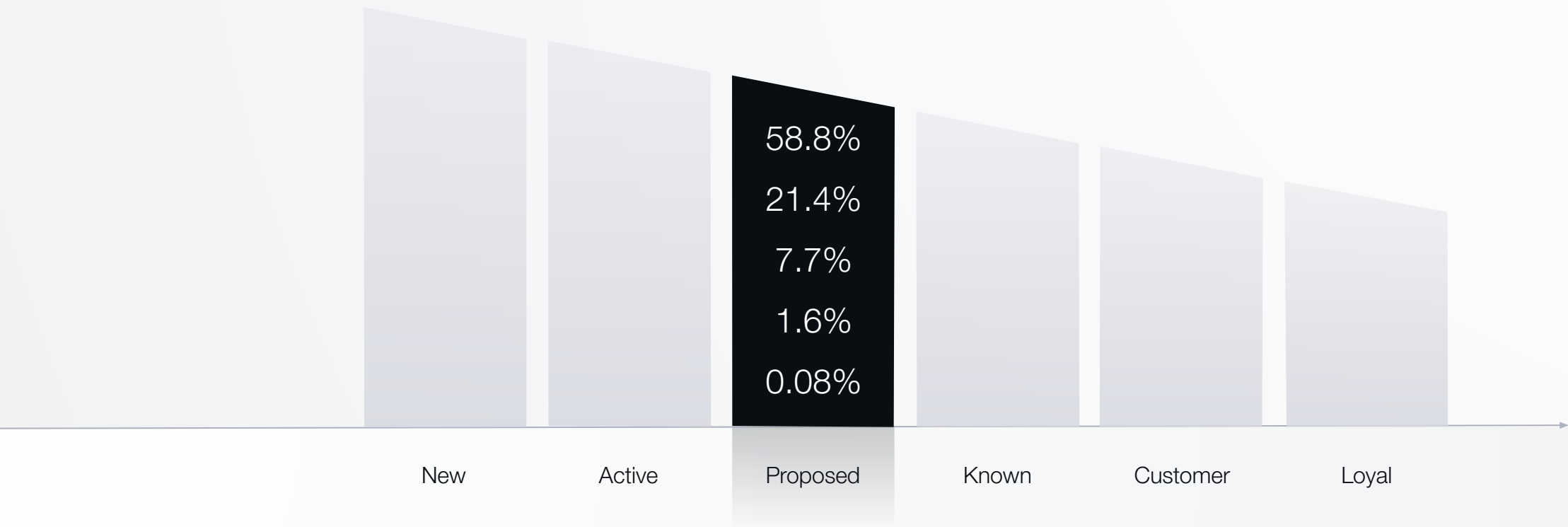
Most visitors aren't asked to pay



Paid Only Offer Exposure Rate*
(Piano Benchmarks, H1 2020)

*Paid Only Offer Exposure Rate: The ratio of unique browsers exposed to an offer that included only a paid term.

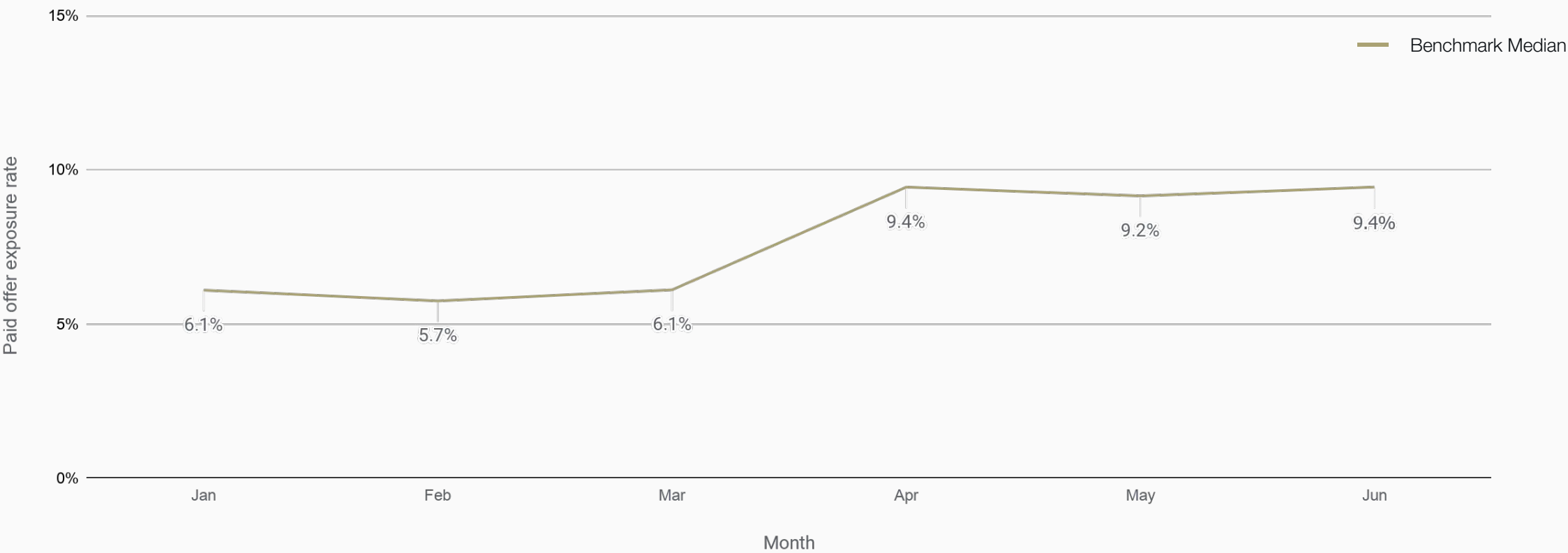
But there's a very wide range of performance



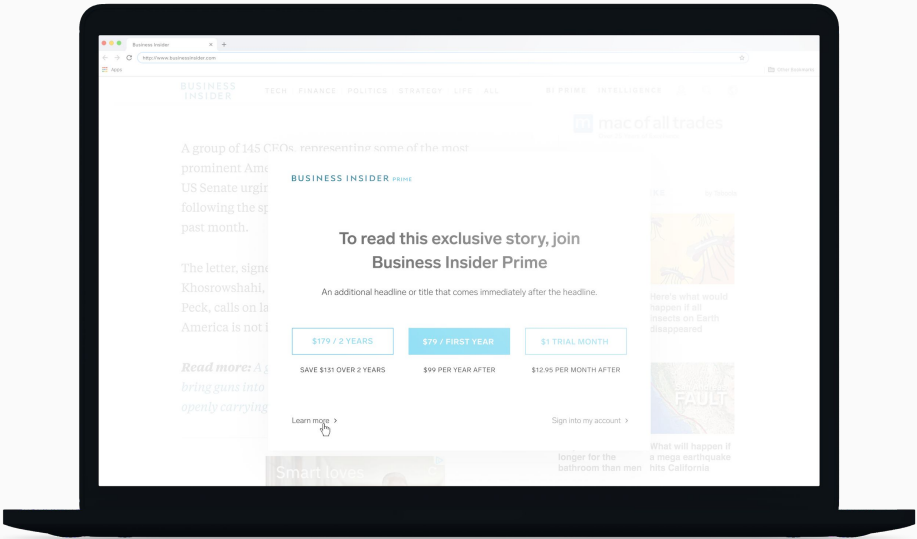
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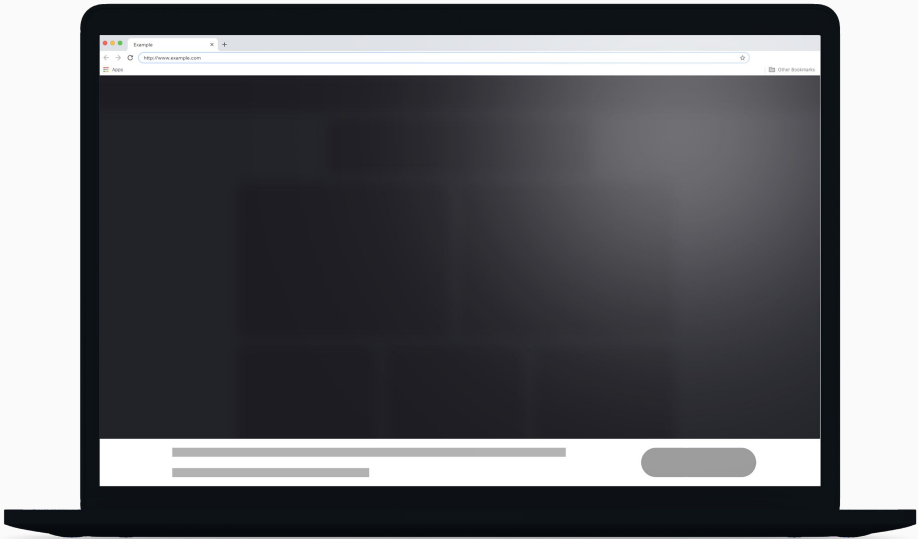
Paid exposures increased as the pandemic grew



Hard Stop



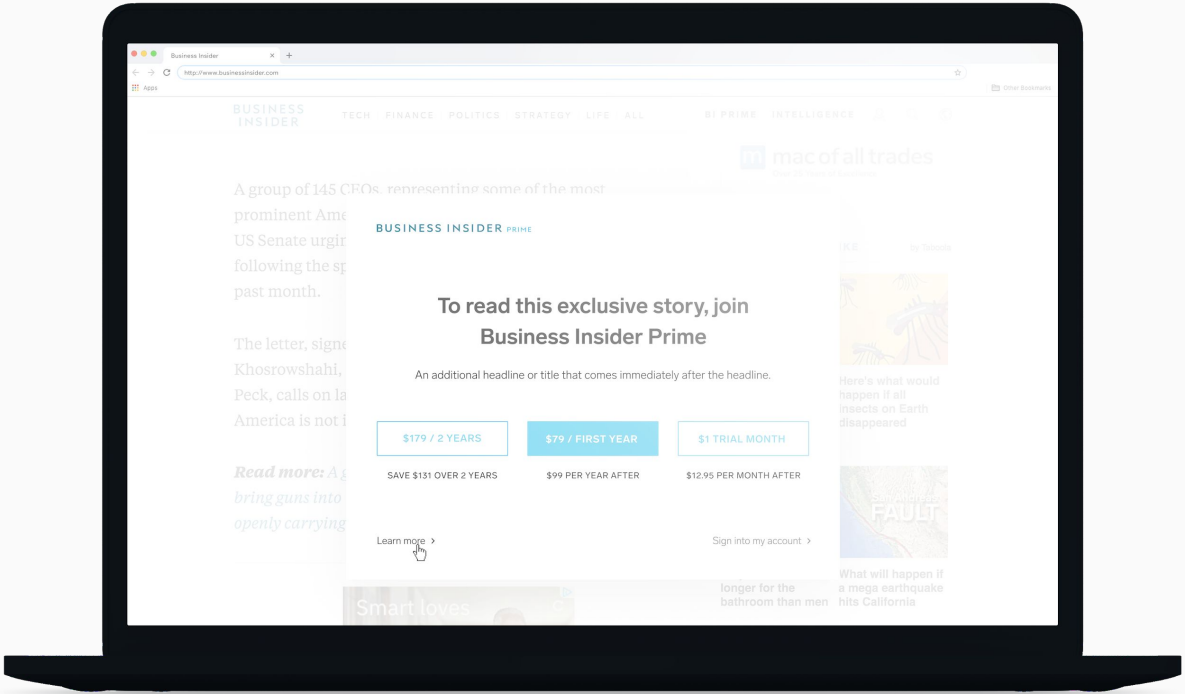
Bottom Ribbon



283X

AVERAGE CONVERSION RATE DIFFERENCE

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Numbers that matter

Personalized machine learning
can better target visitors based
on the metrics that matter for
your needs.



Content Publish Date

Average Hour Visited

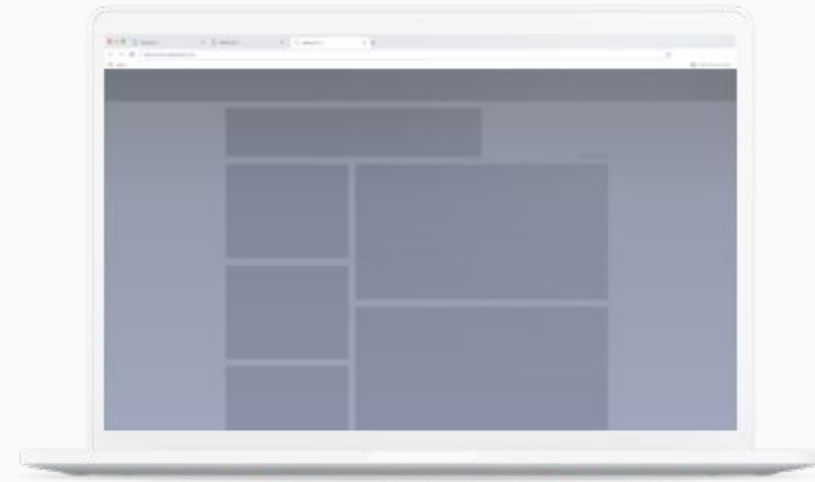
Unique Authors Read

Unique Sections Read

Geographic Location

Numbers that matter

Personalized machine learning
can better target visitors based
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your needs.



Desktop Visits

Search Visits

Unique Authors Read

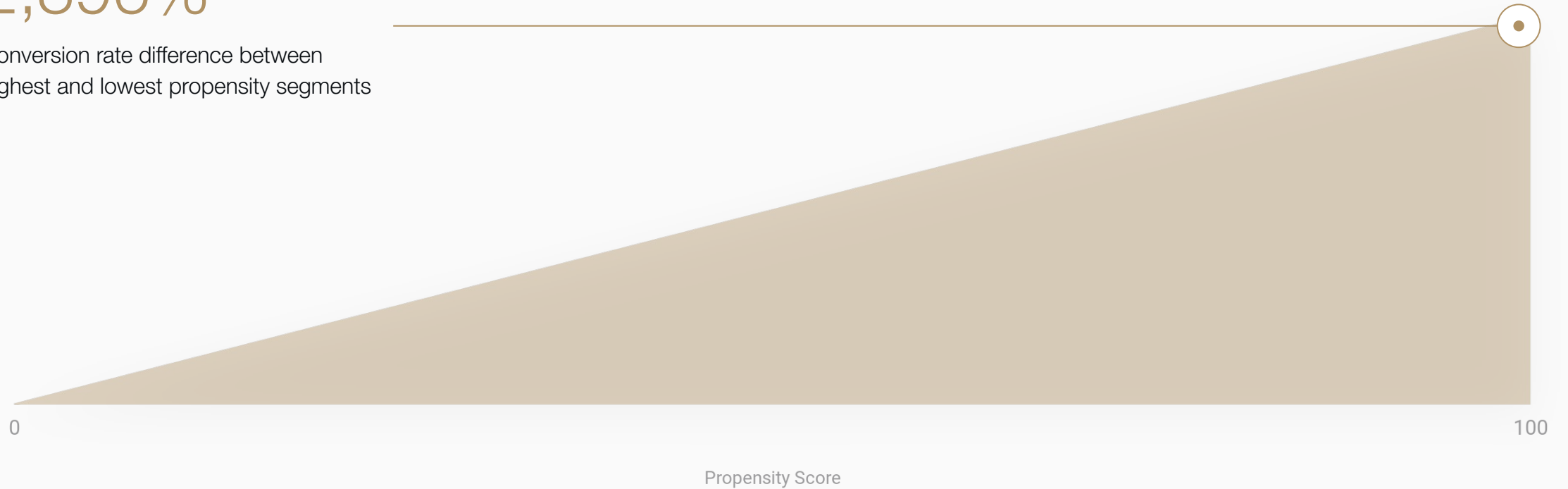
Social Visits Ratio

Weekday Pageviews

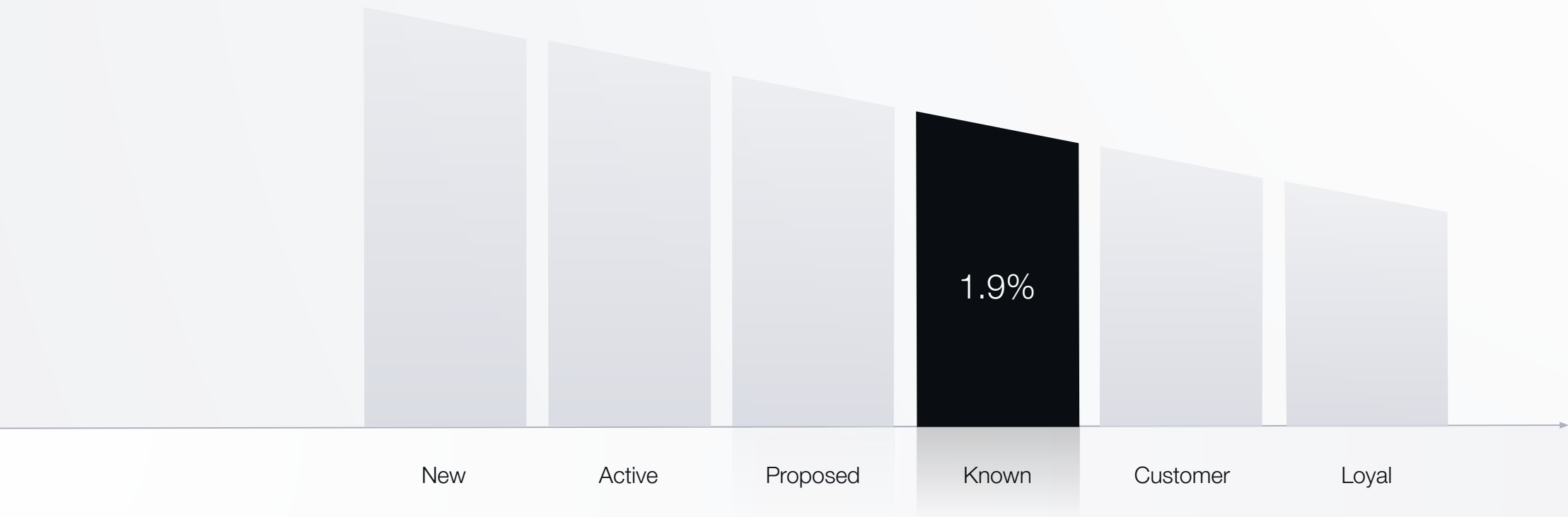
Machine learning segments audiences by conversion rate

2,396%

Conversion rate difference between
highest and lowest propensity segments



Increasing known users grows your prospect list



Registration Conversion Rate
(Piano Benchmarks, H1 2020)

Registration & newsletters drive results

It's well-known that newsletters are an important step on the path to subscriptions. Any tactic that moves visitors from anonymous to known boosts conversion. The average conversion rate of registered users is 10 times that of anonymous visitors.

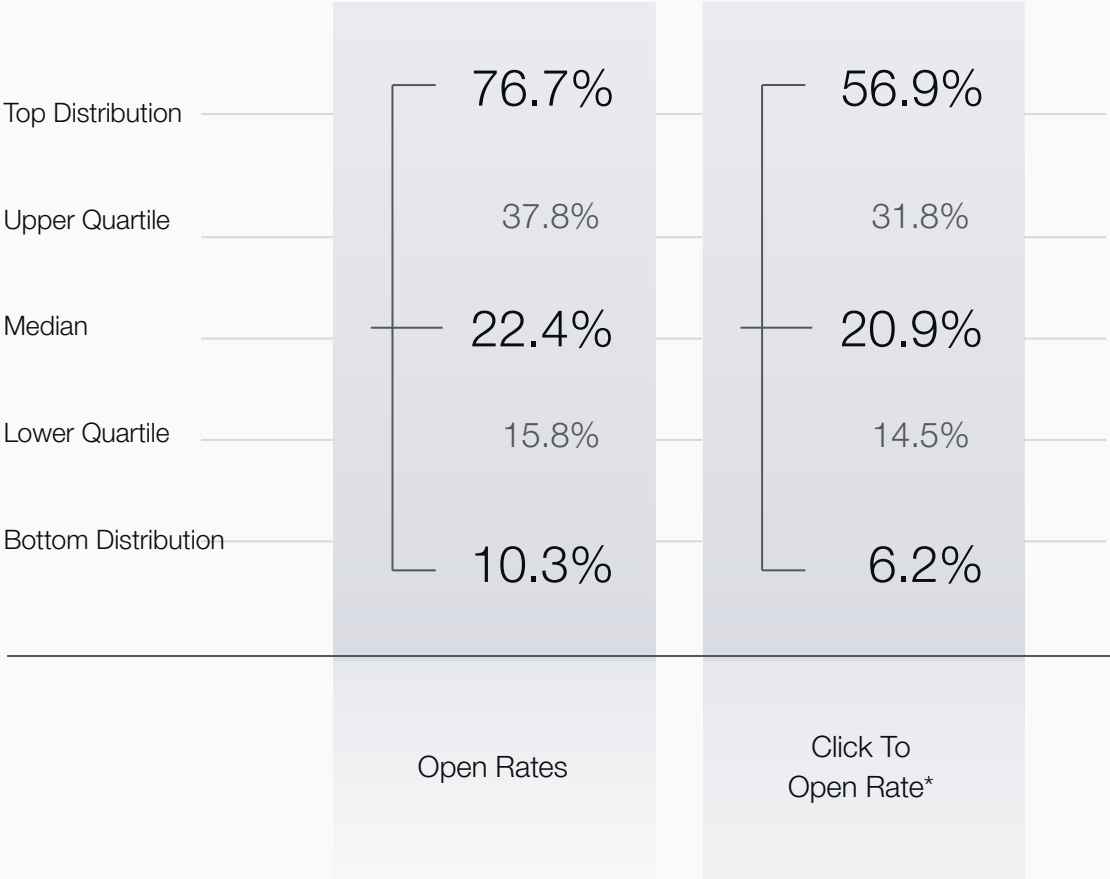
Registration also creates additional advertising value, by giving the opportunity to collect zero- and first-party data.

10X

Average Conversion Rate of Registered Users

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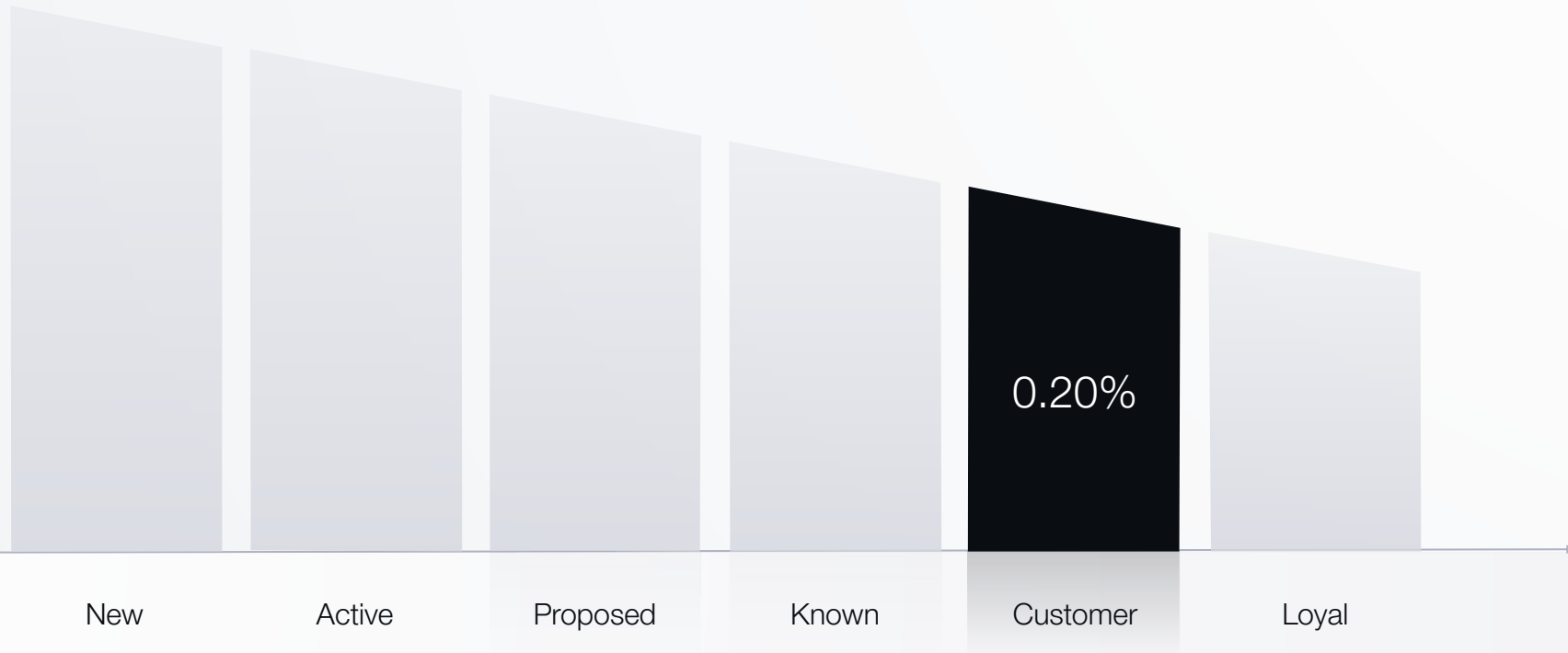
Once you have an email, it's still important to optimize for user engagement



*Click-to-open rate: The share of emails that that are opened that are clicked.

Conversion rates are lower than many expect

Next Best Action

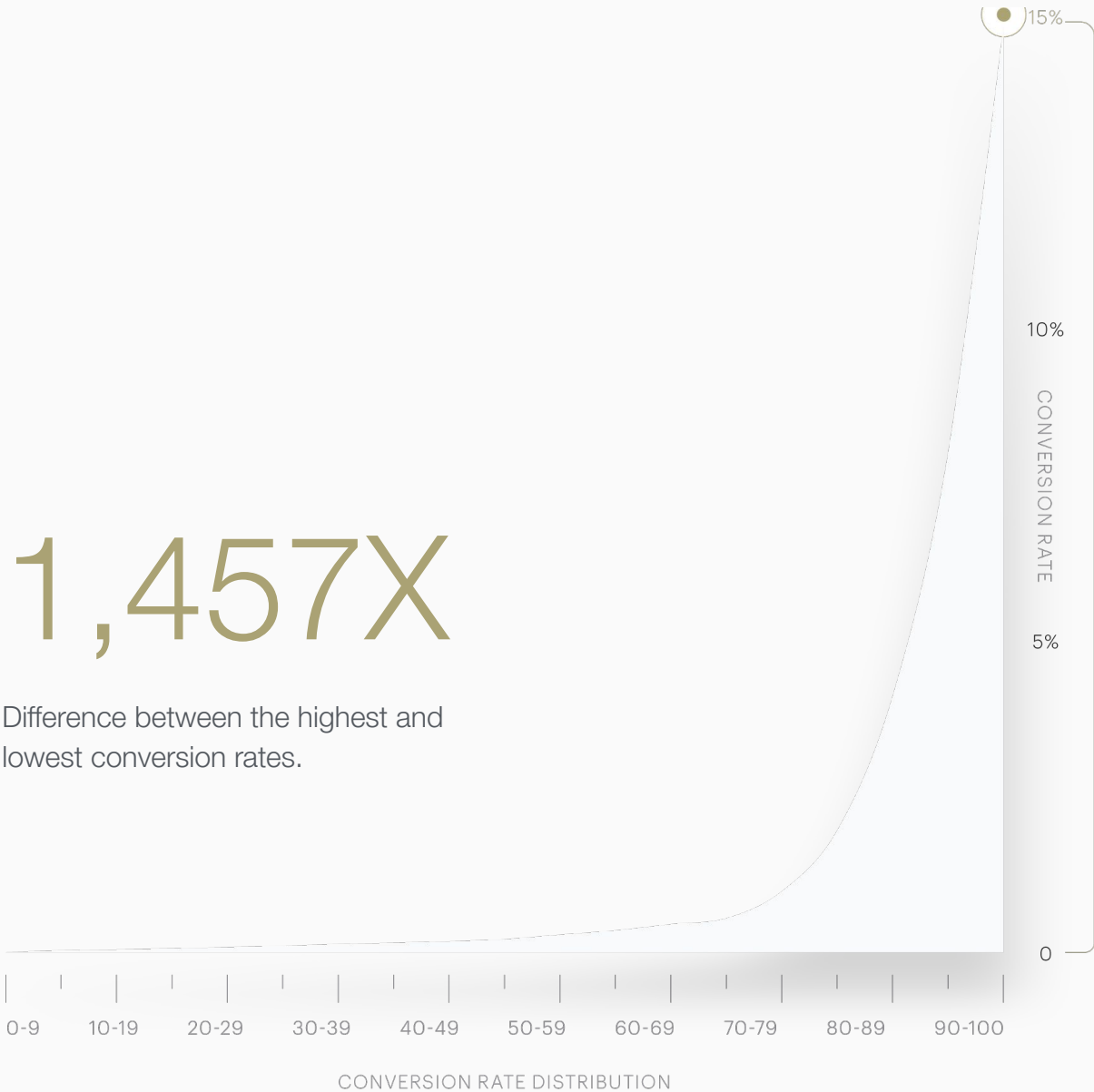


Paid Only Conversion Rate
(Piano Benchmarks, H1 2020)

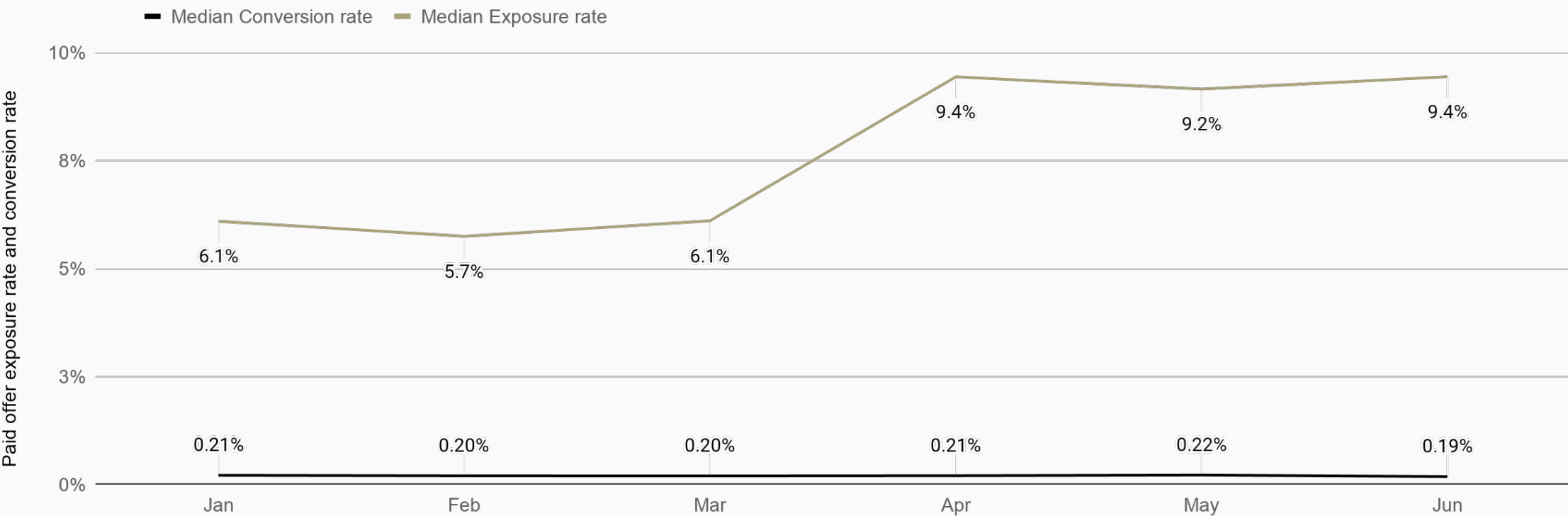
Conversion rate alone tells
you very little

1,457X

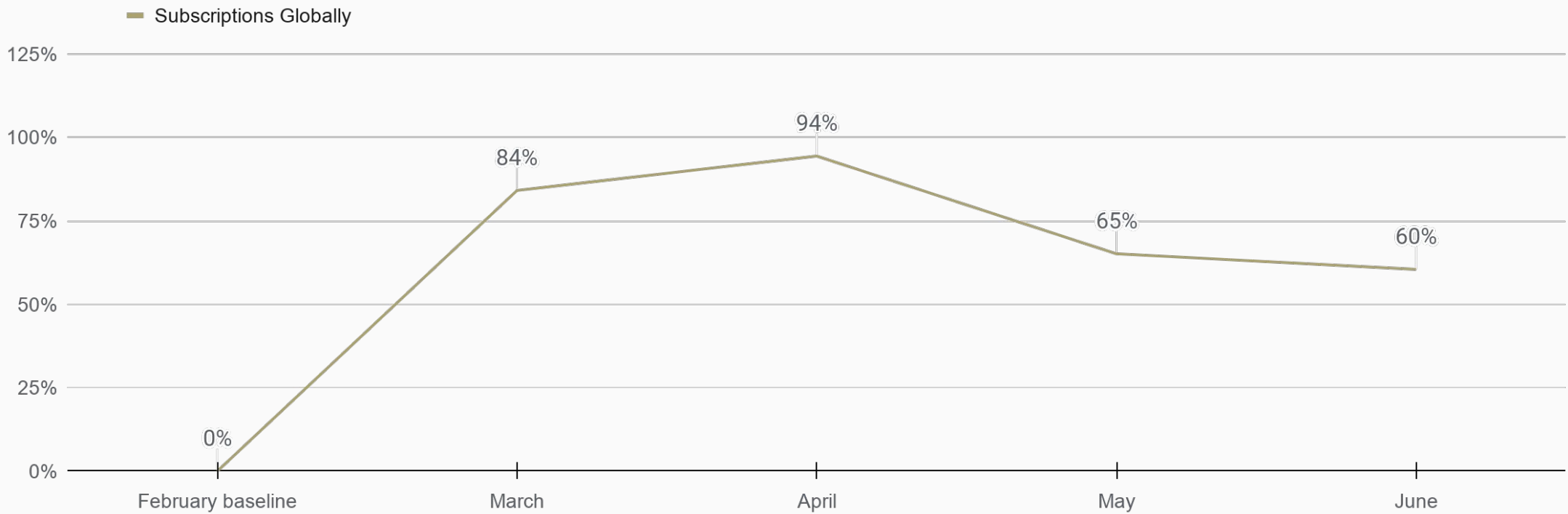
Difference between the highest and
lowest conversion rates.



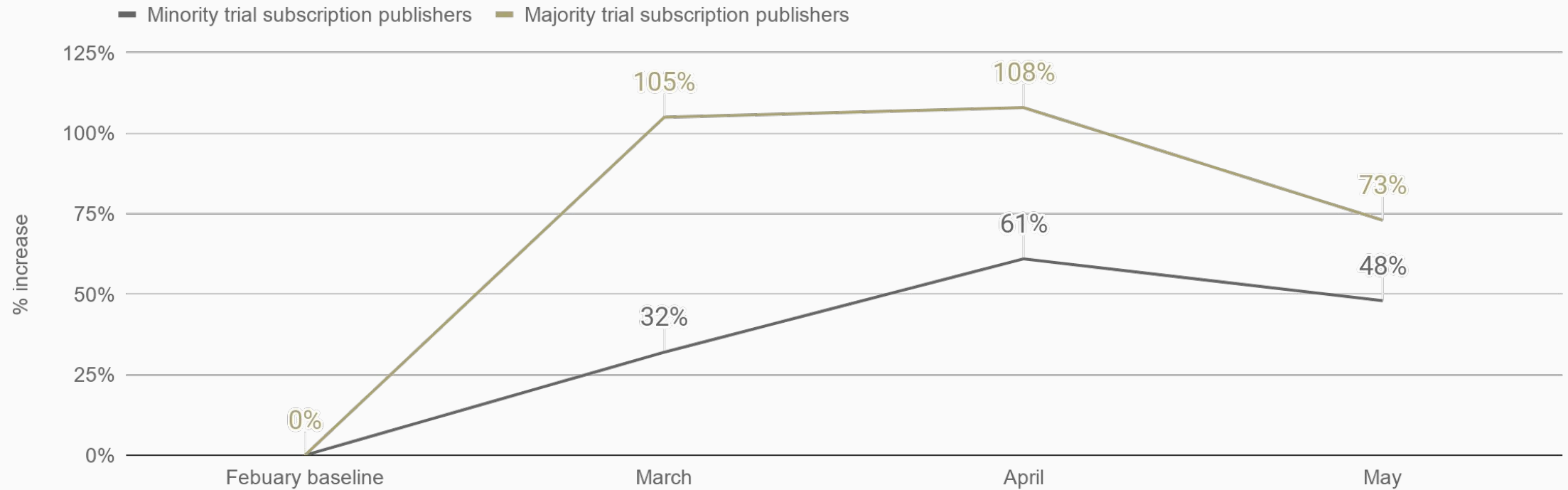
Exposures increased in the spring, but conversion rate was steady



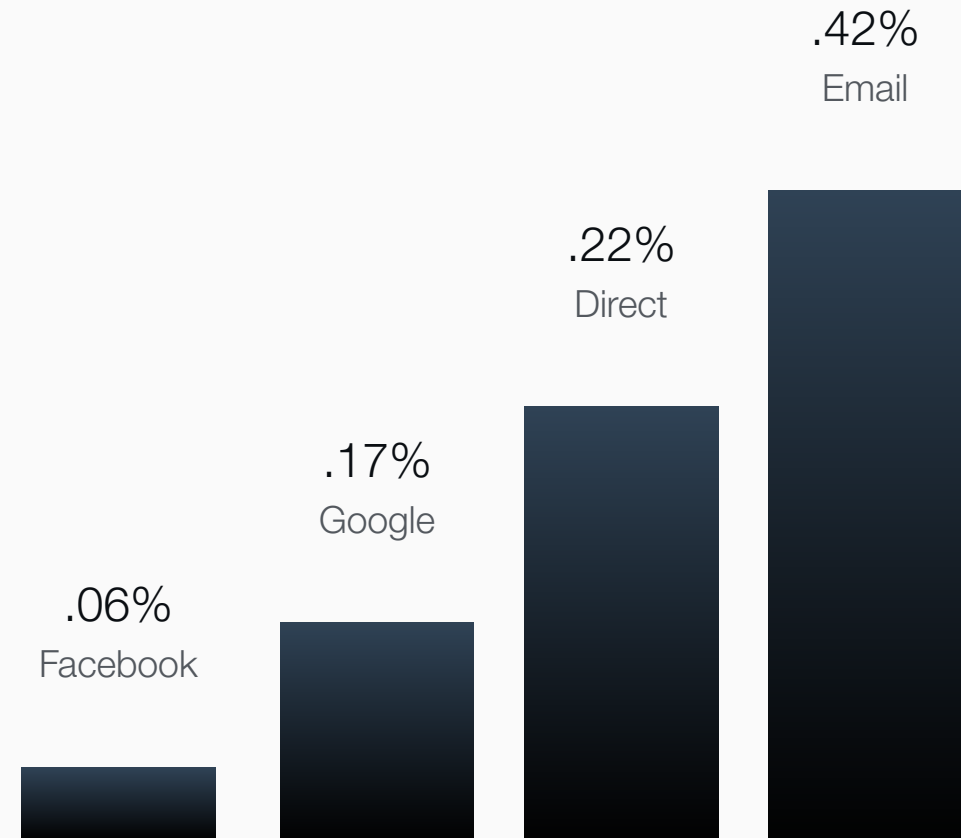
Percent increase in new subscriptions since pandemic declared



Trial subscriptions drove the pandemic subscription surge



Email usually has the highest
conversion rates

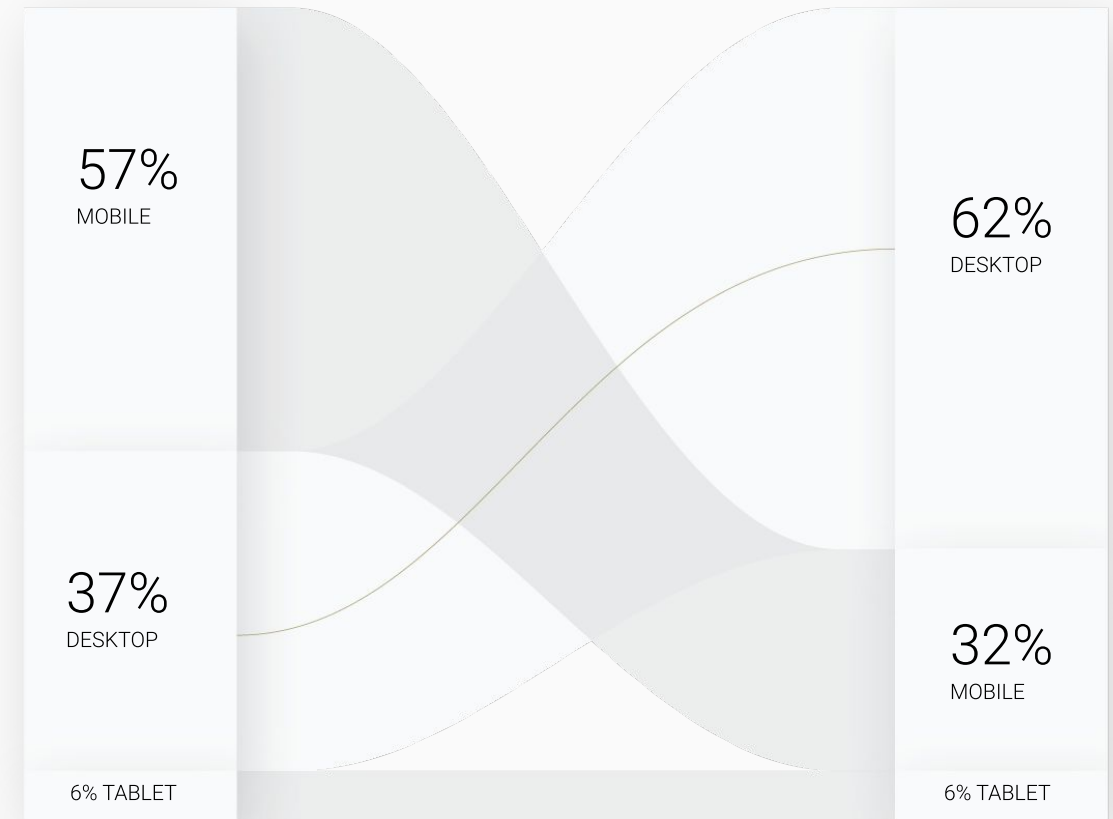


Conversion Rates by Referrer

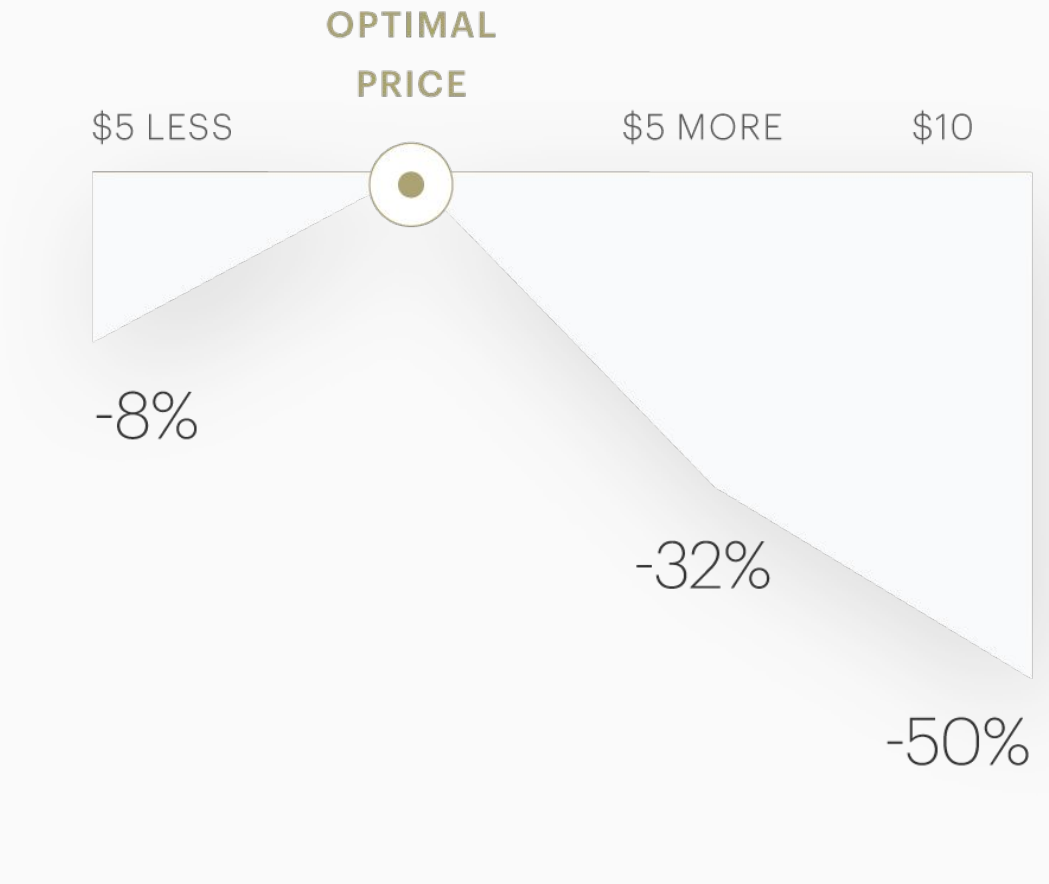
Removing mobile friction
is one way to increase
conversion rate

SHARE OF PAID OFFERS SHOWN

SHARE OF CONVERSIONS



The right price makes all the difference to users



High-priced decoy offers can boost
your sites performance

Before



\$ Low offer \$\$ Moderate offer

After



\$ Low offer \$\$ Moderate offer \$\$\$ High offer

High-priced decoy offers can boost
your sites performance

53%

Conversion increase

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52%

Conversion rate increase

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106%

Revenue increase

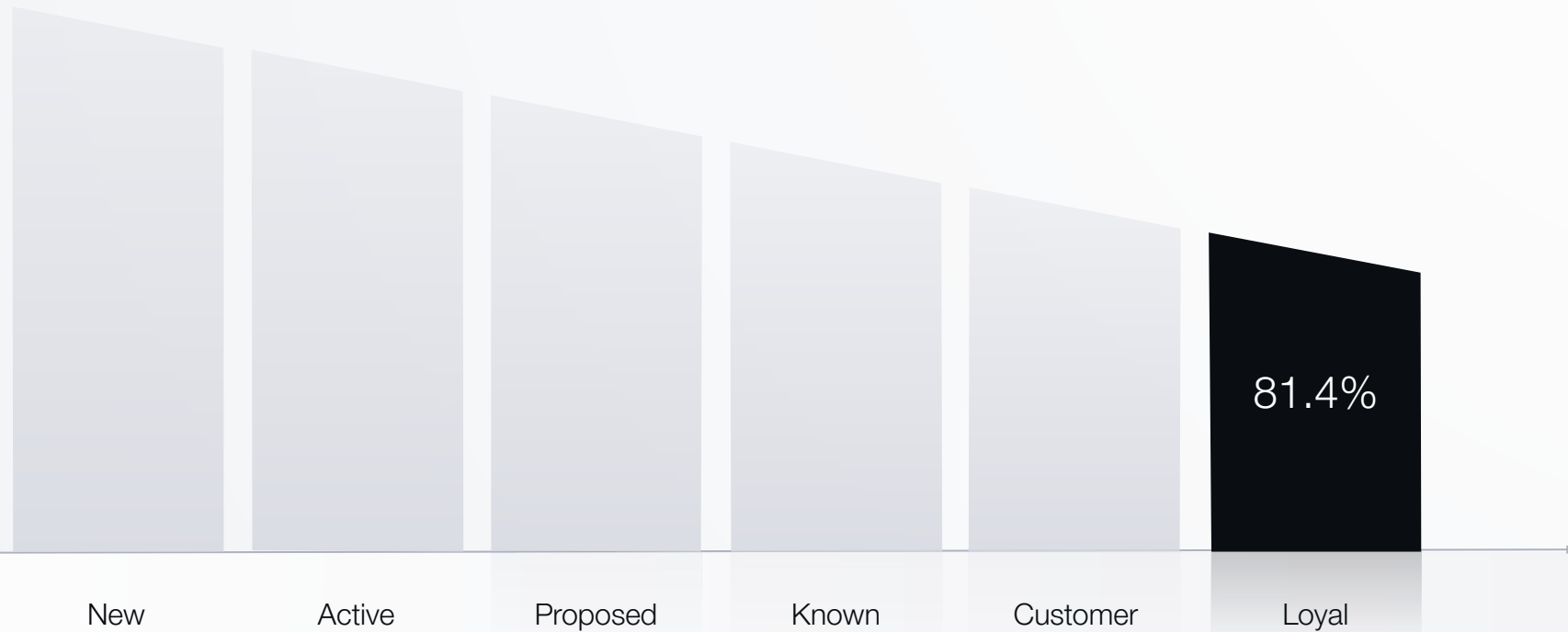
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87%

Ratio of long-term subscriptions increase

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Retention is as critical as acquisition



First Month Retention Rate
(Monthly Subscriptions)

More paid membership trials convert
to full price than free trials.

86.3%

First-month retention for monthly offers without trials

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81.4%

Paid trials converting to full price

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70.0%

Free trials converting to full price

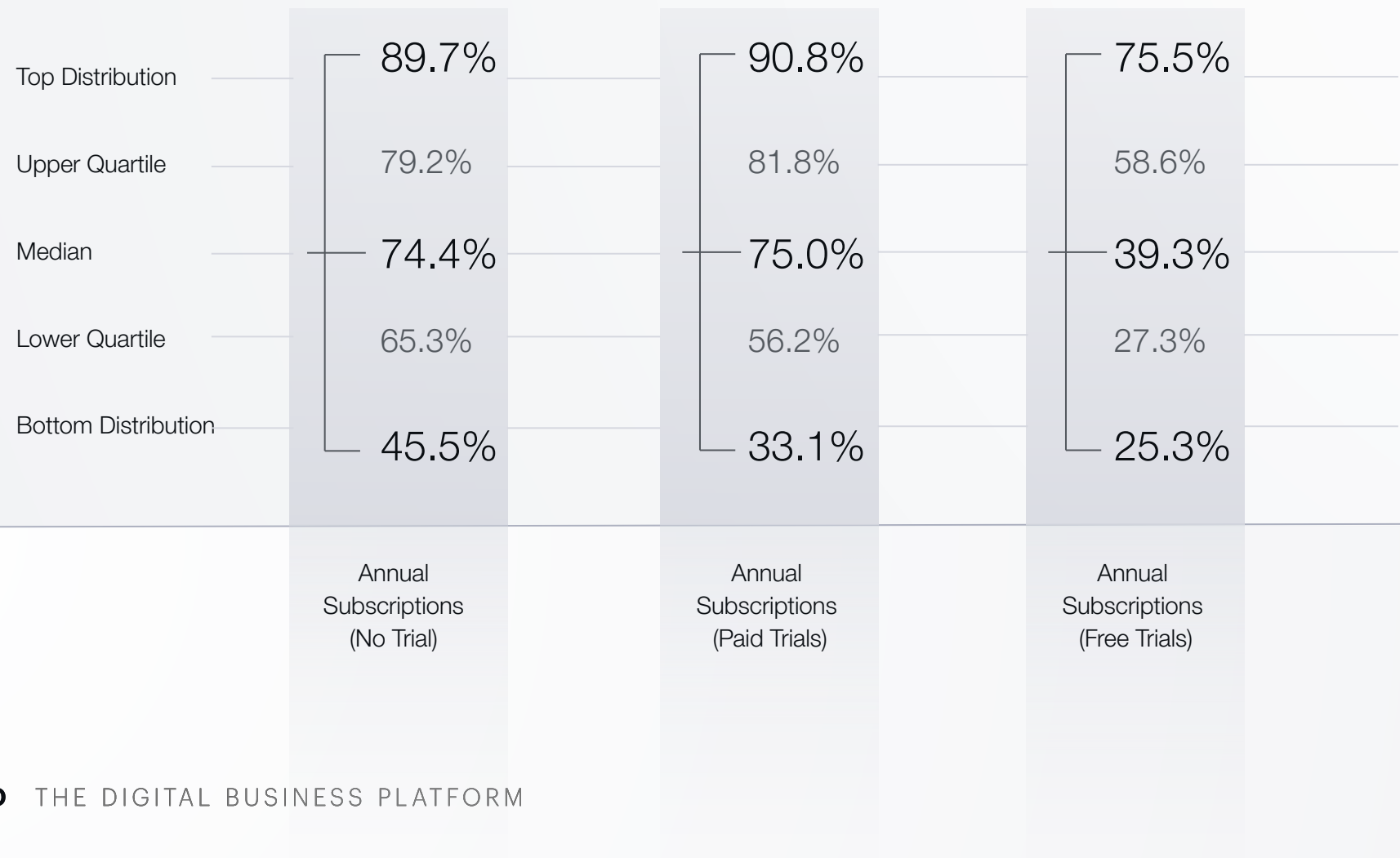
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Percent of New Monthly Subscriptions Retained One Year

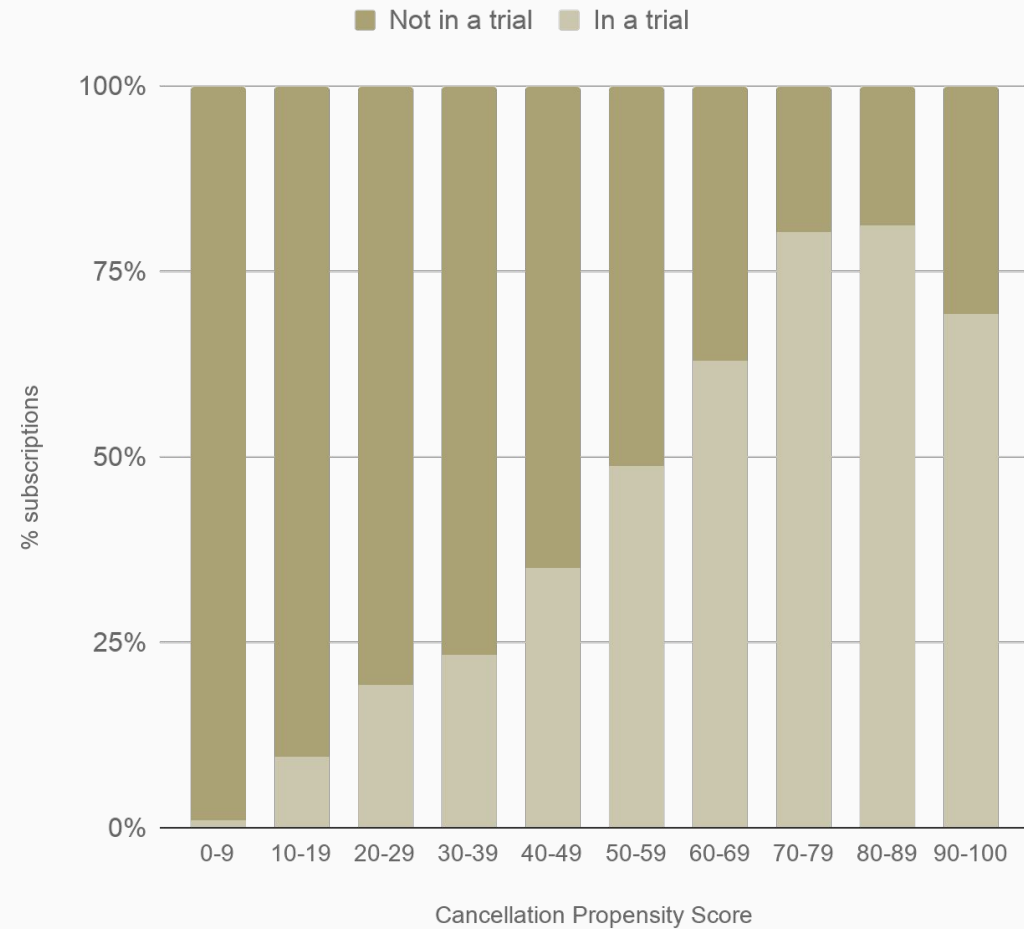


Annual is a very different (better) story

Percent of New Annual Subscriptions Retained One Year



Trial offers are strongly linked to increased cancellation risk



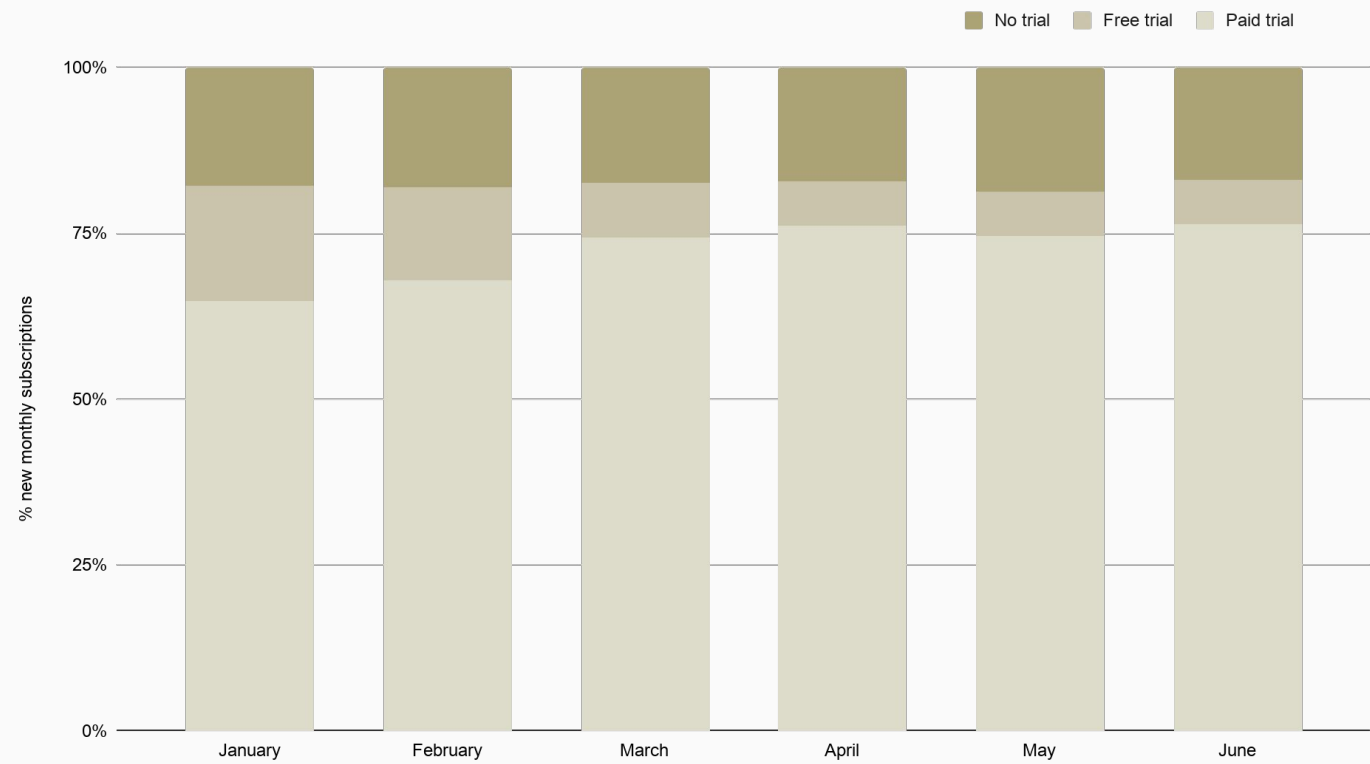
Yet cancellation rates are lower for
monthly subscribers who converted
during the pandemic

6.5%

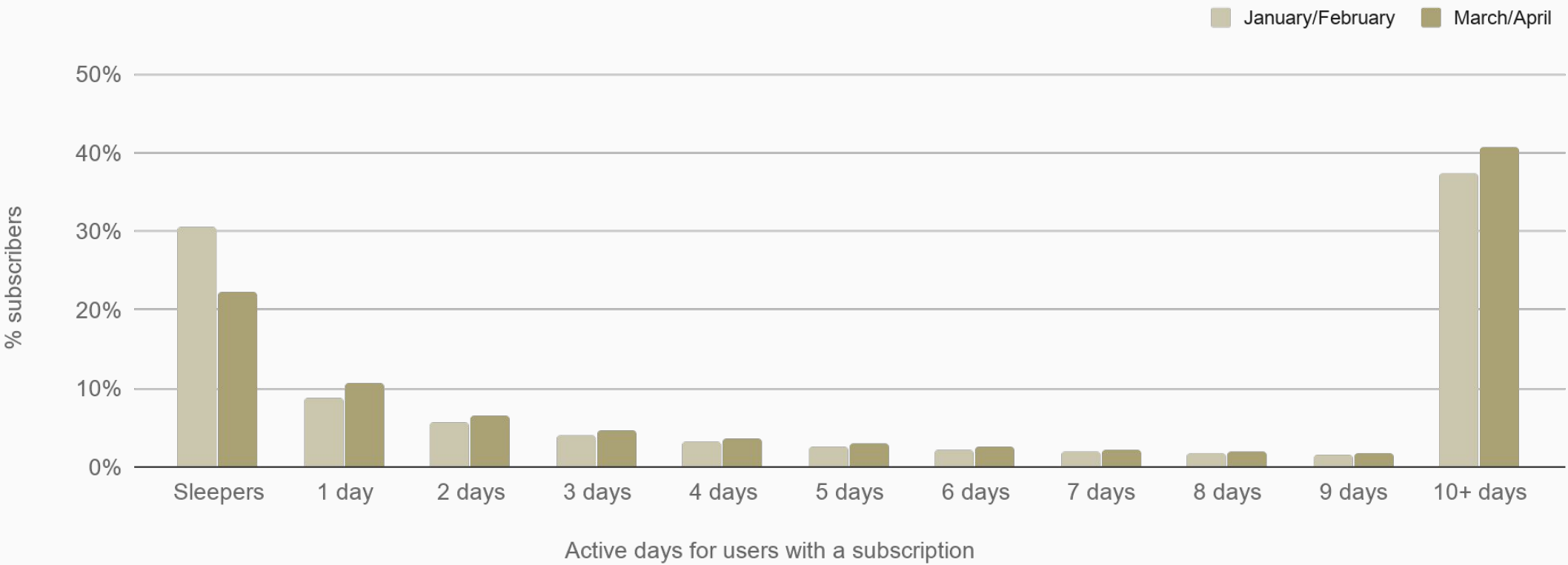
Active Churn Decrease

MAR-JUN AVERAGE 2020 SUBSCRIPTIONS VS JAN/FEB AVERAGE

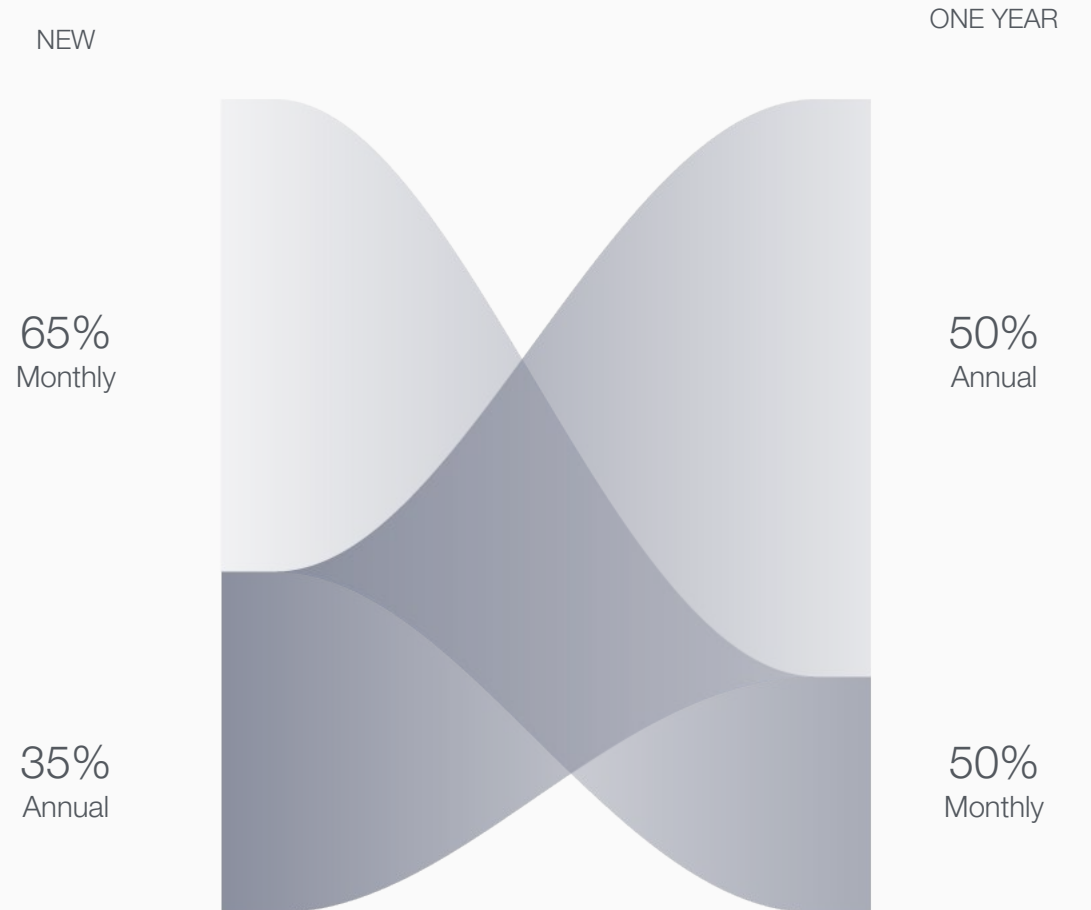
An important driver of improved retention was a growing share of paid monthly trials



The newscycle reengaged dormant subscribers



Annual subscriptions can be much cheaper and still worth more



Most churn is from active cancellation

65.8%

Active Share of Total Churn

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Cancellation happens fast.
Retention requires a relationship.

68.3%

Share of Auto-Renew Disabling Within First 60 Days

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21.8%

Share of Auto-Renew Enablements on First Day

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Numbers that matter

Machine learning allows you to target
based on cancellation propensity



Trial status

Total amount paid

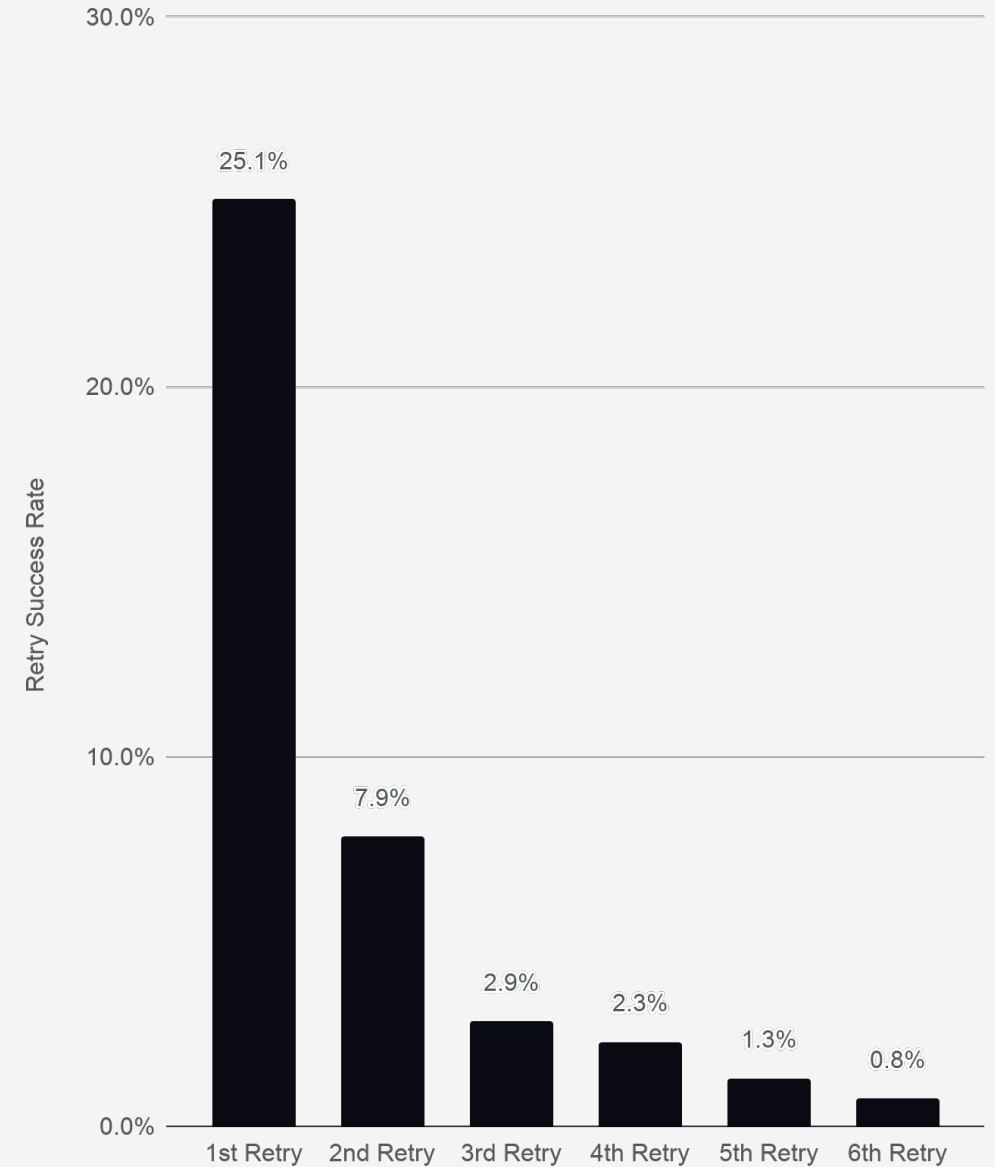
Non-trial payments

Active days

Subscription age

Numbers that matter

And passive churners are more likely
to resubscribe



Numbers that matter

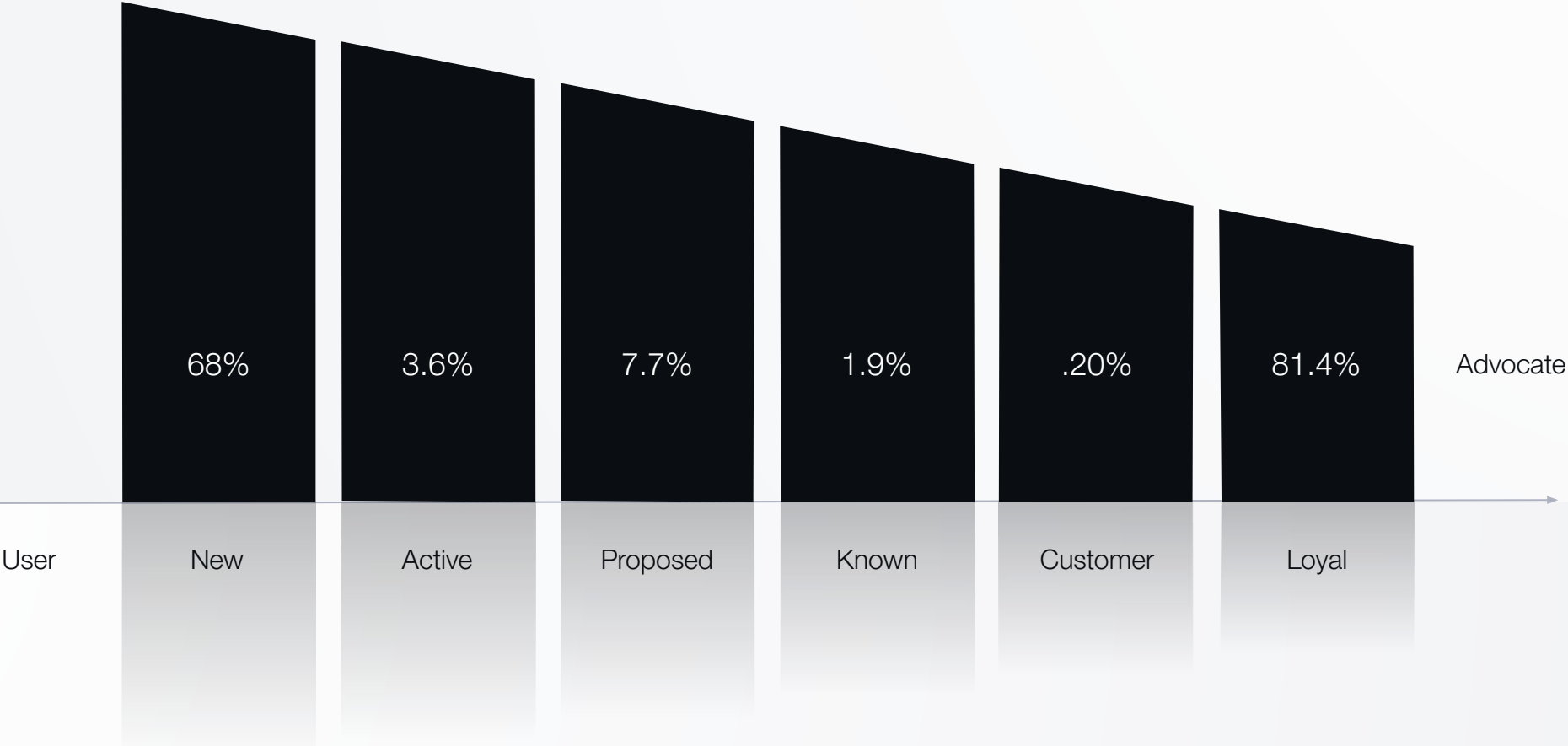
And passive churners are more likely
to resubscribe

50.2%

Percent Of Winbacks From Passive Churners

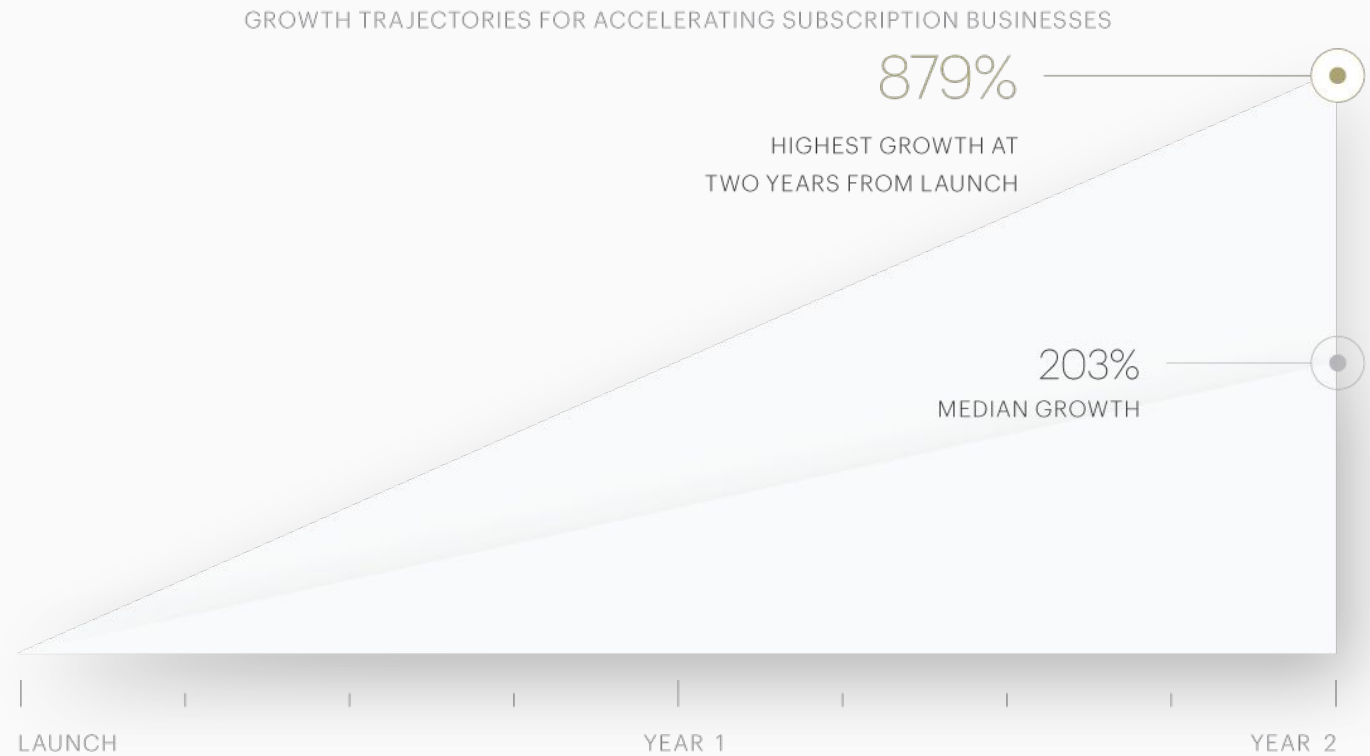
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Optimize across the entire user journey



The best businesses get better over time

Growth trajectories for accelerating subscription based businesses





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