

# Insider Inc.'s Approach to Analyzing Consumer Subscriptions

The challenges of managing rapid growth in a new line of business

Digital Content Next

08/27/2020

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Insider Inc.

BUSINESS  
INSIDER

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# BUSINESS INSIDER

Business Insider is the largest business news site in the US and one of the fastest-growing news brands in the world.

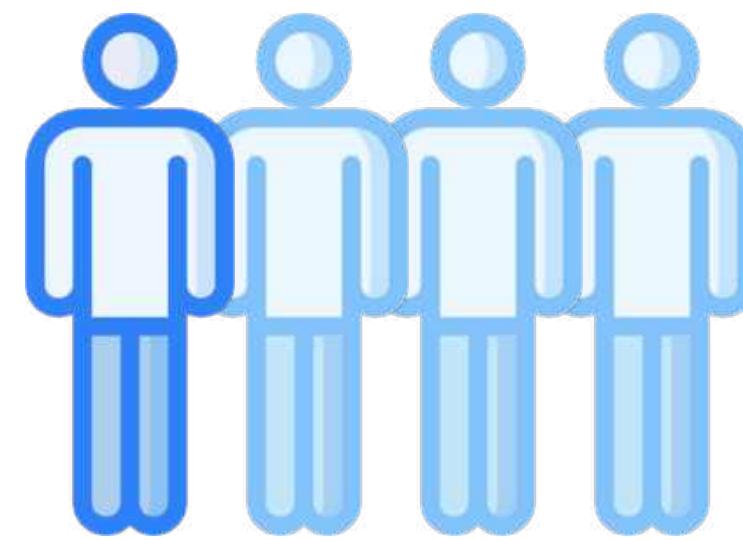
We give today's business leaders an authoritative, energetic, and optimistic look at the people, companies, and ideas transforming the world.



**110M+**  
Uniques<sup>1</sup>



**24%**  
International readers<sup>2</sup>

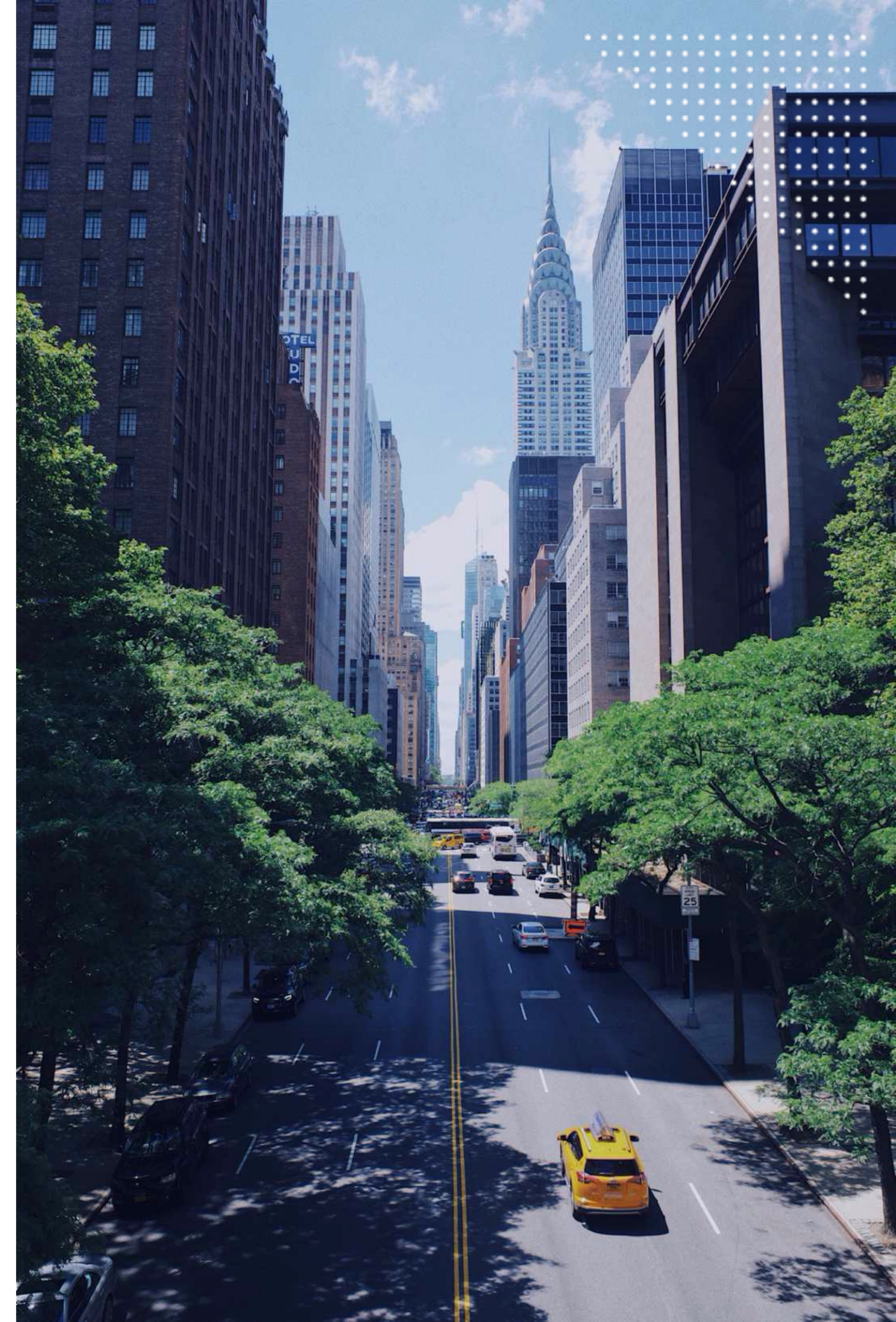


**1 in 4**  
Business leaders  
are on site<sup>3</sup>

<sup>1</sup>Comscore Media Metrix Multiplatform, May 2020

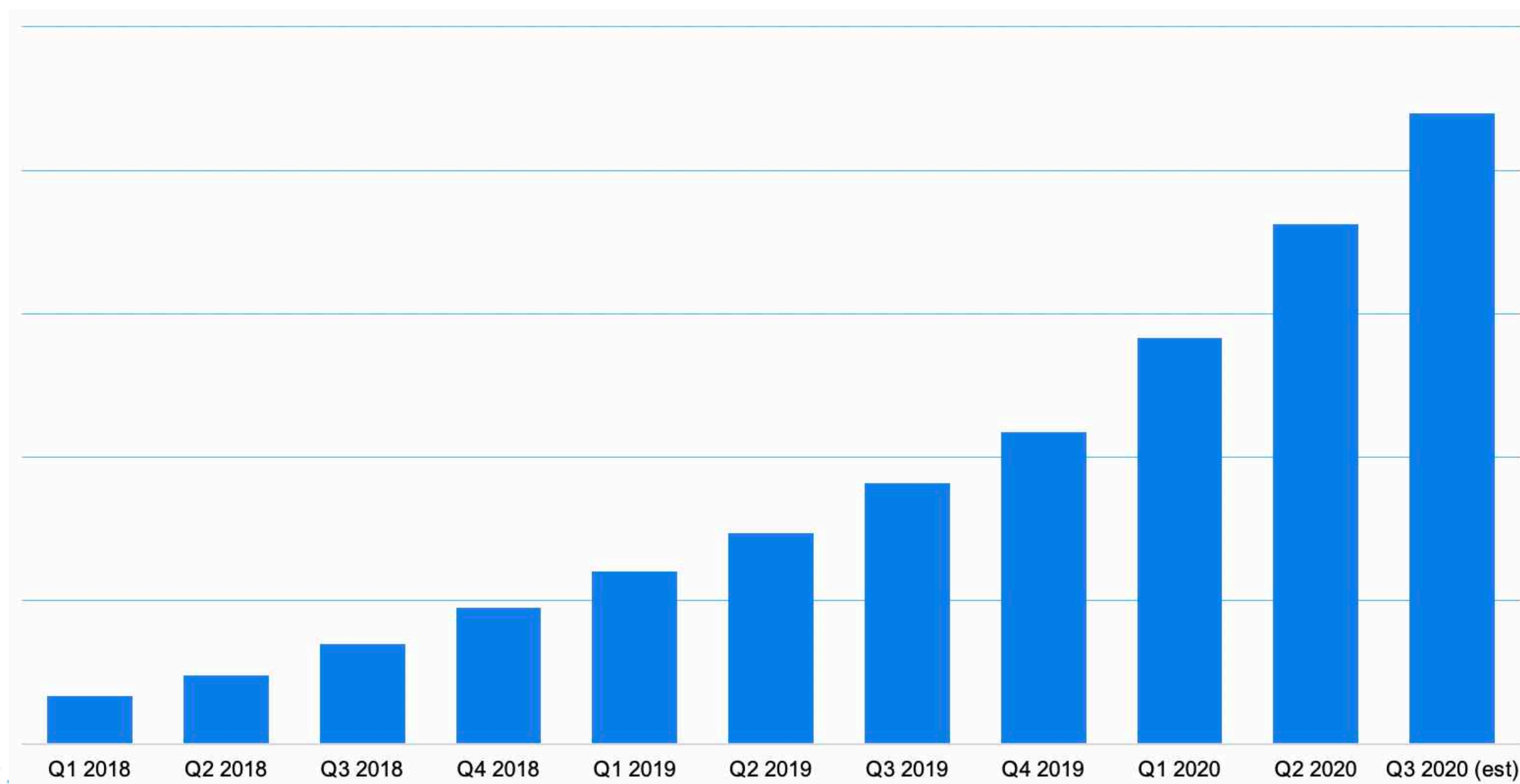
<sup>2</sup>Plan Metrix Multiplatform, July 2019

<sup>3</sup>Insider Inc. Proprietary Data





# Our consumer subs business has exceeded expectations



Total subscribers since Q1 2018

150%  
YoY  
growth

**So we have set ambitious goals**

**1 thousand journalists**

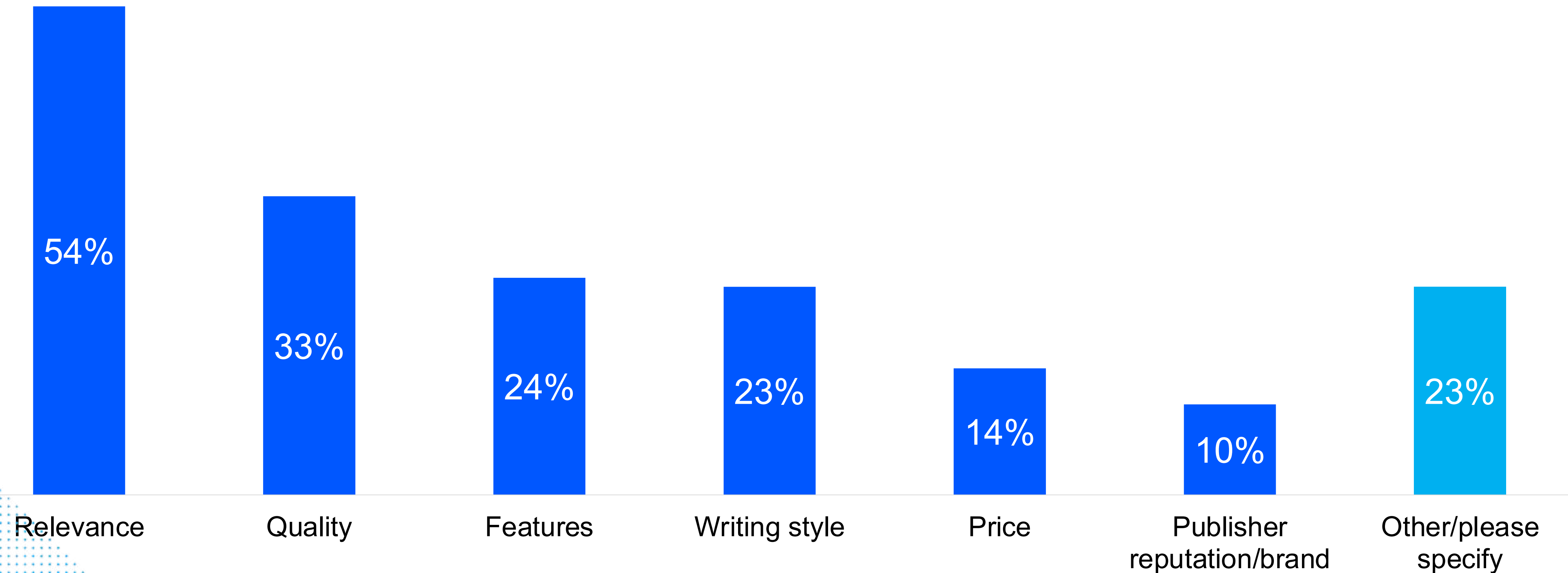
**1 million subscribers**

**1 billion uniques**

By 2025

**If you really need to read, watch or listen to something  
and you can't get it for free  
you will pay for it.**

**We asked our subscribers why they subscribed. The responses surprised us (although they shouldn't have)**



# “Other” was very homogenous: It’s all about the article

**Content**

Your content is pretty  
outstanding and a  
**valuable use of my time**

**Wanted to read  
the articles**

Reader of BI for years, like  
it so upgrade was just a  
**natural progression**

Many of the  
**articles I wanted**

**It was a specific  
article I wanted  
to read**



# Two reasons why our subscribers think a Business Insider subscription is worth their money

## It's useful

I start my reading around 4am. Business Insider daily alerts arrive around 5:45am. **Helps me make money decisions**

I love it!!! I have gotten **business ideas** off BI!

Great information that I **use in business**

## It's reader-friendly

Your **analytics and visualizations** are awesome

I love the **short summaries** under the headlines

**Gossipy in a great way.** Can't find a better adjective

Good, **well-written articles** are rare this day in age, and you do a great job



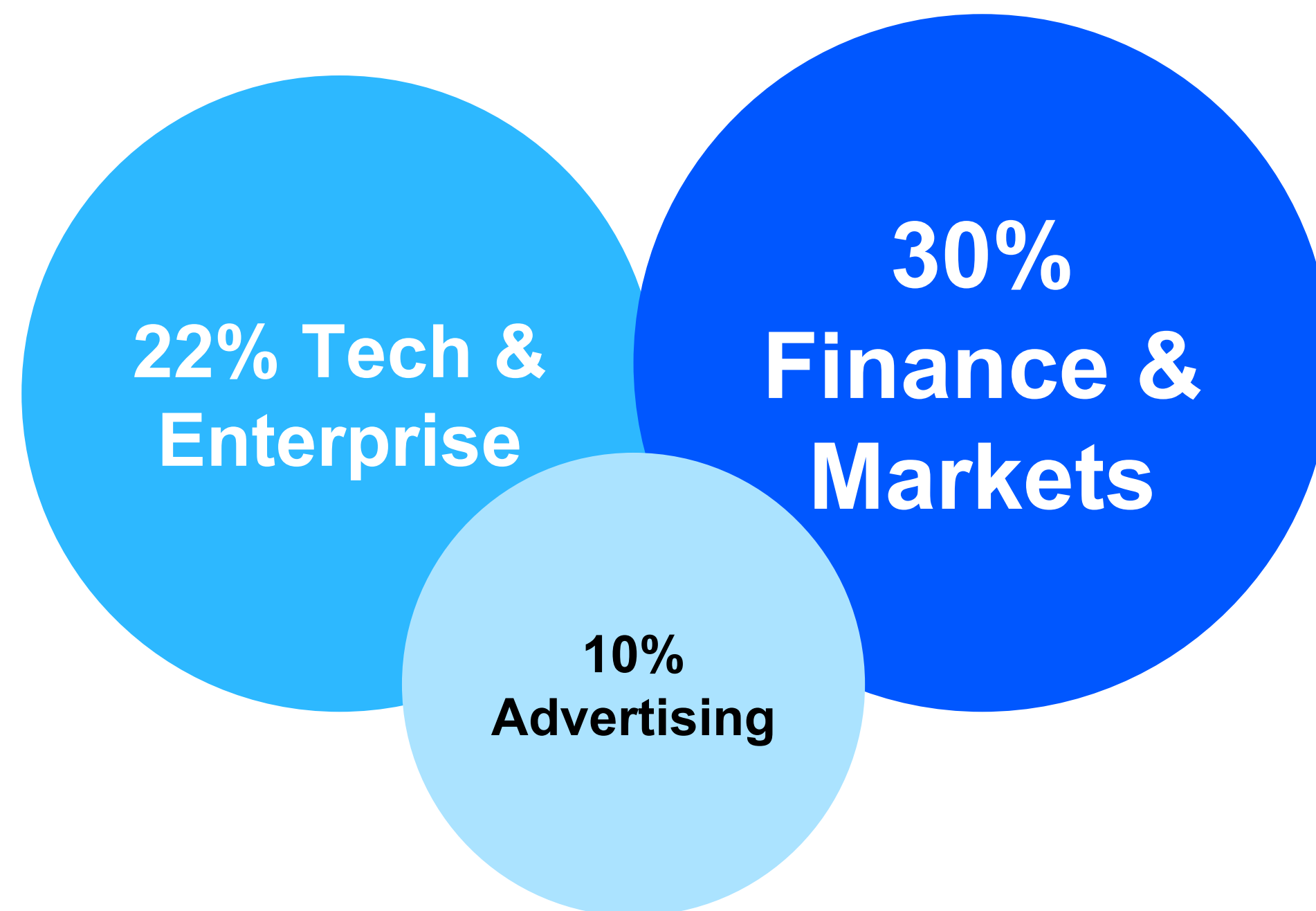
**Our editorial approach is working**

**SCHAFFFF**

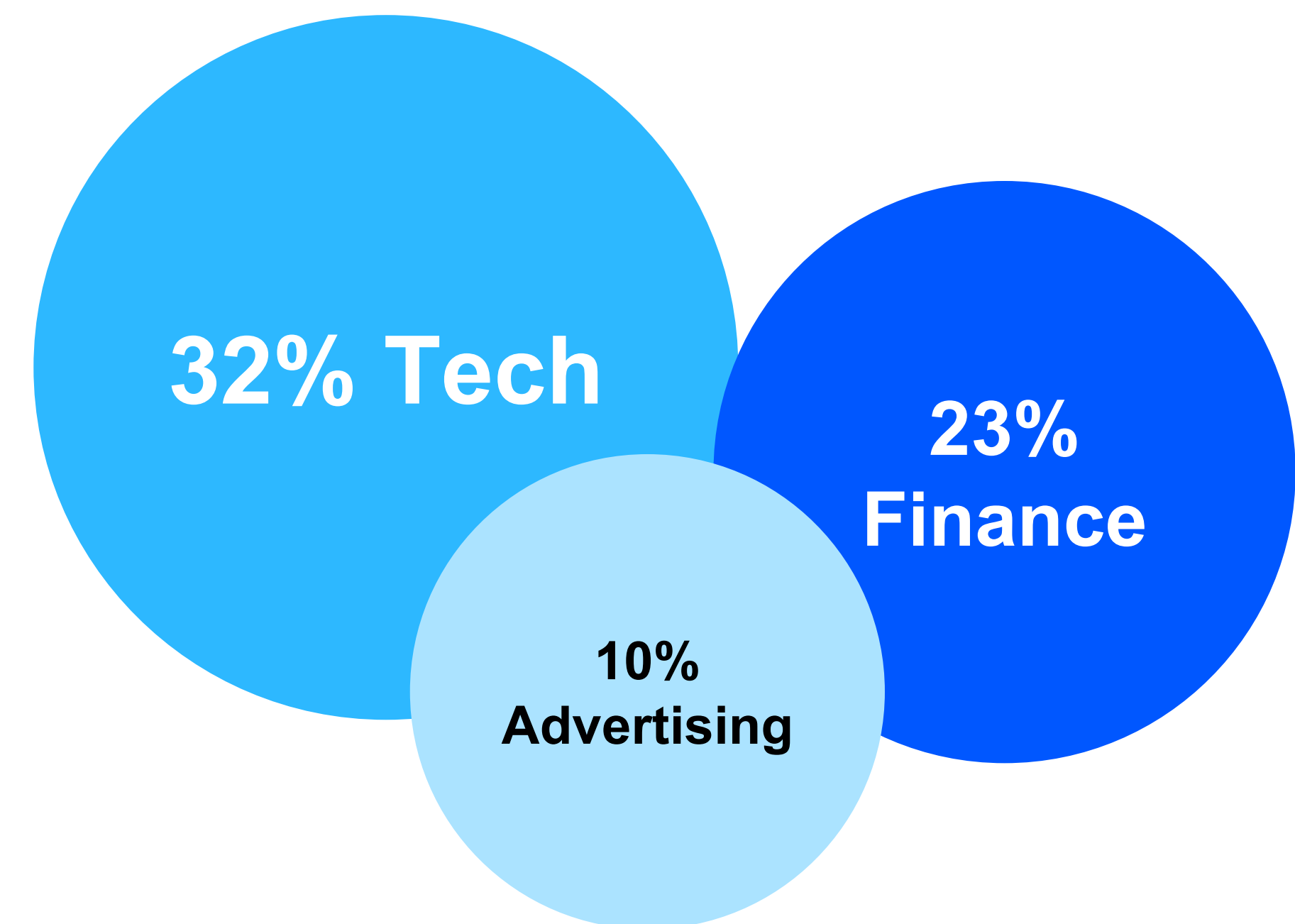
**Smart | Conversational | Helpful | Accurate | Fast | Fair | Fearless | Fun**

# So we are growing our coverage vertical by vertical

Our article output per vertical

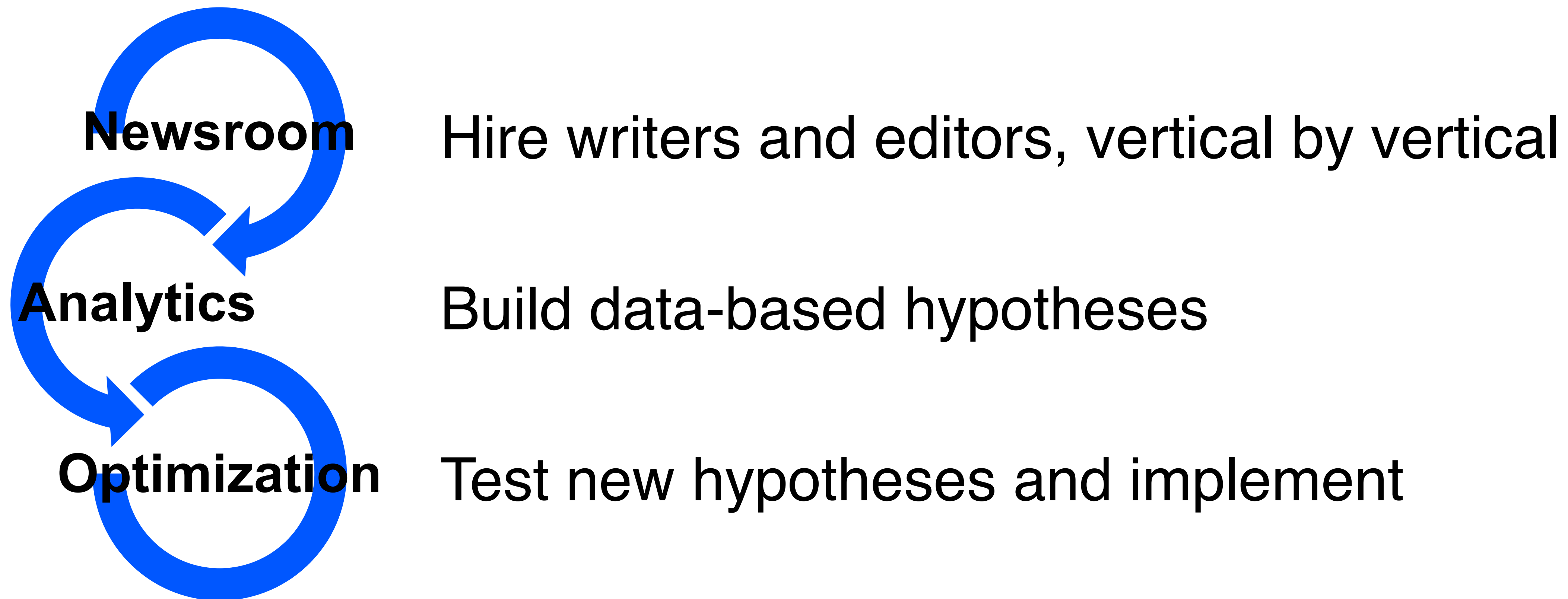


Industries our subscribers work in

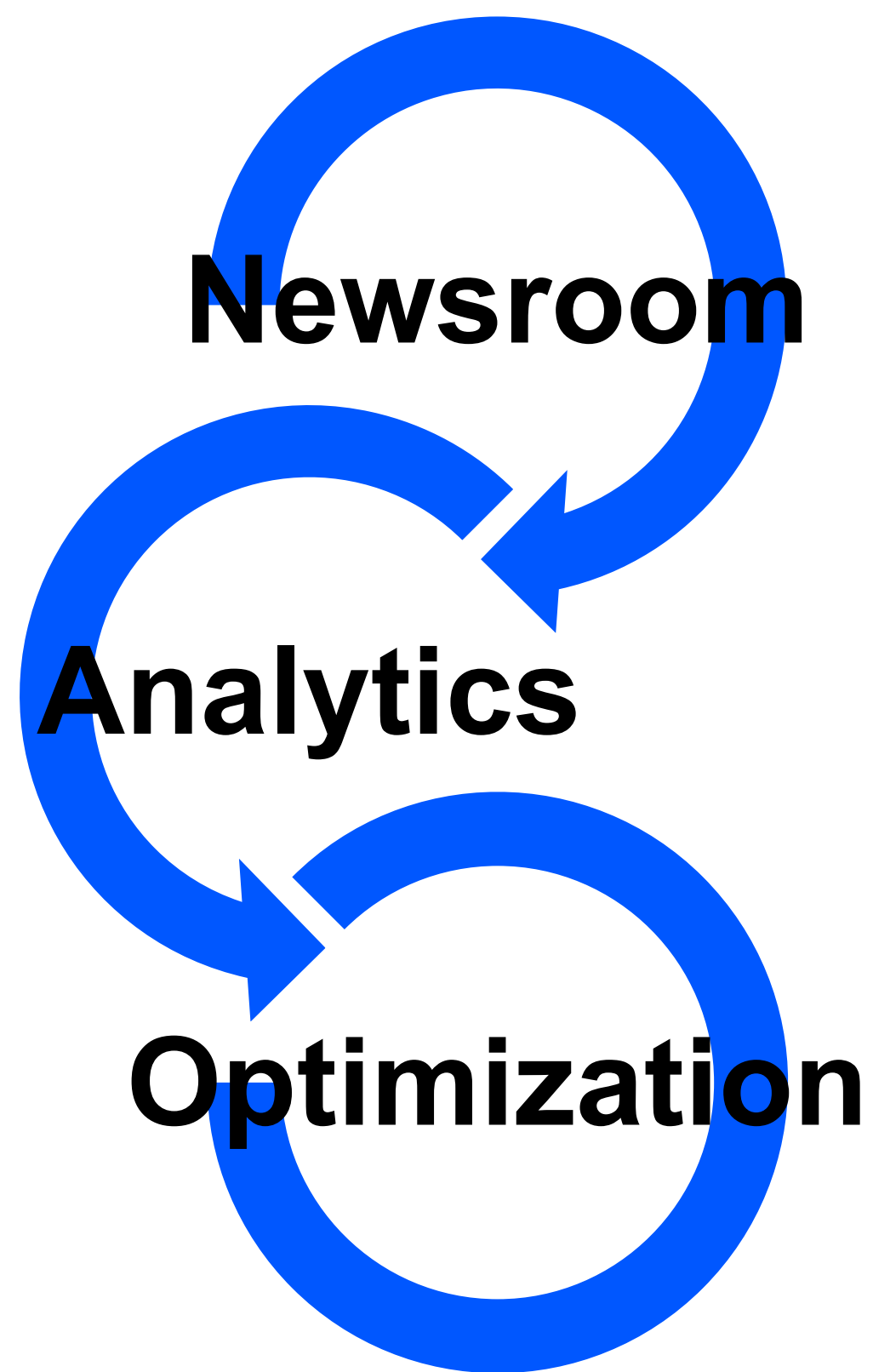




# We are investing in three pillars of growth



# How we measure the impact of our strategy

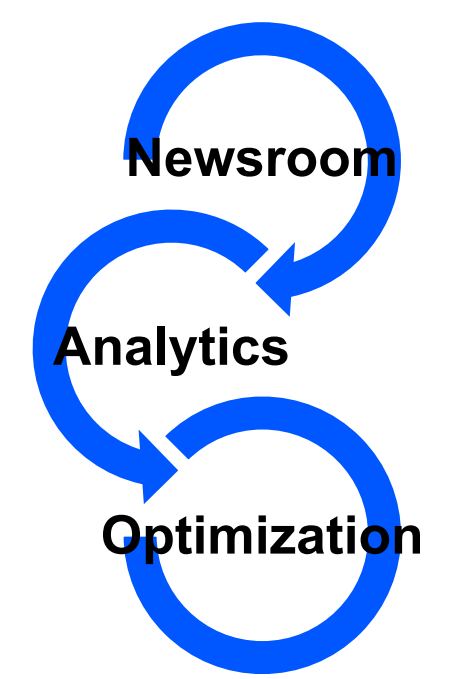


+100% YoY story output

+147% YoY active subs

+166% YoY ARR (revenue)





# Key differences

Our subscription product is (still) largely focused on business

Our subscription product is relatively new

We (still) have a freemium model

We benefit from Insider's traffic and SEO excellence



# Analytics: Key statistical models we have implemented with partners

## Likelihood-to-subscribe

*Recency and frequency of visits*

Informs pricing

Informs metered paywall (new experiment)

piano™

## Likelihood-to-churn

*“Survival analysis” per cohort*

Informs individual interventions

Informs cohort-based interventions

mather:

## Lifetime value

*Predicted survival \* ARPU*

Informs freemium decisions

Informs paid acquisition budget

piano™





# We use “survival analysis” on an increasingly granular set of cohorts

## Patterns we look for

- Survival rates, variance
- Inflection points (e.g. trial)
- Price sensitivity
- Engagement correlations
- Device usage correlations
- ...

## Cohorts

- Monthly/annual subs
- Vertical/topic subs
- Article subs (last-click)
- Source groups (incl. paid)
- LTS cohorts
- ...

## Relevant time frames

- First day
- First term (month, year)
- 90 days
- All consecutive terms

**Objective: Identify “clusters” of consumer behavior that we can influence or respond to**



# Three examples of recent targeted interventions based on likelihood-to-churn findings

**Follow up Cohort-specific interventions**

**Explain the product Onboarding series**

**Acquire value Implications for (paid) acquisition**

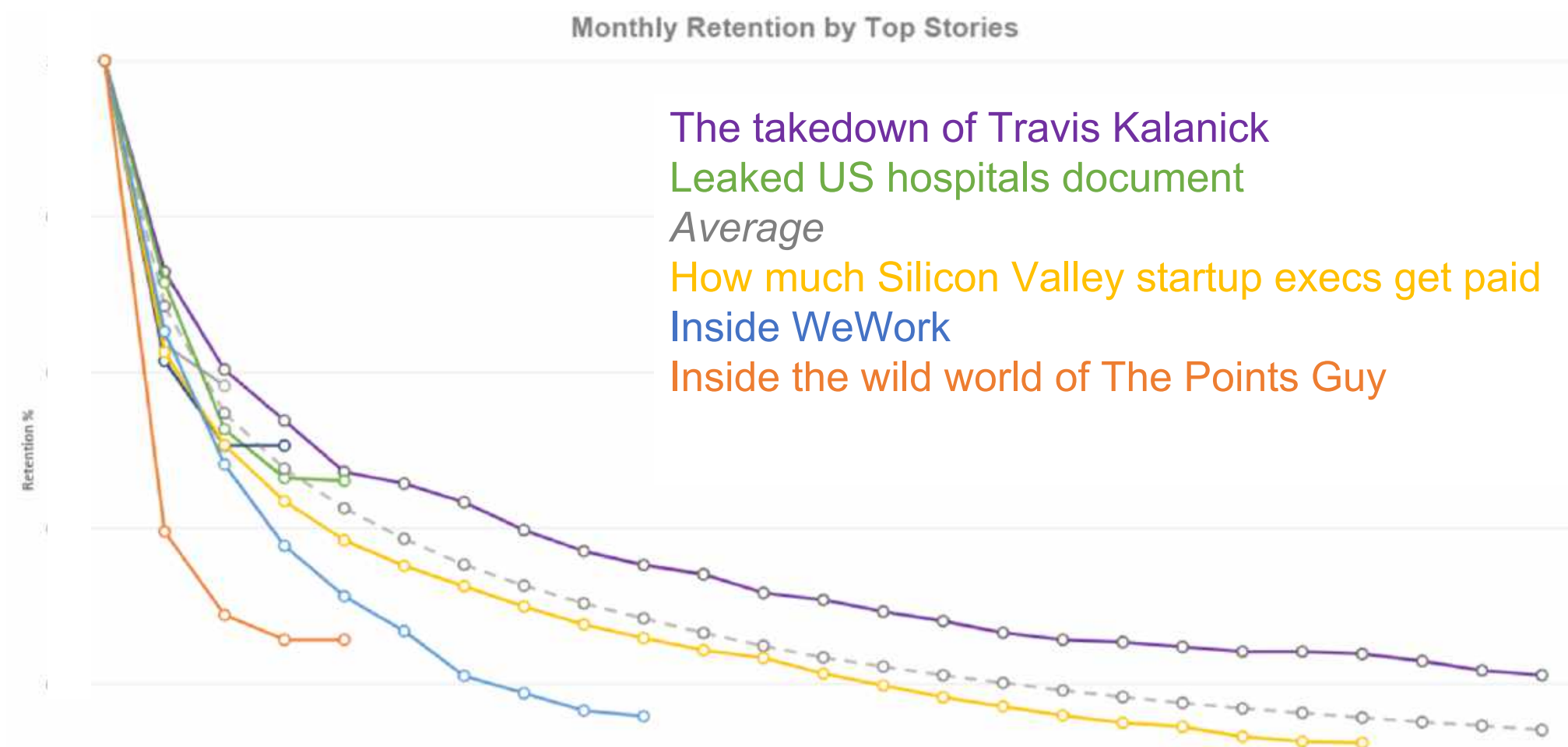




# 1/3 Follow up Cohort-specific interventions

**Challenge:** High-risk cohorts

**Solution:** Email retention campaigns



Targeted emails with relevant stories, discount offers and restated value proposition

Reduced stops by up to 21% vs. control groups

\$257K revenue uplift in Q2

From “I don’t care about this” to “This is useful for me”



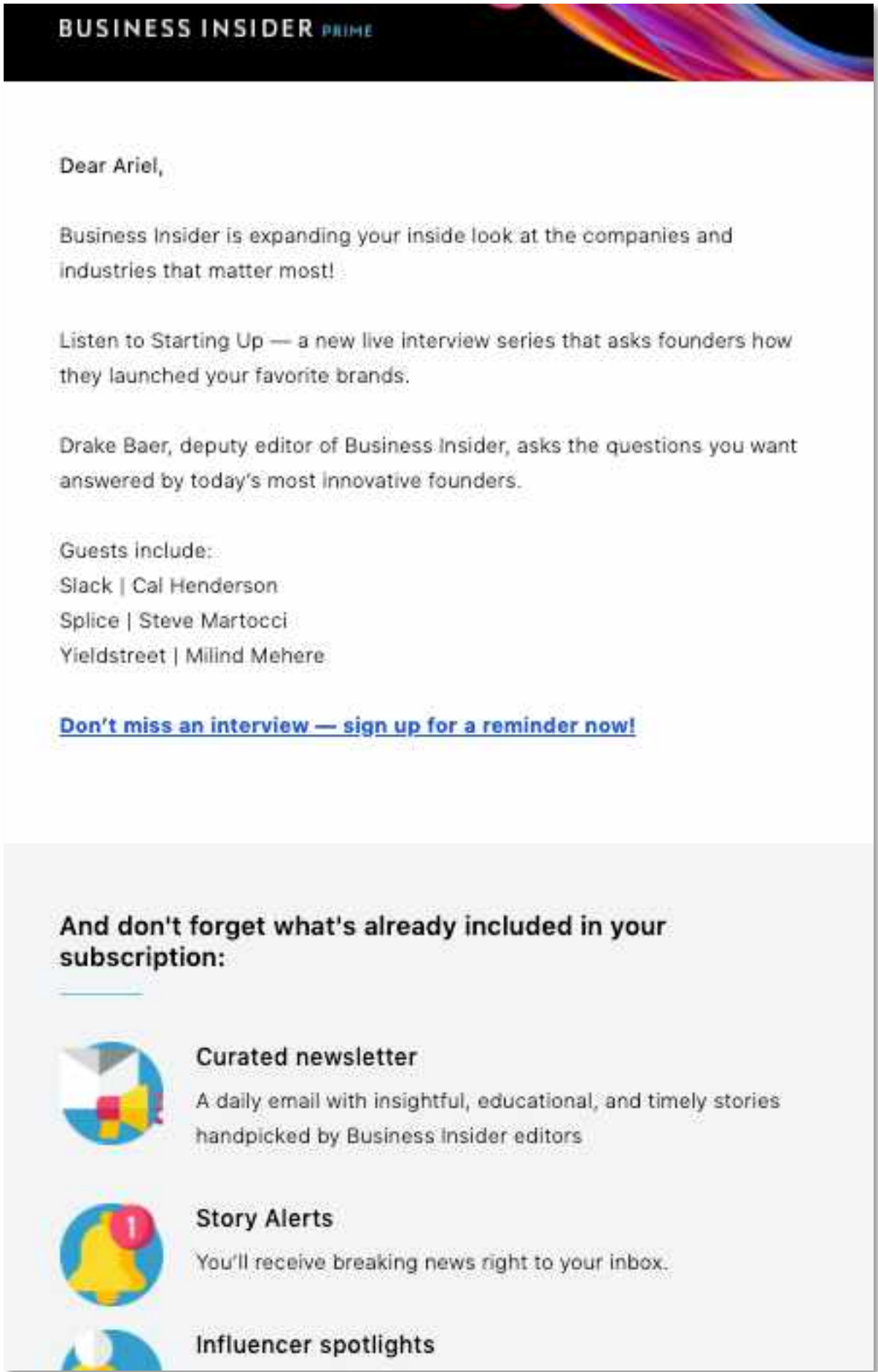
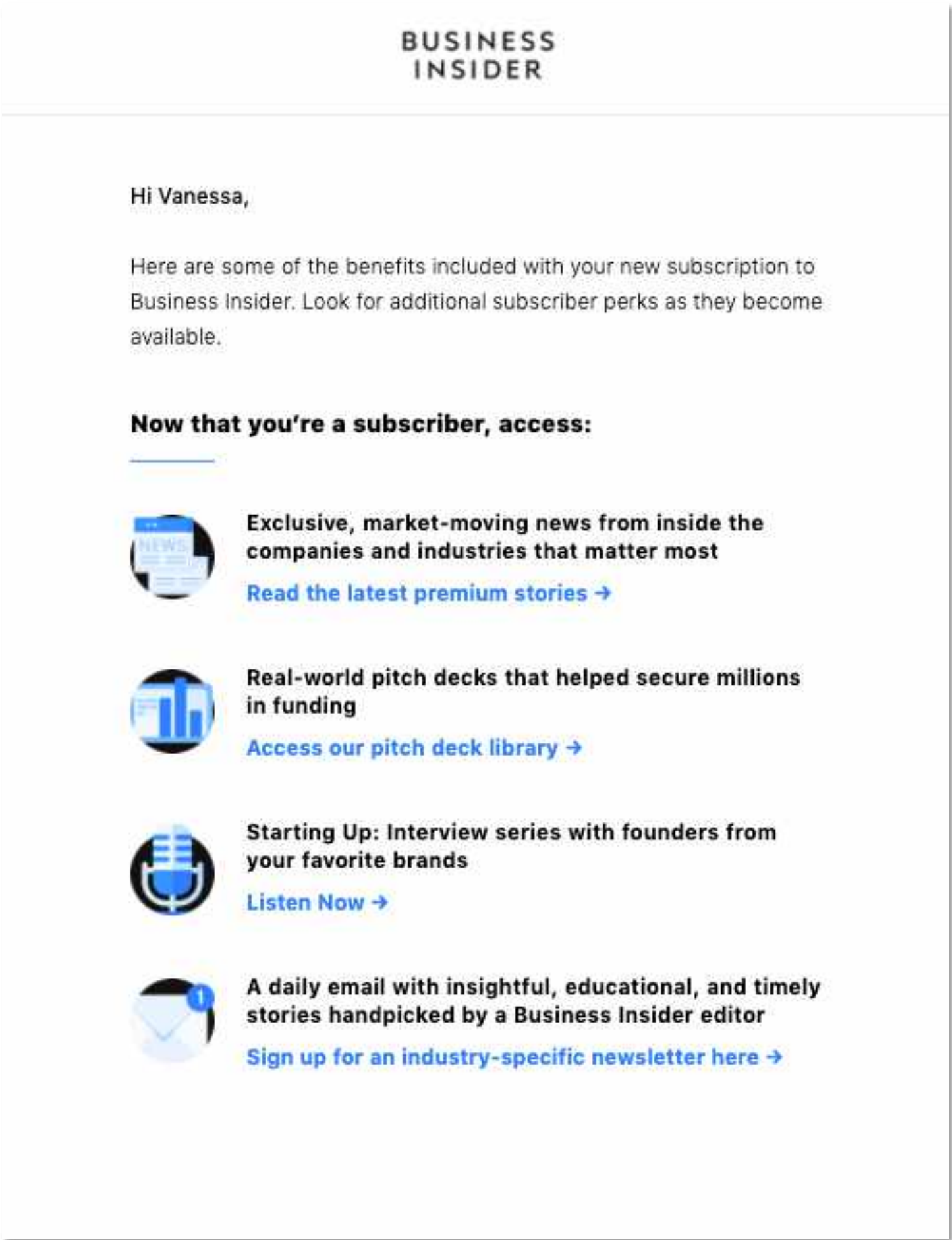
# 1/3 Follow up Cohort-specific interventions

**Background** “high churn risk” monthly subscribers targeted with various emails

## Results

- „Value email“ had the highest stop reduction lift than any other retention email
- Performed better in comparison to an email promoting popular articles

**Lesson learned** The value email became a focal point in our onboarding series (touch 2)



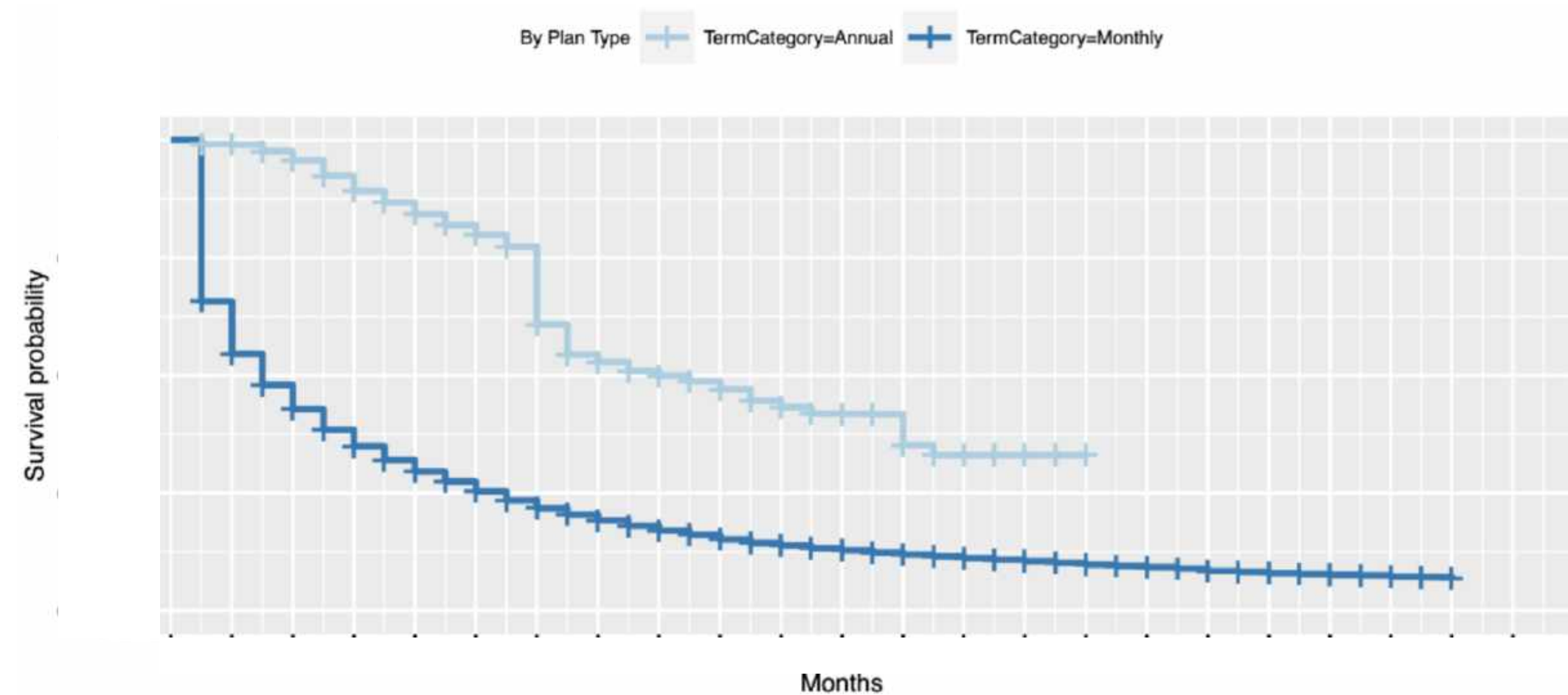




## 2/3 Explain the product – Onboarding series

**Challenge:** High churn of \$1 trial subs

**Solution:** 7-part email series launched 06/10



“Autorenew on”  
prior to onboarding  
**70%**

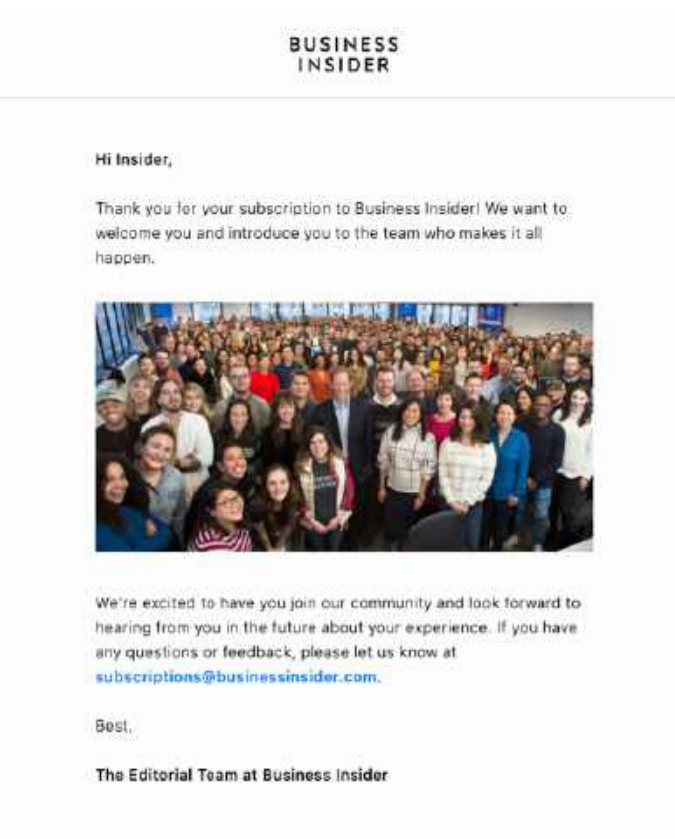
“Autorenew on”  
after onboarding  
**75%**

From “I just wanted to read one article” to “I want more of this”

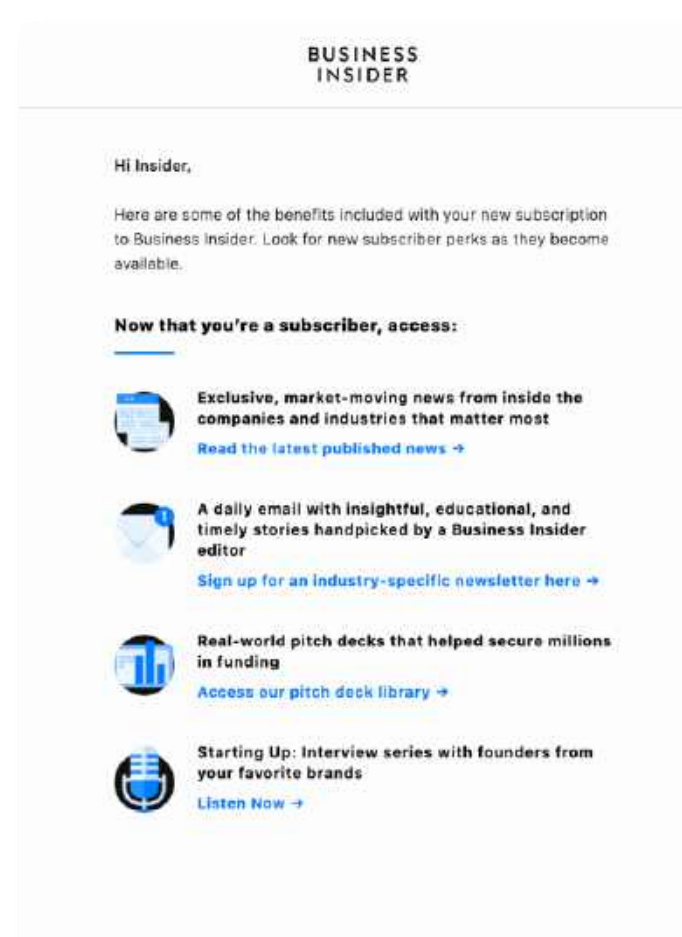


## 2/3 Explain the product Onboarding series

### Welcome



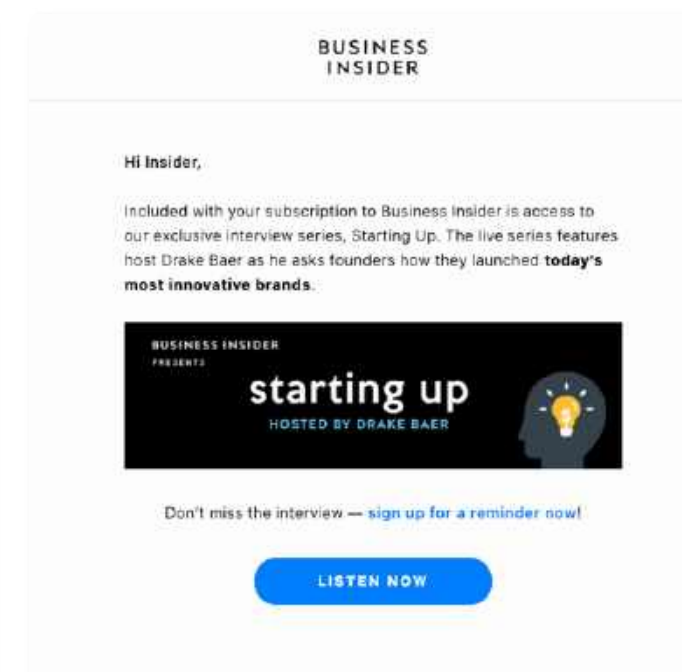
### Features



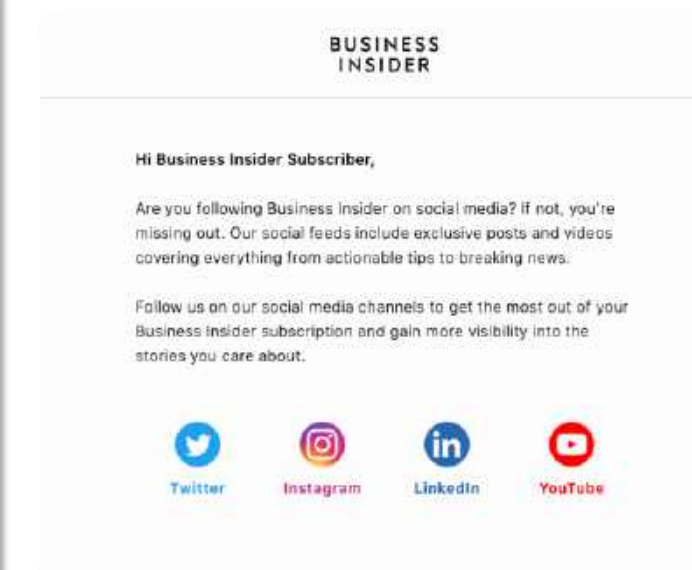
### Top stories



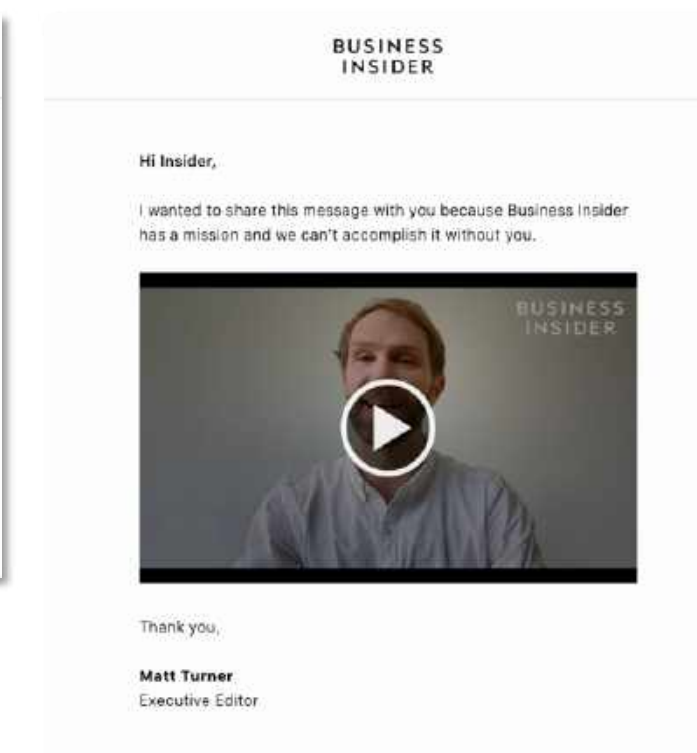
### Audio



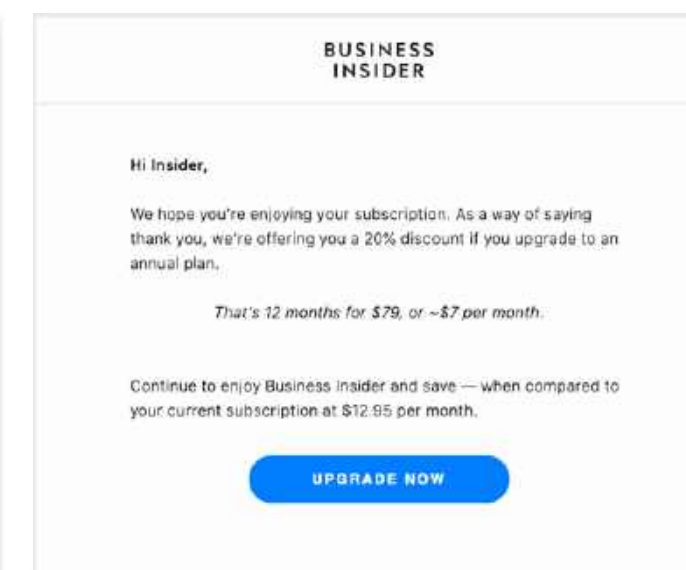
### Social



### Video message



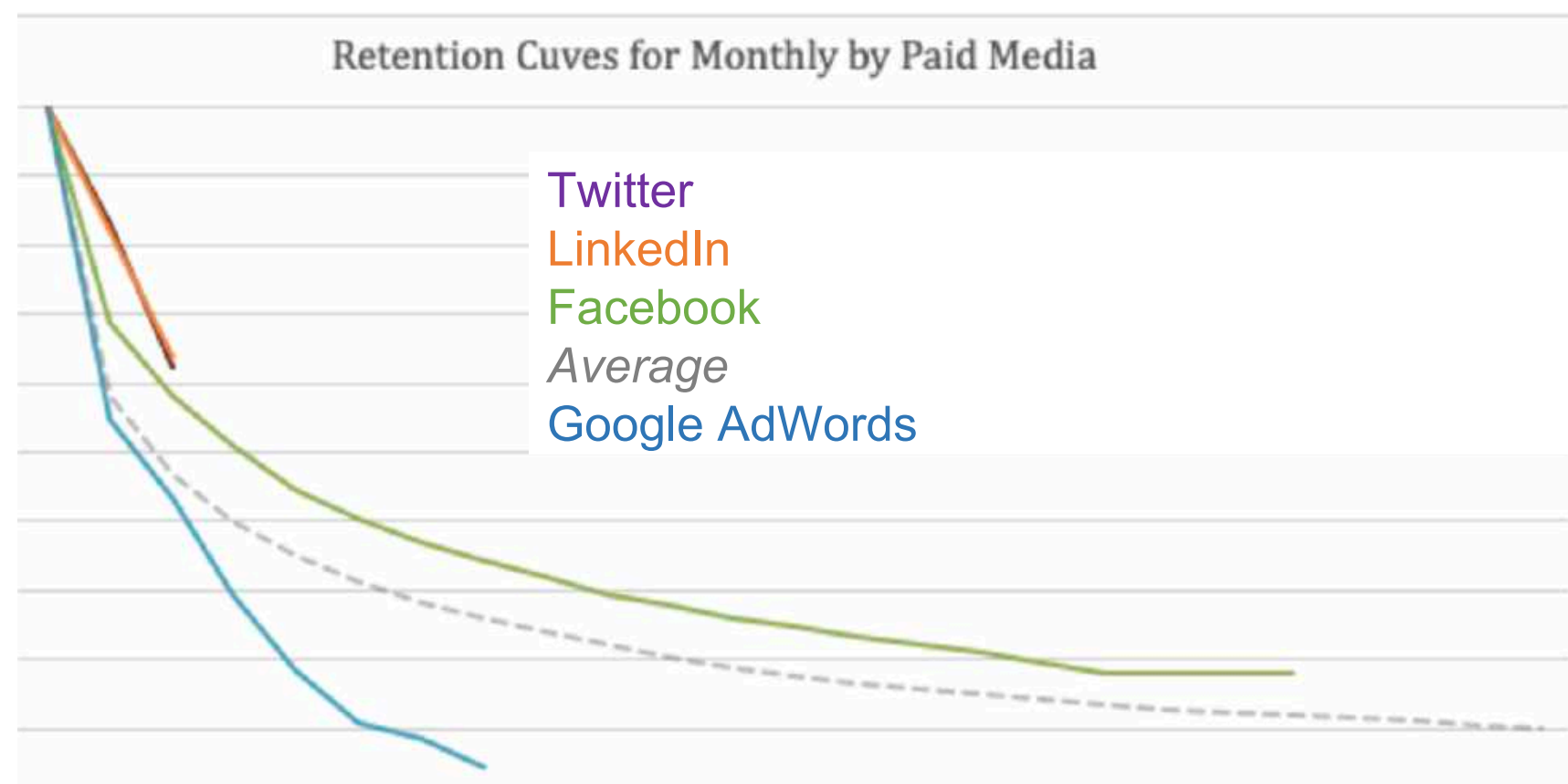
### Upgrade



## 3/3 Acquire value Implications for paid acquisition

**Challenge:** Retention varies by source

**Solution:** Recalibrated paid efforts



Adjusted LTV model per source

Paid acquisition spend on high-value sources

From “found something on Google/let’s try this” to  
“I need to finally get this subscription”





# Optimization: We are constantly testing new hypotheses

**Weekly “tactics” meetings** with product, marketing, customer success, business intelligence

**Hypothesis generation:** Does this help the customer

- understand the value of a subscription?
- save money?
- focus their attention on our CTA?

**Testing for**

- Acquisition: conversion, revenue, survival
- Retention: engagement, survival (longer-term tests)

**Testing method (typically 5 categories)**

- LTS segment, device type, operating system, new/returning, geography

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## Back to Business

Special End-of-Summer Offer

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TWO-YEAR	ANNUAL	MONTHLY
<b>\$149</b> WAS \$179	<b>\$69</b> WAS \$99	<b>\$1</b> TRIAL
<ul style="list-style-type: none"><li>▪ Best value   <b>Save \$161.80</b></li><li>• Billed every 2 years</li><li>• Renews at \$179</li><li>• Cancel anytime</li></ul>	<ul style="list-style-type: none"><li>▪ Best offer   <b>Save \$86.40</b></li><li>• Billed annually</li><li>• Renews at \$99</li><li>• Cancel anytime</li></ul>	<ul style="list-style-type: none"><li>▪ \$12.95 after trial</li><li>• Billed monthly</li><li>• Cancel anytime</li></ul>

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### Elon Musk's erratic Twitter behavior escalated Wednesday when he changed his name to 'Elon Tusk'

Jen Smith Sept. 10, 2019, 9:12 AM

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# Opportunity and challenge for all of us: Complexity!

What is our projected **customer lifetime value** per segment? How many segments are there?

How different should our **mobile** experience be from desktop?

Will a **bundle offer** make a difference to us and a potential partner?

## What is our next analysis?

Should we try **dynamic pricing**? If yes, how?

What is an optimal **cancellation process**?

Can we take **inflation out** of payment?

What **search terms** should we bid on?

## What is our next AB test?

What is the **optimal price point**?

How many premium stories on our **homepage**?

**How many emails** should a subscriber get? And when?

How much **algorithmic curation** is optimal?

Should our subscribe button be **black or blue**?

# Which implementation will drive the most value?

Will this story work on **LinkedIn**?

Should there be **free trials**? If yes, what kind?

Does all of the above **vary by vertical**? By state?

What do strong/weak stories **have in common**?

# We are building dedicated functional teams that are incentivized to drive subscription revenue





# We can't do it without cross-functional collaboration

Strategy meeting with subs leadership

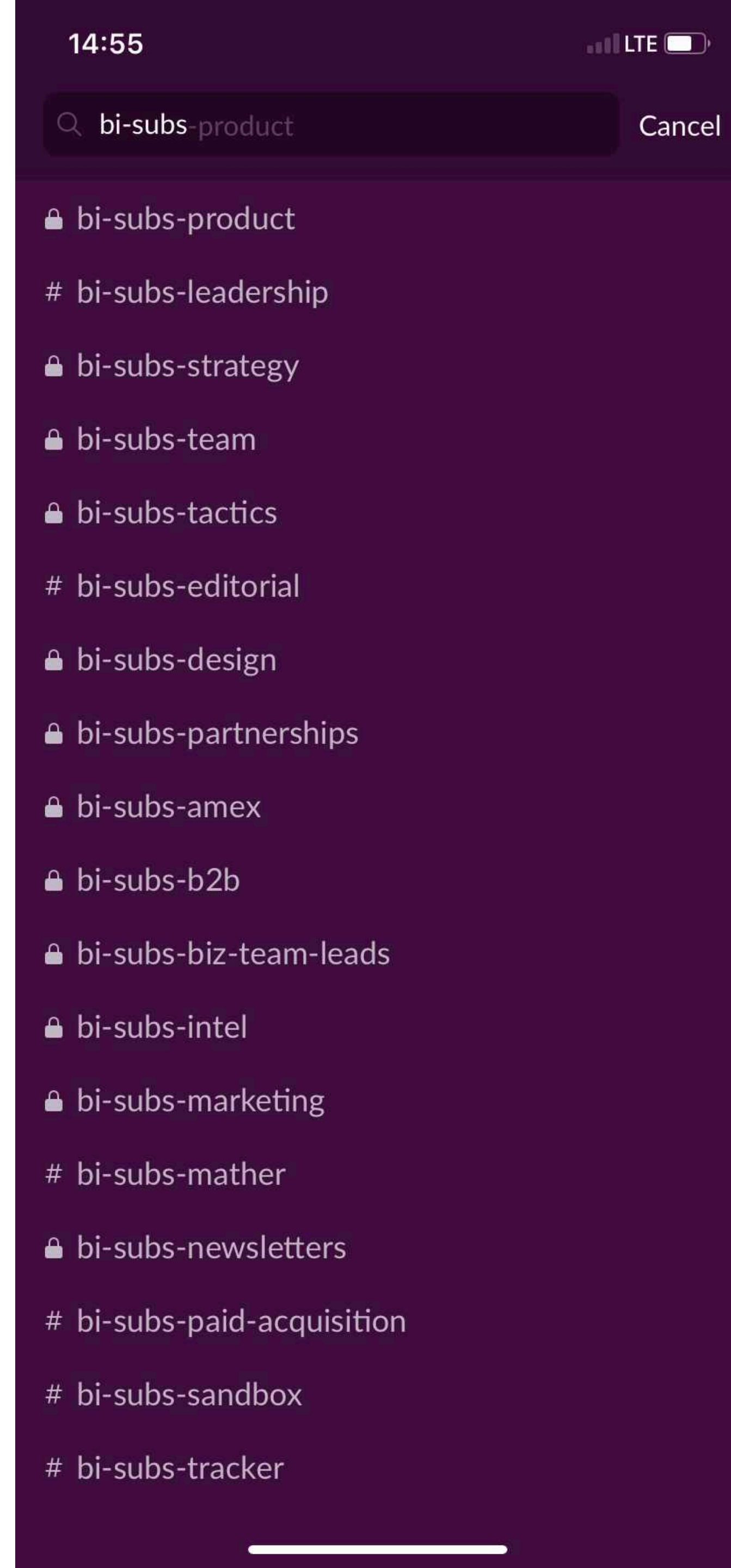
Tactics meeting for hypothesis generation and testing

Business Intelligence group across business & edit

Editorial & marketing working groups

Ad sales & consumer subs working groups

...





# **Conclusions: Key success factors for subscriptions**

**Build analytical foundation for marketing efforts**

**Build an engaged, cross-functional team**

**Test as much as possible**

(because there is no silver bullet)

# Thank you

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Insider Inc.