



piano™

HOW SUBSCRIPTIONS ACTUALLY WORK

TREVOR KAUFMAN | INMA SUBSCRIPTIONS SUMMIT | MARCH 2019

Piano works with hundreds of subscription websites, manages thousands of daily transactions, and tracks billions of monthly user interactions, giving us unique benchmark data on digital subscriptions and valuable insights.

The customer journey



The customer journey



The home page matters.

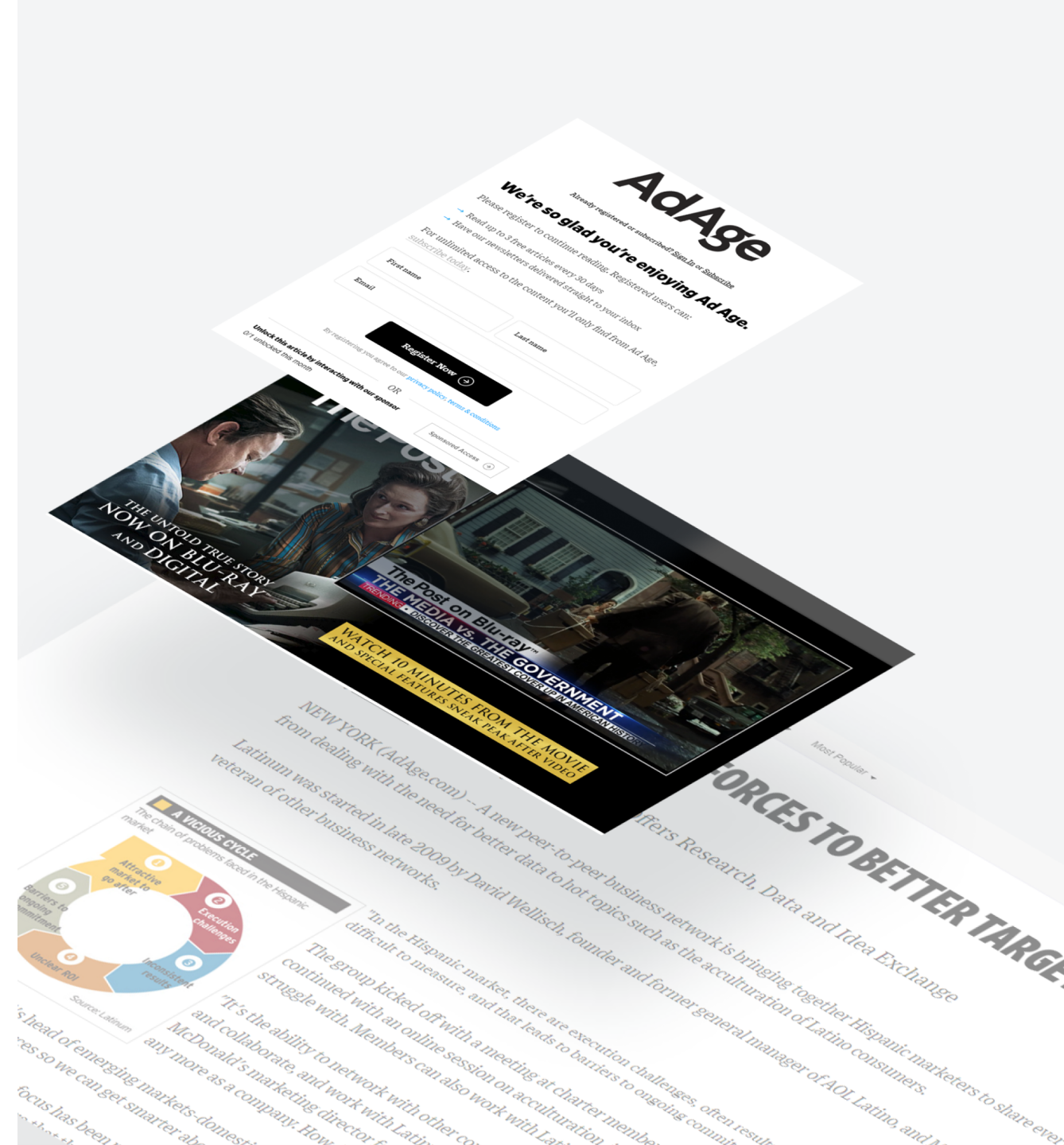
Visitor loyalty and engagement is one of the best predictors of likelihood to subscribe. Piano data on engagement shows that homepage visits, direct visits, and most of all, recirculation, are all correlated with later conversion.

BEHAVIOR BEFORE CONVERSION	CONVERTER MEDIAN	NON-CONVERTER MEDIAN
AT LEAST ONE HOMEPAGE VISIT	59%	29%
AT LEAST ONE DIRECT VISIT	53%	24%
AT LEAST ONE RECIRCULATED PAGEVIEW	83%	33%

Ironically, an ad can be where a conversation starts.

Visitors who were asked to view a video ad in order to read an article were significantly more likely to register later — whether or not they viewed the ad.

The same sort of increased engagement is true of ad blockers — after turning off their ad blocker, users typically increase their article views and total pageviews.

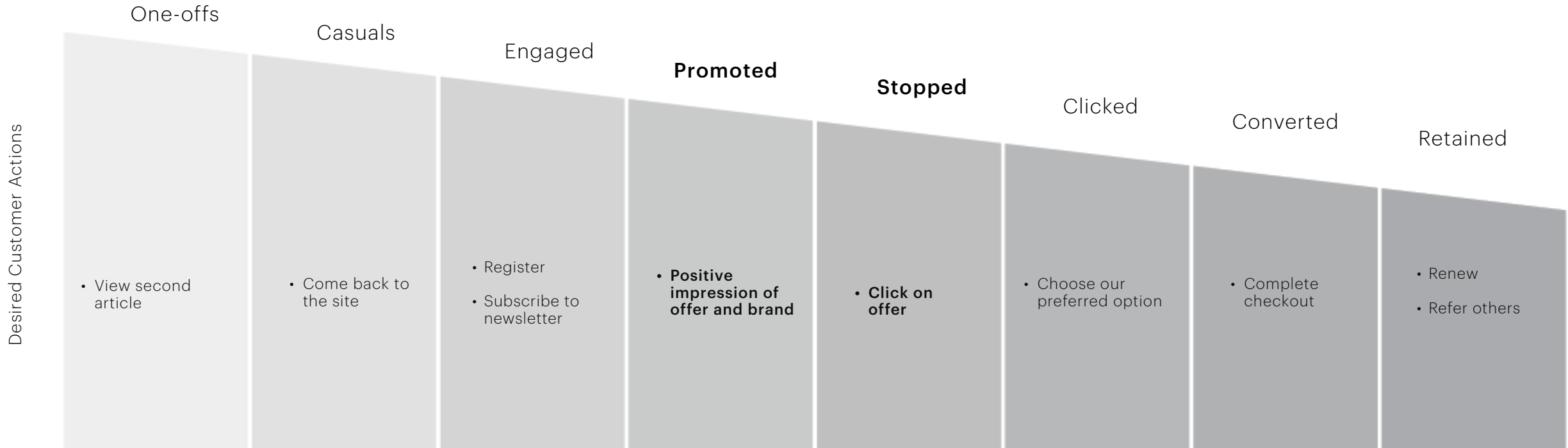


Registration, newsletters, and guest passes drive results.

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.

10x

The customer journey

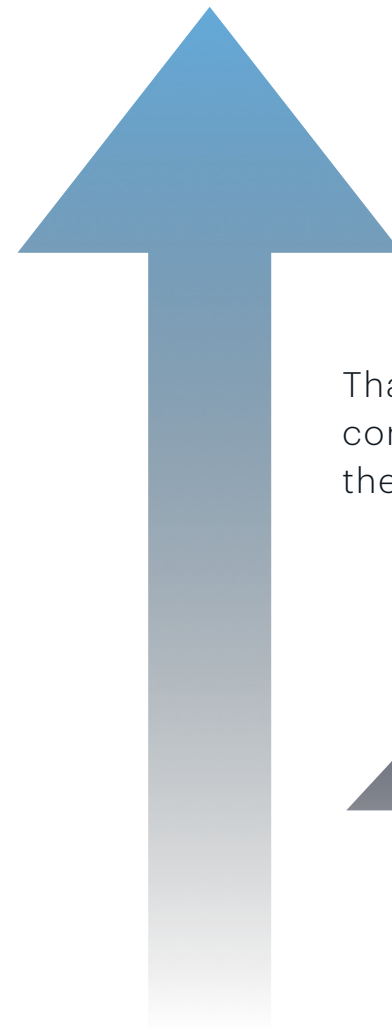


Promotions create significant subscriber acquisition spikes.

For some of Piano's most successful clients, over half of their subscription bases were obtained through promotions.

64%

Revenue lift in month with promotion



That growth typically continues even after the promotion is over

8%

Revenue lift one month later

Trials work — but paid trials often beat free.

Our retention benchmarks show that trials tend to worsen churn, but the increase in conversion generally outweighs the retention hit.

93%

NON-TRIAL OFFER RETAINED AFTER 1 MONTH
BENCHMARK AVERAGE

89%

PAID TRIAL OFFERS RETAINED AFTER 1 MONTH
BENCHMARK AVERAGE

81%

FREE TRIALS RETAINED AFTER 1 MONTH
BENCHMARK AVERAGE

Locked content converts best.

Piano analyzed sites running both closable and non-closable modals. Non-closable modal had a **conversion rate 14X** that of closable modals.

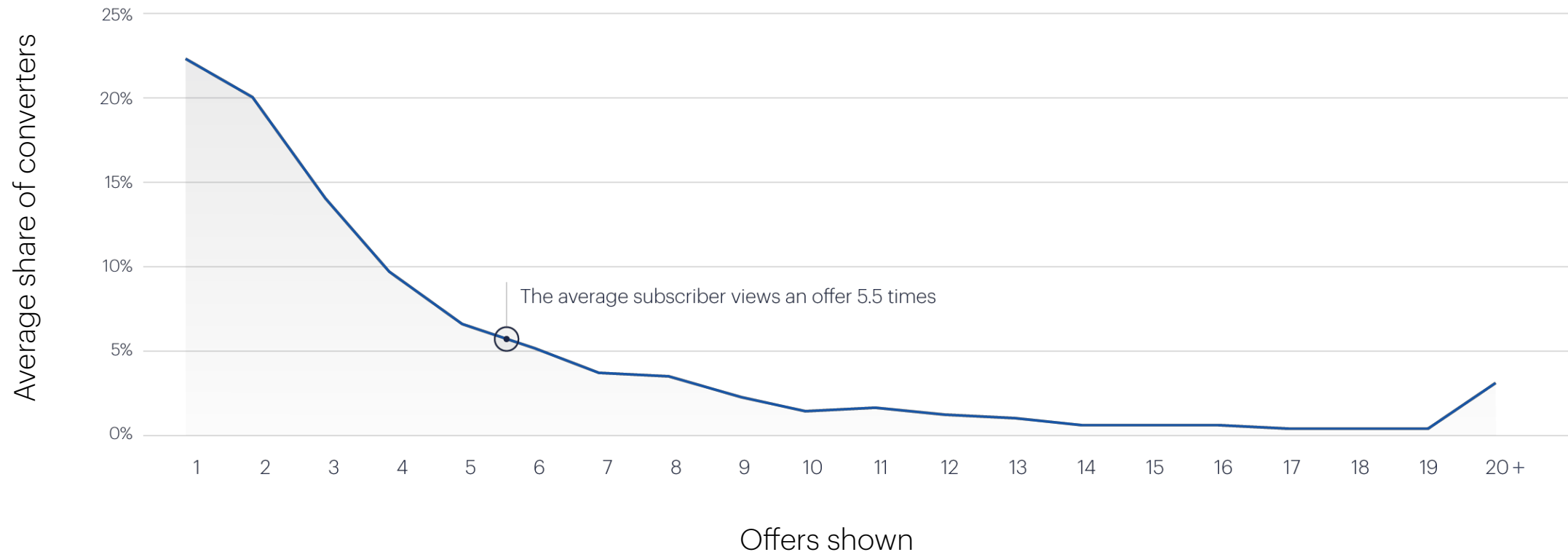
14x

Closable vs. Non-Closable Modals

Median Conversion Rate Lift

Just like in the real world, frequency matters, not just reach.

It frequently takes a while to get users to click an offer. This chart shows the average across publishers of the share of total conversions driven by each offer shown. Some users convert quickly, but the majority take multiple offers to subscribe. Business model — metered, freemium or hard paywall — and promotion and offer tactics can have a big impact on results. Recent Piano research shows that price paid increases along with number of offers.



The customer journey



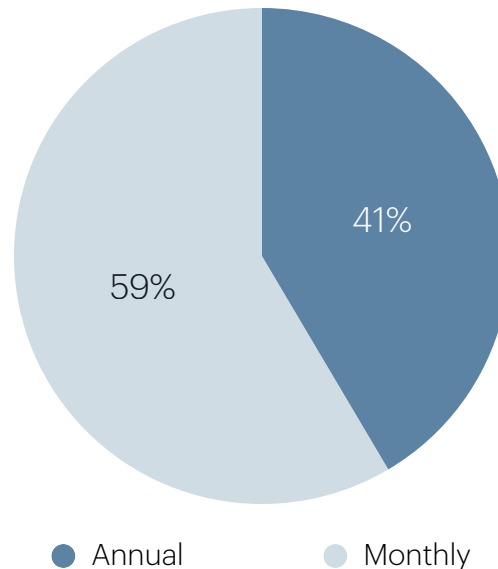
Annual commitments bring more value.

Expected lifetime value of annual subscriptions can be 3X or 4X that of monthly subscriptions because of higher retention rates.

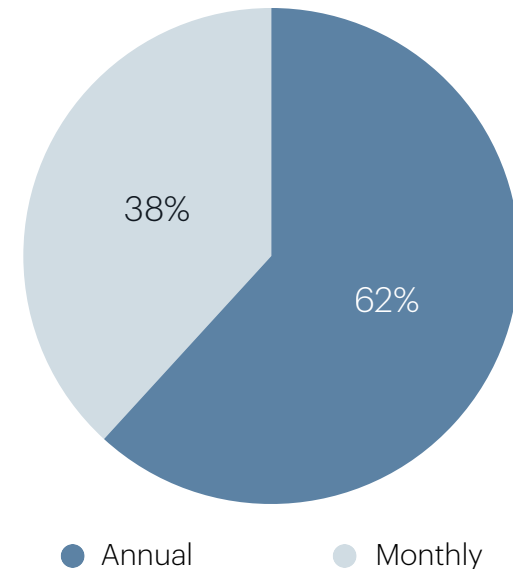
If annual and monthly are both offered, a majority of users will typically choose the monthly option.

Annual vs Monthly Split Across Piano Database

% New Subscriptions



% Active Subscriptions



High-priced decoy offers can boost performance.



The ratio of long-term subscriptions increase

Before	After
\$ Low-priced offer	\$ Low-priced offer
\$\$ Moderately-priced offer	\$\$ Moderately-priced offer
	\$\$\$ High-priced offer

+ 50%
Conversions increase

+ 51%
Revenue increase

+ 64%
Conversion rate increase

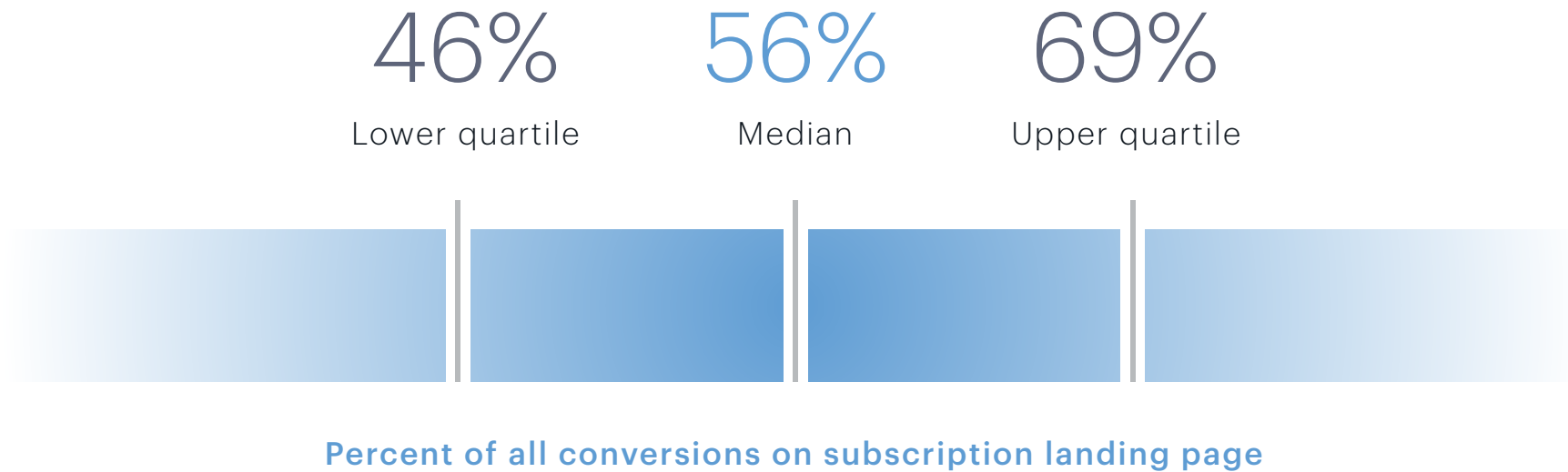
Revenue goes up with price, until it doesn't.

It turns out there are cliffs in the pricing curve, where willingness to pay steeply declines and revenue decreases.



When users subscribe, they do so deliberately.

Subscription landing pages are critical drivers of conversions. For most sites, over half of all conversions occur on the page.

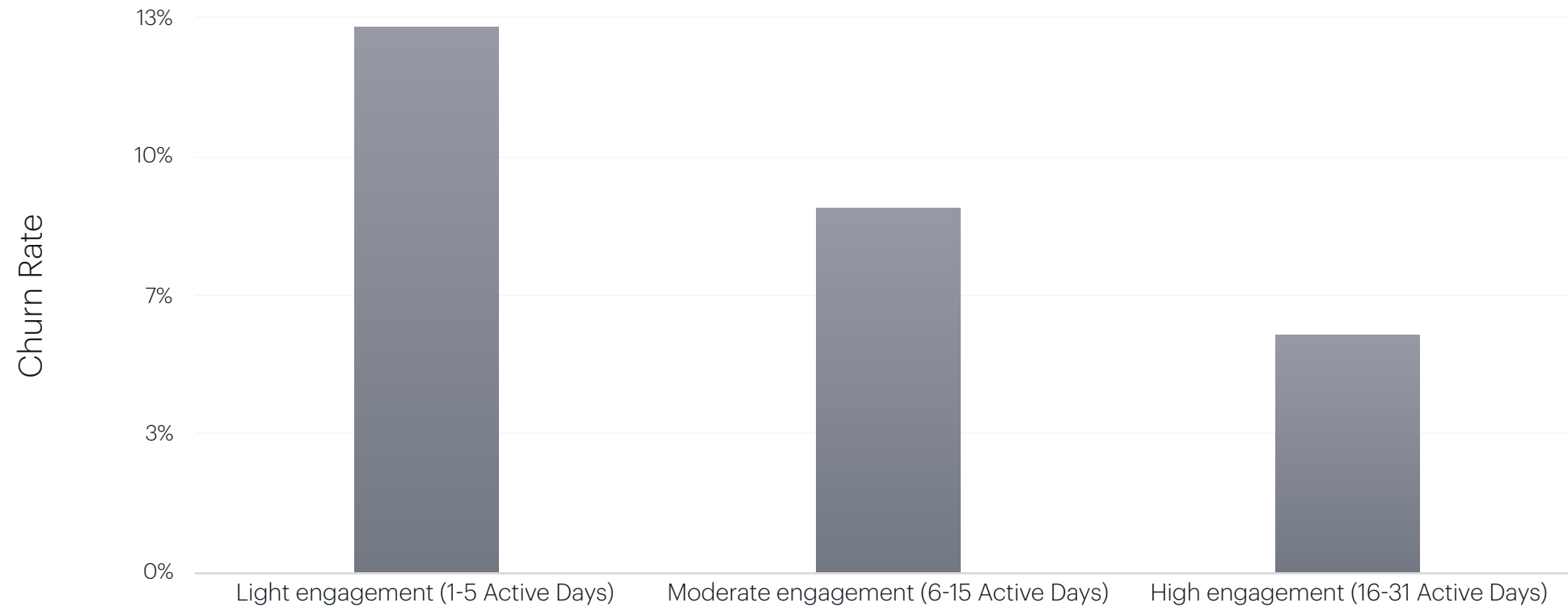


The customer journey

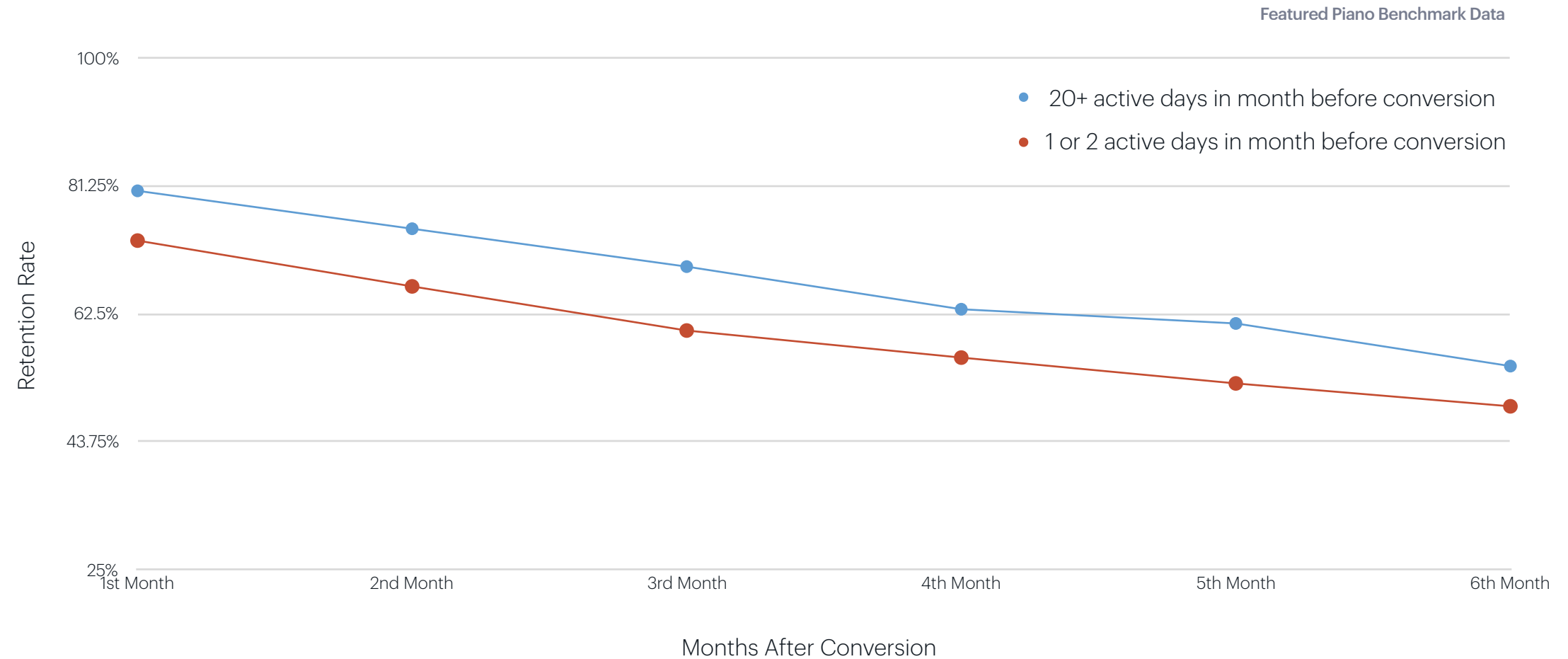


Engagement remains critical after conversion.

Churn rates by engagement level

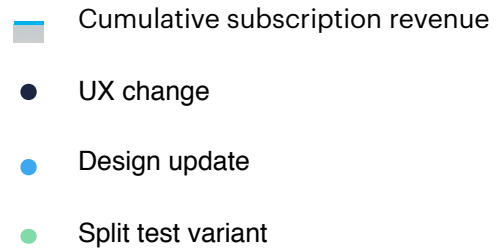


The more active before conversion,
the higher the customer value after.



More actions drive more results.

This chart from a Piano case study shows how hundreds of marketing optimizations and tests drive revenue growth.



Every stage in the journey
needs to be optimized.

Analyze results

Test planning

Hypothesis, test
method, success
metrics

Run test,
collect data

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