

INMA Subscription Acquisition Master Class

Triggering the Next Best Action

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The Daily Beast
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What is **The Daily Beast**?

WHERE NEWS MEETS CULTURE

NEWSCULTURE

ENTERTAINMENT | POLITICS | WORLD NEWS | HALF FULL | CULTURE | U.S. NEWS | INNOVATION | SCOUTED | TRAVEL

21MM UNIQUES/MONTH*

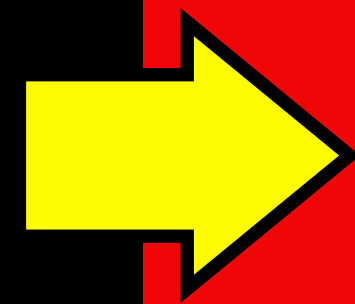
49MM VISITS/MONTH *

* SEPTEMBER COMSCORE

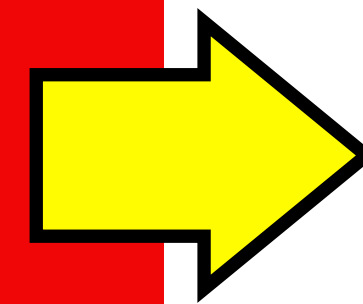
How we've talked about our user journey

Gracefully move users up the funnel

**Not
Loyal**



Loyal

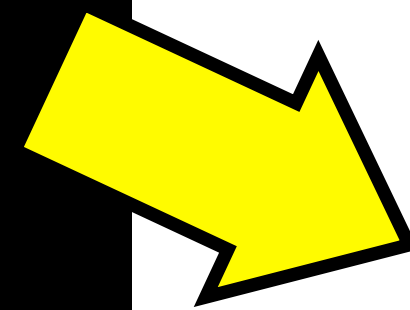


Subscriber

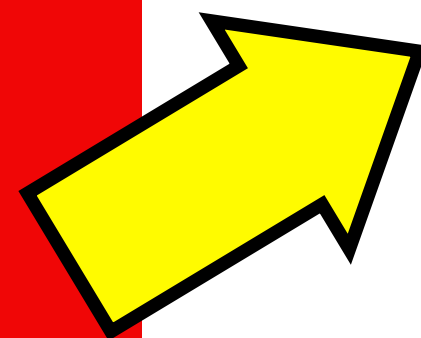
How that took shape in reality

Subscribers at all costs

Not
Loyal

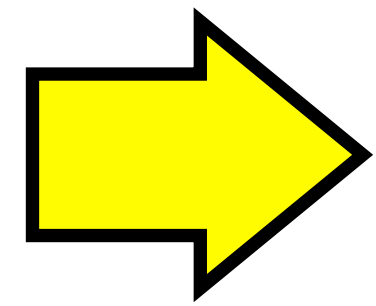


Loyal

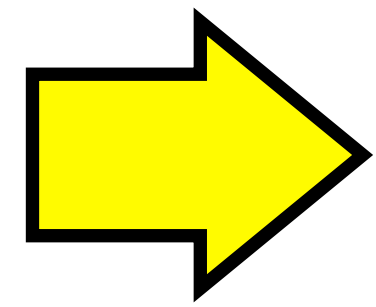


Subscriber

**This came from how we thought
about “next best” action**



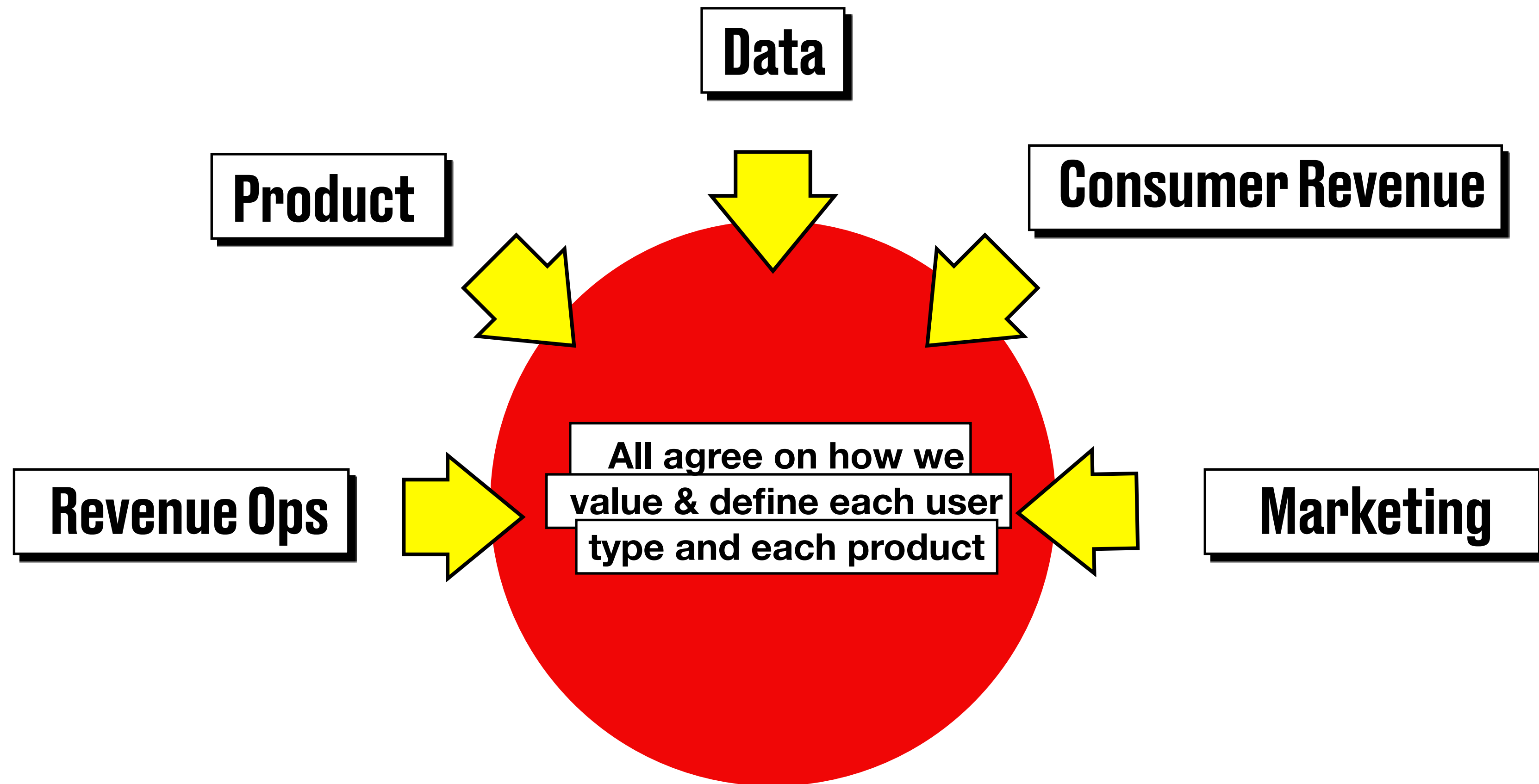
***We defined users solely through the
lens of propensity to subscribe***



***We only valued users by their
ultimate subscription revenue***

Internal alignment here is key

In order to understand what is the next best action, there needs to be a shared understanding of “best”



Define your users + your products

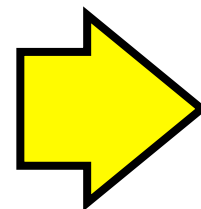
Create an understandable and actionable way for internal teams to talk about all of your users and the value that they bring the organization.

SEGMENT 1: UNKNOWN USERS

Users (browsers) who we can't tie to a unique identifier. We have defined six sub-segments within unknown users.

One and Done

- Largest unknown sub-segment & lowest value
- One day / month
- Lowest ARPU (pennies)



VIPs

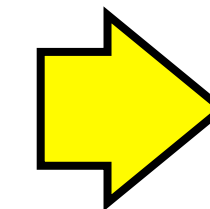
- Smallest unknown sub-segment & highest value
- 16+ days / month
- Higher ARPU than low value known products

SEGMENT 2: KNOWN USERS

Users who have converted on at least one of our five products that ties a unique identifier to the user.

Web Push

- Largest known sub-segment (7x paid subscriber volume)
- 32% lower ARPU than VIPs



Subscription

- Highest value sub-segment
- 18x higher ARPU than VIPs

Products that drive Known Users

THE DAILY BEAST

- Newsletters
- Registration
- Web Push
- App
- Subscription

OTHER PUBS

- SMS
- Merch
- Most types of account creation

Holistic (& iterative) product value calculation

ROUND 1

Display + Commerce + Subscription = Total Known value

ROUND 2 (AFTER TRYING TO MAKE DECISIONS)

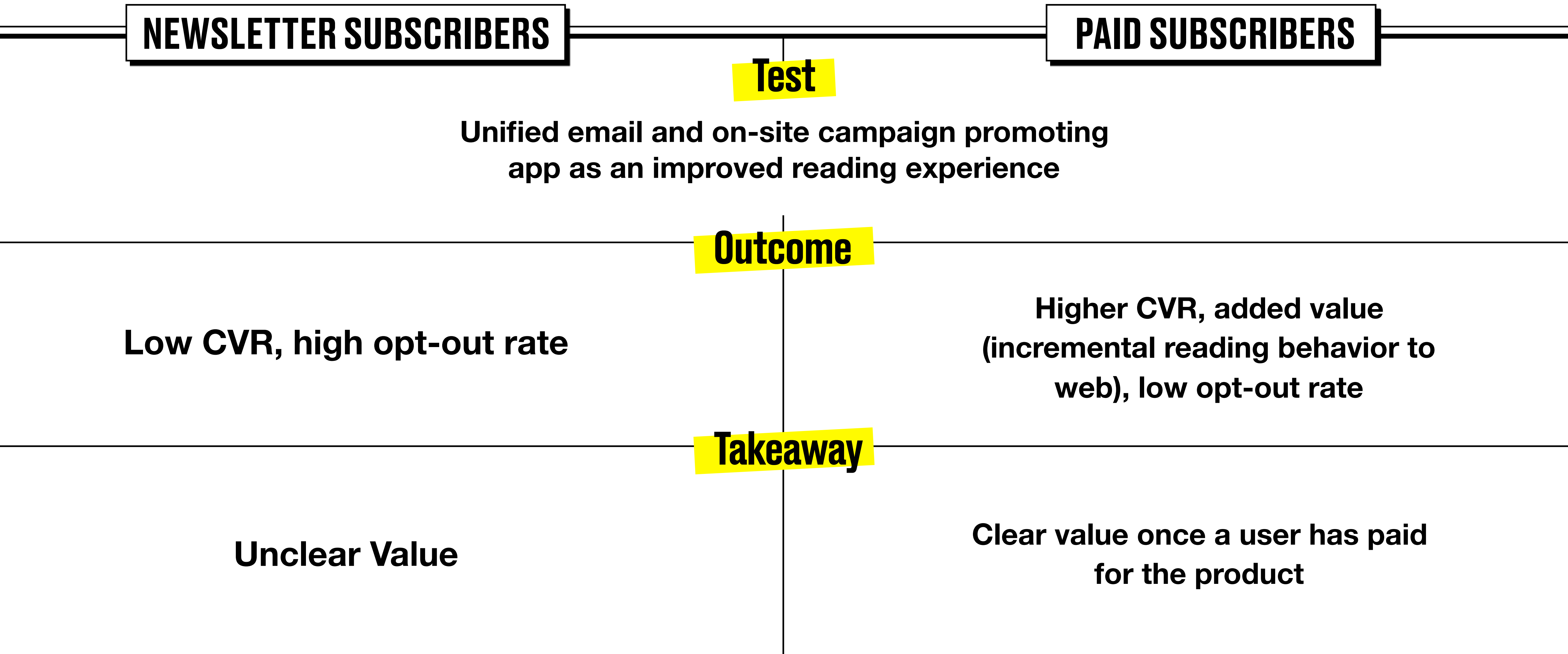
Display + Commerce + Subscription = Total Known Value
(+ newsletter sponsorships) (year 1 and 2)

Display + Commerce = Total Unknown Value

What do we promote to 'One and Done' Unknown Users?

<i>Referrer</i>	Facebook	Algo-Driven Reader Apps	Twitter
<i>Product</i>	Registration	Newsletter	Subscription
<i>Rationale</i>	38% higher revenue	Algo deprioritizes content the higher frequency it hits paywall	Tweets sent by journalists often drive highest volume subs for our best journalism

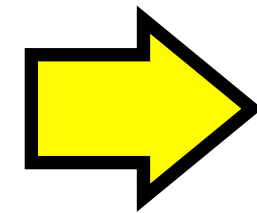
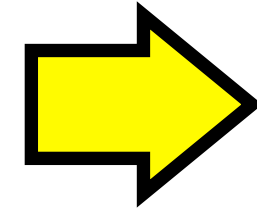
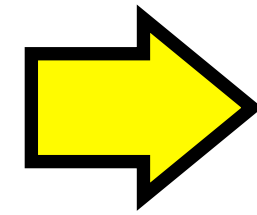
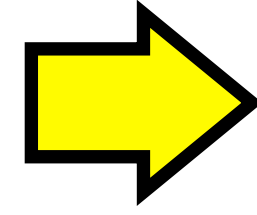
When is the App the Next Best Action?



When is an Upgrade the Next Best Action?

<i>Cohort</i>	Auto-Renew Disabled	Active Monthly	Active Annual
<i>What we offer</i>	Annual Plan Discount	Annual Plan	Ad-Free Package
<i>Risk</i>	Might have joined back at full price	Reminds them to disable auto-renew	Reminds them to disable auto-renew
<i>Outcome</i>	Annual users with auto-renew disabled saw highest upgrade CVR of all cohorts -- even when sent to engaged active subs.	High CVR when sent to engaged subs, with high revenue risk. Did not pursue.	Lowest CVR of any upgrade offer and highest revenue risk. Did not pursue.

Takeaways for Defining Your Next Best Actions

-  Before you can experiment with “next best” action you need to define what “best” means to your organization. What are you optimizing for?
-  A holistic, iterative calculation of user value will allow your teams to make the best decisions for the entire business.
-  Your user groups will likely need to be segmented to determine “next best” action. Historical data will point you in the right direction, and consistent testing will allow you to validate it over time.
-  There may be segments you define that lead to a high CVR that come with a corresponding high risk. You should talk through how to calculate the impact of those trade-offs early and often.

Questions?

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