



Paid Subscriptions White Paper

For controlled circulation publishers target audiences have become more and more diverse resulting in advertisers needing to access them in an increasing variety of ways. This coupled with the downturn in spending that follows a recession, has meant the advertising market within traditional publishing has dropped substantially.

So, many publishers are looking further afield for revenue and many are considering adapting their business model to generate more income from paid subscribers.

This has led to a need for a hybrid circulation database system that allows them to diversify into new revenue models and monetize their unique content.

Furthermore the shift in focus to digital delivery has increased the need for a flexible system and, as important, flexible personnel that understand the emerging publishing cycle.

Clearly though your readers are used to and expect your content free of charge either through print or digital magazines or through your web site. The challenge then is to convert your readers to the mind set of having to pay for your content.

This can be difficult – not every magazine and not every subscriber is suitable for this shift. This is not a challenge to be taken lightly and will take time.

In order to ascertain whether your content is fit for a paid subscription strategy there are five characteristics - some or all of which encourage readers to pay:

- Your content helps them make money
- Your content is specialised and difficult to obtain elsewhere
- Your content helps usage of other products
- Your content can be enhanced, adding value to sell on
- Your content helps save money

The trick is to enlighten your readers to see the high value of your content to them.

Of course you need to protect your key circulation audience to, in turn, protect the current advertising revenue. There is always a large sub set of your circulation (that is not key to your advertisers) who feel that the magazine is vital to their business.

Very loosely these are the steps you need to take to create a circulation model that maximised subscription revenue potential.

- Identify the magazines that fulfil one of more of the above criteria
- Identify and ring fence what you consider to be the core segments of that database for your advertisers
- Analyse the sub set of your data that you can now consider the potential market for subscription revenue to understand their needs for your content
- Analyse competitors' circulation strategies as they develop new products to aid their revenue strategy
- Research similar products/markets to be able to price your content.
- Use a provider that understands the new and emerging business model and can supply you with a database flexible enough to use for hybrid circulations
- Employ an all round marketeer who understand the push/pull techniques now needed to engage and sell content to your customers.

Daniel Verrells
June 15th 2010
danielverrellsdata.co.uk