



## CASE STUDY

# From Paywall to Product: Increasing Conversion in a Digital Ecosystem





Newspapers are struggling. With the rise of the internet, the news media industry is undergoing unprecedented change and disruption. As online content becomes the main news source, print is seeing an increasingly rapid decline in paid circulation. Meanwhile, news outlets are losing their lifeblood: Wholesale shifts in the advertising industry have rendered many business models obsolete, with publishers increasingly turning to reader revenue models to guarantee long-term sustainable growth.

For newspapers, digitalization means a fight for survival, and this trend of money moving away from print is only expected to accelerate. We've already seen a wave of consolidation between providers to combat these revenue pressures. Now companies are desperately trying to generate revenue through their online presence as well, hiding entire sites behind paywalls and subscription models.

How can publishers ensure subscription models actually generate revenue, and don't just become walls without payments? The key to success lies in how they communicate the value of their offering.

## Objectives

While working hard to overcome the “news is free” mentality, many publishers fall into the trap of adding additional products or services, and offers become confusing. Instead, to maximize up- and cross-selling potential, publishers need to cut through the complexity for customers and sell the benefits of their content in a clear and simple way. In the world of news, even the tiniest moves in conversion have a significant impact on business performance.

Our client understood that up- and cross-selling were essential for their growth plans. Since introducing a digital paywall and pivoting toward a subscription-led business, this leading publisher had already experienced a period of organic growth. They now aimed to optimize their online store front to drive customer conversion. It was the time to make a bold change, do something different, and go back to basics to drive a new wave of growth.

Simon-Kucher were on hand to help this leading publisher achieve the following objectives:



### Map the customer journey

Our client had attracted a large audience with their content, and many readers were already on the edge of making a purchase decision. By gaining a detailed understanding of the customer journey, we would identify ways to get them over the purchase line.



### Remove conversion killers

Converting readers into paying subscribers requires a quick and painless process. By identifying pain points in the user experience, we would remove any barriers to conversion.



### Redesign the offering

Our client offered a broad spectrum of products that didn't necessarily fit together, or take advantage of the value readers put on products. We would shine a spotlight on benefits and features so that customers would see a range of desirable, digital products, rather than just a random set of walls.



### Convince a diverse set of stakeholders

Consumer choice in a digital environment is not always rational or easily explained. To ensure that the organization was brought along the journey, we would need to deliver clear messaging on the power of signaling and highlighting, and provide robust evidence on how psychological techniques influence choice.

## Approach

We knew that to increase conversion, the newspaper needed to offer something above and beyond “just” news. Our project would explore better ways to sell content to readers, and get them to spend more without just increasing prices. Here we followed a two-phase, research-led approach:

### **Conduct detailed audit of the digital ecosystem**

The starting point was to conduct a detailed audit of the digital ecosystem and map the customer journey. We analyzed the newspaper’s approach to paywall testing and benchmarked against the competition in the areas of engagement, cross-selling, and up-selling. This helped us to determine the metrics to optimize, reveal gaps in the offering, and identify growth hacking opportunities.

### **Run user simulations based on data-informed hypotheses**

After prioritizing our hypotheses, we entered the simulation phase. By conducting robust simulations of the online reader experience we were able to recreate realistic purchase scenarios. Through a series of A/B tests, small changes and updates were made along the way. On the backend we tracked behaviors, evaluated potential changes to the online offering, and quantified the likely impact on conversion.

### **Ensure recommendations translate into company-wide implementation**

By providing data-informed and convincing recommendations, we were able to convince all stakeholders of the need for change and ensured successful implementation of the new product portfolio.

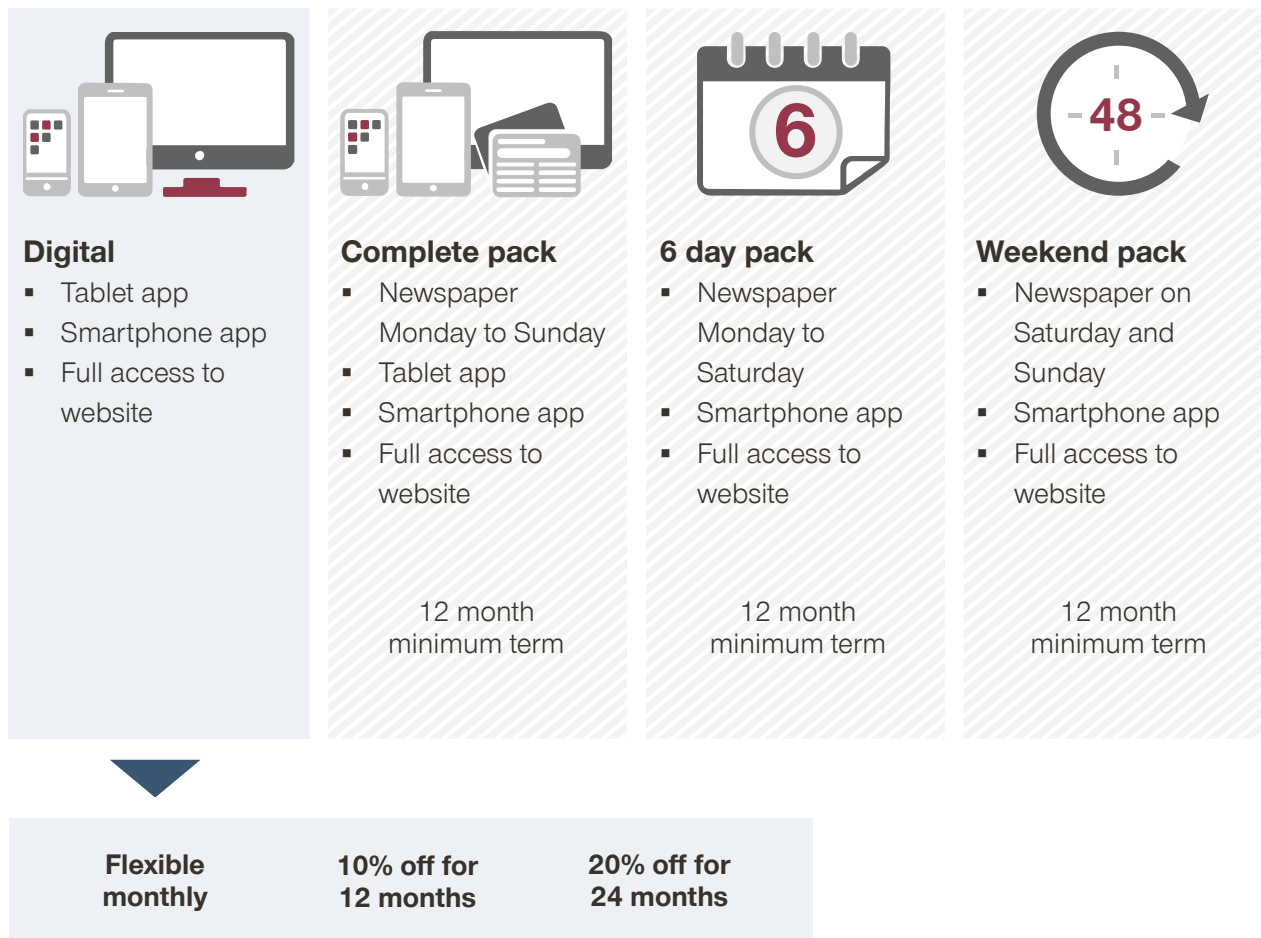


There’s so much money to be earned by getting more people in the door – far more than you’ll ever make by increasing price.

Gregory Harwood, Director

## Solution

Our 4-pack strategy shifts readers' attention from paywall to product and provides a clear overview of what exactly the newspaper is offering. Prior to our project, there had been a confusing mix of products that did not reflect customer preferences. We were able to achieve a structural shift. Now customers see exactly what they will be getting for their money. By applying psychological pricing techniques, this solution is also designed to maximize customer conversion through cross- and up-selling.



We've stripped down the stuff that readers don't care about. Instead, this offering focuses on the different types of access and commitment, and presents products in a visual way that is easy to understand. Customers can choose a short-term, flexible product, or sign up for 1- or 2-year subscriptions and save money as a reward for their long-term engagement. Using a device or accessing the newspaper on certain days of the week will also influence price. However, all readers can rest assured that they receive the same high-quality content, regardless of how much they pay.

## Results

When it comes to paywalls, newspapers need to switch their messaging from “you can only read this article if you pay”, to “look how fantastic it is when you subscribe!” Running into barriers prevents readers from getting what they want. This project proved that there are better ways to drive conversion.

The newspaper rolled out our recommendations and saw conversion rate improve by as much as 25% in the first 6 weeks. And the improvements don't stop there... There's an ongoing process of testing and learning! The rollout highlighted a number of other opportunities for continued optimization, which are being continually tested and iterated.

How do you increase conversion in a digital ecosystem? Stop adding more paywalls, and start thinking about how you can better present your products. Focusing on the clear benefits you deliver to customers lays strong foundations for boosting revenue through growth hacking!

## Impact

4

**Simple products**

1

**Easy-to understand page  
showing all the benefits of the  
different products**

~25%

**Increase  
inconversion rate**



Growth hacking – in other words, fast testing and learning what customers value – was key to growing the business of this newspaper.

Mark Billige, Board Member and Managing Partner UK



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## About Simon Kucher

For over 30 years Simon-Kucher & Partners has been helping hundreds of clients around the world address their strategic and marketing challenges. We are regarded as the world's leading topline advisor and thought leader. We have served more than 100 of the Global Fortune 500 companies and our clients come from all major industries.

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