



Aptitude 

Guide

How media companies can drive subscriber acquisition during Black Friday and holiday sales

Strategies to help publishers and OTT services leverage holiday sales to boost subscriber revenues

Introduction

Nearly all industries leverage sales and various pricing strategies during peak holiday seasons to spark demand, drive revenue and increase brand exposure. For many, this includes Black Friday and Cyber Monday flash sales, and Christmas or New Year seasonal sales.

However, sales are not just specific to holidays. Ecommerce businesses have been tailoring promotions to niche and sporting events for years with World Cups, Olympics, Fashion Week and Single's Day to name a few.

But it isn't just retailers taking advantage of the hype, of course, with some publishers and OTT (Over-the-Top) media services seeing the opportunity to launch special deals to draw in new subscribers wrapping around a specific event.

And while revenue and acquisition are typically the key objectives of many of these sales, digital media businesses uncover an equally enticing reward: data. Peak traffic and sales present a huge opportunity to harvest first-party data.

This can be used to inform advertising strategies and targeting throughout holiday seasons, product packaging and pricing, and ultimately, drive engagement beyond the sale to maximize customer lifetime value.

So, are Black Friday and holiday sales all they're cracked up to be for media companies?

This guide will cover some of the most successful campaigns and highlight potential strategies to maximize the impact Black Friday, Cyber Monday and holiday sales can have on your media business.



Black Friday & holiday sales in media

Digital media businesses have been leveraging trials and discounts for several years now, but as technology evolves, and the quest for data continues, many businesses are upping the ante to provide a much richer proposition during sale season.

The below explores a range of various tactics which publishers and OTT services have employed to make their sale stand out from the crowd. But with the right software, infrastructure and flexibility, the possibilities are extensive.

How are publishers leveraging sales?

As well as a prime source for news content covering rioting shoppers and people queuing for hours in November temperatures, Black Friday is an opportunity for publishers to draw in new subscribers with special offers at a time when they are already on the lookout for deals.

Given that many of these publications will be creating specific content for Black Friday deals to draw in readers, there's a ready-made opportunity to cross-promote their own offers. As the technical resources to create special seasonal offers have become ever more advanced, publishers have become more innovative with their Black Friday and Cyber Monday offers.

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The Daily Mail's digital campaign below is an example of packaging up bundles to entice Black Friday shoppers.

Other campaigns that have been run by publishers include:

- The Wall Street Journal ran a deal offering three months of digital access for \$1
- You could get six months of The New York Times – via digital bundles or a print and digital bundle – for half price
- Conde Nast offered free digital editions of magazines like Bon Appetit, Details, Glamour, GQ, the New Yorker, Vanity Fair, Vogue and Wired via their iOS and Android apps

Black Friday isn't just an opportunity to boost subscriber numbers with traffic gained from covering the sales and helping readers to find the best deals. It's an opportunity to drive up advertising revenues for both print and digital. US publisher Ziff Davis went a step further in 2017 by purchasing the blackfriday.com domain and using it to push readers through to its main properties, thus ensuring that it dominates search engine results. "We basically own the market," said Jason Steele, Ziff Davis's SVP of Business Operations. "We made a conscious decision to buy it up."

Even broadcasters like CNN make use of Black Friday to promote its own digital content. The CNN Underscored shopping guide website is heavily promoted across the network, with a ticker used to count down until the end of key offers and covered deals.

Christmas & New Year

With Christmas and New Year less than a month after the Black Friday sales, another opportunity presents itself: the holiday season. For publishers, this is an ideal time to make their content giftable and discounted to maximize engagement from readers at home, curled up on the sofa with a mulled wine. As Press Gazette says, "people are in the purchase mindset and actively seeking out promotions during this period".¹

While for many publishers, content is king, others are starting to diversify their offerings with physical products, events, videos, podcasts, quizzes, and memberships. Many publishers are sitting on an opportunity to bundle their content with alternative products to create a more enticing proposition to gift.

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Subscription packs to suit everyone



BLACK FRIDAY
sale

Mail Plus digital subscription



- The Mail Plus digital subscription delivers the digital edition of the Daily Mail and the best on-line content including your favourite magazines, newsletters, RSS and more
- You get 25 benefits available to play in the new Learning Centre and full screen photo gallery
- You get unlimited newsreader delivered at the right location. The free edition is delivered through to your tablet and smartphone at 11pm
- Buy the package and receive this on your systems instantly



¹ Read this article online at pressgazette.co.uk

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L'Équipe offered multiple gifting options, bundling various complementary products and services, including access to events, round tables, and quizzes to name a few.

The Telegraph also ran a campaign several years ago where they offered a free 14-day trial for Kindle users over the Christmas holidays. Registered ISBN titles added to Kindle exploded, signalling a 375% subscription increase.²

Sporting & niche events

Outside traditional holiday seasons and flash sales, media companies are tapping into niche or sporting events to launch promotions and discounts.

Elections are a huge talking point here, with many publishers running a variety of campaigns to capitalize on those increased page views. For example, The Wall Street Journal ran a campaign during the 2016 US presidential election where they launched a £1 for 2 months offer to capitalize on the surge in traffic.



² Read this article online at techcrunch.com

The 2015 UK general election also saw publishers offering trials to access content, with The Telegraph running a 45-day free digital trial, which again included various complementary services outside their core content proposition.



On the sporting front, World Cups and Olympics prove ever popular with readers and are another opportunity for publishers to run promotions.

The Rugby World Cup saw several examples of this, with the Telegraph offering a £1 subscription for the month the tournament was played. Others, like Rugby World, opted to use the build-up before the event to offer discounts, such as a half-price subscription in the 100 days run-up to the event.

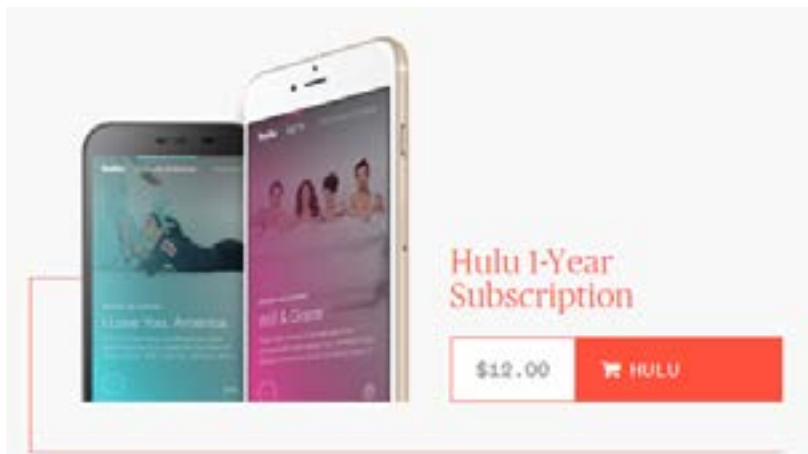


How are OTT services driving sales?

Black Friday is also an opportunity for OTT businesses to attract new subscribers with the added incentive of the timing coming just before the all-important holiday season. With darker evenings setting in and Christmas just a month away, it's a time that people are most likely to be watching more TV, making Black Friday offers even more tempting.

Several years ago, Hulu offered a special Black Friday/Cyber Monday deal for new and returning customers (if they hadn't been a customer in over a year) with the chance to get a year's subscription for just \$1 a month on its Limited Commercials plan.

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Meanwhile, Black Friday can also be a good opportunity for deals involving partners and integrations, as demonstrated by mobile phone network, O2, offering a six-month free Netflix subscription as part of its main offer for new devices.



Christmas & New Year

While gift cards for streaming services can be found under many Christmas trees, some OTT services are now able to bolster that proposition through feature extensions such as additional devices, improved surround sound, or group watch parties – enabling subscribers to watch and communicate during shows and movies.



Sporting & niche events

A good example of niche event sales for OTT is sport, in particular, football. Start of seasons, end of seasons, off-seasons, big games, etc. all warrant an opportunity to launch discounts and offers.

NOW (formally Now TV), known for offering unbundled content passes for TV, Movies and Sport, is a great reference case here. In the run-up to the 2019 football season, they launched a sale discounting sport pass subscriptions for the full football season – not a year, not a month – a specific start and end dated entitlement geared around the football season. And what's more, it granted subscribers access to alternative sporting channels, not just football as a way of adding value.



Essential strategies for Black Friday & holiday sales

The importance of performance and stability

An essential task for online retailers before any major sale is ensuring that their websites and apps can take the strain that they hope to inflict upon them. After all, the best deals in the world won't achieve much if customers can't access them because everything has crashed under the flow of traffic and transactions.

This applies to publishers and OTT services as well, particularly if they are anticipating an unusual rush of traffic. One way of mitigating this situation is spreading the offers out across a week, which not only gives more chances for people to discover them but also reduces the chance of a huge surge of traffic.

However, it is possible to keep that exclusivity and sense of a real event by having the right infrastructure in place to avoid a crash. That can be the difference between a successful campaign and an embarrassing disaster.

Nordic OTT provider, SF Studios, had issues with its service at peak times, particularly over Christmas, according to OTT Video Manager Ted Björling. "If we went back a couple of years, we regularly had issues during peak times like Christmas, where our platform couldn't manage all the customers accessing the service. Since we have migrated to eSuite, we simply don't have that problem anymore – it just works."

It isn't just the infrastructure to manage the influx of traffic that needs to be thought about. If the campaign is a huge success and brings in lots of new orders and subscriptions, there will need to be a system in place to deal with those, particularly if there's a physical product aspect to the offer.

Offers and incentives

This is the bread and butter of Black Friday, Cyber Monday and any holiday sale, but there's more to successfully winning new subscribers than just throwing out a generic 'money off' deal. Promotions are usually planned well in advance of the event itself but having the ability to create offers quickly and easily can help businesses to react in realtime if required.



What kind of offers work for media companies on days like Black Friday? We've already mentioned the deals offered by the likes of Hulu and the Daily Mail, but can you use a free trial as part of an offer to get people to sign up?

Psychologically, the user is happy to get something for nothing and will hopefully be so impressed by what you have to offer that they will be converted into paying customers at the end of their trial period. But how long should that period be to ensure maximum conversions?

7-day trials have traditionally been the most common approach, giving customers a taste of the service and a sense of urgency to get them engaged with it. If they have only a week to try it out, they're not going to sign up and forget about it, and a trial user active in the first 3 days of their trial is four times more likely to convert to a paying customer.

However, 7-day trials are only one option. Three of the biggest and most successful service providers of this century both offer month-long trial periods. If you want to try out Netflix, Amazon Prime or Spotify Premium, all of them will give you 30 days to see if you want to stay, and all have around a 1-in-3 conversion rate, which is particularly impressive in the case of Spotify, which is also available to use for free on their ad-supported model.

The messaging of an offer must be carefully considered to stand out from the noise. The campaigns with the most chance of succeeding are those that provide relevance and consistency. It's important to reference the value that people will get from taking advantage of the offer and the broad benefit, rather than the simple price or percentage discount.

Another tactic that can work well during a sale, is making the most of the limited time frame. Instead of having a 'Black Friday' deal that lasts all week, make time-limited deals that start at certain points in the day on a 'once they're gone, they're gone' basis. This does require a platform to manage these offers as flexibly and responsively as possible to make the most of the opportunity.



Personalization

Don't forget that any subscription deal shouldn't exclude your existing subscribers. Using the hype around the sales provides a real opportunity to upsell customers who are already consuming your content. This can be very beneficial for you and them if you get your offers right. One major advantage when it comes to selling to subscribers you already know is that you can more effectively use personalization to tailor your offers to their likes and needs.

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Personalization is increasingly key when it comes to digital offers, with Kiran Mani, Google's Managing Director of Retail saying that 33% of consumers expect personalized recommendations. This is certainly relevant when it comes to display advertising, but can also be an integral part of managing a subscription media service on a day-to-day basis and extends to any attempts to get subscribers to upgrade.

If you know what kind of content they like, whether it's thrillers on an OTT service or sports news from a newspaper website, you can identify opportunities to offer them a premium service that's more suited to their tastes. If it means spending a little more each month to get even more value from their subscriptions, subscribers will feel like they've got a bargain and the business will gain more recurring revenue and happy customers that are less likely to churn. None of this would be possible without the right data gathered from subscribers as they engage with your service or website and throughout the registration and payment journeys.



Other monetization options

Discounts and sales offer plenty of opportunities for publishers to gain new subscribers, but there are other ways of making the most of the hype around the big retail deals. One of these is through advertising bundles.

Multimedia packages or bundles are one great way to take advantage of audience-based selling, especially if your inventory spans many titles and channels. Instead of selling a specific placement, you can sell inventory most likely to reach an advertiser's intended audience – and charge a premium for doing so.

Higher consumer spending during the holiday season means advertising spend rises dramatically and the value of publisher inventory can skyrocket. This makes it the perfect time to create broad, large package options for consumer brands. The same audience-based approach applies, but if you get ahead of the game by offering seasonal packages well ahead of time, you can book your inventory far in advance.

Rejecting Black Friday altogether

A somewhat unsurprising effect of the hype around Black Friday is the backlash against it. With the negative headlines around in-store chaos and even violence on the day itself, plus the amount of Black Friday emails we all receive in the build-up, is there a better way? Several brands have reacted to the frenzy by rejecting it altogether, using the occasion to raise brand awareness instead.

The most prominent of these is the NSFW game Cards Against Humanity, which has run anti-Black Friday campaigns including:

- In 2013 they raised their prices by \$5 on Black Friday
- In 2016 they crowdsourced the digging of a hole
- In 2018 they ran '99% off' deals for a variety of unusual items (ranging from wooden toilets to 8-foot Egyptian statues to a \$20 bill)

All these stunts were entirely in keeping with its brand identity and what customers would expect from it in a way that a standard sale would absolutely not have been. Black Friday can also be a good time to remind subscribers and prospective customers that special sales aren't needed because the everyday price is already such good value.

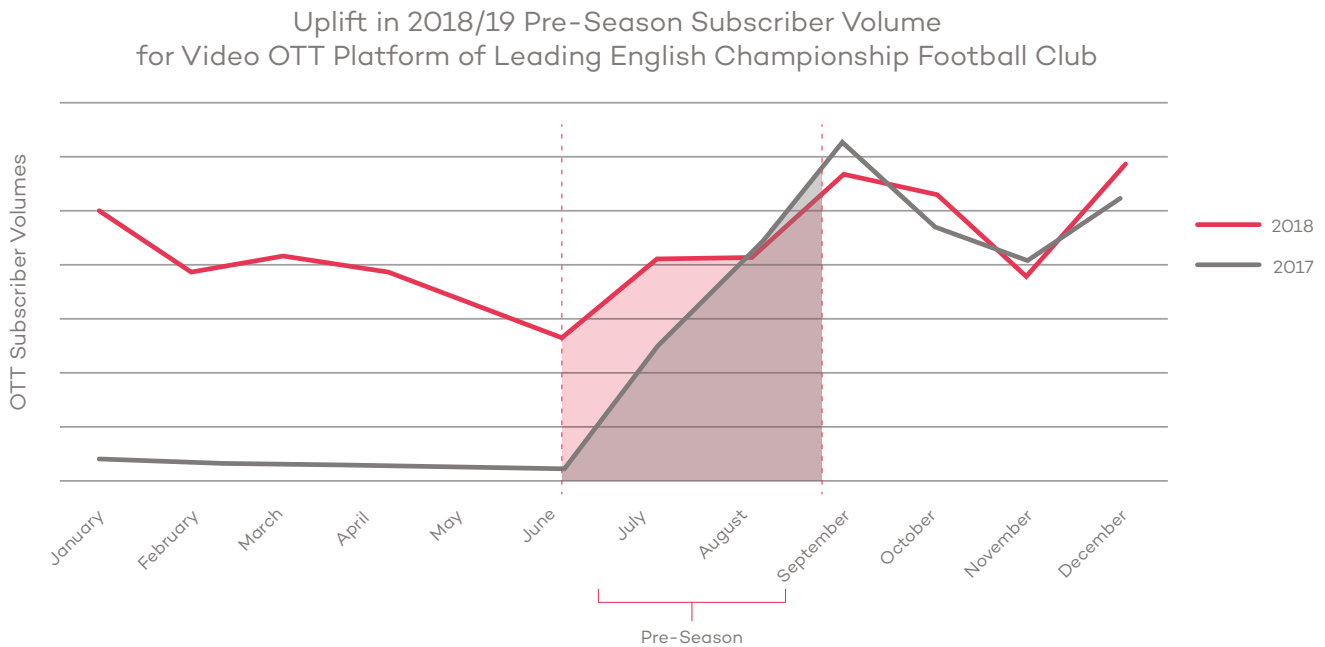
Post-sale retention & recovery

There can be one major problem for businesses after any major sale: churn. A great deal will entice customers in for whatever period it applies, but once the pricing reverts to the usual levels, they are at risk of churning.

The same thing traditionally happens to the OTT services run by major football clubs. During pre-season, they can attract thousands of new subscribers by offering exclusive live football coverage, but then lose many of them when the new season begins and live coverage reverts to other broadcasters.

However, despite not being able to offer the content that drew customers in, some clubs have been able to avoid seeing a huge churn rate as shown on the next page.





Some of this growth comes down to producing engaging and compelling content to share throughout the season. The right subscriber management platform can help back up this engagement with functionality to help minimize churn, including card updater services, recurring continuous authority, grace periods, retry rules and suppression windows to reduce the chances of fans accidentally leaving the service because of payment breakage or issues with their payment accounts.

Meanwhile, tools like predictive churn algorithms and rules-based offers can also be used to convince them not to leave. If customers do churn, businesses already have the data and the tools to try and win them back with push notifications and email campaigns. This can be coupled with using content snippets to tempt them back to the other side of the paywall.

Dynamic offboarding

As mentioned above, there will always be people who decide to leave your service at the end of their trial or discount period, and it's not possible to persuade them all to change their mind and stay, but nor should you waste the opportunity to try.

Some media services have systems in place where a customer's request to unsubscribe results in them being asked why they want to leave. If they say it's because the service is too expensive, the system will create an offer that gives the customer the chance to, for example, save 50% over the next six months.

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Subscription holidays

The ability to offer customers a subscription holiday is a great way to prevent people from leaving for purely financial reasons. You'll temporarily lose their revenue while they're on the holiday, but that is still better than losing it altogether.



Predictive churn algorithms

Predictive subscription churn functionality helps businesses to identify high-risk subscribers who are likely to churn, enabling them to better understand who to target with marketing campaigns to re-engage before they lose them. Machine learning techniques are used to process active and historical subscription data to provide a churn risk probability for each subscriber, with a precision rate of up to 98%.



Card updater

Every year businesses can expect around a third of the credit/debit cards in your system to expire and this could mean losing a customer through involuntary churn. A card updater service not only provides a card expiry report to show when cards will be expiring but also automatically contacts the Visa Account Updater and Mastercard Automatic Billing Updater to update the details within your customer's payment wallet.

The benefit for subscribers is that they receive a seamless service without any manual updating on their part, while the business experiences a vast reduction in the number of customer service calls needed each month.



Self-care program

Putting more control in the hands of subscribers makes them happier customers. Today, we're all used to managing almost every aspect of our lives online, so we don't want to have to call up customer service and endure the maze of multiple-choice questions and that hold music!

A self-care platform gives customers access to what they need to manage their own accounts the way they want, including when it comes to billing and ensuring that their card details are up to date. If they want to carry on receiving services, let them sort these things out themselves.



Retry rules

When a payment fails, media businesses can attempt to retry that transaction, typically within 24 hours. However, in some cases, a custom retry schedule may be needed to keep re-attempting the transaction over a specific period to increase the chances of success, for example, 1, 3, and 14 days.

Furthermore, media companies can apply even more intelligence around retries to increase the likelihood of success, by leveraging bank error codes to understand the reason for declining. This enables brands to optimize retries by tailoring to specific response codes. For example, if the code states insufficient funds, retry at month-end.

Conclusion

Black Friday and holiday sales have spread across industries and continents, becoming an opportunity that's hard to ignore for any business looking to boost sales, recurring revenues, and ultimately, data collection.

If you are considering how your media company can maximize its chances of using Black Friday and holiday sales to activate some of the strategies featured in this guide, Aptitude Software can help you.

Aptitude partners with clients to accelerate digital transformation and drive recurring revenue growth with agile subscription models. eSuite is our subscription management platform that reduces time-to-market and total cost of ownership by centralizing the entire subscriber lifecycle and optimizing customer acquisition, revenue and retention.

eSuite arms enterprises with the flexibility, agility and scalability essential for monetizing any product or service. Our best-of-breed tools enable clients to create tailored bundles, promotions and price plans to maximize recurring revenue. Critical to our client's success, eSuite also supports the widest range of global payment types and generates extensive data insights to shape growth strategies.

With offices throughout Europe, North America and Asia Pacific, our clients include NBC Universal, Torstar, L'Équipe, Sky, SF Anytime, Daily Mail, Berliner Verlag, One Soccer and News UK.

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Contact us

London

Cheapside House
138 Cheapside,
London, EC2V 6BJ

Tel: 44 (0)20 3687 3200

Boston

Suite 1310
101 Federal Street
Boston, MA 02110

Tel: +1 (857) 201-3432

Singapore

Centennial Tower, Level 17
3 Temasek Avenue
039190 Singapore

Tel: +65 82282403

Toronto

Suite 700
2 Bloor Street West
Toronto, Ontario M4W 3R1

Tel: +1 (416) 642 6508

Warrington

401 Faraday Street
Birchwood Park,
Warrington, WA3 6GA

Tel: +44 844 873 1418

Wrocław

ul. Muchoborska 6
54-424 Wrocław
Poland

Tel: +48 71 35 83 010



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