Case Study | TORSTAR

From zero to 100,000 subscribers in 18 months

The Toronto Star, Canada's longest-running newspaper and the flagship brand of Torstar Corporation, selected Aptitude Subscription Management to help kick-start direct reader revenues. Armed with data collection capabilities, frictionless checkout, pricing experimentation tools, and better insights, subscribers grew from zero to 100,000 in 18 months.

Aptitude

How eSuite helped get Torstar's digital business off to a flying start and enabled insight-led innovation as it seeks to grow market share

The Toronto Star is Canada's longest running newspaper, founded in 1892. It is the flagship brand of Torstar Corporation, which publishes more than 80 newspapers and has over recent years evolved into a multi-platform news organization serving a loyal readership across Canada.

By 2017, having established a significant online readership, Torstar was ready to move with the times and had developed a strategy to monetize digital content, starting with thestar.com, the digital edition of its flagship brand, The Toronto Star.

Content and data

Torstar's strategy to convert visitors into subscribers and build the sophisticated subscriber management environment needed to grow market share was built on two main pillars: Content and data.

"We do original journalism, which is the primary reason why anybody subscribes to us," Angus Frame, Senior VP Digital, at The Toronto Star, explained.

"So, making sure that that journalism continues to be relevant and resonates in the digital era is an ongoing part of our strategy, and that is where data comes in. Enhancing our capability around data is about gaining competitive advantage by making sure that we have the right insight around content performance, our customers and our business."

Digital transformation

However, Torstar's existing technology environment represented a significant barrier to realizing that success. It simply did not have the unified subscriber management solution required to manage digital products, billing, entitlements and promotions – and provide the data it needed to drive its strategy.

"At the outset we identified a need for six things," Frame said. "We needed a single solution to form the backbone of our digital offering, supporting subscription management, product management, pricing management, payment gateway, content entitlement and metered access control, so we could govern who consumed what content, and when. That solution also needed to support seamless third-party integrations, starting with Akami Identity Cloud, our chosen identity management solution."

It was clear that realizing Torstar's strategy meant taking a significant step in its ongoing digital transformation – selecting and implementing a subscription management solution to sit at the heart of its digital content strategy.

The ideal solution

Torstar selected Aptitude (formerly MPP Global) eSuite as the backbone of its digital offering, and to deliver against all of its immediate goals:

- Integration with Akamai Identity Cloud to facilitate customer registration and identity management, with seamless, secure data sharing between the two solutions.

- Putting in place a robust digital subscription solution for creating products and pricing, managing customer accounts, subscriptions, orders, entitlements and billing.

- Implementing a metered paywall to govern access to its digital products.

eSuite's Revenue & Billing solution was at the heart of a smooth implementation. With eSuite in the cloud and connected to Torstar's wider systems via simple API integrations, the bulk of the deployment was focused on configuring eSuite capabilities and data collection across subscriber management, billing cycles, and predictive churn monitoring to exactly meet Torstar's needs.

The next step was to configure and deploy eSuite's metered paywall and access control features to encourage customer registration. Built into the front end of Torstar's digital offering, it was initially applied to non-news pages, so regular journalism remained available to all as a means of evidencing the value of its content.

Finally, Torstar also opted to implement eSuite's Acquisition & Conversion features, to provide the flexible, agile product, pricing, offers, campaigns and promotions capabilities it needed to innovate at pace in converting readers into subscribers.

"You can easily see where a partnership with Aptitude Software played to our digital strategy," Frame said. "It instantly delivered against our immediate goals, but particularly in terms of advancing our data maturity. eSuite gave us the ability to build a deeper understanding of our readers – why they subscribe and when, the content they consume, when and why they churn and so on – and that insight is crucial to our long term plans."
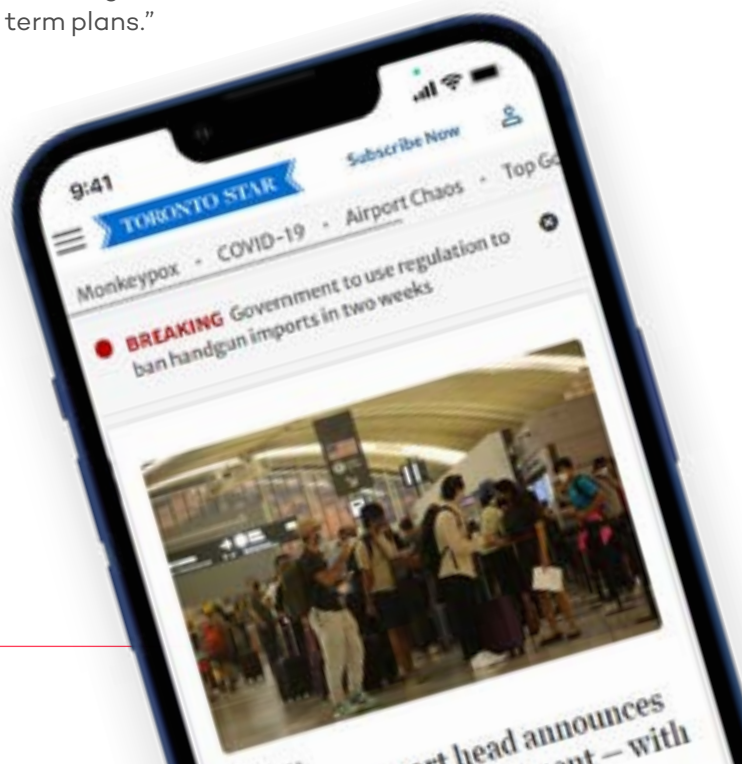
Rapid growth

Clearly, Torstar's primary objective was to create new revenue streams by monetizing digital content. Despite being relatively late to the paid content market, the early results have been beyond expectations.

Within 18 months of establishing eSuite as the basis for an industry-leading subscriber and revenue management ecosystem, and starting from a base of zero, Torstar had signed up **more than 100,000 subscribers.**

"Given where we started and how quickly got to this level, that's very, very rapid growth," Frame said. "We were behind other publishers adopting this business model, but really rapid growth over the past two years got us to the level we are at today and again, because it's a core part of the subscription infrastructure, none of that would have been possible without eSuite."

Insight-driven innovation

That rapid growth is, however, just the start. With eSuite in place and seamlessly integrated with wider systems and solutions, Torstar has built a subscription environment capable of delivering the rich insight it needs to innovate at speed as it seeks to drive further growth.

Using data drawn from eSuite and its own proprietary algorithm, it now has an industry leading customer analysis model – offering easy access to insight around customer habits, the content that is most likely to convert, and sophisticated revenue protection capabilities thanks to eSuite's churn prediction functionality.

"The data that comes out of eSuite is incredibly valuable to us and plays a big part in our advancing data maturity," Frame confirmed. "It gives us the platform we need to become an industry leader in data collection and expertise, which in turn opens up a very large revenue stream by enabling us to make better, more informed decisions as we experiment and optimize every aspect of our subscription model."

In fact, that insight has already enabled Torstar to experiment, developing novel approaches to everything from acquisition campaigns and offers to pricing and payment and checkout.

Focused subscriber acquisition

Insight around reader habits has enabled Torstar to take a granular approach to metered access control to content, focusing in on the premium content most likely to convert visitors into subscribers. "What we have in place is an algorithm that will predict whether an individual piece of content is likely to generate subscriptions or not," Frame confirmed. "Those content pieces that are most likely to generate subscriptions are hard locked behind a paywall. Other content is metered, so you can consume a little bit to sample. "In general, what we're seeing is the content that the brand is most known for is also the content that is most likely to convert – the original content tied to news in the in the Toronto area and investigative journalism across Canada."

Differentiated offers

Improving acquisition through offers is tried and tested, but Torstar is using data to identify new approaches designed to offer a point of difference and work harder in appealing to customers used to the one-size-fits all 'first month free' offers that have become so prevalent in the market. For instance, rather than a free trial, visitors are offered a low-price, longer-term trial period to generate customer loyalty and prove the subscription value. It is an approach that has borne fruit, helping Torstar to raise their subscriber acquisition rates.

Figure 1: Torstar is using data to test different offers and promotions – a low price, longer term trial has helped raise subscriber acquisition rates
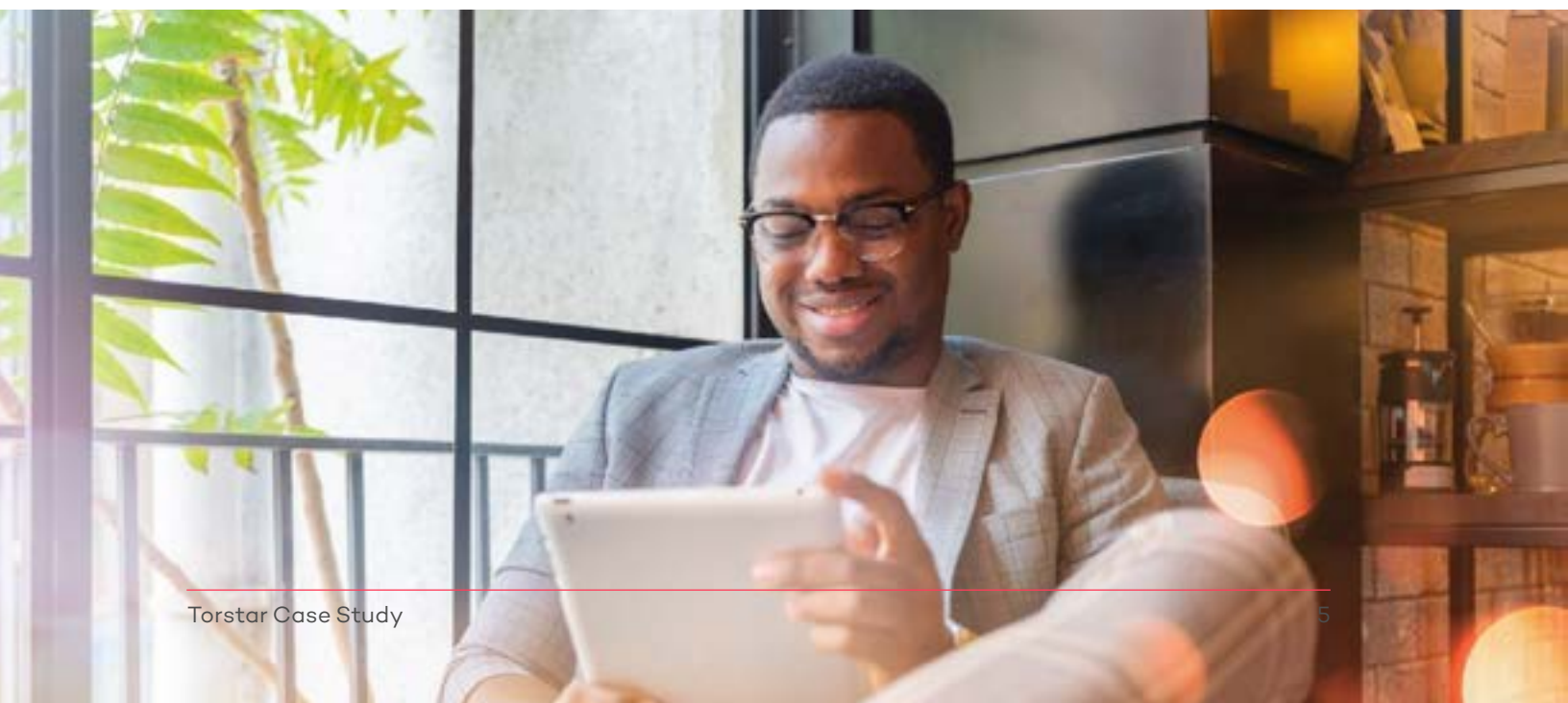
Similarly, Torstar is using eSuite's gifting features to drive subscriber growth, having launched gift voucher-style offers in 2020. Again, innovation shaped by data has proven effective, with gift purchases bringing in a significant number of new subscribers over the 2020 holiday period.
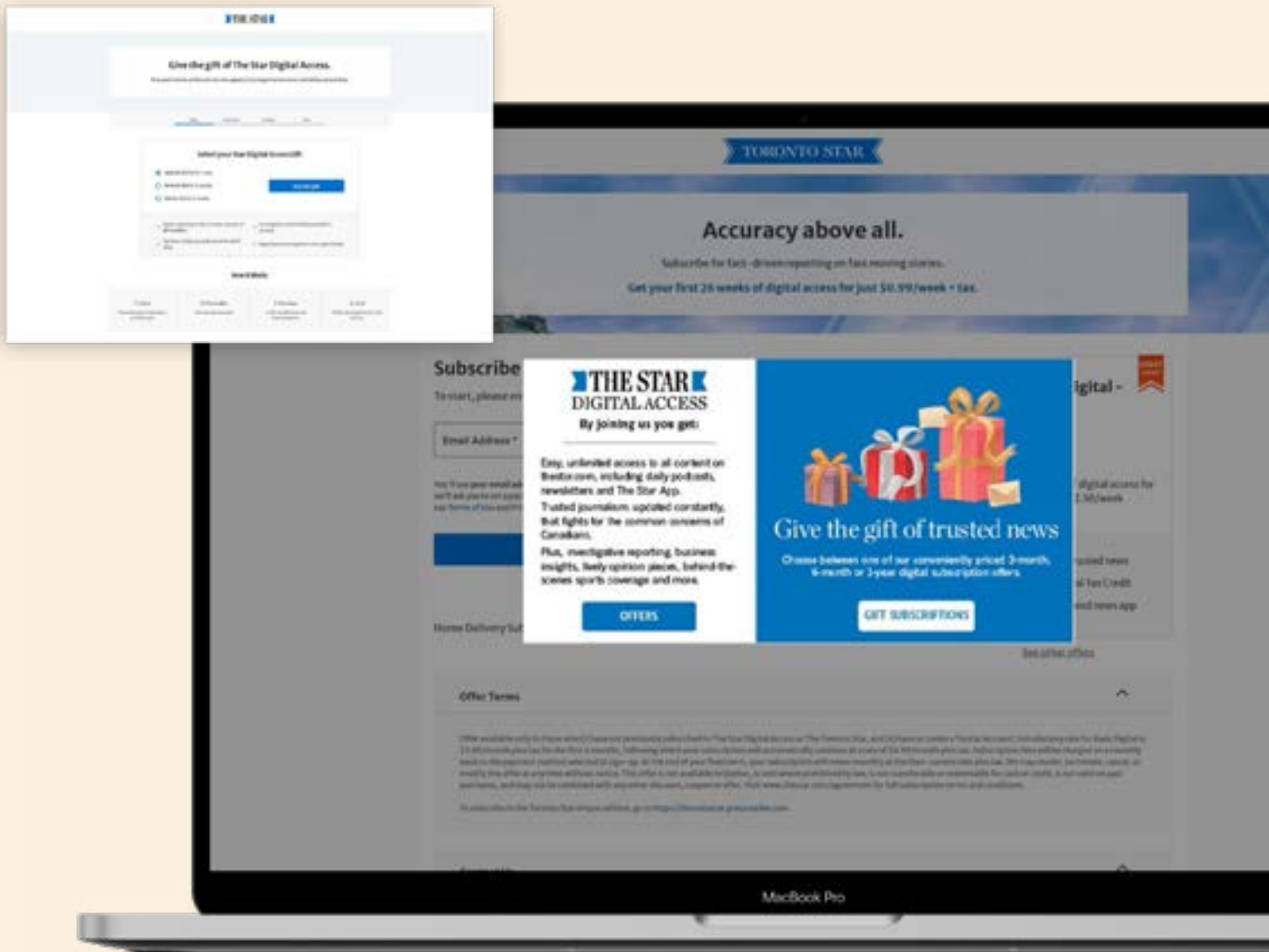

Figure 2: Torstar is using eSuite's gifting features to drive subscriber growth

"There are so many different approaches when it comes to offers and data is really helping us to figure out the right ones for us and our readers," Frame said. "We can look at the wider market, see what other brands are doing and how those different approaches play out in our data. That's really driving a lot of experimentation around the offers that drive growth by helping us to work out what's an aggressive offer, or a reasonable offer and what's most likely to work for us."

Annual versus monthly billing

Access to rich insight has also enabled Torstar to explore the impact of different billing cycles on acquisition, retention and overall CTLV, landing on the idea of a hybrid, highly targeted approach.

"This is something we're exploring probably more aggressively than other publishers," Frame confirmed. "The data tells us that annual subscriptions are right for some subscribers and have real benefits for us in terms of retention. But it is not right for everyone, so there is a tremendous amount of discussion, analysis, and investigation going on as we use the data to guide us to the mix of annual and monthly that maximizes acquisition and retention overall."

Figure 3: Access to rich insight has enabled Torstar to explore the impact of different billing cycles on acquisition, retention and overall CLTV

Frictionless checkout

Torstar was also keen to further innovate and experiment with checkout flows, again guided by the data. That insight saw it turn the traditional approach on its head, breaking the mold by moving away from a combined registration and checkout process.

Working closely with Aptitude Software, it has developed a process where only payment details are taken during registration, with personal details updated after the fact – a flow that converts visitors to customers more easily, and which has helped to further accelerate acquisition. In fact, in early testing, the frictionless checkout delivered a 200% increase in conversions.

"We looked at the data, examining our own conversion flow to figure out where people were dropping off, and found that it was because we are essentially asking for duplicate data at registration and then at checkout," Frame explained. "What followed was a collaboration between our team and Aptitude Software to design a really low friction approach that works for the end user, but still ticks all the boxes for what we need to do in order to capture their credit card details and convert them into subscribers."

Retain customers and reduce churn

Just as it seeks to drive revenue growth through subscriber acquisition, Torstar is also very focused on improving CTLV through smart subscriber retention, leaning heavily on eSuite data and smart churn reduction features like card retry rules. "Insight around propensity to churn is very, very valuable," Frame said. "It very much shapes and targets our retention engagement tactics as well as strategic work like stepped up pricing, which is very much tied to eSuite and our desire to prevent new users from churning. We've also drawn on best practice guidance from Aptitude Software to reshape our credit card retry approach and continue to experiment as we seek to minimize involuntary churn. Overall, that has helped us to bring churn rates down."

Figure 4: Working closely with Aptitude Software, Torstar has experimented with frictionless checkout flows – with encouraging results
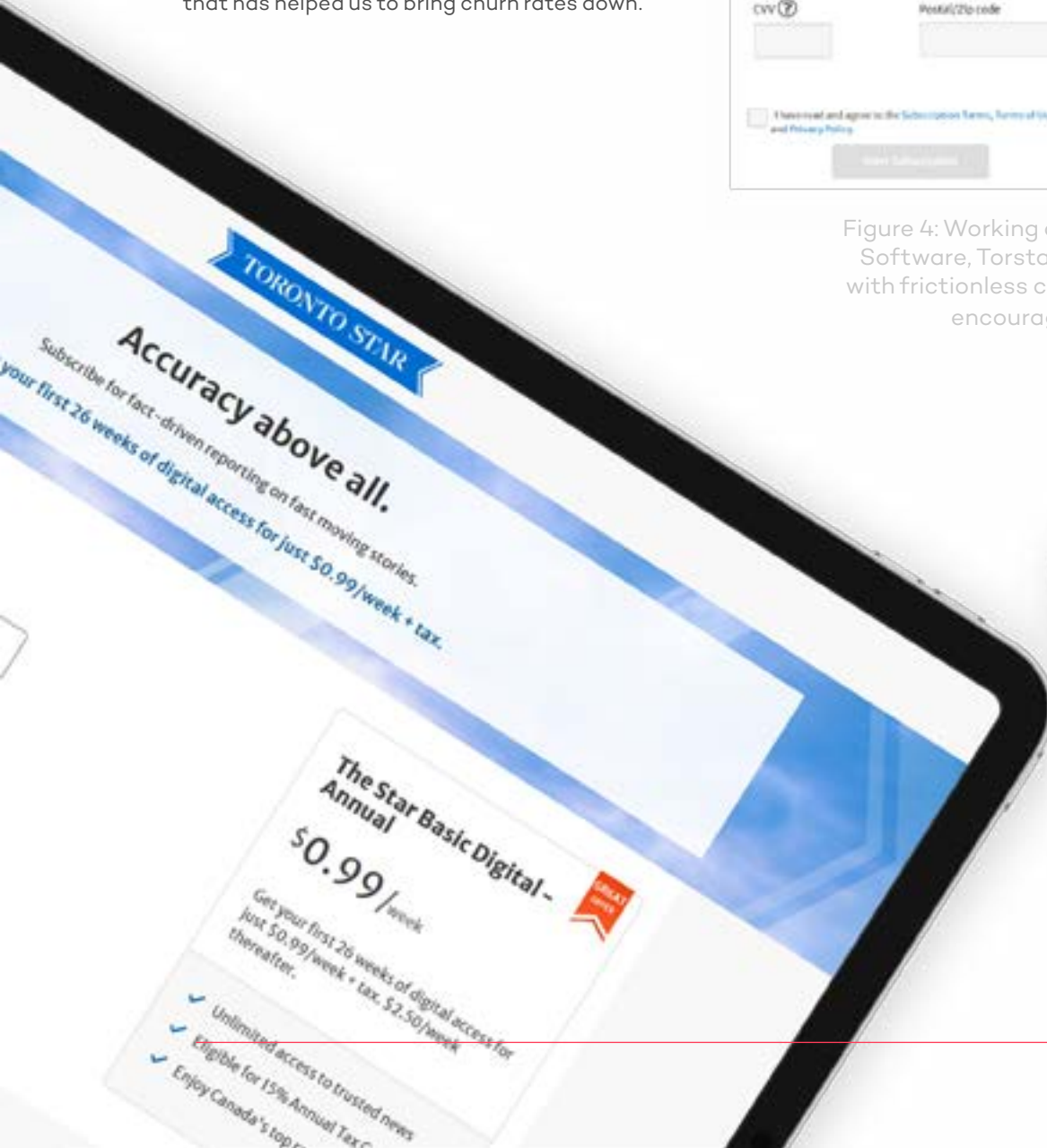
Pricing experimentation

Torstar's stepped-up pricing approach, which is expected to both improve offer conversion and strengthen retention, is already under development. It will see new customers given the option of a series of discounted subscription periods at increasing price points until the full subscription price is reached. "The idea is to move away from a flow that sees users on low-cost initial offers immediately asked to pay full price at the end of the offer period, which is clearly pinch point in the conversion flow," Frame said. "Instead, stepped up pricing will see a $1 a month customer step up to a mid-level offer and eventually up to the full $18. "Based on the data, that's something we expect to be really valuable for us, as we as we try to manage churn and increase ARPU."
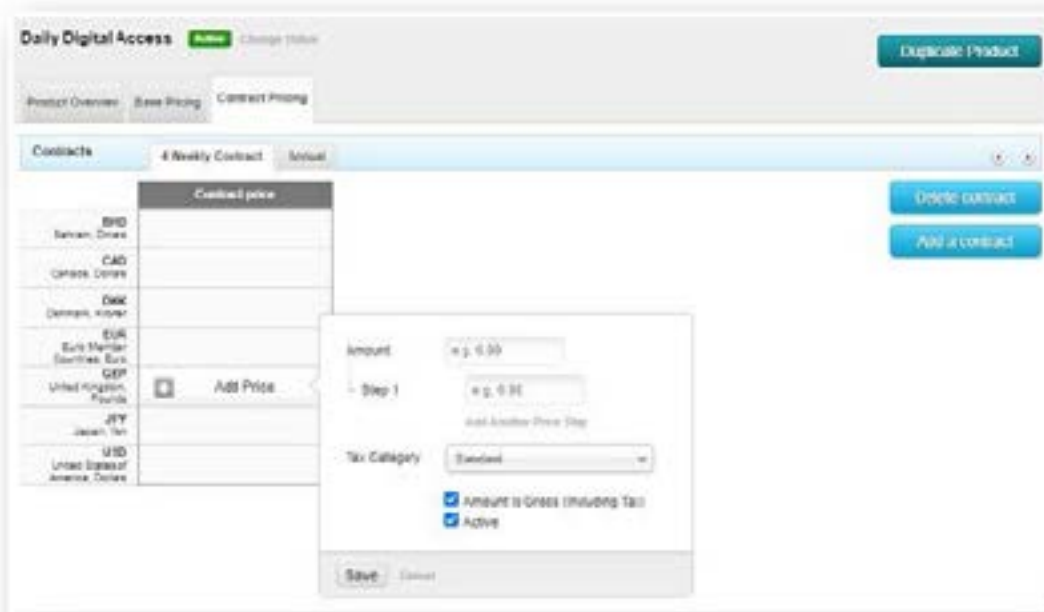

Figure 5: Torstar has drawn on eSuite features to experiment with stepped-up pricing as a means to improve offer conversion and strengthen retention

The final word

Reflecting on eSuite's impact in supporting and enabling Torstar's insight-driven digital transformation, Frame is in no doubt about its crucial role – and the value it will deliver as the business continues to innovate in growing market share.

"We wouldn't have a subscription business if it weren't for eSuite. We would have no subscribers because it's the technology that allows us to govern access to our content, create products and pricing, manage subscriptions and content entitlement, process the payments, and communicate with all of our subscribers."

But it goes beyond that. eSuite is central to our data-led strategy, but also gives us the flexibility and agility to act on that insight at pace as we continue to evolve and optimize our paid content offer."

Angus Frame,
Senior VP Digital, Toronto Star

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