

Loyal Family: Six Tips For Boosting Customer Retention

An article inspired by a presentation from Julian Thorne, Founder and Owner of The Big Wheel Consultancy, at the Independent Publisher Conference, Friday November 8, 2019.



We might not be proud to admit it, but nearly all of us are guilty of being drawn into the cult of novelty.

Whether it's a tangible, shiny object or the intangible potential of an exciting opportunity, the sheer newness of it all can be distractingly attractive. But it sometimes comes at a cost.

For publishers, new audiences are essential to growth, but placing too much attention in this area can sometimes lead to the neglect of existing subscribers or members – those who have already committed to part with their hard-earned income in exchange for your content, products and services.

Julian Thorne, Founder and Owner of The Big Wheel Consultancy, underlined the importance of valuing these incumbent audiences in his talk at the PPA Independent Publisher Conference 2019.

He highlighted data which showed that generating \$1 of revenue from a new customer comes at a cost of \$0.92, while the same revenue for a renewal customer can be achieved for just \$0.14. Not only does that make them less costly, said Julian, but happy existing customers are also far more willing to be receptive to upselling opportunities. Renewal rates, therefore, simply represent good metrics for a publishing brand's health and sustainability.

Julian summarised his advice for improving customer retention into six tips, and he brought the points to life using his personal experience of subscribing to football brand *The Athletic*.

Tip 1: Make a promise you can keep

Delivering on your commitment is crucial for audiences, who are placing their trust in your brand. Think of your subscription proposition as a 'forever promise', said Julian – a statement that speaks to the core of your offering rather than a temporary, transactional offer. This makes it quite hard to define, but the end result is a more loyal relationship that has the strength to evolve as your understanding of the customer deepens over time.

“Retention, to my mind, is just a measure of customer loyalty. That’s all it is. You’re trying to generate customer loyalty by continuing to add value over a long period of time,” he said.

Tip 2: Create a great first impression

For publishers and subscribers, first impressions are wrapped up in the process of ‘onboarding’, making the handover between acquisition and retention teams vitally important. Julian pointed out three key elements to onboarding success: making it easy; delivering value quickly; and rewarding the desired behaviours you have identified as being aligned with good rates of retention.

This last point is important since the ability to influence renewal behaviour is far higher earlier in the customer relationship - by the end of the subscription period the majority will have made up their minds.

Interrogation of your data, for example, may show that email newsletter openers correlate with higher renewal rates, making it a behaviour to be encouraged and rewarded. “Work out what the desired behaviour is and then make that behaviour deliver value straight away to the customer,” explained Julian.

3. Create positive subscriber habits

While conversations around subscribers are dominated by the word ‘engagement’, Julian advocates the use of ‘habit’. Subscribers can form habits within 100 days, he said, and it is a far stronger behaviour as it is deeply ingrained and almost unconscious. Not only are these habits hard to break, but that effect is multiplied as one habit becomes associated and interlinked with other habits.

Daily emails and tailored push notifications can be used to encourage habit-forming activity, which is the precursor of frequent engagement, which in turn leads to positive retention rates and reduced subscriber churn.

As Julian said: “Put really bluntly, if no-one’s logging on, they won’t renew. Or if they do renew, they’ve done it in a way that really annoys them because they’ve just forgotten. If they’re using it all the time, you can upsell them.”

4. Treat your customers as individuals

Direct marketers can get lost in abstract language and terminology but, said Julian, it’s important to treat customers as individuals when looking to personalise communication.

Content should reflect their interests and the time that messages are sent should, ideally, be relative to the user’s preference and habits. These behaviours can be inferred through data analysis, but direct questions will elicit direct answers. A combination of the two can uncover valuable insight that can be used to set up a value exchange, where content delivery is improved for the user and the publisher is rewarded through deeper engagement – as long as any questions are properly answered.

“If you ask someone a question and you don’t respond to it, that’s rude. You don’t want to treat your customers with a degree of rudeness. You’ve got to take into account what you’ve promised,” said Julian.

5. Don’t rip your best customers off

While loyalty should provide the basis for rewarding customers, companies often fail to even recognise it – something that can result in low rates of renewal.

However, as increasing levels of power and choice pass to the consumer, brands are getting better at acknowledging and addressing their previous failings in this area. For insurgents, loyalty has become a battleground where they can expose the shortcomings of established players and take market share in the process.

Julian summarised the opportunity for publishers: “If you treat customers right, you’re going to be different because most people are ripping their best customers off.”

6. Count if people stay with you (or not)

Without accurate measurement and calculation of customers, you can’t have an accurate handle on your subscription retention rate. Julian illustrated how it can be done using a straightforward equation, looking at the difference in volume of customers at the start and end of the period, minus any that are newly acquired.

“It’s a really vital health metric for a business owner in particular: How many people have stayed with me? If they’ve stayed with you, they like you.”

More information is available in [Retention Strategies for Publishers](#), a guide authored by Julian for InPublishing, which is available by clicking here.

<https://www.inpublishing.co.uk/Guides/Retention-Strategies-For-Publishers>

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To view Julian’s presentation from the Independent Publisher Conference [click here](#).