

Choosing a Subscription Platform

A Guide for Publishers



by Dan Heffernan

As little as 10 years ago, before the “subscription economy” took hold and companies started selling everything from razors to wine to furnace filters via a subscription model, publishers looking for a subscription platform had a short list of suppliers to wade through to find a solution. These were publishing industry-specific solutions built by software developers who were deeply embedded in the publishing business, and, in many cases, had served that industry for decades.

At that time, there were different suppliers for the various segments within publishing (newspapers, magazines, scholarly content, books, newsletters) so a magazine publisher, for example, need only look at the handful of solution providers to that segment to find a worthy subscription platform that met its needs.

Forward to today and you have a plethora of subscription “solutions” on the market. The volume of offerings can be overwhelming for a publisher to match their needs, especially with many recurring payment applications classified as “subscription platforms.” A simple search on Google for “subscription platform” will return dozens of pages of possibilities.

But not all subscription platforms are created equal. For example, most publishers, in addition to publishing digital content, continue to publish and deliver physical, print products. That part of the business may be decreasing, but it still makes up a significant enough portion of the revenue mix of many publishers that it can’t be ignored. A system that only manages digital and then makes it sound easy to “bolt on” a plug-in to handle the print can be a recipe for problems and dissatisfaction down the road. We’ve heard horror stories from major publishers who’ve tried this. Publishers should be looking for publishing-specific solutions that handle digital and any print needs natively, not generic recurring payment applications. Changing the above Google search to “subscription platform for publishers” will find those products that meet your specific publishing needs.

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What are those requirements that are unique to publishers that should be managed by a subscription platform?

Here are my **top 7 features** to consider:

① Income recognition

Subscriptions earn income over time, and a publishing-specific solution manages the earning of income based on the publisher's approach – earning monthly for digital access, perhaps, and when issues are delivered for a print subscription. This is different than the monthly recurring billing model for a subscription to lipstick. Publishers' accounting practices have used this income earning model historically and many recurring billing platforms simply do not accommodate it.

② Renewal capabilities

Publishers will typically offer customers various subscription periods—1-month, 3-months, 1-year, etc., which ultimately need to be renewed at the end of the term. Countless publishers (rightfully so!) measure their success by looking at their renewal rates. Subscription box suppliers, for example, don't think in these same terms. They might be focused on reducing churn or increasing net revenue retention. But the level of sophistication that goes into renewing a subscription can be high. A publisher might offer different renewal promotions to differing segments of their customer base, test various offers and number of renewal notices in the series, and push a subscriber to the next rate in a step-up pricing scheme (established at the start of a subscriber's journey and invoked at each renewal). So, look for a solution that has renewal capabilities that meet your needs for sending different kinds of subscribers down different renewal paths.

③ Multi-product

We recently received an RFP from a publisher who provides many types of products to their customer base: magazines, digital content, books, learning materials, loose-leaf products, and other media types. This is very common in publishing. The great majority of publishers don't just publish one thing. They publish multiple products, and many of their customers want to purchase more than one publication as part of a bundle. We have one client who publishes more than 800 journals. It's important that the solution you choose has the ability to package multiple products together at a “bundled” price.



④ Package component synchronization

To build on the previous capabilities, those package components sometimes need to stay synchronized. Let's use a simple example: a print magazine and access to the digital content online. These can be sold as a package for a special price. But since the package is made up of 2 distinct subscriptions, extra care must be taken to service the components and then have the package come up for renewal as a package. What happens if the print gets suspended temporarily for 2 issues? Does the online access continue? Does the subscription still end after 12 months? Does the subscriber get 2 more issues tacked on to the end of her subscription? These are all considerations that go into keeping package components in sync regardless of how the product is fulfilled. A publishing-specific subscription platform should be able to handle this out of the box.



⑤ Upgrading & downgrading

Customers demand flexibility, and they demand it when they want it. A subscriber who has purchased access to online content might want to add the print version for weekend reading, for example. The ability to upgrade a subscription to have 2 or more components which are delivered in different ways is a necessity today. Likewise, a subscriber might want to downgrade their subscription from online access + print to online only. The financial ramifications of these changes must be handled seamlessly (debit in the former case, credit in the latter) still earning the revenue over the life of the subscription term.

⑥ Billing after service

Back when I was a kid, a friend of mine had a newspaper route, and I subbed for him one week when he went on vacation. I had the pleasure of “collecting” at the end of that week by going door to door and asking for payment for my services. This “billing after service” model still exists today, especially in the news media world. But things get interesting when the customer has a mix of print and digital access as part of their subscription. Keeping track of physical issues sent and access to the content, and then billing the correct amount at the end of the month is straightforward enough, but complicated that scenario with delivery suspends and reinstatements, or letting the subscription expire and then get renewed, and the complexity of possible system behaviors grows quickly, much like the synchronization model above.

⑦ Integration

Seamless integration between your subscription platform and the other major applications in your ecosystem is not just critical for efficiency, but for excellent customer service and effective marketing as well. Make sure that the platform you choose plays nicely with other systems by having an open API.

Beyond these key considerations, you'll want to beware of start-ups with big claims. Talk with their clients and find out where the hidden costs are. Most publishers are better off with a tech company that knows the publishing industry.

In short, publishers are best served by looking at publishing-specific solutions to meet their publishing-specific requirements. Generic, recurring billing platforms do not handle the complexities of alternate delivery, renewals, multi-product and package component synchronization, upgrades and downgrades, and many other capabilities which publishers should demand.

Let the buyer beware!

AdvantageCS is the developer of Advantage—the global subscription, marketing and membership platform for publishers and membership associations. AdvantageCS has been developing software for publishers for over 40 years. With a worldwide reputation for superior software and service, AdvantageCS is a trusted partner of many global information companies.

