The Past, Present, and Future of Monetization for Digital Publishers

CONTENT WALL SOLUTION GUIDE

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The Internet has pulled publishing into the future, allowing publishers to reach much greater audiences and tell stories in innovative new ways. So why is the publishing business model under pressure?

In the beginning, digital publishers tried to replicate the ad-driven print model online. For a while, it worked. Turnkey programmatic revenue allowed publishers of all sizes to cash in. Some companies tested paid subscriptions, though many quickly abandoned that approach. After all, why ask readers to pay when ad revenue flowed so freely?

But with a tide of new digital publishers emerging to take a cut, the good times were short-lived. An overabundance of ad inventory sank both revenue per impression and publishers' hopes for easy monetization. Platforms like Facebook temporarily provided enough clicks to sustain ad revenue, until crowded news feeds and ever-shifting algorithms made them a pay-to-play game.

Publishers can sink more resources into Facebook or Google, or the platform-of-the-moment, but at what cost? Are platform returns worth the loss of owned audiences? Will ad revenue alone be enough to keep publishers in business?

The ad-driven business model is faltering, and attempts to prop it up only seem to cause new problems:

- Placing more ads to sustain revenue per page view catalyzes ad blockers,

- The pursuit of scale crowds out quality content,

- Embracing platforms forces publishers to sacrifice direct reader relationships in exchange for expanded reach.

Reader relationships are more important than ever, and publishers can't afford to lose out on connections to their audience. The success of the digital publishing industry lies in strengthening these audience connections, in monetizing readers directly, in securing its financial future with premium subscriptions.

Diversify your revenue with Content Walls.

With the ad-driven business model under pressure, publishers must evolve beyond a reliance solely on ad revenue. The Content Wall is the mechanism by which you exchange access to your content for something of value. Commonly, this a paywall, requiring payment for a premium subscription, but as we will see this is not the only value you can demand. A Content Wall is the best way to:

- Provide stable revenue by monetizing readers directly.

- Better align the publisher and editorial sides of your business.

- Offset the effect of ad blockers on the bottom line.

- Decrease reliance on traffic from platforms.

- Take back ownership of your audience.

Fortunately, as online ad revenue declines, readers' willingness to pay for online content is increasing. Audiences are demanding more quality content, and they're starting to accept that it may come at a cost. This makes it the perfect time for publishers to pursue a Content Wall model.

Whether a major legacy publisher or an up-and-coming digital media company, Content Walls can provide the financial stability to survive and thrive in an increasingly uncertain industry.
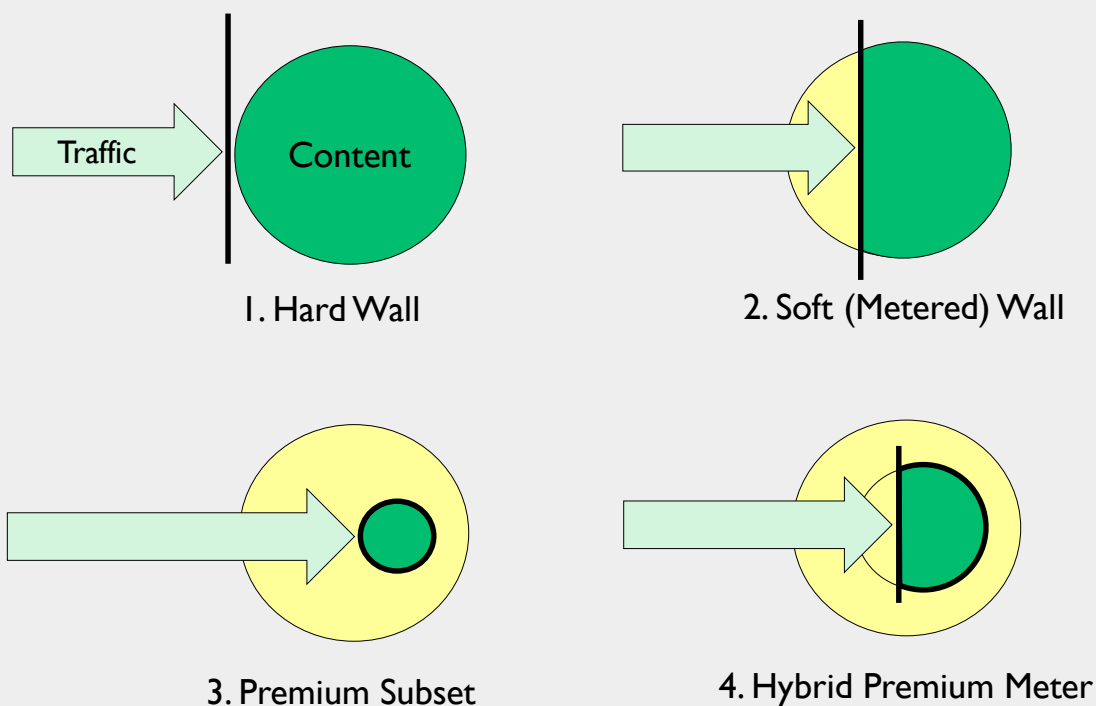
78% of major newspapers use "some form of a digital subscription plan."

– *American Press Institute, (2016)*

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Choose the right Content Wall for your business goals.

As more publishers move behind the wall, four models have emerged.

Traffic → Content

1. Hard Wall

2. Soft (Metered) Wall

3. Premium Subset

4. Hybrid Premium Meter

Hard Wall: Requires a subscription before users can view any content.

Soft (Metered) Wall: Grants access to a fixed number of articles before hitting a paywall.

Premium Wall: Some content is free, but premium content is behind a hard paywall.

Hybrid Premium Meter: Places a subset of premium content behind a metered paywall.

Publishers with paid content models have continually tweaked their walls to find the optimal solution. Sites like The New York Times have tightened their meters over time, while the Wall Street Journal has loosened their hard wall to allow access to free content.

Overall, publishers have largely converged around metered walls, though the complexity of implementing them has historically posed a challenge.

Monetize content with ease using PostUp's Dynamic Content Wall.

*PostUp's Dynamic Content wall keeps your revenue in, not your audience out.*

Early paywalls had to be built in-house, requiring resources that were out of reach for all but the biggest publishers. And because these paywalls were tied to publisher's own web servers, altering their settings was difficult and often required involving IT.

With PostUp's Dynamic Content Wall solution, you can evolve your business model without having to uproot your entire site. A PostUp Dynamic Content Wall allows you to:

- Test out content wall models without a major commitment of time and resources.

- Experiment with pricing and meter strategy on a small subset of your audience.

- Implement a wall painlessly and start seeing returns right away.

- Change settings in minutes not days or weeks.

- Create a truly dynamic wall that adjusts based on referral source or other user characteristics, providing a business model personalized to each reader.

- Drop your wall temporarily to give visitors unlimited access during special events, emergencies, or promotional periods, then put it back up with no hassle.

When the future of the industry relies on the direct monetization of readers, the content wall must be able to adapt to the needs of these readers in order to optimize the conversion process. PostUp's paywall keeps your revenue in, not subscribers out.
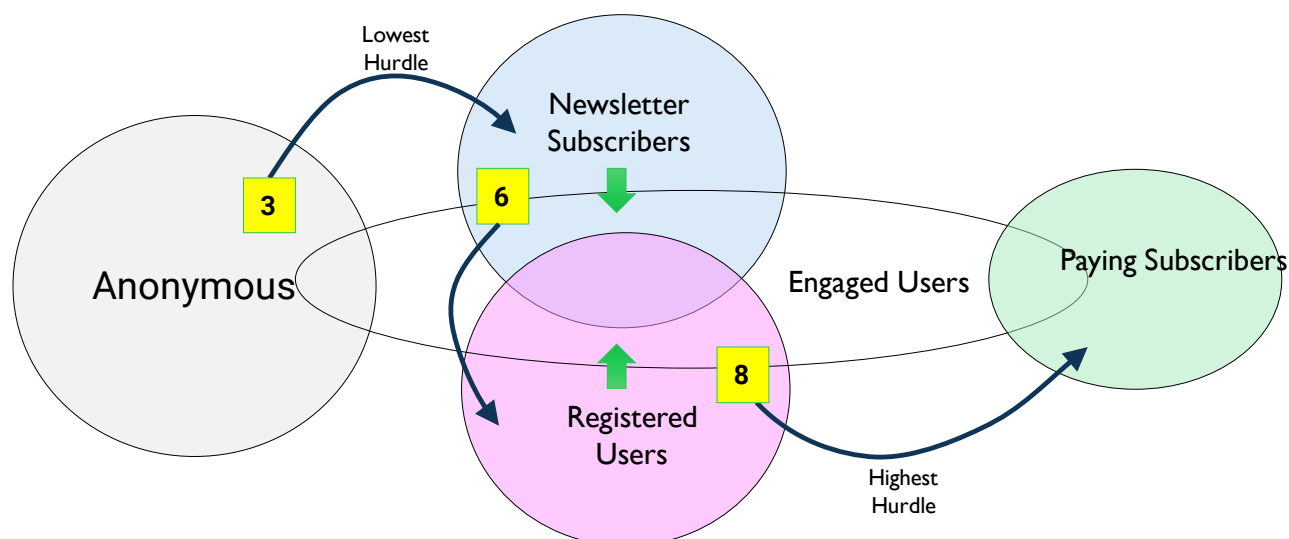
Turn your paywall into a window of opportunity with email.

Some publishers resist paywalls, thinking they'll cut off search and social traffic. This can easily be addressed with a metered wall solution, but it pays to go one step further and reach out to those passing readers to build a relationship.

That's where email comes in. An effective email and audience development program allows you to:

- **Connect with casual readers:** Readers from social media or search visit once and often never return. Get their email address, and you can market to them for life.

- **Build reader habits:** On average, The Washington Post's newsletter readers consume three times as much content as the average site visitor.

- **Nurture future subscribers:** The New York Times found that readers who receive a newsletter are twice as likely to become subscribers.

- **Remind readers of your value:** 2 in 10 readers who don't pay for subscriptions indicate a willingness to do so in the future. Make sure you're there when they're ready.

- **Drive supplemental revenue:** In-email ads, promotional mailings, and sponsored content use email's first-party data to deliver high CPMs.

Content Walls don't have to come between you and audience relationships. With PostUp's powerful email platform and email-focused audience development solutions, you can get a foot in the door.

"Readers that are enrolled in our newsletters consume an average of three times as much content as the average visitor to our site on a monthly basis."

– *Washington Post (2017)*

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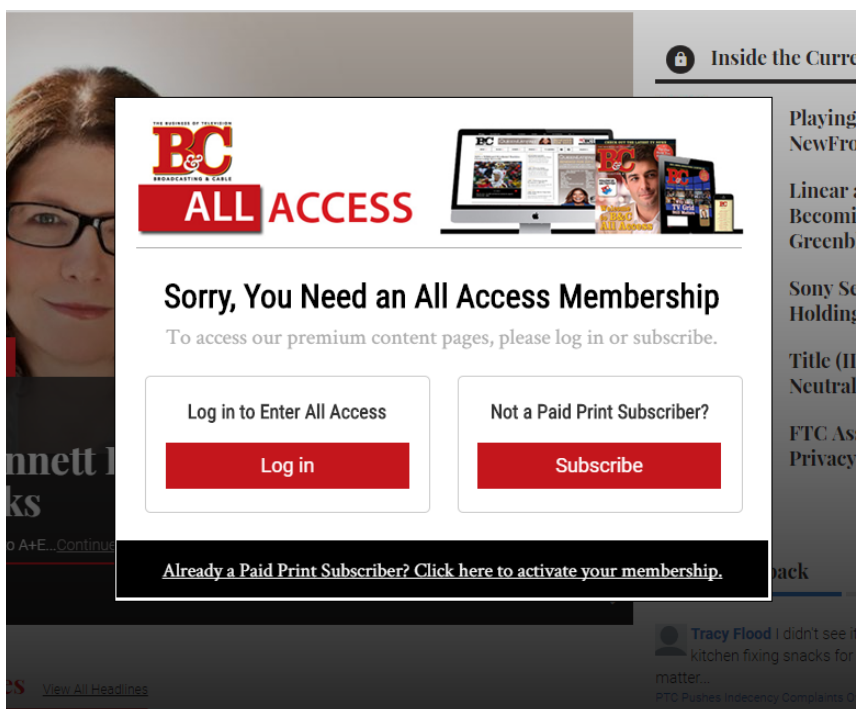
Use your content wall to collect more email addresses.

Even though readers are more willing than ever to pay for news, handing over money for content is still a high hurdle for readers. A hurdle that they might not be ready to clear.

With the Dynamic Content Wall model, money isn't the only currency that can be exchanged for content. Instead, readers can "pay" by providing an email address. Readers receive value through additional articles or exclusive newsletter content, while publishers receive something also of value: an invitation to the inbox and an exponentially larger "monetization window" for that reader.
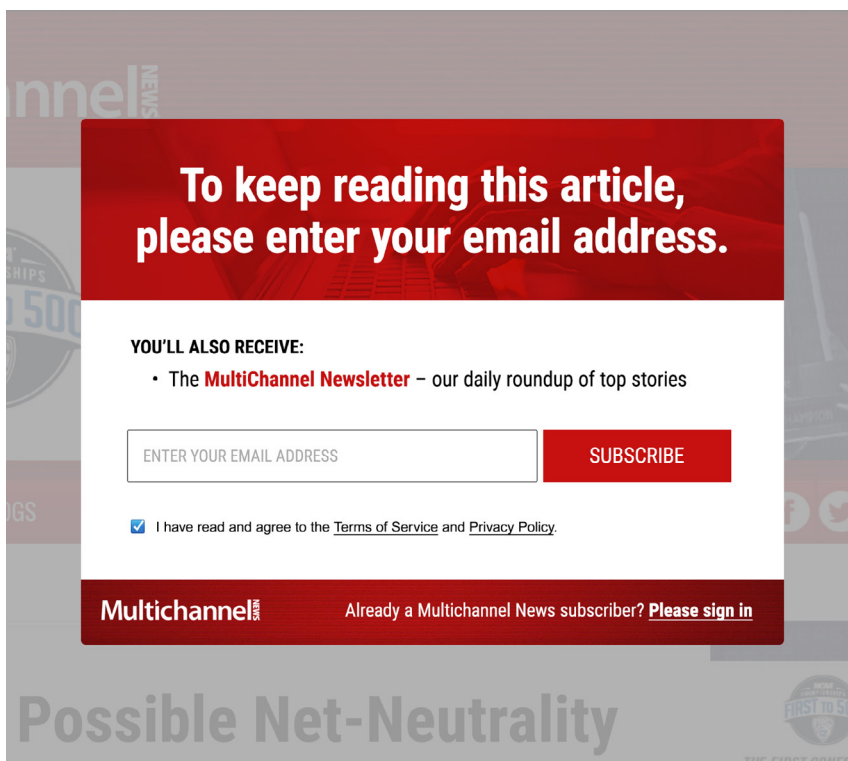
Publishers can tailor their content wall strategy to collect emails in a number of ways:

- **Email wall:** Publishers using a metered wall can allow more articles to readers who have signed up for email or registered an account.

- **Guest pass:** Publishers can grant unlimited access to content during a limited period of time in exchange for providing an email address.

- **Just one more article:** With an intelligently configured Content Wall, you can make the ask for an email address right before the reader's appetite for content is satiated.

The email address grants publishers the right to market to readers in the long term, and is also the login "key" for each reader, which puts it at the foundation of any business model based around registrations or subscriptions. By gearing your content wall strategy toward email collection, you greatly increase the chances of conversion over the long term.

"Readers who entered their email for a [Wall Street Journal] guest pass were six times more likely to convert to a regular subscription."

– *Nieman Lab, December (2016)*

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