

MPP Global Solutions

How to Implement a Paywall



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How to Implement a Paywall

In the 21st Century, it is growing increasingly challenging for many Media companies, especially Publishers, to capture the attention of consumers, compete in a broader marketplace and ultimately drive (or even retain) revenues.

The Publishing industry is largely seeing a shift in its customer base from traditional print circulation to digital as a means of content delivery and consumption. This is driven mainly by a proliferation of internet enabled devices building on a vast improvement in broadband internet services actually changing the way consumers are receiving and viewing content.

The short history of internet-delivered publishing content has largely been on a free to view basis but with ever-falling print subscribers and the corresponding loss of advertising revenues, Publishers are forced to find new ways to monetise their content and they are finding that paywalls can enable them to achieve that very goal.

Establishing project prerequisites

A paywall is briefly a system which prevents internet users from accessing webpage content (most notably news content) without paying to access it. The larger debate of the pros and cons of paywall implementation is not something which we are attempting to highlight here, but assuming a paywall has been identified as a requirement, there are a number of factors which need to be considered in the implementation process.

Firstly, there needs to be some analysis of the business requirements, the customers and the content on offer. Deciding which content to offer for sale requires an understanding of the purchasing habits and requirements of the customer. By looking closely at what content they choose to purchase, as well as the price they are happy to pay and even looking at potential objections and drop off points on a customer journey all helps to build a picture of the ideal commercial offering. Paywalls also must work closely with other revenue streams such as online advertising. Business decisions should be made where one is not utilised at the expense of the other before a project begins.

Crucially, understanding the value content of the offering and the perception is vital to making a decision about costs and potential sales and again this should be factored into a project prior to implementation. There does also need to be an understanding of not only current customers but future customers. The implementation of a paywall and the potential to centralise entitlements and offer content delivery across multiple channels, including smartphones and tablets, as well as apps, means that the potential to diversify a company's core readership is high. Bearing tomorrow's readers in mind is also important from the outset, not least as habit forming begins early.

Another key consideration is whether the new service is expanding and leveraging existing services or is a stand-alone service. If the digital offering is expanding on a print service then managing the transition needs to be factored in. Offering a centralised entitlement so content is consistent across services is critical as is

ensuring subscribers receive joined up services. Furthermore encouraging print subscribers to make the move to digital should play a fundamental part of a strategy if we are to believe that print is truly **dying out**. Offering informed bundling options and incentives at the outset can truly help to manage the transition and the potential fall-out from moving to walled content online.

Typical requirements and how they can be delivered

Once business objectives have been set, content and customers understood and a decision made to implement a paywall to monetise digital content delivery, you need to select what type of wall is going to work and where to build it.

There are a number of different types of paywall in operation and the utilisation of which depends on the business and customer decisions made through the setting of the project objectives. The main types of paywall are:

- Hard paywalls
- Soft paywalls
- 'Freemium' or combination paywalls

Hard paywalls are a complete lock-down on content where no site access is permitted without payment. This is generally utilised by companies who are very confident in their market position and understand that their content has an inherent market value which consumers are happy to pay for. Whilst a hard paywall does offer a strong revenue delivery model, a business does need to be very sure that this level of access restriction will not deter potential readers from accessing their site.

Soft paywalls on the other hand are generally based on a metered model whereby a consumer is able to access a limited amount of content which is predetermined usually on page numbers or time, before access is restricted by the paywall. This is the most common type of paywall integration and works well because it allows for both casual readers to access limited content without any barriers to do so, whilst also driving revenues for more regular customers who are happy to pay for continued access.

'Freemium' or combination paywalls are a very good option for companies who have easily determined levels of content on offer. This is where a website is divided into sections where users are able to access a range of content areas for free, but premium services and areas are walled off for paid access.

These types of paywall should deliver most projects' requirements. Offering one-off content and events is also something which is increasingly popular as well as incentivised subscription-access where users are encouraged to build a level of brand loyalty through an incentivised introduction period. There is a great deal of flexibility on offer through paywall implementation and it does need to be assured that the project is easily expandable for future market conditions or diversification with minimal costs. Working with a payments specialist does help to ensure these considerations are met and productised.

Other major considerations which need to be factored in include failure planning. Whereby if in the unlikely event the paywall goes down do you want to have the

paywall “fail open” so there are no restrictions on access, or “fail closed” so all access is restricted. The ability to manually open and close a paywall is also important, particularly in a news environment where national emergencies require limits to be lifted and the ease of that control should be an important factor to consider.

Geography should also play an important factor. With different languages and currencies being utilised, a system which can handle these differences is vitally important for a global content provider. Being able to manage different access costs, access points, offers and incentives in different global regions, determined by marketing strategies, through a centralised system, really keeps a company in touch with their global customers. If you are to offer content across borders, managing the various tax rates which customers will encounter, both in purchase costing but also in back-office reporting, can be a very time consuming undertaking. Having a system which allows for this tax calculation to happen automatically can make a big difference in the operation of a system.

Critically there does need to be a consideration also of organisational impact. How effectively will the reporting function perform both from a marketing and financial viewpoint? Is a system easy to understand, products easy to manage and offers, incentives and pricing easy to optimise for your customers? An effective system needs to work across an organisation, be easy to manage and provide evidence based management information. Existing processes don't always map with a new implementation and therefore this too needs to be considered and mapped out to be as effectual as possible. Quite often an organisation, especially one as well established as a print publisher or a newspaper, can be very resistant of change and ensuring the buy in of all levels of stakeholders is fundamental to ensuring a smooth implementation.

Technology and department considerations for a company

Having established your project prerequisites and understood how your business objectives can be delivered, it is crucial to understand your current systems and what technology you are likely to require.

Most major publishing companies are likely to have a web presence already in place, but how that is served up and stored could play a part in your system requirements and considerations. There needs to be a consideration at this stage about any and all of the following systems:

- Do you have a web farm set up?
- Is the web site managed by a CMS?
- Does your organisation use a CRM like Salesforce, or do you need to outsource one?
- Do you have a session management tool in place?
- Will you require an SAM system or a user security manager?
- How are web pages served up? CDN, IIS, Apache?

There also needs to be a trigger mechanism to lock down pages in the journey, particularly in a soft paywall or a combination paywall, selecting which pages are locked and managing where a paywall comes in is crucial. Building trigger points into a CMS is generally the simplest way for this to be managed and maintained by the content owner.

When a customer comes to purchase the content, their personal data and vulnerable payment details have to be stored somewhere. With existing CRM systems in place, such as Salesforce or Microsoft Dynamics, this can be built into the CRM, or alternatively you may wish to house this data externally with the payment solutions provider and reviewing their systems, data protection and delivery model needs to be considered.

Crucially you will also need to create a purchase flow design to understand the customer's journey from selection to purchase and onto content delivery. It is imperative to make this as simple as possible and thereby reducing the potential drop-offs and obstacles for purchase.

Understanding how your systems are currently configured plays a major part in how you would establish the working paywall solution. Working with an expert paywall integrator means they would be able to draw upon their experience and advise you in the best ways of working with your current systems to implement the most suitable setup for your paywall requirements.

Delivering a project such as this also requires buy in from various stakeholders within your business, from the IT department to Marketing, Sales and most importantly the executive. Forming of a project team to ensure all departments are bought into the project and their considerations are matched from the outset, can ensure that the project delivery is as smooth as possible. Setting of time scales is vital and for the most part paywall systems can be delivered in less than 6 months. However time scales can be impacted if new requirements come to light as the project is underway. This illustrates how crucial it can be to ensure you form a multi-departmental project team at the outset to ensure all requirements are identified as much as possible from the start.

Furthermore, combining and centralising existing and new customers can be problematic, not least where legacy systems are in place. With print subscribers, iTunes and Android app users and online subscribers all sitting separately, the ability to up-sell and cross-sell products can be difficult. Centralising these customers into a single system and offering multi-channel entitlement where a customer pays once but accesses all different channels of content, delivers a much improved experience for the customer. Encouraging users to move from iTunes for example, where a user's data isn't shared, to purchasing direct means that a company is better able to own their customer's data and manage that brand-user relationship.

Ultimately, understanding your customers, your content, what systems you have in place and what systems you require to make the process work for your organisation will help to make a project successful from a technical and commercial perspective.

What billing types and models to utilise

Crucially, a paywall requires an effective billing solution to make it work. Once again, coming back to your customers will help to dictate the type and complexity of a billing solution you require. If your customers are global, there needs to be a range of payment types on offer, such as credit or debit card, which are very popular in the UK and USA, but not so much in parts of mainland Europe. Some form of direct bank transfer such as Direct Debt in the UK needs to be offered as this accounts for an increasing number of transactions processed. Local payment types such as Giropay and Ideal are recommended as well and alternate payment types such as Paypal can all help to ensure that your customers are offered the optimal payment types for their markets and thus ensure no obstacles to payment are created.

A payment system should certainly offer differing payment methods from a straight-through payment. Subscriptions are vital for a publishing company and truly form the basis of a repeat customer coming back to view paywall-protected content as well as providing a regular predictable recurring revenue. eWallets are also common where users are able to fund their wallet and draw down from it with a single click purchase in the future. Additional functionality such as offers and incentives modules will enable a company to tie their marketing strategies together with their payment systems. Crucially, a payment system cannot be over functional, as the ability to extend your options and functionality in the future allows for natural growth.

In Summary

The implementation of a paywall is a complex project with many considerations to take before a project begins. With commercial, marketing and technical departmental requirements to name a few, the management of such a project requires a paywall expert to ensure all questions are answered and that the long term requirements of a project are met and exceeded. Ultimately though, with a well-managed implementation, a paywall can truly help to maximise potential revenues generated and ensure the long term future of the digital publishing industry.

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