

THIRD EDITION

“A practical guide to building the lasting
relationships that will sustain your business”

— JOHN JANTSCH,
AUTHOR, *DUCT TAPE MARKETING*

SUBSCRIPTION MARKETING

**Strategies For
Nurturing Customers
In A World of Churn**

Discussion Guide

WELCOME

Smart subscription marketers learn by absorbing the lessons they encounter as participants in the Subscription Economy and then applying those lessons to their own businesses.

This discussion guide is designed to help you do exactly that in discussion with colleagues, business partners, or classmates. It is intended as a companion to the book *Subscription Marketing* (3rd edition).

The guide divided into three parts, to mirror the book's organization. Within each parts there are sections aligned with groups of key chapters. Each section includes the following:

Key points: Review the key points from groups of chapters in the book.

Observe: Use these prompts to look at the world from your perspective *as a subscriber*. This will help you absorb the lessons of successful subscription businesses and to take the perspective of your own subscribers.

Discuss and Apply: Use these questions to examine your own best subscription marketing practices.

In Part Three, choose the section that best reflects your business: large enterprise, start-up, or small business/solopreneur. No matter what your business structure is, review the key challenges.

PART ONE:

THE SUBSCRIPTION SHIFT

The Growing Subscription Economy (Chapters 1-2)

Key Points

- Subscriptions are now a factor in nearly *all* industries, not just software, media, and retail. (Chapter 1)
- Changing from a traditional, transactional model to a subscription model affects many aspects of your business. It can also transform your business. (Chapter 2)

Observe

1. Do you subscribe to more products in your life than you used to? What's your favorite subscription?
2. What's the craziest or most unusual subscription service or box you've heard of?
3. Consider the last service you subscribed to. Did you have non-subscription options, or was a subscription the only option?
4. Did you subscribe for the convenience? Cost savings? Fun and discovery?
5. How often do you unsubscribe from email lists or services?

Discuss and Apply

1. Make a list of the subscription options in your industry. Are the legacy players embracing subscriptions (as in software)? Or is the industry still based on traditional sales, with start-ups and fringe players offering subscription options?

2. Where does your business fall in the subscription shift?
 - No subscription offerings yet
 - Exploring the possibilities of subscriptions
 - Offering both subscription and transactional pricing
 - Making a transition to a subscription model
 - All-in on subscriptions (having executed a “pivot”)
 - A subscription native: built from the start on subscription relationships

3. Where do you see your business two years from now? What percentage of your revenues will come from renewals or returning customers?

The Impact of Subscriptions on Marketing (Chapters 3-5)

Key Points

- Marketing practices must change when your revenues shift from primarily new sales to mostly recurring revenues. (Chapter 3)
- In a subscription model, you must pay attention to which customers you attract; not all new sales are profitable. (Chapter 3)
- Subscriptions change the psychology of the sales environment as well; marketers must work to earn trust and demonstrate value. (Chapter 4)
- Marketers need to adopt a new set of practices to nurture the subscriber's experience: we call these post-sales activities *value nurturing*. (Chapter 5)

Observe:

1. Do you feel suspicious when signing up for a subscription?
2. What do you worry about when subscribing to a new service?
3. Which companies do you trust? Which do you distrust?

Discuss and Apply

1. Thinking of the traditional marketing funnel, what percentage of your time/budget do you spend on the following:
 - Top of the funnel (awareness and lead generation)
 - Middle of the funnel (learn nurturing)
 - Conversion (free trial, etc.)
 - After the sale/conversion
2. Do you actively try to cultivate your customers' trust?
3. Do you interact with and nurture customers after they've signed up?

PART TWO:

VALUE NURTURING STRATEGIES

Helping Your Customers Achieve Value (Chapters 6-9)

Key Points

Deliver on your promise by helping your customers achieve the expected value:

- Create a customer launch plan to guide customers in their first steps. (Chapter 6)
- For more complex offerings, you may need to embed guidance, offer videos, or actively guide customers through early milestones before they start realizing value. (Chapter 7)
- To encourage customers to form new habits, focus on enhancing the customer's motivation, making the action easier to take, and providing a trigger. (Chapter 8)
- Use training to speed success and reinforce commitment. (Chapter 9)

Observe

1. What's the best experience you've had as a new subscriber or customer?
2. Have you ever signed up for something and then not used it? What happened?

Discuss and Apply

1. Describe your customer launch plan.
2. Where do people get stuck or delayed?
3. Do you offer training? Do you need to? (Just because something seems intuitive *to you* doesn't mean your subscribers will find it easy.)

Demonstrating Value to Your Subscribers (Chapter 10-12)

Key Points

- Share your customer stories with current customers, not just prospects. (Chapter 10)
- Make sure your customers are the heroes of the story, not your company or product. (Chapter 10)
- Sometimes it helps to remind people of the value they're realizing by sharing usage data. (Chapter 11)
- When you celebrate your customers' success, you earn loyalty while reminding them of your role in their journey. (Chapter 12)

Observe

1. Has a business/brand ever made you feel like a hero of your own story?
2. Do you appreciate getting annual emails about your usage or accomplishments?

In your business:

1. If you have customer stories on your website, identify the protagonist for each story. Who's the hero—the customer, or your brand?
2. How can you help remind your customers of the value they're getting? Do you have usage data that you could share without violating privacy or confidence?
3. How can you find and celebrate your customers' successes?

Adding Value Through Content and Community (Chapters 13-14)

Key Points

- Marketing organizations can add value to a solution by delivering useful or entertaining content along with it. (Chapter 13)
- Connecting people in like-minded communities is a generous act and will significantly enhance the subscriber's experience. (Chapter 14)

Observe

1. Through emails, newsletters, magazines, or websites, which brands do you appreciate for the content they provide?
2. Do you belong to any online communities that are sponsored by a business? Do they add value to the experience?

Discuss and Apply

1. How can you, as a marketer, create valuable content for your subscribers?
2. Do you have a virtual or in-person places for your subscribers to connect with each other? Does it make sense to create a community?

Adding Value through the Relationship (Chapters 15-18)

Key Points

- Your most loyal fans will take action on your behalf, if you support and nurture them. (Chapter 15)
- A loyalty or membership program is one way to add a subscription relationship to a business that is otherwise transaction; make sure the program focuses on the relationship, not just discounts. (Chapter 16)
- When you ask people for advice, you give them the chance to contribute, gaining both their valuable perspective and increase commitment. (Chapter 17)
- Don't leave the exit plan to chance; a negative experience at the end of the subscriber relationship can do lasting damage. (Chapter 18)

Observe

1. Would you consider yourself an actual fan of any business? If so, which one(s)?
2. What is it about that business that inspires your loyalty and enthusiasm?
3. Do you belong to any loyalty programs? Why did you join?
4. Have you ever had problems unsubscribing from or leaving a business?

Discuss and Apply

1. Do you know who your best, most loyal subscribers are? Do you do anything special for them?
2. Do you regularly ask your subscribers for their opinions or input?
3. Do you have an exit plan for subscribers who want to leave? Is it easy for them to find the exit?

Aligning with Customer Values (Chapters 19-20)

Key Points

- Values-based marketing is a powerful way to gain media attention, customer loyalty, and employee engagement. (Chapter 19)
- Choose your values carefully. Employees, customers, prospects, and more will be watching. If you profess values, you need to embody them in your business practices. (Chapter 19)
- Consider embedding purpose and values into the way that people purchase your products (like Toms Shoes) or the way you run your business. (Chapter 20)

Observe

1. Do you make purchases based on a company's values?
2. Reading about Bill Penzey and the Penzeys Spices story, how does it make you feel about the brand? Would it affect your decision to buy spices from the company?
3. Can you think of a company or campaign that you felt was cynically embracing or exploiting a movement? Did that affect your perception of the brand?

Discuss and Apply

1. Does your business have a clear mission or purpose?
2. What kinds of values does your business embrace, or could you support?
3. What are the controversial issues in or related to your industry? Have you taken a stance? Should you?

Nurturing Free Trial Users (Chapter 21)

Key Points

- The free trial isn't just about trying the product or service; it's about evaluating the *experience* of being a customer.
- Everything about the trial should support the experience of trust and value.

Observe

1. Do you ever sign up for a free trial and then not commit?
2. How do you feel about free trials?

In your business:

1. Do you offer a free trial?
2. If so, who is responsible for tracking the trial customers' experience? Or do you leave the trial user on their own?

PART THREE: PUTTING THE STRATEGIES INTO ACTION

Subscription Marketing in the Mature Business (Chapter 22)

Key Points

- Track the metrics that illuminate the long-term relationship with subscribers, including churn/retention, average revenue per account, and customer lifetime value.
- Subscription marketing as a discipline belongs to many departments. Build collaboration into your processes and organization.

Observe

1. Think of a particularly *positive* customer support interaction you've had with a company. What worked well? How do you think that company created an environment that supports the customer experience?
2. Have you ever experienced a failed hand-off when dealing with a customer—having to call different people and re-explain your problem repeatedly? And how did that make you feel?

Discuss and Apply

1. If you're in an established business, which of these metrics do you track?
 - Customer retention/churn rate
 - Average revenue per account (ARPA)
 - Customer lifetime value
2. Who owns the customer relationship after the sale? Does the marketing organization collaborate with support, customer success, and departments?

Start-Up Subscription Marketing (Chapter 23)

Key Points

- Start-ups have the opportunity to establish a subscriber-centric culture from the start.
- High expectations for growth can cause start-ups to sacrifice long-term relationships; growth isn't good if you're losing money with each new subscriber.

Observe

1. What did you think about the MoviePass story? Did you read about it as it unfolded? Did you subscribe, or do you know someone who did?
2. Pick a successful start-up that you're familiar with and consider how the customer experience differs with this company compared to an established one.

Discuss and Apply

1. How can you build a subscription marketing culture into your business from the start? Consider the following:
 - Performance incentives
 - Metrics
 - Organizational structure
2. How can you make the subscriber's perspective present in your daily operations?

Subscription Marketing for Solopreneurs/Small Businesses (Chapter 24)

Key Points

- If you're less interested in growth than value for your own business, it's critical to nurture your existing customers.
- As a small or one-person business, you are the face and voice of the business. Write in your own voice, record podcasts, and do videos.
- Don't be afraid to try a few value nurturing activities that don't scale: answering emails personally, for example, or sending handwritten notes.

Observe

1. Do you follow or subscribe to any key consultants, speakers, or authors (people like Seth Godin, Austin Kleon, Katie Martell, or others?) What is it about these emails that you find worthwhile?
2. Have you ever received a handwritten note from a business? Or a personal email? How did it make you feel?

Discuss and Apply

1. Do you have an email list? When you send to this list, how often are you selling compared to delivering value?
2. How much time do you spend cultivating and nurturing current customers, subscribers or clients, compared to chasing new ones?
3. Do your current customers know how to refer you to others?

Challenges and Risks (Chapter 25)

Key Points

Beware of these common problems with subscription marketing:

- Tricking or trapping subscribers
- Organizational silos and customer disconnects
- Using customer data carelessly
- Removing value from subscribers
- Death by pricing complexity
- The insensitive upsell

Observe

1. Have you ever felt tricked or duped by a subscription business?
2. Think of the last time one something you subscribed to raised prices. Did they add benefits? Emphasize the value? How did you feel about the price increase?

Discuss and Apply

1. Look through each challenge carefully: Do your subscribers experience any of these issues?
2. If so, what steps can you take to avoid the problems?

YOUR TAKE-AWAYS

1. Which of the value nurturing activities in Part Two are you already doing?
2. Which do you want to add to your marketing practices?
3. Which do you want to do with more intention or a stronger focus on earning trust and delivering value?