



Rebalancing Ad & Paid Content Revenues for an on Online Content Company...

Situation

As online advertising CPM (cost per thousand) plummeted, a leading web content provider needed to evolve from an advertiser-funded, free-content model to a subscription-based, paid-content model. However, the move was projected to reduce website traffic by 80%, which made the business model conversion a survival requirement.

Solution

Rosetta led efforts to develop a new subscription-driven business model that targeted the Personality segments whose preference for the product made them the highest potential for subscription conversion. Both the division of free and paid content and the subscription pricing were then optimized. Finally, Rosetta conducted trial offers and developed detailed revenue and profit forecasts by Personality segment to rationalize marketing spending levels and targeting.

Results

- Client profitably switched from advertising-supported, free-content platform to a subscription-based model, despite reduced traffic.
- In the first two years, client achieved actual results within $\pm 15\%$ of Rosetta forecasts.
- The client is the market leader in its category and has a consistently growing subscriber base, revenues, and profits.