

The Subscription Optimization Handbook

30+ BRILLIANT STRATEGIES



Who is Vahe Baghdasaryan?

Vahe Baghdasaryan is the founder of <u>Paywalls.</u> <u>Design</u>, the leading revenue-intelligence consultancy for subscription apps. Since 2023, <u>Paywalls.Design</u> has tested more than 10,000 paywalls, helping apps generate over \$50M in incremental revenue.

<u>Paywalls.Design</u> partners with some of the most recognizable apps in the world, including Cal AI, NGL, Photo Vault, Praktika AI, ReciMe, and Coconote AI, delivering measurable results such as double-digit ARPU growth.

Before founding <u>Paywalls.Design</u>, Vahe worked full-time at Flo Health, the world's leading women's health app. He also led monetization at CoinStats, where he doubled ARR in one year.

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to get

free insights and resources.





What is obotsi?

Botsi is **Al Pricing** for your subscription app.

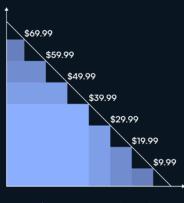
With a few simple API calls, you can add a custom AI model to your app that figures out the best price and paywall to show to each user.

It integrates with your existing tech stack, so with a flip of switch, you can watch your revenue grow.



Without Botsi

One price optimized via A/B testing



\$213,000 MRR (+41%)

With Botsi

Grow your revenue with prices, paywalls, and offers autonomously optimized per-user

Learn more at Botsi.com



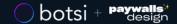
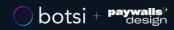


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Introduction

Understanding the tactics at your disposal is crucial for growing your subscription app business.

Luckily, we're here to help.

We believe that a rising tide lifts all ships and sharing our knowledge will benefit everyone in the subscription app community.

This book is grouped into three sections:

- Placement Optimization
- Price Optimization
- Paywall Optimization.

Each sections gives actionable tips and explanations on how to optimize these different areas of your subscription business.

Vahe Baghdasaryan (Founder of **paywalls.design**) compiled this resource bank based on years of experience of what has worked for him. He worked with Jacob Rushfinn (Founder of **Botsi**) to refine these knowledge and tactics and bring it to the world.



Three Core Pillars Of Subscription Growth





CHAPTER

Placement Optimization

Transaction Abandonment

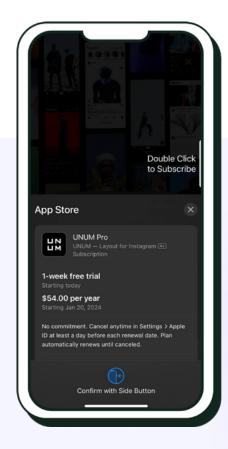
Transaction abandonment occurs when a potential subscriber clicks "Upgrade" or "Start Free Trial," only to halt at the final confirmation step. This behavior shows a high level of interest but also reveals hesitation. It is important to understand the reasons behind this pause:

- Concerns about the cost.
- Uncertainty about the value of the subscription.
- Distractions at the moment of decision.

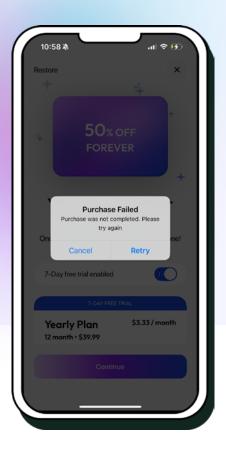
Recognizing these factors is the first step in addressing transaction abandonment effectively. To convert these high-intent users, you need a direct and empathetic approach. Follow-up communication should offer a gentle nudge, providing an incentive that addresses user concerns, such as:

- A limited-time discount.
- An extended trial period.
- A showcase of exclusive benefits.

Make sure the offer is relevant and timely, signaling value and urgency. Personalized messaging can boost the effectiveness of this strategy, making the user feel valued and understood. Tactfully addressing the user's hesitation can transform it into commitment.







Transaction Failures

Transaction failures are an often overlooked aspect of the user experience. They occur when a user attempts to subscribe, but the transaction doesn't go through. Reasons can range from technical issues like server downtime or payment gateway errors to user-specific issues like insufficient funds or incorrect payment details.

It's important to keep in mind that users facing transaction failures are not casual browsers. They have already made the decision to subscribe, which makes them highly valuable prospects.

You need to take immediate and personalized follow-up actions to address transaction failure. One effective method is to trigger a pop-up message through your CRM system, encouraging the user to try again. Additionally, sending an email detailing the failure and guiding them through the retry cycle can be highly effective.

For a more direct approach, present a personalized paywall during their next session, acknowledging the failed attempt and inviting them to complete the subscription. These steps assure the user that their decision to subscribe is valued and that any technical hindrance can be easily overcome.

Second-time Offers

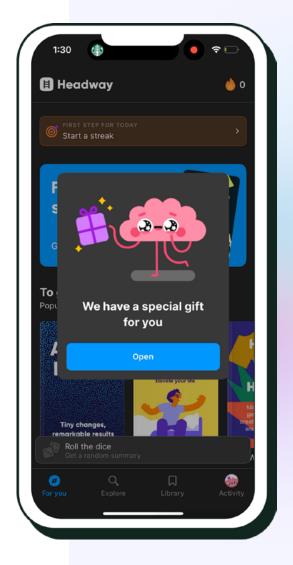
Not all users are created equal, especially in terms of **willingness to pay**, mindset, and subscription intent. Recognizing this is crucial when devising subscription strategies.

Second-time offers are an efficient way to cater to this variance. These offers are made right after a user declines the initial paywall, providing them with alternative subscription options. Understanding and leveraging the differences in user preferences and behaviors is key to success. Offering a variety of options, you acknowledge and address the unique needs and hesitations of different user segments.

To come up with effective second-time offers, you must test out different offers. Consider varying the discount or offering a free trial.

Use insights from tools like the Van Westendorp Price Sensitivity Meter to understand the price that your audience is comfortable with. With this analysis, you can strike the right balance between the attractiveness and profitability of the offers.

Diversifying your second-time offers, you'll increase the chance of converting initially hesitant users, turning them into valuable subscribers.



Free Trial Cancellation

A significant challenge for subscriptionbased apps is managing **trial cancellations**, which often occur shortly after activation, typically within the first hour. Quick cancellation indicates that users might be signing up for a trial without fully understanding its value or that

they have concerns about subscription commitments. It's crucial to meticulously track these cancellation events because they provide an opportunity to re-engage with users and address their concerns or misconceptions.



After identifying these users, use your CRM to retarget them with tailored communication. You may, for example, send them promotional offers via email or push notifications, trying to address the reasons why they canceled.

Consider showing a discounted paywall upon their next app open, which is an immediate incentive to reconsider the subscription.

Don't forget to personalize these offers based on user behavior and feedback collected during their short trial period. This approach helps to understand user needs better and opens a window to win back users by offering them what they might have missed or misunderstood during the initial trial.

Effective communication and personalized offers can convert these users into long-term subscribers.

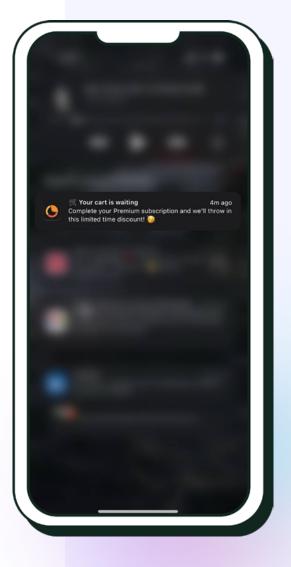
Lifecycle Campaigns (Transaction Abandonment)

Listening for high intent signals from your users is effective to convert a higher percentage of free users. A user abandoning a transaction is a very high intent signal.

Often, a user will leave your app after abandoning a purchase so sending messages via CRM can be an effective tactic to increase conversions. If they are still in your app, try in-app message that addresses potential concerns, or offers a discount.

You still have an opportunity to convert a user if they leave your app. Triggering push notifications or email immediately after the abandoned transaction can work well. Typically, the faster you send these messages the higher conversion rate.

These users will need additional motivation since they didn't convert initially. Try offering a discount, different packages or plans, personalization based on their goals, or different creative on the paywall the sells your offer differently. These users may need more information about the benefits of your app since the initial offer and messaging wasn't compelling enough for them to convert.



CHAPTER OI SUMMARY

Placement Optimization

Transaction Abandonment

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Lifecycle for Transaction Abandonment

Sending messages via CRM can be an effective tactic to increase conversions from users abandoning a purchase. Try offering a discount, different packages or plans, personalization based on their goals, or different creative on the paywall the sells your offer differently.





Price Optimization

Willingness to Pay Analysis

Before setting the subscription price, you have to align it with what your users are willing to pay. Conducting a Willingness to Pay (WTP) Analysis will help you understand the range of acceptable prices ensuring that your strategy meets both user expectations and your revenue goals.

For accurate insights, segment your WTP analysis by user location and operating system. Different regions have different economic conditions and purchasing power, which significantly impacts users' willingness to pay. Similarly, users on

different operating systems often have different expectations and perceptions of value. Segmenting the analysis, you can tailor your pricing strategy to effectively cater to each group.

This targeted approach results in higher conversion rates and ensures that your pricing is competitive and fair in different markets. Use surveys, A/B testing, and market research to gather data, and analyze this information to set a price that resonates with your diverse user base.



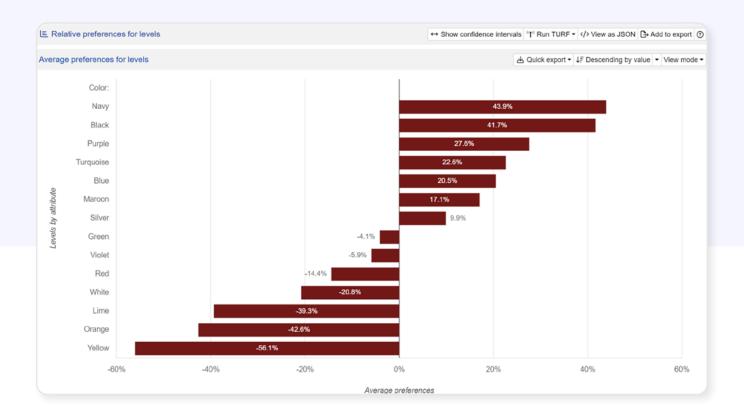
Max-Diff Feature Analysis

Max-Diff, or Maximum Difference Scaling, is a powerful research technique for determining the relative importance of different items, such as app features. Doing a Max-Diff analysis, you'll gain a clear understanding of the features your users value the most. This insight is crucial for identifying the features that drive user engagement and satisfaction.

Once you've identified the most valued features through Max-Diff analysis, use this data to refine your app's packaging strategy. You might want to prioritize the enhancement and development of these features or use them as the main selling

points in your marketing and paywall presentations.

For subscription-based apps, this analysis can guide the way you bundle features in different subscription tiers: Features that users favor should be included in premium tiers, adding more value to higher-priced subscription options. Conversely, less valued features can be included in lower tiers or offered for free. This strategic approach to packaging will make your subscription plans more attractive and help you invest resources in features that truly matter to your users.



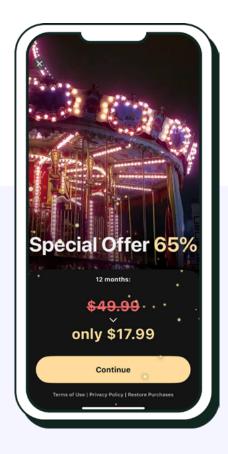
Reviving Churned Subscribers

Many apps overlook the potential of winning back **churned subscribers**, which is a big missed opportunity. The first step to determine the right re-engagement approach is to analyze if churned subscribers are returning to your app or platform. If these users are returning, their continued interest can be leveraged for re-subscription.

Once you identify returning churned subscribers, target them with a compelling offer the next time they open the app.

For instance, offer a substantial discount on an annual plane. Use your CRM to track cancellations and set to automatically send targeted emails or push notifications.

Communicate in a direct and empathetic way, and, most importantly, offer tangible value. Include deep links that lead directly to personalized paywalls to streamline the re-subscription process, making it as seamless as possible. Proactively reaching out with tailored offers, you'll significantly increase the conversion of churned users.





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Strategically position welcome offers to highlight the value offered to new users, boosting conversion rates in those crucial early days.

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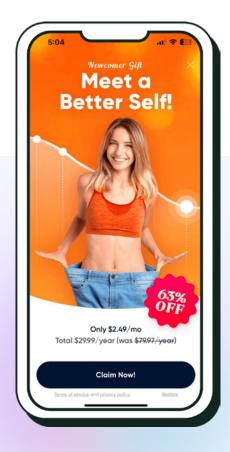
Welcome Offers

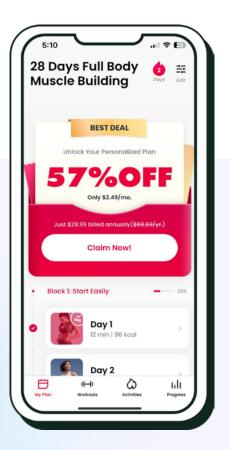
The first 24 hours, up to the first few days, are pivotal: The likelihood of a user subscribing is at its highest then. Presenting a paywall just once or not sending promotional offers in this time frame is a missed opportunity. The probability of a user subscribing diminishes over time, so immediate engagement strategies are critical for maximizing conversions.

Try introducing **welcome offers** available for a limited time (e.g., 2-3 days post-installation). The offers can range from discounts to other special incentives tailored to new users.

Display these offers prominently at each app open during the specified period or integrate them into the app's homepage for constant visibility. This strategy not only capitalizes on the user's initial interest but also creates a sense of urgency, encouraging quick decision-making.

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Upselling Products

Power users, those who frequently use and derive great value from your service, are often willing to pay for extra benefits. This presents a significant opportunity to increase the Lifetime Value (LTV) of your subscribers. **Upselling** – offering additional products or features – effectively means figuring out what extra value can be offered to create a better user experience.

Consider adding exclusive features that will be appealing to power users. You could, for example, include premium customer support, offering faster and more personalized service. Exclusive content

such as eBooks or in-app purchase (IAP)-based content can also be very attractive.

Apps like Headway and Simple successfully upsell thanks to knowing their user base well and offering relevant features that add significant value.

Aligning these additional offers with the interests and use patterns of your power users is key. This way you will not only increase revenue but also boost user satisfaction, leading to longer and more profitable customer relationships.

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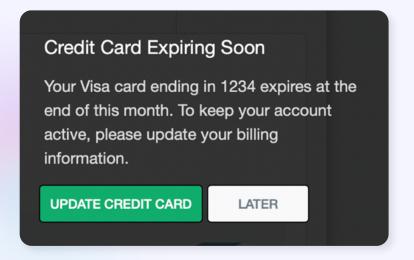
Upselling – offering additional products or features – effectively means figuring out what extra value can be offered to create a better user experience.

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Involuntary Churn (Pre-payment)

Involuntary churn often occurs due to expired credit card information. When a user's subscription is up for renewal, and their credit card is no longer valid, it results in automatic cancellation. This type of churn is due to oversight or logistical

issues. Identifying and addressing this issue is paramount for reducing involuntary churn. Monitoring the credit card expiry dates of your subscribers is a key step in this process.



Proactively communicate with subscribers about upcoming credit card expirations. Use your CRM system to automate timely emails or push notifications reminding them to update their credit card information. Say, if a subscriber's credit card will expire in two days and their subscription renewal is in three days, a prompt notification can prevent service disruption. The message should be clear, and concise, and convey urgency.

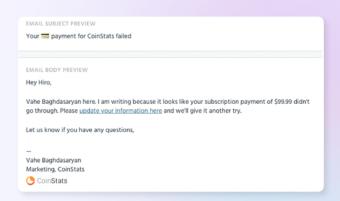
Offering a simple direct link to update their payment information can greatly streamline the process. Taking these proactive steps, you can minimize involuntary churn and demonstrate a commitment to customer service and experience, fostering greater trust and loyalty among subscribers.

There are fewer options for Apple and Google IAPs, but you should still attempt to mitigate when possible.

Involuntary Churn (Payment Failure)

Involuntary churn due to payment failures is common yet often overlooked. It occurs when a user's subscription is unintentionally canceled because their payment fails to be processed. This could be due to reasons like expired credit card details, insufficient funds, bank declines. Many apps fail to address this effectively, losing subscribers who might have continued their subscription if the payment issue were resolved.

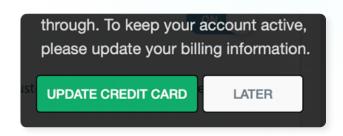
Recognizing and promptly addressing payment failures will reduce involuntary churn and maintain a healthy subscriber base.



The best practice in such scenarios is to engage with the affected users through your CRM immediately. Send timely emails notifying them of the failed payment attempt and provide a direct link or clear instructions to update their billing information.

In addition to emails, in-app notifications can be a powerful tool, especially if the subscription was made through a web funnel. These notifications should be designed to catch the user's attention and convey the urgency of updating their payment details to avoid service disruption.

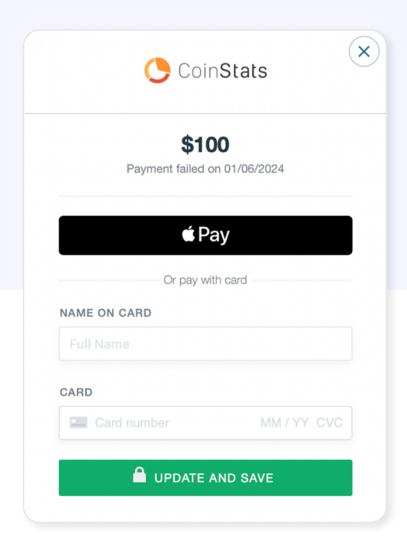
Prompt and clear communication not only helps in resolving the payment issues but also shows the user that you value their subscription and are actively taking steps to help them maintain uninterrupted access to your service. This approach also enhances customer satisfaction and loyalty.



Involuntary Churn (Frictionless Payment)

When trying to re-engage users who have had payment failures, make updating payment information as easy as possible.

Give them multiple options for how to pay if possible. For example, Apple Pay typically has lower friction that adding a credit card, so prioritize this option for users. You can also try to convert users who previously were paying via Apple or Google IAPs to a web subscription. Updating payment information in the App Stores can have a higher level of friction than sending a user an email with a web payment link that allows them to purchase via Apple Pay. Test these different methods and figure out what works best for your user base.



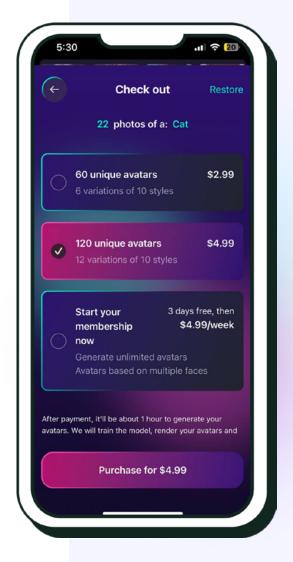
In-app Purchases (Credit-based)

When it comes to **payment preferences**, one size doesn't fit all: Intentions, mindsets, cultural influences, and price sensitivity vary greatly among users. Because of this, relying solely on a subscription model is a strategic oversight. This is particularly true for content apps where users tend to prefer flexible payment options over traditional subscriptions.

To accommodate a broader range of user preferences, try introducing **consumable in-app purchases (IAPs).**

For instance, a photo editing app can segment its user base to identify those less inclined toward subscriptions. For these users, an alternative model like consumable IAPs can be preferable. An example could be offering the option to pay a set amount for editing a fixed number of photos (e.g., \$15 for 150 photos).

This approach not only caters to users with different price sensitivities and preferences but also opens an additional revenue stream for the app. This way you can reach a wider audience, increase user satisfaction, and potentially boost revenue.



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In apps that primarily operate on a freemium model without standard free trials, introducing qualification offers can be highly effective. This approach targets users who show some interest in subscribing but have reservations or need an extra nudge.

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Qualification Offers (Noom)

In apps that primarily operate on a freemium model without standard free trials, introducing **qualification offers** can be highly effective. This approach targets users who show some interest in subscribing but have reservations or need an extra nudge.

Making them a personalized offer of a free trial – telling them that they have "qualified" for a free trial based on specific parameters or behavior – creates a sense of exclusivity and personalization.

The behavioral science principle at play here is the "Endowment Effect," the notion that people value things more when they feel like they own or have earned them.

Qualification offers are effective because they make users feel special based on their app use or other criteria. Informing users that they have qualified for a free trial creates a perception that they've earned something valuable.

This is far more compelling than a generic free trial offer. It's important to communicate that this offer is time-limited, adding a sense of urgency. Apps like Noom have successfully used this strategy, making users feel like they have been singled out for an exclusive trial offer. Using qualification offers, you target users who are on the fence about subscribing while also boosting engagement and perceived value of your service.



Ashley from Noom <updates@message.noom.com> <u>Unsubscribe</u> to me ▼

Hi Vahe,

My name is Ashley and I'm a coach at Noom. I want to thank you for trying us in the past and let you know that I've applied a special loyalty discount to your account, giving you a flexible monthly plan, plus a risk-free 14 day trial.

We know that weight loss is a long and winding road, but our #Noomnerds have found that people who try Noom a second time are 50% more likely to stick with it, and lose twice as much weight as those who only try it once! View your course.

We've been working hard since you were last with us and I think you're really going to love all the improvements we've made. Claim your loyalty offer today.

Discount Strategies: Specific Number

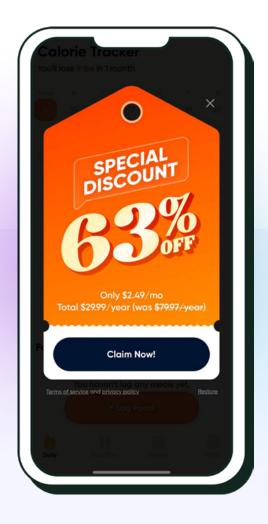
Specific number discounts like 41% or 37% tend to be more effective than rounded figures like 40% or 45%.

Precise figures give an impression of a well-considered, genuine offer.

Incorporate specific number discounts into your pricing. Instead of a 20% off, opt for 23%. This approach, used by apps like Calm, makes your discount stand out

and boosts subscription rates. But make sure the discount aligns with your business goals and retains product value.

Don't forget to pay attention to the actual ending price after this discount. You may want to prioritize a discount amount that causes the price to end in \$xx.99 as this can also affect your conversion rate.



Price Discrimination: Device & OS

Price discrimination is a **strategic approach** where the same product or service costs different amounts based on certain criteria. This strategy acknowledges that one price does not fit all, considering the varying **perceived value** and **willingness to pay** among different user segments.

In the context of apps, price discrimination can be effectively employed by varying prices based on factors such as the user's **operating system (OS) and device type:** Users with different OSs and devices often have different expectations and purchasing power.

To execute price discrimination, start by **analyzing user data** to understand how different segments (iOS vs. Android users

or users on high-end devices vs. budget devices) respond to pricing. This analysis can reveal insights into their willingness to pay and the perceived value of your app.

Once these segments are identified, **tailor your pricing strategy accordingly.** For instance, users on premium devices or certain OSs might be willing to pay higher prices for premium features, while those on budget devices prefer affordable options.

It's crucial to implement this strategy ethically and transparently, avoiding any perception of exploitation. **Price discrimination, when done right, can optimize revenue streams** from different user segments while still offering fair and accessible pricing options for all users.

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CHAPTER 02 SUMMARY

Price Optimization

Willingness to Pay Analysis

Conducting a WTP Analysis will help you understand the range of acceptable prices ensuring that your strategy meets both user expectations and your revenue goals. For accurate insights, segment your WTP analysis by user location and operating system.

Max-Diff Feature Analysis

Max-Diff is a research technique for determining the relative importance of different items, such as app features. Doing a Max-Diff analysis can help you get a clear understanding of the features your users value the most.

Reviving Churned Subscribers

Many apps overlook the potential of winning back churned subscribers. Try targeting them with a compelling offer the next time they open the app. To succeed, communicate in a direct and empathetic way, and offer tangible value.

Welcome Offers

The likelihood of a user subscribing is at its highest during the first 24 hours, up to the first few days. Strategically position welcome offers to highlight the value offered to new users, boosting conversion rates in those crucial early days.

Upselling Products

Power users are often willing to pay for extra benefits. This presents a significant opportunity to increase the LTV of your subscribers through Upselling additional products or features. Figure out what extra value can be offered to create a better user experience.

Involuntary Churn

Involuntary churn often occurs due to expired credit card information. Use your CRM system to automate timely emails or push notifications reminding them to update their credit card information.

In-app Purchases

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Using qualification offers, you target users who are on the fence about subscribing while also boosting engagement and perceived value of your service. Making them a personalized offer of a free trial – telling them that they have "qualified" for a free trial based on specific parameters or behavior – creates a sense of exclusivity and personalization.

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CHAPTER

Paywall Optimization

Lucky Draws

Merely offering discounts might not always yield desired results. To enhance the effectiveness of promotional offers, you should incorporate elements of behavioral science. One such principle is the

"Endowment Effect," which suggests that people assign more value to things after they own or earn them. This principle can be used in promotional strategies to make offers more appealing.





Lucky Draws rely on the Endowment Effect by making users feel like they have "won" a discount or a special offer. The perceived value of winning something makes it more likely for users to claim and use the offer.

A Lucky Draw could be a simple game or activity in the app, leading to various rewards such as discounts, extended trial periods, or exclusive content access.

Try to make the process engaging and the reward feel earned to boost the attractiveness of the offer. Lucky Draws not only provide an additional incentive for users to subscribe but also enhance users' engagement and connection to your app.

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Generic paywalls often miss the opportunity to capitalize on user interest. When a user taps on a specific locked feature, it indicates a clear interest in that particular service.

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Feature Personalized Paywalls

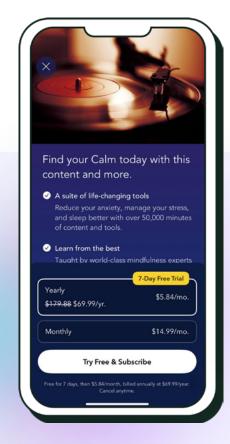
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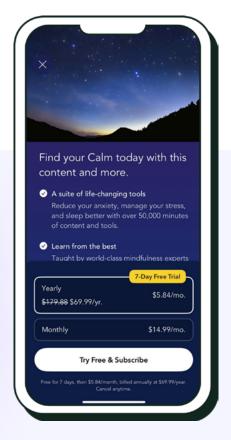
Presenting a standard one-size-fits-all paywall at this point doesn't effectively convey the value of the feature that sparked the user's interest. This is where personalized paywalls come into play, offering a targeted approach.

To create a personalized paywall, you must tailor the message and design to reflect

the specific content or feature the user has shown interest in. For example, the Calm app customizes paywalls based on the locked content a user selects, making the paywall more relevant and appealing. Implementing this strategy is more accessible thanks to paywall customization and configuration tools like Botsi.

Personalizing your paywalls, you directly address the user's curiosity and interest, significantly improving the chances of conversion. This approach demonstrates a deeper understanding of user needs, fostering a more engaging and satisfying interaction with your app.





Comparison Paywalls

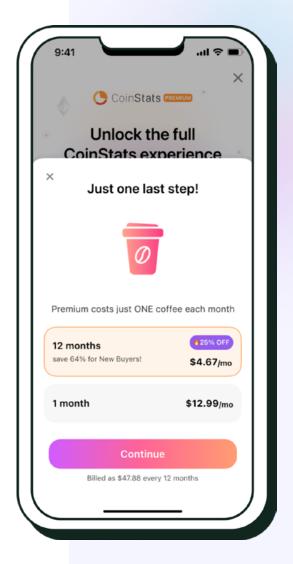
When considering a purchase, people often compare the price of the item with the cost of everyday items. This behavior is rooted in the behavioral economics principle of "anchoring". This refers to the tendency to heavily rely on the first piece of information offered (the "anchor") when making decisions.

This means that potential customers are likely to weigh your subscription cost against familiar expenses like a cup of coffee or a fast food meal to gauge the value of your offer in terms they understand and relate to.

Leveraging this tendency, you can design paywalls that compare the price of your subscription to everyday purchases. For instance, a paywall might highlight that the monthly cost of your service is equivalent to the price of an Americano.

This comparison will put the value of your subscription into perspective, making it seem more affordable and worthwhile.

Make sure to compare the subscription price with a common expense that resonates with your target audience. This way, you're offering value that's tangible and easily understood, making subscription more compelling for the user.



Paywall Followups

A deep dive into user data often reveals intriguing patterns in how users interact with paywalls. Many users subscribe after viewing a paywall once or twice. However, there's a distinct group that repeatedly opens a paywall, spends time on it, and then closes it without subscribing.

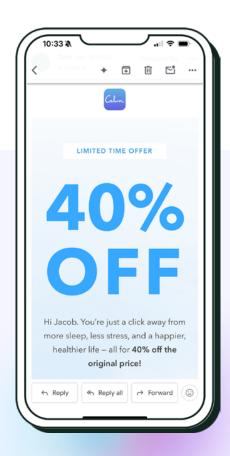
This behavior suggests a high level of interest but also hesitation or unmet needs. You have to understand the reasons behind this behavior. by tracking and analyzing these interactions.

To engage these users, try sending the paywall view count as a user property to your CRM. This will identify users who have

opened the paywall multiple times but haven't subscribed.

Target these users with followup emails that inquire about their needs through a survey or offer tailored incentives. Surveys can provide valuable insights into what these users are seeking or what barriers they're facing.

Alternatively, offering trials or discounts might motivate them to commit. The goal is to show these users that their interests and concerns are recognized and that there are options that meet their specific needs.



Still unsure? Eato App Example

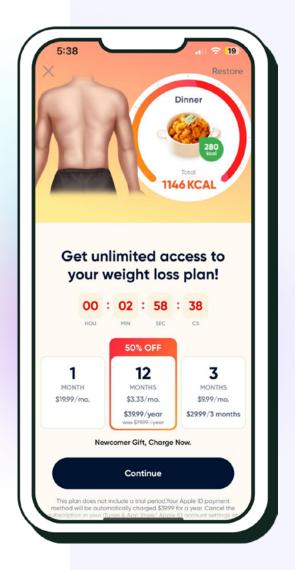
The period after a user's first interaction with your app is critical for subscription conversion: Most decide to subscribe within the first 24 hours or a few days. During this time, it's important to identify and address any hesitation they might have.

Analyzing user behavior on the paywall — interaction patterns and time spent — you can gain insights into their level of interest. Users who spend a considerable amount of time on the paywall or tap around without taking action are likely interested but hesitant.

To convert these users, implement a strategy that **directly addresses their hesitation.**

If your analysis shows that a user is spending time on the paywall without taking action, trigger a pop-up that acknowledges their indecision. This pop-up can ask, "Still hesitating?" and then offer an immediate incentive, such as a free trial or a specific discount, to encourage action.

Addressing the user's uncertainty directly and providing added value might be the final push they need to subscribe. Such timely and personalized interventions can significantly increase the likelihood of converting hesitant users.



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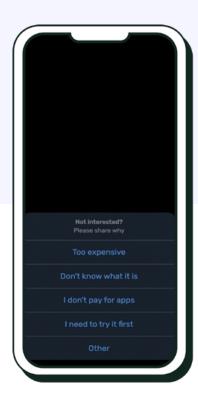
To effectively mitigate churn and improve subscription rates, you must first understand why users choose to cancel or decline offers. Paywall decline surveys can be effective here.

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Cancellation Survey +Offer

To effectively mitigate churn and improve subscription rates, you must first understand why users choose to cancel or decline offers. Paywall decline surveys can be effective here.

Immediately after users decline a paywall, these surveys ask them to specify their reason for not subscribing. This direct feedback is invaluable for identifying common barriers to subscription and adjusting your strategies accordingly.





Once you gather survey data, you can segment these users and target them through your **CRM**. Those who find the product too expensive will find **discounts or other promotional incentives** compelling. Alternatively, you can present a **promotional paywall** featuring customized offers addressing their specific concerns upon their next app open.

This approach demonstrates that you value user feedback and shows a willingness to adapt offerings to their needs. Using cancellation surveys to make targeted offers, you'll convert many hesitant users.

Change Price By Willingness to Pay (Instasize)

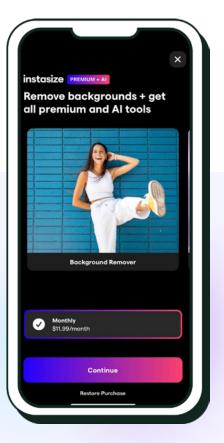
Max-Diff analysis and other research tools can provide key insights into how users evaluate different features of your app. If you understand which features your users prefer, you can gauge their willingness to pay based on these touchpoints.

Knowing which features drive higher willingness to pay, you can customize your **price offer** based on where in the app the user decides to subscribe.

For instance, if a user tries to subscribe through a feature or section that generally has low interest (e.g. Settings), present a **paywall with a free trial option** to encourage subscription.

Conversely, if the subscription attempt is made through a high-value feature – one that users find particularly attractive – you can present a paywall with a relatively higher price. This strategic approach maximizes revenue potential and ensures that the pricing feels fair and proportionate to the value users see.





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Many users are unaware that Apple offers straightforward refund processes for app purchases and subscriptions.

This may lead to hesitation in committing to a trial or a paid subscription.

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Refund Guarantee

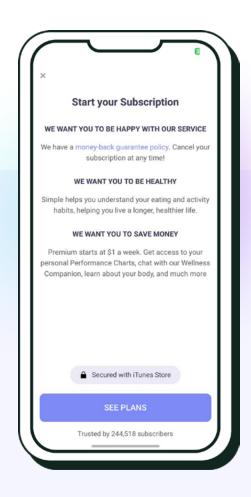
One common barrier to subscription is the fear of accidental charges or of being locked into payments even if the service doesn't meet expectations. Many users are unaware that Apple offers straightforward refund processes for app purchases and subscriptions. This may lead to hesitation in committing to a trial or a paid subscription. Being transparent about the refund policy in your paywall can alleviate these concerns and build trust with potential subscribers.

To encourage more users to convert, consider mentioning a **refund guarantee** in your paywall. This approach has been effectively used by apps like Simple. Make

sure to communicate this policy in a way that is easy to understand and reassuring to the user.

For example, a statement like, "Satisfaction guaranteed or your money back," accompanied by a brief explanation of the refund process, can significantly reduce hesitation.

This strategy boosts conversion rates by lowering perceived risk and demonstrates a commitment to transparency. Assuring users that they have the option of a hassle-free refund enhances their confidence, leading to increased trial signups and conversions.



Populate Paywalls With Personalized Data

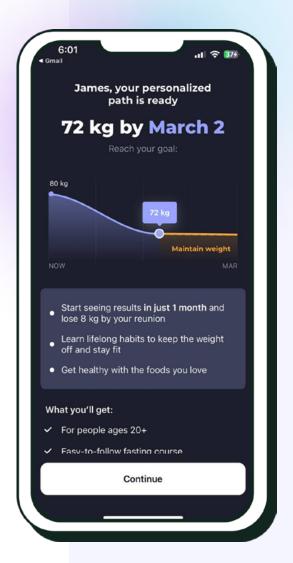
Personalization is key. Research consistently shows that personalized offerings are significantly more effective than generic ones. Despite this, many apps fail to leverage the wealth of customer data they collect to personalize their paywalls.

Tailoring paywalls to user inputs and goals makes the subscription offer more relevant and appealing, increasing the likelihood of conversion.

For a fitness app, for example, personalization could involve using data like the user's weight, fitness goals, and workout preferences to create a customized paywall message. This could include plans or features that directly address their specific fitness targets.

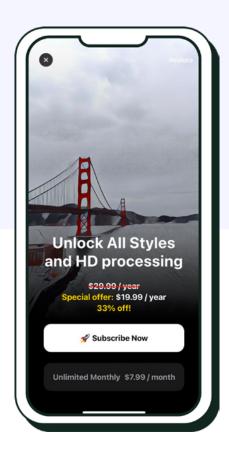
Similarly, an educational app can use information about a user's learning preferences, subjects of interest, or educational goals to customize the paywall. This approach makes the offer feel more special because it's connected to the user's aspirations.

Showing a paywall that reflects user data and goals increases the relevance of your offer and demonstrates a deeper understanding of their individual needs. This strategy fosters a stronger connection between the user and the app, leading to higher subscription rates.



Populate Paywalls With Customer Inputs

Personalizing paywalls with direct customer inputs can make your subscription offers more effective. This approach involves using specific actions or choices a user makes in the app to customize the paywall. Incorporating the user's interests and activities makes the paywall more relevant and engaging.



For a photo editing app, for instance, you can personalize the paywall using an actual image the user has edited. If certain filters or features are behind a paywall, show a preview of their edited image with those premium filters in the paywall.

This immediate, tangible demonstration of what users stand to gain by subscribing

can be a powerful motivator. It's a direct illustration of the value proposition, showing users exactly what their subscription will unlock.

This strategy makes the paywall more appealing and helps users visualize the benefits of subscribing, upping conversion rates.

Claimable Trials

Claimable trials leverage a key principle of behavioral psychology: people value rewards more when they perceive them as a result of their actions or efforts. When users are required to take specific actions to claim a trial or discount, it creates a sense of achievement and increases the perceived value of the offer. This approach is often more effective than making a passive offer.

You can embed claimable trial offers into your app homepage or into a notification that requires user interaction. The trial

becomes available only when the user taps to open and claim it.

This simple act of "claiming" the trial adds an interactive element and encourages a higher level of engagement. It's not just an offer being presented; it's an opportunity that users must actively seize.

Requiring that users take this small step increases their engagement with the app and makes it more likely that they will value and use the trial to the fullest, potentially leading to a paid subscription.



Blinkist Paywall Twisted

The Blinkist paywall model, known for its effectiveness in increasing trial sign-ups, often faces criticism for subsequently increasing trial churn. This churn is attributed to users not fully understanding the product, its features, and the benefits they can receive from the trial.

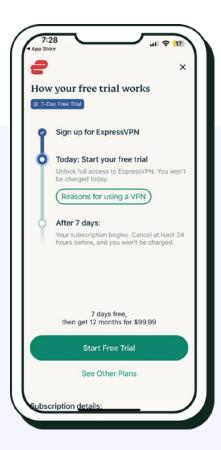
The excitement of a trial offer can overshadow the actual value proposition of the app, leading to confusion or mismatched expectations. To counter this, make sure that users have a clear understanding of what they are signing up for.

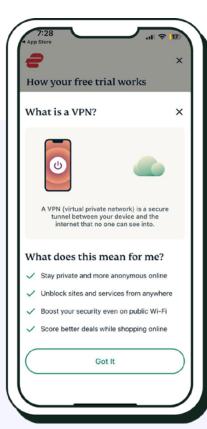
Consider "twisting" the Blinkist-style paywall by including detailed info about

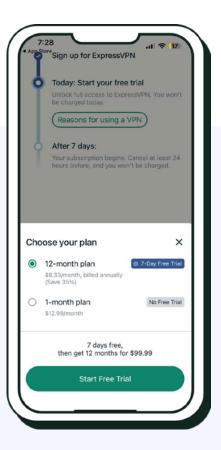
the product, its features and benefits in the paywall.

Instead of merely presenting the trial offer, use this space to educate users about what your app does, how it can benefit them, and what specific features they will have access to during the trial. This can be achieved through concise, easy-to-understand bullet points, infographics, or even short videos embedded into the paywall.

This way you'll align user expectations with the actual value of your service, reducing trial churn: Users who sign up for the trial are more likely to be genuinely interested and engaged, leading to a higher chance of conversion.







Cognitive Friction in Paywall

Cognitive friction refers to a psychological barrier that causes a person to pause and reconsider before taking action.

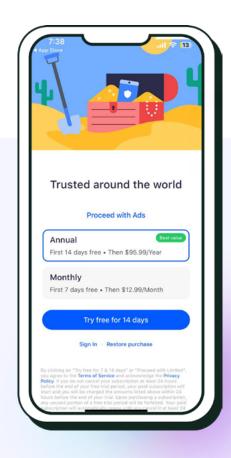
While friction is often viewed negatively in user experience design, strategically introducing cognitive friction in paywalls can be beneficial. It's not about confusing users, but about prompting them to think more deeply about their choices. The goal is to make users more conscious of the tradeoffs they're making by not opting for the paid version.

To incorporate cognitive friction in a paywall, reframe the options presented to users. Instead of a simple "Close" button, provide choices that highlight what

the user's missing out on. For example, options like "Close and Continue with Ads" or "Close and Decline Benefits" explicitly state the consequences of not subscribing.

This approach can lead users to reconsider the value of the paid subscription, as it makes the drawbacks of the free version more apparent. Presenting this clear choice, you encourage users to think more critically about their decision, potentially leading to a higher conversion rate.

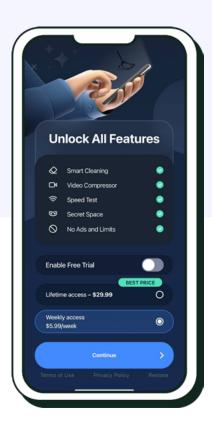
This method taps into the natural human tendency to avoid loss and missed opportunities, making the subscription more appealing.



Toggle Trial

Toggle trials offer a unique approach to subscription paywalls by giving users the power to choose if they want to start with a trial. With a toggle feature in the paywall, users can actively decide to opt in or opt out of a trial period.

This method respects user autonomy and preferences: Some users might be trial-averse, preferring to avoid the hassle of canceling later, while others appreciate the opportunity to try before they buy.



A common mistake in implementing toggle trials is offering the same price regardless of the user's choice. To optimize this strategy, consider pricing differentiation. When the trial toggle is turned on, the subscription could be offered at a slightly higher price, factoring in the risk and administrative costs. Conversely, offer a lower price for immediate subscriptions.

This approach incentivizes immediate commitment and reduces the likelihood of post-trial churn. Moreover, it aligns with the perceived value: users opting for a trial are paying for the additional flexibility and risk mitigation, while those who bypass the trial receive a cost reduction. This method makes your pricing strategy fairer and appealing for different user segments.

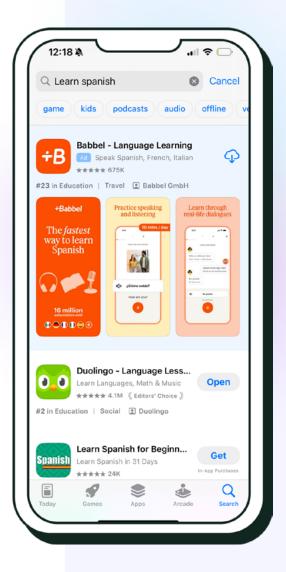
Keyword Ads Paywall Personalization

The period after a user's first interaction Custom Product Pages (CPPs) are frequently used in mobile app marketing to optimize ad conversion rates by aligning with the user's search intentions. However, this level of personalization often stops at the landing page, never making it to the paywall. A more holistic approach not only attracts users with targeted ads but also continues this personalized journey through to the paywall. This significantly enhances the user experience and increases conversions.

Apps running keyword-specific ad campaigns, such as Apple Search Ads (ASA), can link the user's journey from the ad keyword to a personalized paywall. For example, if users are acquired through an ad set focusing on "background remover," and directed to a corresponding CPP, the next step is to present a paywall that caters to this specific interest.

By integrating your Mobile Measurement Partner (MMP) with a tool like Botsi, you can dynamically present a paywall that highlights features, benefits, and pricing related to background removal.

This seamless ad to app transition not only fuels the user's initial interest but also presents a clear and immediate value proposition tailored to their specific needs and expectations. This significantly increases the effectiveness of your paywall, leading to higher conversion rates and a more satisfying user experience.



CHAPTER 03 SUMMARY

Paywall Optimization

Lucky Draws

Lucky Draws rely on the Endowment Effect by making users feel like they have "won" a discount or a special offer. A Lucky Draw could be a simple game or activity in the app, leading to various rewards such as discounts or extended trial periods.

Personalized Paywalls

Create a personalized paywall by tailoring the message and design to reflect the specific content or feature the user has shown interest in. Personalizing your paywall addresses the user's curiosity and interest improving the chances of conversion.

Comparison Paywalls

When considering a purchase, people often compare the price of the item with the cost of everyday items. You can design paywalls that compare the price of your subscription to everyday purchases. This comparison will make your subscription seem more affordable.

Paywall Followups

There's a distinct group that repeatedly opens a paywall, spends time on it, and then closes it without subscribing. Target these users with followup emails that inquire about their needs through a survey or offer tailored incentives.

Still Unsure?

Most users decide to subscribe within the first 24 hours or a few days. During this time, it's important to identify and address any hesitation they might have. To convert these users, implement a strategy that directly addresses their hesitation.

Cancellation Surveys

To mitigate churn and improve subscription rates, understand why users choose to cancel or decline offers using paywall decline surveys. Once you gather survey data, you can segment these users and target them through your CRM.

Change Price by Willingness to Pay

If you understand which features your users prefer, you can gauge their willingness to pay based on these touch points. You can then customize your price offer based on where in the app the user decides to subscribe.

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Trial Toggle

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Closing Words

We hope you learned a new strategy or tactic.

A few last tips:

Don't apply these tactics blindly. Apply critical thinking and figure out how to adjust the implementation to fit in with your product and brand.

Remember, because a strategy worked for another app, it doesn't necessarily mean it will be a winner for you. Work hard to accurately measure the impact of your work.

Test, test, and test some more! The more you try, the higher your likelihood of success.

<u>Paywall.Designs</u> can help you design your future tests and <u>Botsi</u> can autonomously optimize and improve your revenue.

If you found anything valuable, please tell your friends and spread the word!

If you have any feedback or suggestions for what we should add to future versions, please feel free to email **hello@botsi.com**.





Learn more at Botsi.com

Learn more at Paywall.Designs and follow Vahe











EXPLORE



Just 3 simple steps to more revenue!

Step 1

Fill out a **<u>quick questionnaire</u>** to get started: share details about your app, such as your target audience, current conversion rates, daily installs, and other key metrics.

Step 2

Pay a one-time fee of \$800 and get 1x high-converting paywalls. We offer a 100% no-questions-asked refund guarantee: if our paywalls don't outperform your current ones, we'll refund your entire payment.

Step 3

Give us approximately 7 days to create a high-converting paywall for you. Implement it and start boosting your revenue!

Grow your revenue →

EXPLORE

botsi

Al Pricing Models

Show the right price to the right user to maximize user value. Your model autonomously trains and optimizes on your app's specific performance.

