

CASE STUDY

Gifting for Growth: Hearst Newspapers' Retention and Acquisition Win

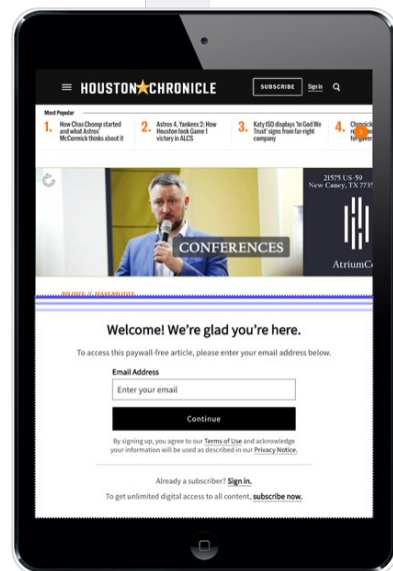
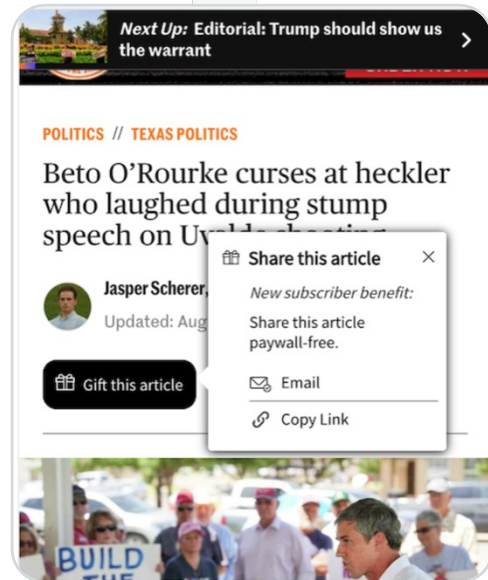
About Hearst Newspaper

Hearst is one of the nation’s largest global, diversified information, services and media companies. The company’s diverse portfolio includes Fitch Group, Hearst Health, Hearst Transportation, ownership in cable television networks such as A&E, HISTORY, Lifetime and ESPN, 35 television stations, 24 daily and 52 weekly newspapers, digital services businesses, and more than 200 magazines around the world.

Challenges

In the era of digital subscriptions and recurring revenue models, the art of subscriber acquisition and retention has become increasingly pivotal for business success. To thrive in this landscape, Hearst Newspapers knew it would need to find new and innovative ways to retain its existing customer base, acquire new subscribers, and gain a competitive advantage.

As a BlueConic customer since 2017, Hearst was already using the customer data platform (CDP) to unify its first-party data, recognize and interact with customers across channels, power its content metering solutions, and more. Its previous success using the platform to improve how they engage with readers and drive business growth prompted the company to use BlueConic to introduce an article gifting feature that would give subscribers the option to share content with family and friends for free. However, they needed to ensure that the gifting strategy not only engaged and retained existing subscribers, but also attracted new ones.



Solution

Using BlueConic, Hearst Newspapers introduced a unique twist to their article gifting feature — requiring anonymous gift recipients to register an e-mail address to redeem the article view. The company believed this strategic move would result in a “two-fer,” creating an uplift to both their retention and acquisition efforts. But they needed to prove it out before rolling it the feature out more broadly.

Hearst began by conducting a test of the innovative gifting feature on [HoustonChronicle.com](#). Using [BlueConic Dialogues](#), the company injected a ‘Gift this article’ button that opened a functional tool tip to a test group that represented 10% of their subscriber base. On the tool tip, the subscriber could either click an email icon to launch the user’s email client with the gift link ready to send, or copy the special link to their clipboard for sharing on the platform of their choice. For recipients, clicking that link allowed them paywall-free access to that article in perpetuity; but if they were not known to Hearst Newspapers, they were required to provide an email address, which entered them into marketing email lists in the back end.

The initial test on [HoustonChronicle.com](#) yielded impressive results from both a retention and acquisition standpoint. For instance:

- There was a remarkable **9% reduction in subscriber churn** among those who experienced the article gifting benefit versus to those who didn’t. Whether it was the mechanics of the benefit or the mere awareness of its existence, the impact on retention was undeniable. This reduction in churn became a key driver for subscriber success, showcasing the potential of the new feature.

- When gift recipients accessed the shared articles, an impressive **15% willingly provided their email addresses**. This rate was more than triple the email provision rate when testing a registration step on visitors who had exceeded their monthly free article views. This indicated a strong positive response to the article gifting feature among prospective subscribers.

Based on the success of the initial test, the gifting feature was rolled out to all subscribers on all of Hearst’s premium subscriber sites, including [SFChronicle.com](#) in San Francisco; [ExpressNews.com](#) in San Antonio, Texas; and [TimesUnion.com](#) in Albany, New York.

Results

This innovative article gifting strategy has become a prime example of product-led growth for Hearst Newspapers. The feature not only serves as its own marketing channel, reducing the cost of lead acquisition, but also taps into adjacent target audiences.

Moreover, the outcomes extended beyond subscriber retention and acquisition by creating a true value exchange between brand and consumer. For instance, when an email campaign promoting the availability of the article gifting feature was sent to subscribers, it achieved an **astonishingly high read rate of more than 50%**.

Additionally, Hearst was able to procure **80,000 new email addresses** from the gifting program from February through September 2023. In the inaugural market, the downstream conversion rate to paid subscriptions has already reached an **impressive 2.1%**.

While that may not seem like a ton of e-mails to have acquired for a company of Hearst Newspapers’ size, the great thing about a product like this is it has a set-it-and-forget-it aspect. It’s a perpetual engine of growth that’s at work even as the company sleeps.