



CASE STUDY: A Leading U.S. Newspaper

HOW TO BUILD A SUCCESSFUL PAYWALL

Customers can choose from a variety of subscription packages

- Accepts major credit cards, gift certificates, and PayPal
- Integrates with existing systems and digital products
- Preserves data integrity at all times
- Provides detailed tracking of all customer transactions
- 100,000 subscriptions sold in the first month

When this world famous newspaper announced it would start charging for content on its flagship website, the media and publishing world took notice. As the premier brand in newspaper reporting, how they managed this transition would be at the forefront of industry news. They chose Thumbtack to build the e-commerce infrastructure and publishing workflow to enable this fundamental change.

THE CHALLENGE

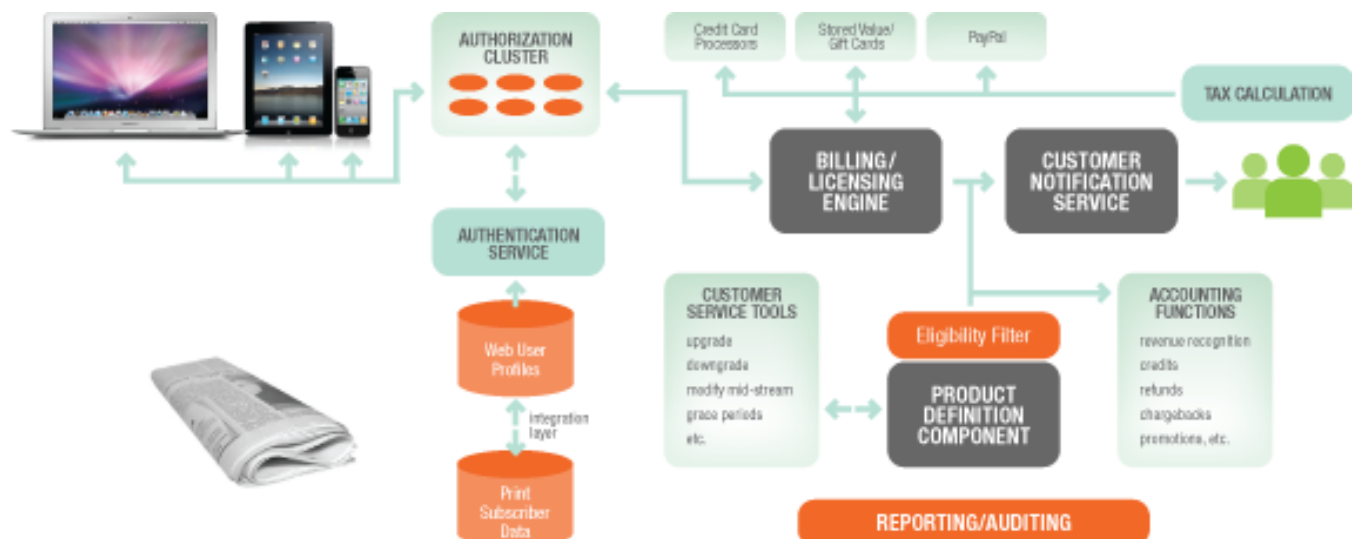
The paper wanted to implement a metered model where access to initial content is free, after which a subscription is required.

THEY HAD THREE MAJOR GOALS IN MOVING TO THIS PAID MODEL:

- The system had to be reliable and flexible enough to handle the paper’s large customer base
- It had to support a wide variety of digital products/subscription types and licensing models
- It needed to provide a seamless user experience across digital and print properties

An array of back-office capabilities were also needed to make the model work, including integration with corporate accounting and other systems, calculation of domestic and international taxes, and easy auditing and management. The paper chose Thumbtack to implement this high visibility revenue generation solution because of its deep knowledge of the publishing and media industry and proven experience delivering innovative e-commerce solutions that meet the needs of its clients.

The paywall solution: customers can choose from a range of offers, with automated tax calculation, notification,



and billing.

THUMBTRACK SOLUTION

Thumbtack developed an ultra-reliable solution based on an idempotent architecture that ensures data is always in a known state, even if individual processes are restarted multiple times. Using this approach, Thumbtack assembled an array of components to power the metered model:

PRODUCT DEFINITION AND FULFILLMENT ENGINE

- Contains a product catalog that customers use to bundle different offerings into one subscription
- Core integration services assemble the customer package from a variety of digital products
- Supporting services provide computer-to-computer communication, authentication, auditing, and management

BILLING AND LICENSING ENGINE

Provides core e-commerce functions for all digital services (web sites, mobile applications, downloadable content, etc.):

- Supports a wide variety of subscription types, and allows complex aggregation of licensing models
- Integrates with multiple payment providers and payment types (credit cards, gift certificates, PayPal, etc.)
- Immutable audit trail and event-based reporting
- Tax-aware invoicing and revenue recognition
- High-grade encryption of sensitive data
- Certified PCI-compliant

NOTIFICATION SERVICE

Detects changes in customer state (e.g. upcoming expiration date) and manages the customer communications chain (automated emails, a call from a customer service representative, etc.)

ECOMMERCE DATABASE

An Oracle database containing encrypted customer information, the state of every subscription, every license they've been granted, and a complete audit trail of every action they've performed

DIGITAL PERMISSIONS AND ENTITLEMENTS SERVICE

A high-performance distributed authorization service that controls access to digital properties, supporting massive traffic volumes while enforcing all decisions made by the licensing engine.

TAX CALCULATION SERVICE

- Calculates federal, state, local, and international taxes in real-time for web and mobile applications
- Provides detailed tracking and auditing of all tax-related transactions

THE RESULTS

The paywall went live in early 2011 and sold more than 100,000 subscriptions in the first month. At \$15 per subscription, that's \$1.5 million in new revenue every month. Subscribers get all the features that provide a seamless user experience, including multiple packages, integration with other online and print services, and access from any computer or smart phone. Behind the scenes, Thumbtack provides the software and integration that makes it work.

MAKE IT WORK FOR YOU

Why give your content away for free? Contact Thumbtack to discover the options and opportunities available with a subscription model. Let us help you execute your own successful transition.

