

DIGITAL SUBSCRIPTION MARKET

MARKET & STRATEGIES

HRVATSKA UDRUGA DIGITALNIH IZDAVAČA
CROATIAN ASSOCIATION OF DIGITAL PUBLISHERS

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The Croatian digital subscription landscape is dynamic and varied, featuring a mix of publishers and streaming services that showcase the market diversity and competitiveness.

While high-quality content is a universal goal, diverse tactics and business models show that there is a broad spectrum of strategies for attracting and retaining subscribers.

OVERVIEW OF MEDIA OUTLETS WITH DIGITAL SUBSCRIPTION OPTIONS



PARTICIPANTS

HUDI members with digital subscription models



BUG

LIDER ■

MORE
Otvoreno

Jutarnji LIST

**SLOBODNA
DALMACIJA**

srednja.hr

TELEGRAM

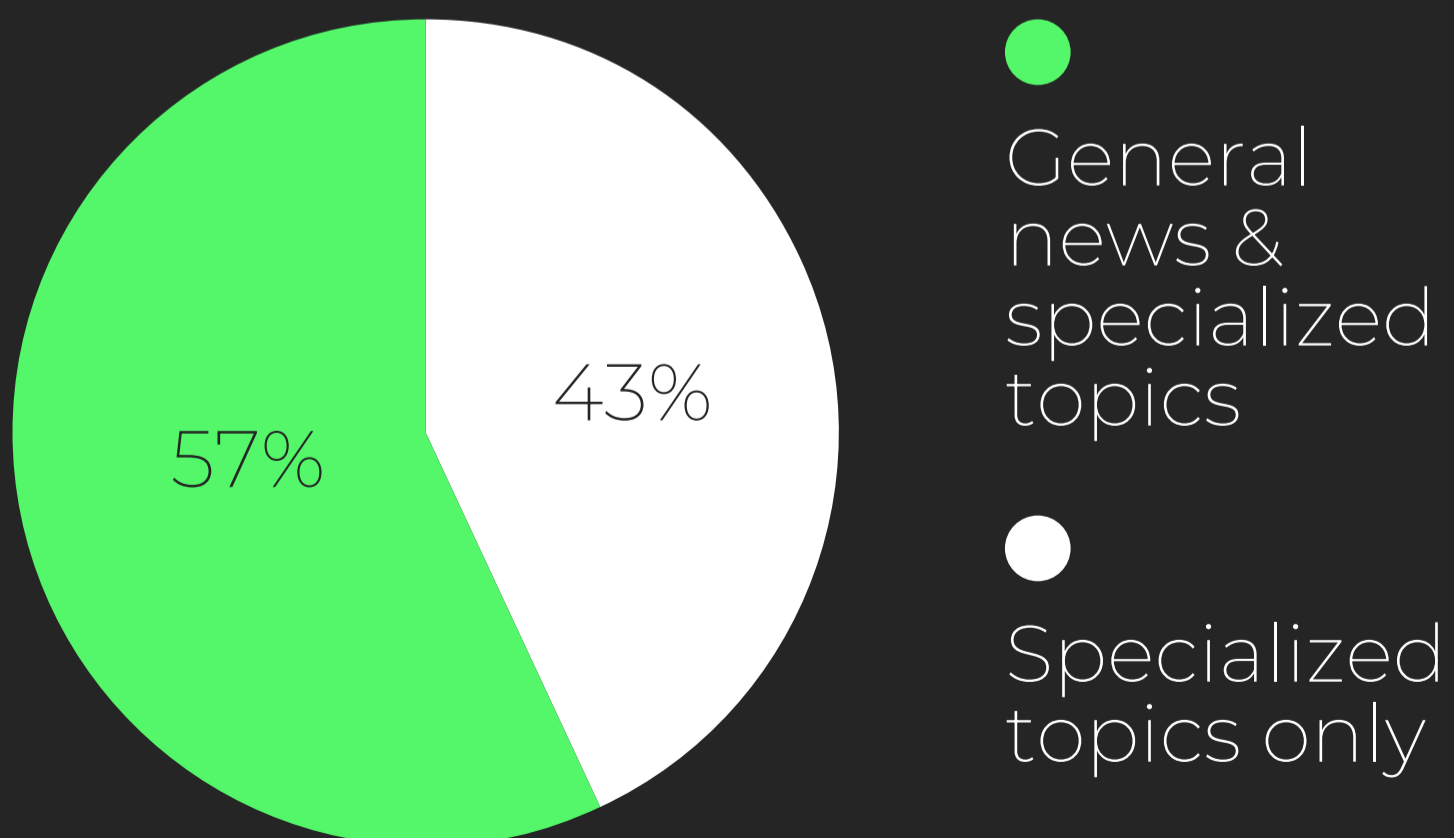
**Večernji
list**

@plus VOYO

*VOD platforms Nova plus & Voyo analyzed separately

**THE SIMULTANEOUS
EMPHASIS ON GENERAL
NEWS AND SPECIALIZED
CONTENT SETS
SUBSCRIPTION - BASED
PORTALS APART FROM
THE AVERAGE
CROATIAN PLATFORM.**

What types of content do you provide on your portal?



When analyzing media outlets with digital subscriptions, it is evident that most offer general news content, while simultaneously focusing on niche content.

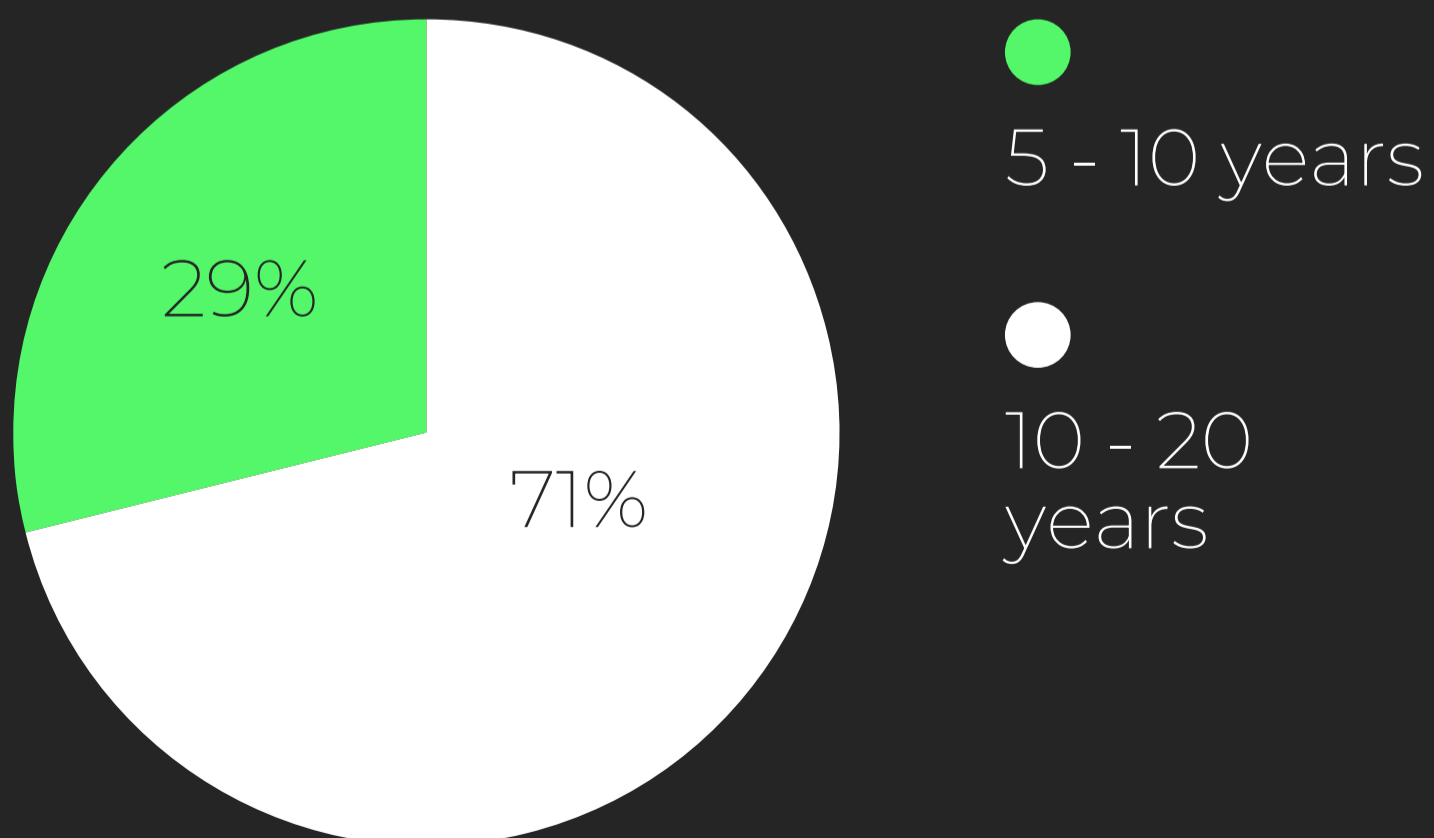
The emphasis on niche content indicates a strong demand for specialized, in-depth information, making it a good fit for subscription-based business models.

The main target for all media outlets with digital subscriptions are Croatian readers, addressing both general audience and/or specialized target groups.

Streaming (not shown in graphs) is exclusive to the media whose core business today is TV.

THE MAJORITY OF DIGITAL PORTALS ARE FIRMLY ESTABLISHED WITH THE MARKET BEING SATURATED.

How long have you had a digital news edition?



A quarter of the Croatian portals covered in this report have had between 5 and 10 years of experience in digital publishing, while the majority have been operational for over a decade signaling a mature and stable market.

Being in the market for a long time typically brings benefits like strong brand recognition, audience loyalty, and a nuanced understanding of the market trends. These advantages are particularly crucial when launching new digital services like subscriptions.

MOBILE PLATFORMS ARE THE CURRENT AND FUTURE HUBS FOR READERS.

Websites remain the main channel for distributing digital content among Croatian portals. However, mobile apps serve as a secondary channel for more than half of portals with digital subscription, underscoring a growing role of mobile platforms. This is especially relevant given the rise in users accessing the internet on mobile devices.

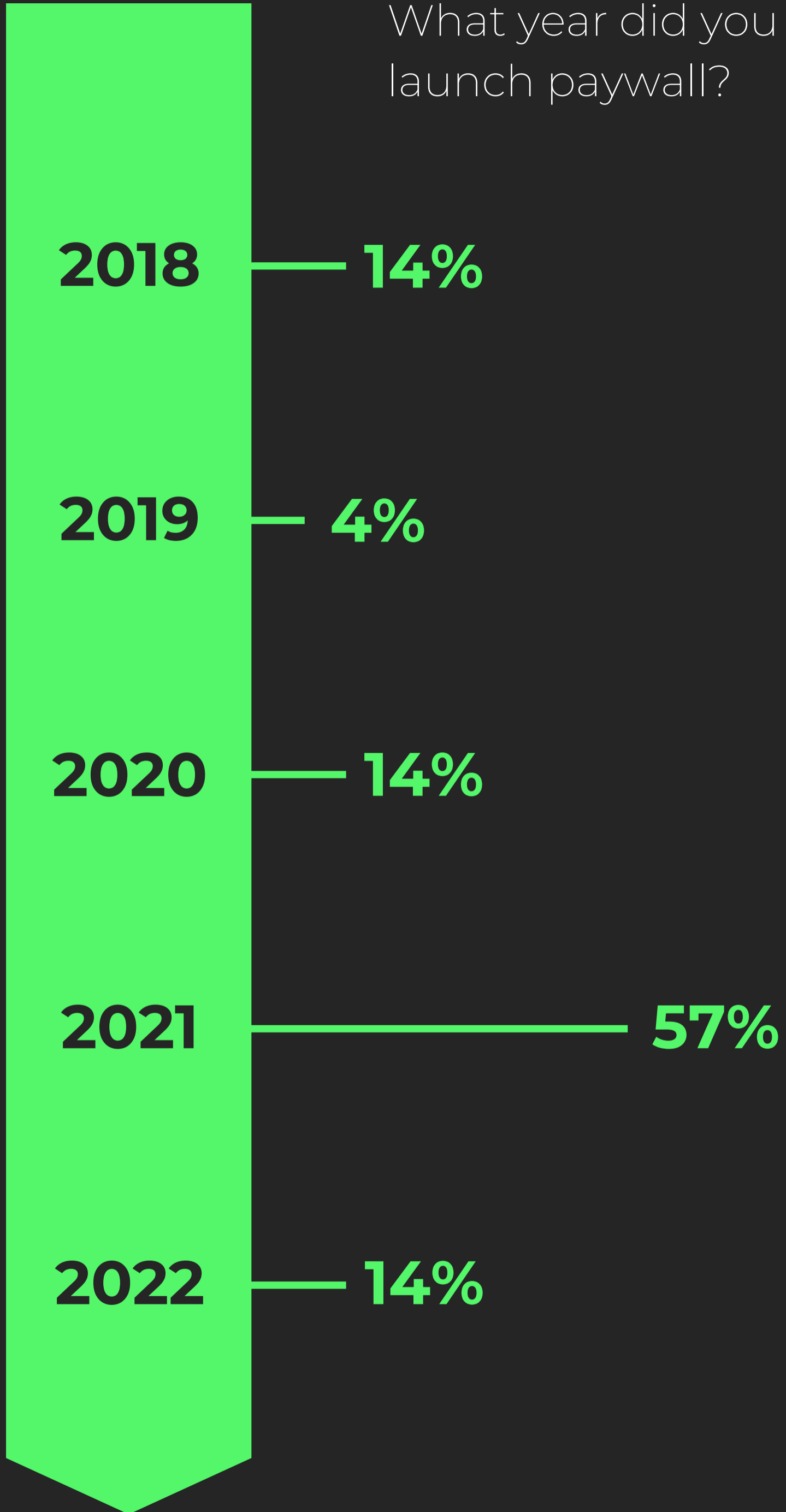


DIGITAL SUBSCRIPTION BUSINESS MODELS



**THE MAJORITY OF
PUBLISHERS
IMPLEMENTED
PAYWALLS IN 2021,
AFTER A PHASE OF
PRODUCT STRATEGY
PREPARATION AND
DEVELOPMENT.**

What year did you launch paywall?

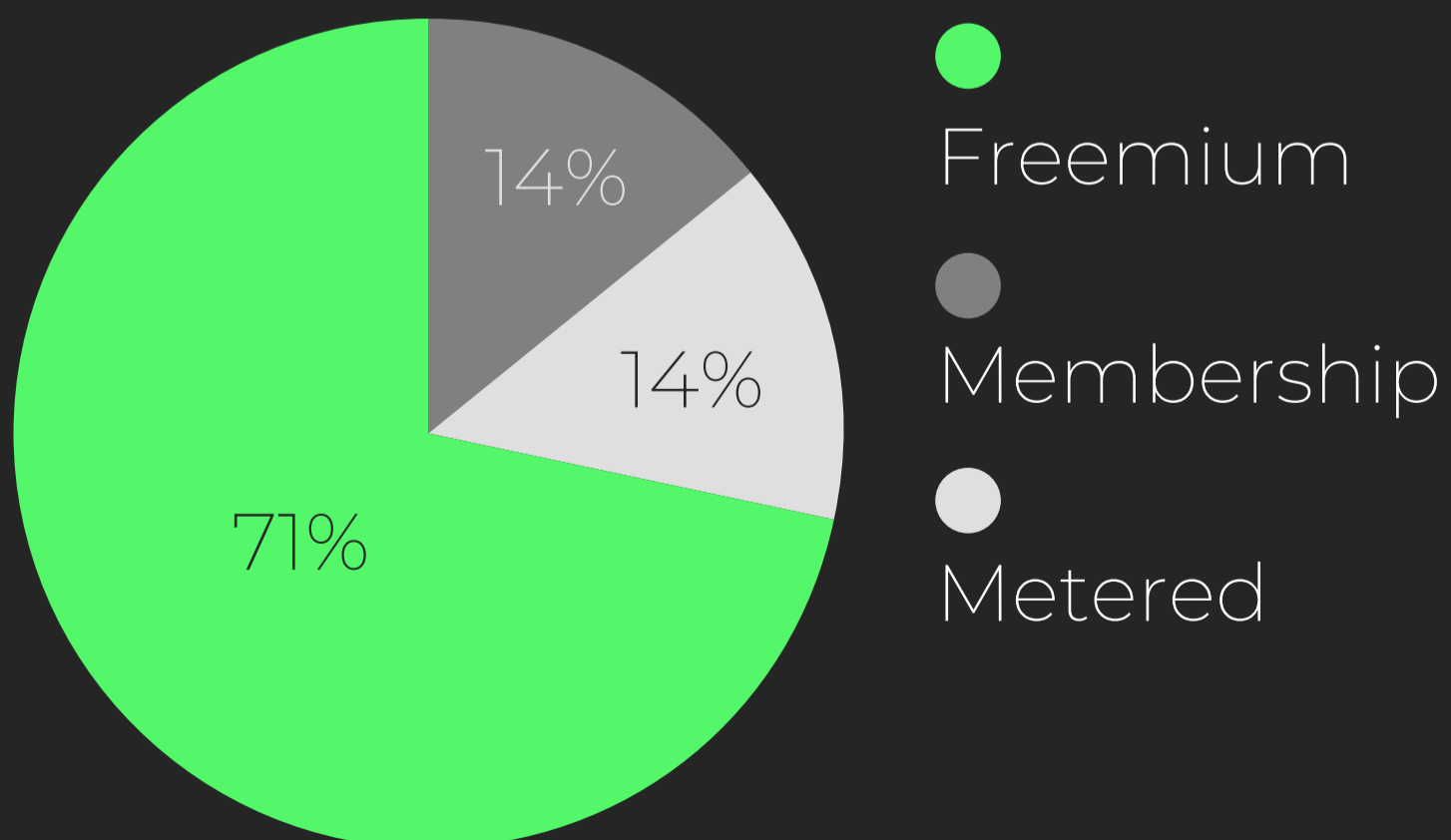


In Croatia, most publishers are newcomers to the paid digital content scene. Over half of them started implementing paywalls in 2021, suggesting a rising interest in digital monetization. Even though this appeared to be a reaction to specific challenges posed by COVID-19, the 2021 launch was a result of previous preparations for a rapid digital shift and a search for more reliable revenue beyond advertising, as well as a result of the decline in print media.

The data shows that the practice of charging for digital content has emerged and quickly gained traction among Croatian publishers over the last two years.

FREEMIUM IS THE LEADING BUSINESS MODEL, WHILE PUBLISHERS CONTINUE TO EXPERIMENT TO FIND THE BEST DIGITAL MONETIZATION STRATEGIES.

Which subscription model do you use?



The billing model chosen by publishers often mirrors their strategy, goals, and target audience:

- In Croatia, most publishers favour the **freemium** model, whereby only selected content is paywalled.
- The **metered** model or locking content after a set number of articles is less common.
- The **hard paywall** model, whereby all content is locked, is used exclusively for video content - i.e. SVOD.
- The **membership** model offers all content for free but adds extra features for paying customers.

CONTENT ENRICHMENT BENEFITS WITHOUT ADS FOR PAYING CUSTOMERS

Most Croatian media still offer free general information to all readers but also provide subscribers with exclusive perks that set them apart from free content and other competitors:

- analytical and investigative articles that provide a deeper understanding of topics and events;
- exclusive stories and interviews;
- special additions such as supplements, special editions and leaderboards;

- option to consume content without distracting ads; newsletters for subscribers (personalized news and latest information);
- option for subscribers to independently publish news; unlimited access to older articles and content;
- discounts on products and services of the media and their partners;
- verified profiles in the comments; in-depth industry reviews, special editions and other longer forms of analytical content (specific to specialized content).

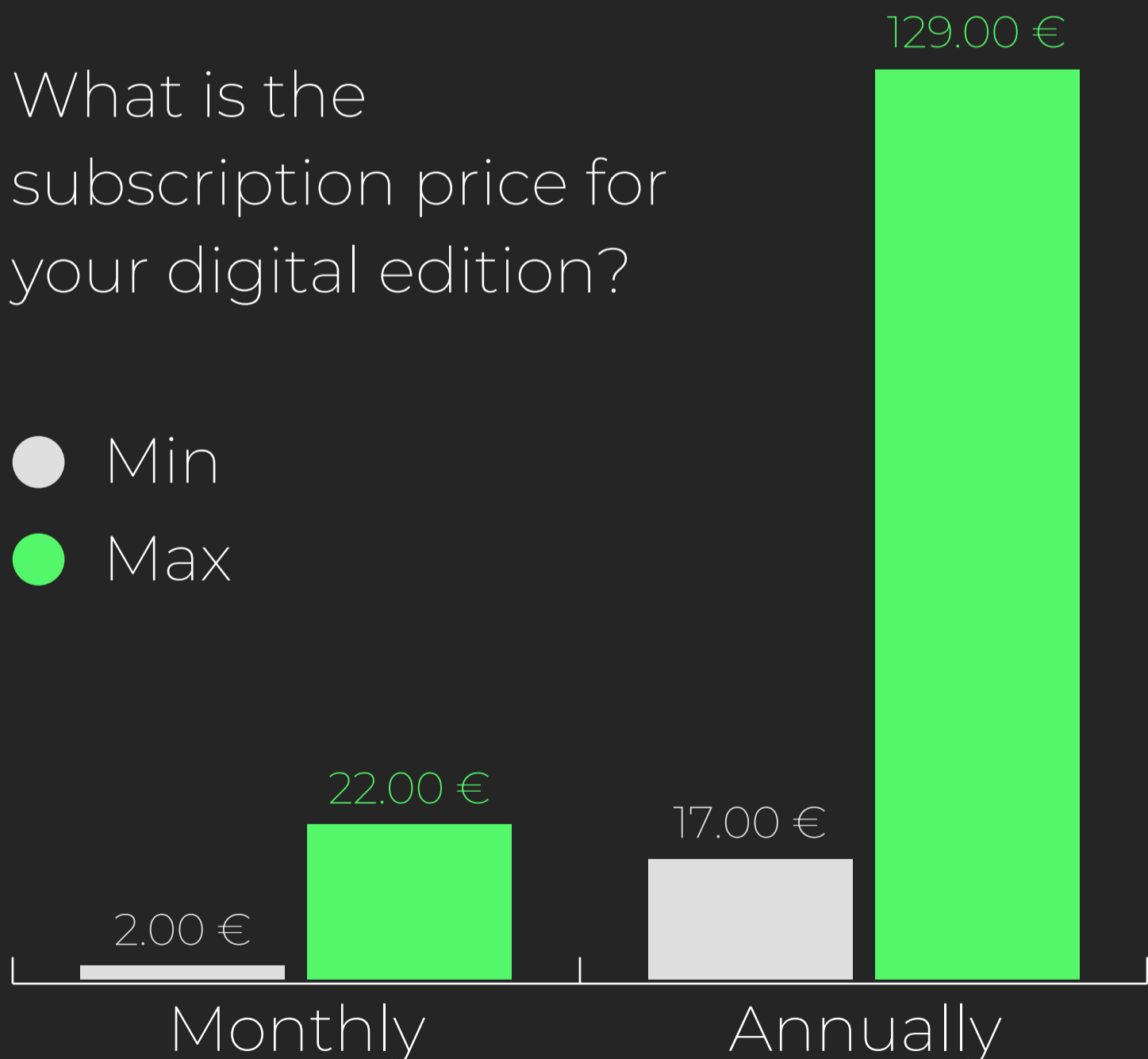
DIGITAL SUBSCRIPTION PRICING



PRICING PLANS FOR DIGITAL NEWSPAPER SUBSCRIPTIONS IN CROATIA VARY WIDELY, SHOWCASING DIFFERENT BUSINESS MODELS AND STRATEGIES.

What is the subscription price for your digital edition?

- Min
- Max



The variety in pricing points to the market competitiveness and importance of creative pricing in order to attract various user segments. Big brands aim to grow their customer base with lower prices, while niche portals focus on increasing average revenue per user (ARPU).

The range of prices and packages indicates that publishers are aiming to cater to diverse needs and financial capacities of their readers:

- While most services provide annual subscriptions at a lower rate than monthly ones, this is not a standard practice across all platforms.

- Certain organizations offer special pricing for institutions or offer two-year plans that are usually more cost-effective than one-year options.
- Numerous organizations provide various subscription tiers (like Plus, Premium, Package), letting users pick according to their needs and budget.
- In general, higher prices come with more features or exclusive content, but this is not a strict rule and varies among organizations.

DIGITAL CHANNELS ARE A PREFERRED METHOD OF COMMUNICATION WITH SUBS, THOUGH MANY FEEL THE FREQUENCY OF CONTACTS IS "NOT ENOUGH."

Publishers employ various ways to communicate with their audience. However, the frequency and platforms used for communication differ:

- Some publishers acknowledge that their communication about subscriptions is lacking, signaling an area for potential improvement.

- Others reach out on a daily, weekly, or occasional basis, varying by the communication channel and objective.
- Newsletters and e-mail are popular means of communication used by most publishers.
- Social networks are used for daily communication.
- Push notifications on the app are used as another approach for direct and quick communication.
- Forums are used for interactive and collaborative communication.
- Phone contact is less common and is typically aimed at addressing specific needs or targeting certain demographics.
- TV and in-app push notifications are unique channels employed by media houses with both TV and digital platforms.

DIGITAL SUBSCRIPTION METRICS



**MOST ORGANIZATIONS
TRACK READER AND
SUBSCRIBER DATA
WITH LTV (LIFETIME
VALUE), ARPU
(AVERAGE REVENUE
PER USER), NUMBER
OF USERS AND TOTAL
REVENUE AS KEY
METRICS.**

FINANCIAL INDICATORS

- LTV (Lifetime Value) and ARPU (Average Revenue Per User) are valuable indicators that demonstrate the long-term value of each user to the company and the revenue generated per user.
- Total Revenue: this indicator is crucial for measuring business success.

CUSTOMER BASE INDICATORS

- The frequency of daily, weekly, or monthly acquisitions is a vital metric. An increase suggests effective marketing efforts, while a decline signals the need for retention or re-engagement strategies.
- Churn rate: A high churn rate is a clear indicator that users are not satisfied with the product or service, highlighting potential issues that need to be addressed.

USER ENGAGEMENT

- Clicks, acquisitions, dwell time: these are key indicators that reflect the level of user engagement with a platform and its content.
- NPS (Net Promoter Score): shows how likely users are to recommend a service.
- CTR (Click-Through Rate) and Open Rate: they are essential metrics that gauge the effectiveness of e-mail campaigns and other communication methods.
- Viewtime: The amount of time users spend watching content is particularly significant for video content and provides insights into user engagement.

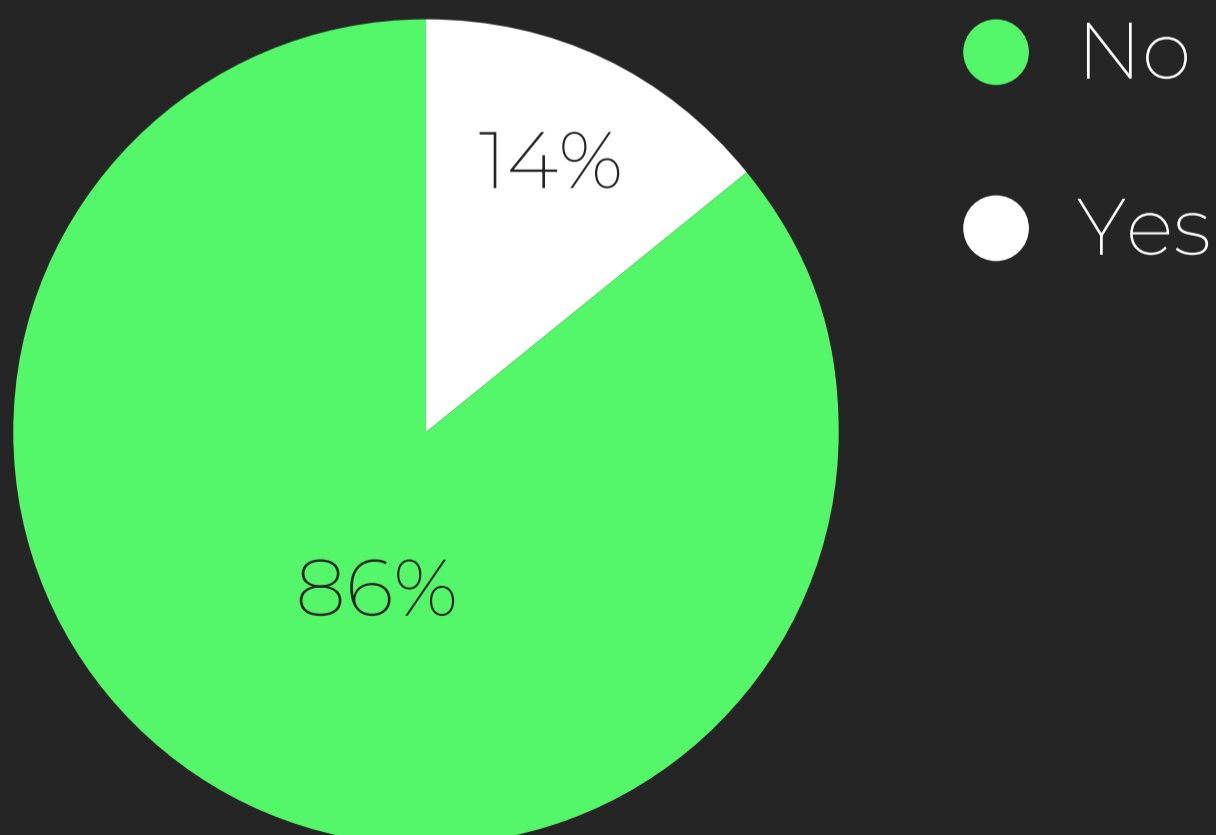
DIGITAL SUBSCRIPTION OVERVIEW



DIGITAL SUBSCRIPTIONS IN THE CROATIAN MEDIA MARKET ARE STILL IN THE GROWTH PHASE. WHILE THEY MIGHT NOT BE THE PRIMARY REVENUE SOURCE FOR MOST PUBLISHERS AT THE MOMENT, THERE IS A CLEAR EVIDENCE OF THEIR POTENTIAL FOR ONGOING EXPANSION AND THE PROSPECT OF CAPTURING A LARGER PORTION OF THE TOTAL REVENUE IN THE FUTURE.

Continued innovation and improved adaptations are necessary to unlock the full potential of digital subscriptions as a sustainable revenue source. Crafting a robust strategy can enable organizations to be agile, adaptable, and focused on optimizing their business models. This approach aims to boost revenue and enhance the overall user experience.

Have digital subscriptions become a significant source of income?



- The findings suggest that many Croatian media outlets continue to grapple with challenges when it comes to monetizing digital content. Possible reasons for this situation could include a perceived lack of value in paid digital content by the audience, concerns about online payment security, limited digital literacy, or other factors.
- Despite the challenges, the results demonstrate that a successful digital subscription model is achievable. This insight can serve as motivation for other media outlets to increase their efforts in this direction.

30,500

**SUBSCRIPTIONS ON
DIGITAL PORTALS IN
CROATIA**

9%

**INCREASE SINCE THE
PREVIOUS QUARTILE**

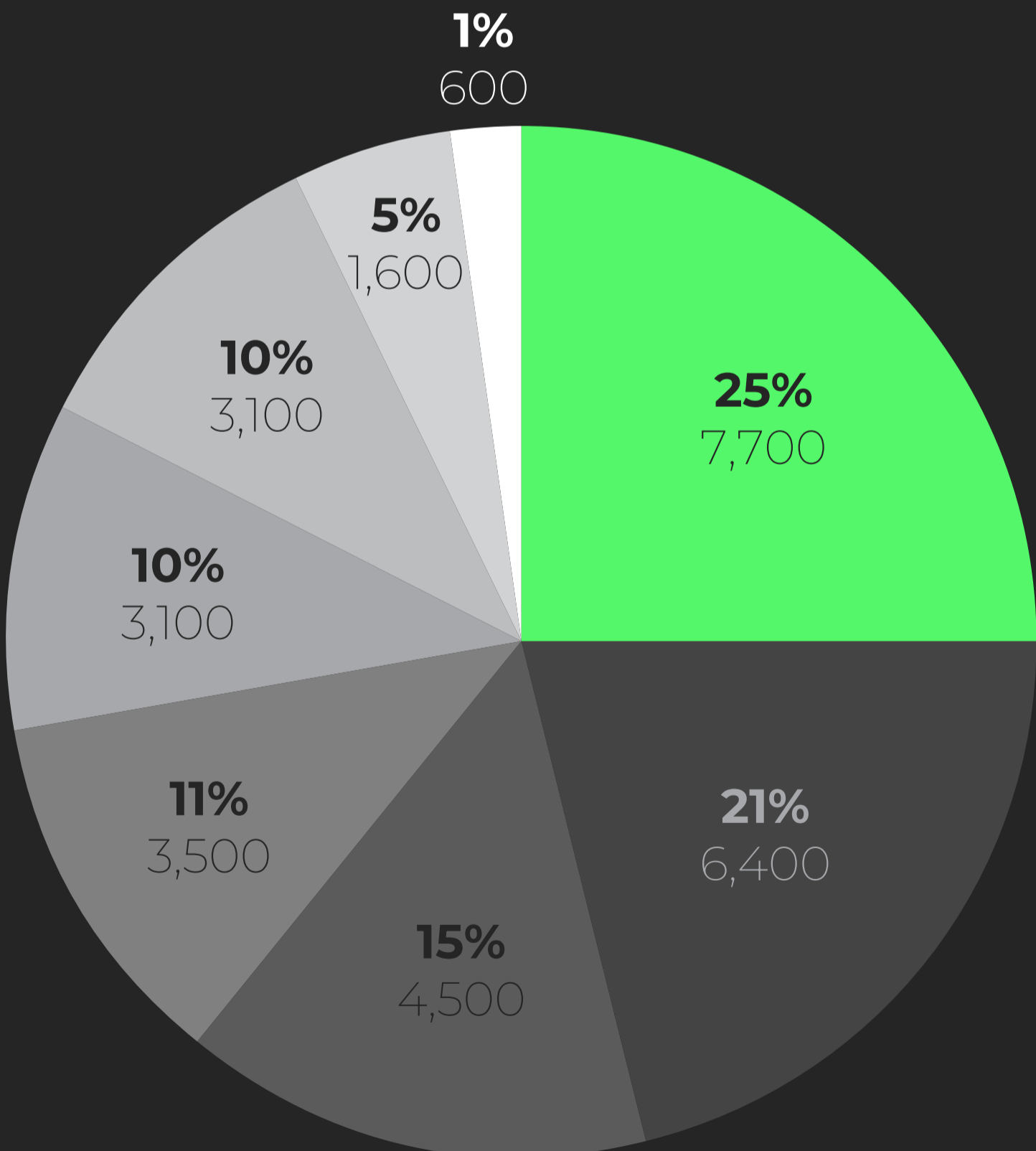
Note:

Active subscriptions on October 1st

All models, bundles & pricing

Without SVOD & e-reader formats

DIGITAL SUBSCRIPTIONS BY BRANDS



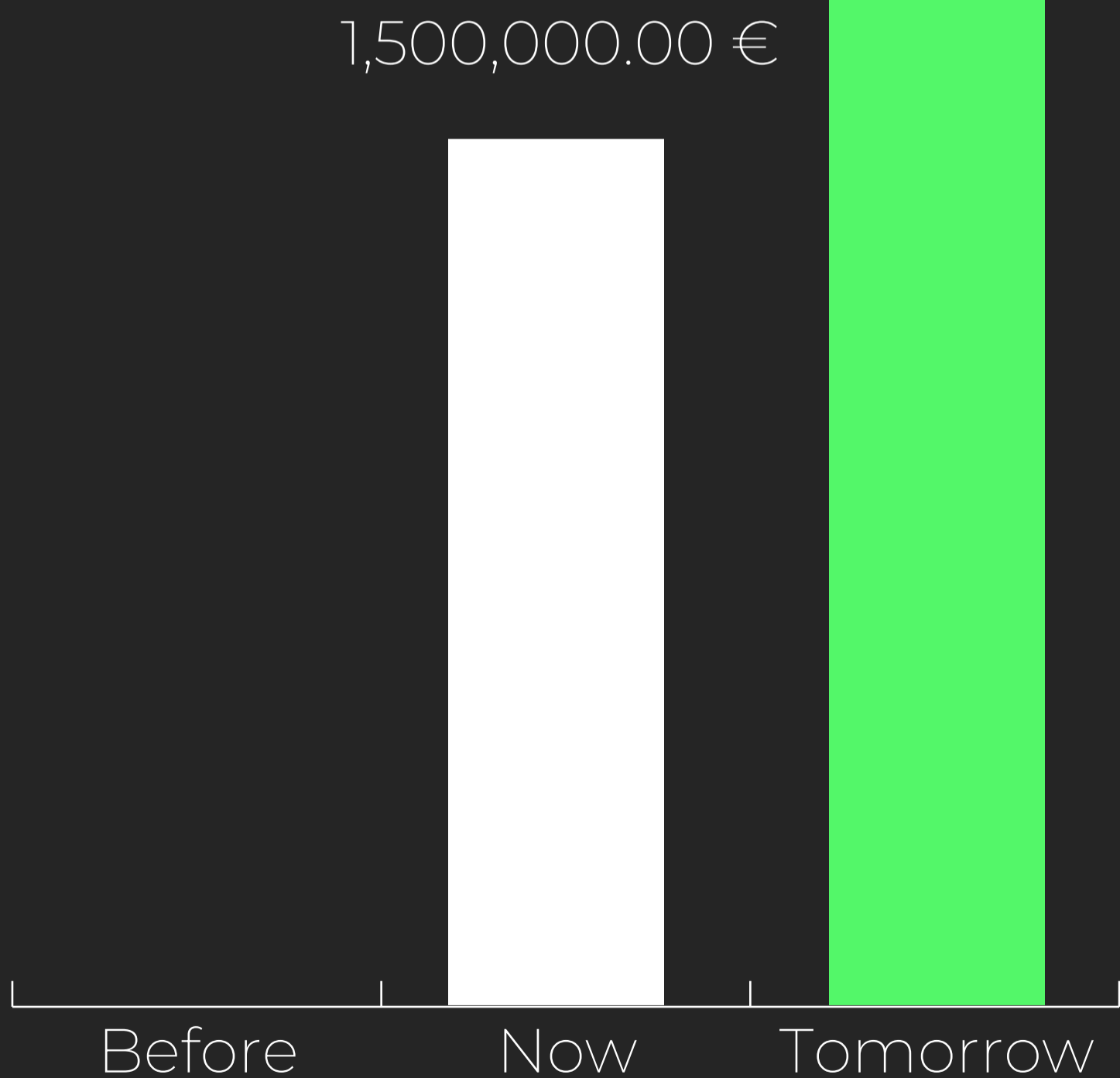
**TODAY,
1.5 MILLION
EUROS
OF YEARLY
INCREMENTAL
REVENUE IN THE
CROATIAN MARKET
DUE TO PAYWALL
IMPLEMENTATION.
TOMORROW, MORE...**

Note:

Averaging of all price positions
and models

Yearly revenue estimate

New incremental revenue today with a **potential** of capturing a larger proportion of the total revenue in the future.



ELEMENTS FOR DEVELOPING A STRATEGIC APPROACH TO DIGITAL SUBSCRIPTIONS INCLUDE:

- 1** **Defining goals:** clearly define short-term and long-term goals, such as increasing the number of subscribers, reducing the churn rate, or increasing total revenue.
- 2** **Market analysis:** understand the needs and preferences of the target audience, as well as competitive analysis.
- 3** **Choice of business model:** choose the most appropriate billing model for digital content (freemium, metered paywall, etc.).

- 4 Pricing strategy:** set prices that are acceptable to the target audience, but also high enough to generate revenue.
- 5 Creating high-quality content:** develop content that is attractive and informative enough to motivate users to subscribe.
- 6 User experience:** optimize user experiences on all platforms, to facilitate navigation and the subscription process.
- 7 Marketing and promotion:** focus effective marketing campaigns to attract new subscribers and retain the existing ones.
- 8 Measurement and analysis:** monitor key performance indicators (KPIs) to measure performance and make necessary adjustments.
- 9 Iteration:** based on data analysis, continuously test and adjust strategies.

**DIGITAL
SUBSCRIPTION
BY BRANDS
PORTALS**





AL PUBLI
MEDIA DIC

24sata.hr adopts an approach that blends high-quality content with added perks for subscribers, serving as a potential model for other publishers seeking to boost digital subscriptions and provide extra value. While digital subscriptions may not currently account for a substantial portion of their income, the portal observes growth in this segment.

- **Digital subscription start:** 2021
- **Platform:** website & mobile app
- **Portal type:** daily news & specialized (niche) news content
- **Digital subscription:** emphasis on providing exclusive stories and added value to readers
- **Unique selling points:** texts authored by the journalists who have received awards for their work, exclusive stories, newsletters featuring daily highlights of key events, discounts, prizes, absence of advertisements, vouchers and

discounts from partners (24 Oranž)

- **Subscription models:** Freemium (a combination of 'free' and premium content)
- **Pricing:** € 2.00 monthly, € 17.00 annually
- **Target audience:** a cross-section of the entire Republic of Croatia
- **Key metrics & CX:** daily, weekly, monthly acquisition, churn rate, subscriber behavior and consumed content

Bug.hr is a specialized technology portal with a well-defined niche audience. While digital subscriptions may not currently be a primary revenue source, the portal provides added value to its subscribers, including exclusive content and discounts.

- **Digital subscription start:** 2020
- **Platform:** website
- **Portal type:** specialized content – technology
- **Digital subscription:** content from a printed edition of the magazine, archive of articles, discounts
- **Unique selling points:** no direct competition in content, access to exclusive articles and archives, discounts on products and partner products, strong forum base
- **Subscription models:** Freemium (a combination of 'free' and premium content)
- **Pricing:** Plus (€ 2.65 monthly / €

26.50 annually) and Pro (€ 5.30
monthly / € 53.00 annually)

- **Target audience:** people interested in popular science and technology, IT specialists in Croatia

Jutarnji.hr is a prominent news portal in Croatia, offering diverse content. It places a significant importance on reporting accuracy, reliability, and impartiality. Moreover, it distinguishes itself by providing comprehensive context and background to enhance readers' understanding of the news, a feature that sets it apart from other portals.

- **Digital subscription start:** 2021
- **Platform:** website & mobile app
- **Portal type:** daily news & specialized news content (niche)
- **Digital subscription:** Premium content includes analyses, research topics and exclusive authors. The Premium subscription model allows easy consumption of content without ads.
- **Unique selling points:** pioneers in content monetization, partnering with other players to expand the offer in the market, exclusive content, easier navigation and fewer ads

- **Subscription models:** Freemium (a combination of 'free' and premium content)
- **Pricing:** Plus (€ 6.50 monthly, € 65.00 annually, € 115.00 two-year subscription), Premium (€ 9.50 monthly, € 95.00 annually, € 175.00 two-year subscription), Paket (€ 22.00 monthly, € 250.00 annually, € 460.00 two-year subscription)
- **Target audience:** audience has a wide range of interests, so the focus is on important social, economic and political topics from within Croatia and globally
- **Key metrics & CX:** LTV, ARPU, total revenue, active subscribers, loyalty as the main measure of satisfaction

Lidermedia.hr is a specialized business portal that offers different types of high-quality content, including daily business news and expert columns.

- **Digital subscription start:** 2018
- **Platform:** website & mobile app
- **Portal type:** specialized (niche) content, podcast
- **Digital subscription:** content from the printed edition, daily business news, expert columns, analytical texts, specialized articles, ranking lists, longer forms
- **Unique selling points:** unlimited access, newsletter, user-friendly application, discounts and promotional products, all print editions redesigned for digital viewing
- **Subscription models:** Freemium (a combination of 'free' and premium content)
- **Pricing:** All Access (€ 129.90), All-Digital (€ 79.30) & Digital-Start (€ 39.80), with monthly and annual options

- **Target audience:** specialized audience (managers, entrepreneurs, craftsmen, decision makers)
- **Key metrics & CX:** number of new subscriptions, number of individual issue openings, most read articles

More.slobodnadalmacija.hr is a niche portal addressing professional and recreational lovers of the sea: fishermen, sailors, etc. The content is dominated by various advisory topics, information on regulations and news.

- **Digital subscription start:** 2021
- **Platform:** website
- **Portal type:** specialized news content (niche)
- **Digital subscription:** Premium content includes topics on fishing, nautics, sailing, news for sailors, etc. Unique selling points: Exclusive niche content
- **Subscription models:** Freemium (a combination of 'free' and premium content)
- **Pricing:** Plus (€ 3.50 monthly, € 35.00 annually, € 55.00 two-year subscription), Premium (€ 47.00 annually, € 80.00 two-year subscription)

- **Target audience:** a narrow audience with interests in nautics, fishing, etc.
- **Key metrics & CX:** LTV, ARPU, total revenue, active subscribers, loyalty as the main measure of satisfaction

Slobodnadalmacija.hr is a regional portal in Croatia with an emphasis on the topics related to Dalmatia and other news that affect the lives of people in Dalmatia. The authors who cover national and international events as well as a branched network of correspondents reporting about the entire region represent the backbone of the portal.

- **Digital subscription start:** 2023
- **Platform:** website and mobile app
- **Portal type:** daily news and specialized news content (niche)
- **Digital subscription:** Premium content includes research topics, exclusive authors and analyses.
- **Unique selling points:** unlimited access, fewer ads, exclusive content
- **Subscription models:** Freemium (a combination of 'free' and premium content)
- **Pricing:** Plus (€ 6.50 monthly, € 65.00 annually, € 115.00 two-year

subscription), Premium (€ 9.50 monthly, € 95.00 annually, € 175.00 two-year subscription), Paket (€ 22.00 monthly, € 250.00 annually, € 460.00 two-year subscription)

- **Target audience:** audience has a wide range of interests. Focus on local/regional topics.
- **Key metrics & CX:** LTV, ARPU, total revenue, active subscribers, loyalty as the main measure of satisfaction

Srednja.hr operates a specialized educational portal centered around daily informative content and educational culture. While the portal does offer digital subscriptions, they are currently in the development stage and do not constitute a major source of revenue. Notably, unlike some other media outlets, it has not entirely restricted access to its premium content, indicating an openness to alternative monetization approaches.

- **Digital subscription start:** 2022
- **Platform:** website
- **Portal type:** specialized (niche) content - education
- **Digital subscription:** includes a newsletter for subscribers, subscription to an annual conference, an option for educational institutions to independently publish news
- **Unique selling points:** open content, subscription newsletter & content creator

- **Subscription models:** Membership (all content for free but adds extra features)
- **Pricing:** € 4.00/€ 5.00 monthly & € 40.00/€ 50.00 annually & € 120.00 for educational institutions
- **Target audience:** specialized (educational stakeholders, deans, school directors, institutions, etc.)
- **Key metrics & CEX:** number of subscribers

Telegram.hr is a portal known for its commitment to high-quality journalism, featuring original stories and in-depth investigations, particularly related to corruption. Subscribers to the portal enjoy various perks, such as unlimited access to content and a reduction in advertisements. Notably, Telegram.hr derives a substantial portion of its revenue from digital subscriptions, and its users express a high level of satisfaction with the service.

- **Digital subscription start:** 2021
- **Platform:** website
- **Portal type:** daily news & specialized (niche) news content
- **Digital subscription:** premium news and investigations of corruption
- **Unique selling points:** greater orientation towards 'premium' content, unlimited access to all articles, fewer ads, verified profiles in comment areas, discounts

- **Pricing:** € 6.49 & € 9.10 monthly
- **Subscription models:** Metered (a limited number of free articles each month before requiring payment for further access)
- **Target audience:** the segment of the Croatian audience that leans towards aspirational content and experiences
- **Key metrics & CX:** acquisition, churn, engagement

Vecernji.hr is a portal known for its commitment to delivering serious, timely, and informative content. While digital subscriptions presently account for a modest portion of their overall revenue, the future holds ambitious plans, including converting print subscribers to digital platform subscribers and actively engaging in audience education.

- **Digital subscription start:** 2021
- **Platform:** website & mobile app
- **Portal type:** daily news content
- **Digital subscription:** in-depth investigative content, exclusive stories and interviews
- **Unique selling points:** analytical approach to topics, unbiased and autonomously chosen subject matters, unlimited access to content, newsletter with daily overview of events, discounts, access to additional content (podcast, video, etc.), prizes, absence of advertisements, page dedicated exclusively to subscribers

- **Subscription models:** Freemium (a combination of 'free' and premium content)
- **Pricing:** variable prices from € 2.50 monthly to € 87.00 for special offers (including PDF print editions), two-year subscription option
- **Target audience:** audience with higher level of educational attainment and slightly higher income within Croatia
- **Key metrics & CX:** various analytical approaches such as clicks, acquisitions, time spent on articles, etc.

DIGITAL SUBSCRIPTION BY BRANDS

VIDEO





Nova Plus is the first Croatian subscription video-on-demand (SVOD) service, launched in 2011 under the brand name OYO, that provides users with an access to a wide range of content.

- **Digital subscription start:** 2011
- **Platform:** web platform, mobile apps, Smart TV apps, platforms of leading operators in Croatia (Hrvatski telekom, A1 and Telemach Hrvatska)
- **Type:** Streaming service / SVOD
- **Digital subscription:** Content available for viewing before it airs on TV, including the content available after having been aired, content exclusively available on Nova Plus. International service is also available, targeting foreign markets, included in the offerings of foreign operators.
- **Unique selling points:** local content, foreign TV series, absence of advertisements
- **Subscription models:** Hard paywall (all content access requires a subscription)

- **Pricing:** € 4.65 monthly, with discounted rates available for longer subscription periods (3, 6, 12, or 24 months). Subscription can be activated using diverse payment options (SMS, credit and debit cards, PayPal). New users who sign up for Nova Plus through the OTT service are eligible for a 7-day trial period.
- **Target audience:** viewers of NOVA TV series and shows, regional series and Turkish soap operas
- **Key metrics & CX:** Number of subscriptions, number of video views, viewtime, top viewed content per platform, churn rate

Voyo positions itself as a high-quality streaming service primarily centered on entertainment content. While it experiences ongoing growth, challenges related to online payment distrust persist. Its strategy encompasses multi-platform user engagement through TV, digital channels, and mobile notifications. Competitively priced subscriptions, coupled with diverse payment options, are identified as pivotal factors for future expansion.

- **Digital subscription start:** 2023
- **Platform:** website, mobile app, Smart TV
- **Portal type:** Streaming service / SVOD
- **Digital subscription:** RTL Croatia offers content available for viewing before it airs on TV, including live sports events and content acquired from various distributors.
- **Unique selling points:** local content, dubbed children's content, absence of

advertisements, personalization of content, discounts and promotional products

- **Subscription models:** Hard paywall (all content access requires a subscription)
- **Pricing:** € 5.99 monthly
- **Target audience:** viewers of RTL shows, regional series, Turkish soap operas and MMA sports, including local audiences
- **Key metrics & CX:** Number of subscriptions, churn rate, viewtime, completion rate, NPS, CTR, open rate. Viewing time through daily communication across various channels, including TV, newsletters, digital platforms, and in-app push notifications is prioritized.

**FIVE HELPFUL
TIPS WHILE
KEEPING IN
MIND THAT
MARKET OF
DIGITAL
SUBSCRIPTIONS
IS STILL IN ITS
INFANCY:**

- 1. DON'T BE AFRAID TO EXPERIMENT.**
- 2. FAIL FAST & FAIL FORWARD.**
- 3. HAVE PATIENCE.**
- 4. FOCUS ON THE CONTENT WHICH YOU ARE GOOD AT.**
- 5. CONSULT HUDI MEMBERS.**

HUDI DIGITAL SUBSCRIPTION TEAM:

Research lead: [Maja Maldini](#),
Owner @ Plantae Consulting d.o.o.



Vanja Prahić, Director of Digital Performance and Development @ 24sata / Styria Group

Mario Relatić, Owner in Partnership @ Agroklub

Aron Paulić, Managing Director @ BUG

Nikola Dujić, Data Analyst @ Hanza Media

Vladimir Janković, Product Director @ Hanza Media

Dražen Tomić, Editor in Chief @ ICT Business

Bojana Božanić, CEO @ Lider media

Maja Blumenšajn, Director of New Media @ Nova TV

Marko Matijević, Founder @ Pametna kuća

Antun Glavica, Head of Video on Demand (VoD) Adria @ RTL Hrvatska

Miran Pavić, Founder & CEO @ Telegram Media Group