



Driving Subscription Adoption: A Prescription for Success

Perspective by
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For technology companies that employ a subscription-based business model, sustained product adoption by customers is vital to long-term success. While many new operational capabilities have been developed to drive consumption, including the rapidly growing Customer Success discipline, many firms struggle to achieve desired adoption and retention levels in a sustained, profitable way. As companies look for methods and strategies to address this challenge, practices from the healthcare industry and its approach to treating chronic illness provide a starting point to creating effective customer-centric programs.

For nearly 10 years¹, healthcare practitioners and providers have been working diligently to improve two key components that are critical to the successful treatment of chronic illness:

- **Adherence:** the extent to which a patient’s behavior aligns with medical or health advice. Examples include taking medications, following a certain diet, increasing exercise, etc.
- **Persistence:** the continuation of long-term drug therapy prescribed for the management of chronic conditions.

Poor adherence and persistence are serious issues in the management of chronic medical conditions, and researchers have worked very hard to better understand how to positively influence both in an attempt to drive better patient outcomes. The learnings gained from that work can provide insights and predictors for those of us working to drive adoption in technology as well as for other industries embracing the subscription model.

While the healthcare research focused on a range of medications and ailments, four consistent findings emerged—two relating to adherence and two to persistence—that are applicable to the broader subscription context, including to those of us in the technology industry:

Adoption Component	Learnings
Adherence	1. Simplification of the Regime
	2. Multifaceted Behavioral Intervention
Persistence	3. Tailoring of the Therapy Program
	4. Social Support

On the following pages, we delve more deeply into each of these learnings, highlighting how each applies to technology adoption and offering practical advice on how they can be implemented.

¹ Touchette, Daniel and Nancy Shapiro. “Medication Compliance, Adherence, and Persistence: Current Status of Behavioral and Educational Interventions to Improve Outcomes.” Supplement to Journal of Managed Care Pharmacy. 2008. Vol 14 No 6. | Yew, Jason et al. “Comparing Adherence and Persistence Across 6 Chronic Medication Classes.” Journal of Managed Care Pharmacy. 2009. Vol 15 No 9.

1. Simplification of the Regime

In healthcare, making it easy to adhere to a prescribed therapy can have a profound impact on the resulting patient adoption. Technology companies should likewise embrace the mantra of “less is more” to increase adherence to the prescribed adoption path. Adoption programs must strive to be elegant and intuitive, with simplicity built in across the entire journey, from awareness and onboarding through initial adoption and usage maturity. This level of “Zen-like” simplicity is difficult to achieve without deliberate design intent. Design-centered thinking should be employed to create crisp, targeted messaging that is fine tuned to the recipient. Methods such as ethnographic observation can be applied to understand the specific needs of various users. Effective strategies can then be crafted around these needs. For example, by observing firsthand how a new user engages with the product at various stages of the lifecycle, companies can identify use cases that are not addressed by existing adoption programs. Combining these methods with analytics to validate patterns of success can produce an effective engagement program that drives adoption.

2. Multifaceted Behavioral Interventions

Multifaceted behavioral interventions employ a systematic pattern of reminders interwoven with messages of reinforcement to drive adoption. This approach is recognized to have the most long-term impact on adherence. The key here is delivering near-constant and consistent feedback to foster increased involvement and usage. This outreach should ideally occur both through the product itself and via external communication. Adoption programs that employ regular customer reminders highlighting various moments to engage with the product will result in increased understanding, adoption, and usage. Similarly, positive feedback and cues (provided while using the application and bolstered through a tailored “digital touch” campaign) help users know if they are hitting the right milestones and optimizing product features or functionality.

Reminders and feedback are most effective when timed closely to the activity, promoting immediate positive experiences with the products. Well defined and executed experimentation should be undertaken to determine which interventions work best for which types of customers and at what times. Tools such as A/B testing and micro-segmentation are highly effective in finding patterns of success for maintaining the desired adoption dialog. Customer journey maps – if they exist – should be leveraged to align behavioral intervention strategies with known “moments of truth” that are prone to trigger emotional responses.

3. Tailoring the Adoption Path

Tailoring the adoption path based on practices that are proven to have a positive behavioral impact can have a long-term positive effect on adoption persistence. Here again, context is essential; understanding how different personas engage with the product allows companies to deliver tailored messaging based on where the user is in their adoption path. Providing users with recommendations for best practices (ways to use a feature or an informative instructional video) along with peer-group data can have profound impact on adoption. Consider, for example, using a

workforce management application and being told that “using the automated wizard will provide a better schedule” versus being advised that “users in your peer group consistently find that the automated wizard produces a schedule that is compliant, conflict-free, and up to 65 percent more efficient than manual scheduling.” This form of contextual best practice provides a richer adoption dialog that ultimately leads to improved compliance with the prescribed adoption path.

4. Social Support

Support from peers, coaches, and other social relationships is essential to achieving long-term persistence, and is ranked as a key component of a successful adoption-path program. Here, a mix of larger community interactions as well as smaller, more intimate and personalized connections should be fostered. Well-structured and thriving user communities allow customers to engage with each other, share common issues, and improve usage by discussing best practices. Community platforms also offer users the opportunity to share knowledge and innovation ideas with others within similar workgroups or industry verticals. Roundtable sessions and meetups allow power users with advanced product understanding to share their insight and prompt new discussions, leading to an enhanced user experience for all. Person-to-person connections formed at the executive levels as well as at the working levels within and across the organization can foster relationships that provide both encouragement and support for users. Often, these programs serve to drive “gym buddy-like” bonds that can have a powerful impact on adoption path adherence and persistence.

By establishing adoption programs that are simple, multifaceted, targeted, and social, technology providers can successfully boost adoption path adherence and persistence and, ultimately, realize the sustained user adoption and retention necessary for long-term success. To help providers in these efforts, we have included a “cheat sheet” that summarizes the advice offered in this paper in an appendix.

Waterstone Management Group is a boutique management consulting firm that helps technology companies and their investors create measurable value by identifying and capitalizing on disruptive growth opportunities and driving excellence in Services, Cloud, and Customer Success performance. To learn more about strategies for achieving sustained and profitable subscription adoption, please contact:

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Appendix: Driving Subscription Adoption through Improved Adherence and Persistence

Adoption Component	Key Imperative	Action Items	Success Tips
Adherence	Form simple and intuitive adoption programs	<ul style="list-style-type: none"> • Create clear, simple messaging based on user personas to target expressed and unexpressed needs • Allow users across all levels and technical abilities to understand and engage with the product 	<ul style="list-style-type: none"> • Focus on design-centered thinking • Leverage various user types to create targeted content
	Promote constant and consistent feedback	<ul style="list-style-type: none"> • Deploy both in-product and external messaging and reminders • Frequent and recurring communication promote user understanding, adoption, and usage 	<ul style="list-style-type: none"> • Enable consistent communication in-app and via digital touch • Deploy reinforcing messages around key customer milestones
Persistence	Tailor messaging to different personas and use cases	<ul style="list-style-type: none"> • Create targeted communication of best practices around different stages of the adoption path • Promote a deeper dialogue across the user base resulting in improved compliance 	<ul style="list-style-type: none"> • Understand user needs and points across the journey where support levels differ
	Enable platforms to promote social engagement	<ul style="list-style-type: none"> • Support larger community interactions as well as individual connections to promote best practice execution • Improve adoption path compliance through multiple methods of interaction and learning 	<ul style="list-style-type: none"> • Empower user communities to promote communication across users • Take cues from customers to find out what they expect and need