



POW!

**CLASSIC EDITORIAL PACKAGES
VS
WORKHORSE VOUCHERS:**

**WHAT YOU NEED TO KNOW
TO CREATE WINNERS!**



WOW!

ABOUT BARBARA BESSER

After 7 1/2 years as Circulation Director of Yoga Journal, Barbara was recently promoted to Group Circulation Director for Active Interest Media, who bought Yoga Journal in September, 2006. Barbara is currently responsible for 5 titles, including recently acquired Backpacker magazine. Barbara began working for Yoga Journal as Circulation Director in March 1999, when the circulation was 110,000. Under her direction, the circulation has grown tripled to over 300,000.

ABOUT CAROLINE ZIMMERMANN

Caroline is probably best known for her incredible record of winning creative. She routinely delivers new controls in every area of circulation from new business voucher and editorial packages to renewal, gift-giving and billing series; as well as web promotions. She is the author of 4 non-fiction books; was selected as one the industry's "200 Most Influential People in America" and named to the YWCA's Academy of Women Achievers."



HOW?

WHAT'S BETTER?

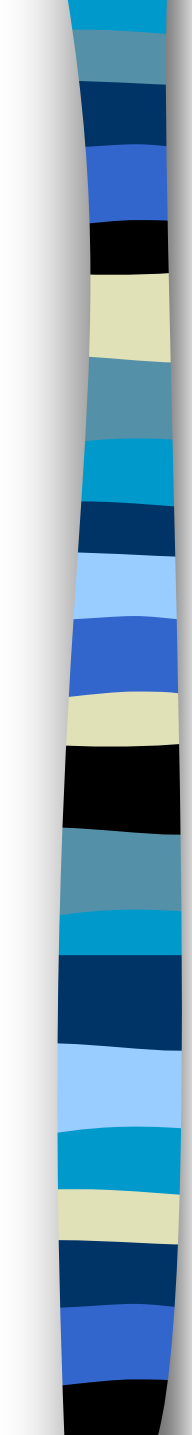
- WORKHORSE VOUCHER
- CLASSIC EDITORIAL

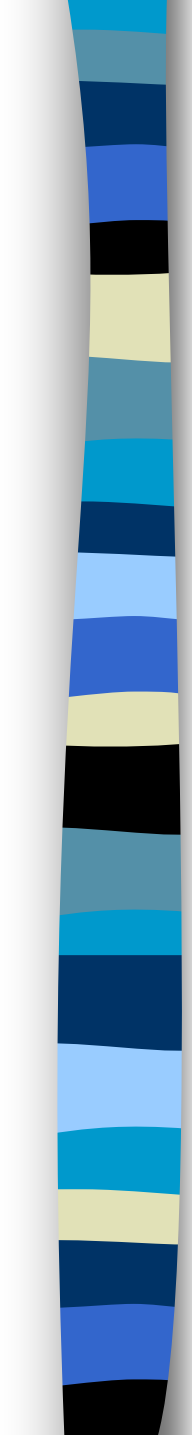


CAPELL INDUSTRY SURVEY

July 2007

- HALF REPORTED WORSE DM RESULTS THAN PREVIOUS YEAR
- 55% REPORTED LOWER MAILING VOLUME END OF '06 VS END OF '05
- GROSS RESPONSE IN '06 UP 3.48% FROM 3.12% IN '05
- NET RESPONSE IN '06 UP 2.1% FROM 1/8% IN '05

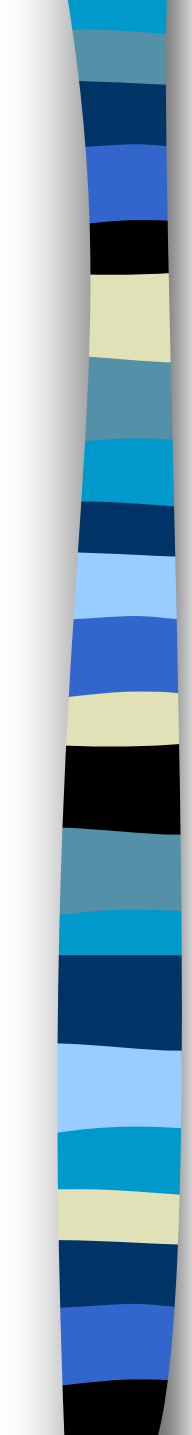
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- PAY-UP IN '06 60% COMPARED TO 58% IN '05
 - LOWER MAILING VOLUMES KEY CONTRIBUTOR TO OVERALL IMPROVED DM RESPONSE
 - ALMOST HALF IN '06 WERE “FREE ISSUE” OFFERS
 - PREMIUM OFFERS MAKING A COMEBACK
 - HARD OFFERS 30% IN '06 VS 45% IN '05
 - AVERAGE CPM \$380 IN '06, SAME AS '05

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- 70% LOSE MONEY ON DM ACQUISITION VS 90% IN '05
 - AVERAGE NPNS \$10.28 IN '06 VS \$13.60 IN '05
 - AVERAGE VALUE OF DM OFFER \$16.35 IN '06
 - 38% REPORTED TESTING NEW PKG ESTABLISHED NEW CONTROL
 - 89% EXCHANGING NAMES WITH COMPETITORS
 - DM DECLINED TO 20% OF NEW BUSINESS



HOW TO EXPAND YOUR UNIVERSE

- USE OF HOUSE NAMES INCLUDING:
 - EXPAND EXPIRES (DON'T OVERPROMOTE)
 - READER SERVICE
 - CONTESTS
 - WEB POLLS/SURVEYS/REGISTRANTS
 - CONFERENCES
 - PRODUCT BUYERS
 - SPECIAL ISSUES (DIRECTORY)

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- USE OF DATABASES
 - MODEL EXPIRES (CIRCBASE)
 - BUILD YOUR OWN DATABASE (Z24)
 - OTHER DATABASES TO SELECT FROM (PUBCO, MILLARD)
 - REMAIL BEST PERFORMING LISTS—HOUSE, OUTSIDE AND MULTIBUYERS
 - ZIP SELECTS
 - DIFF SELECTS OF LISTS THAT WORK



TEST, TEST, TEST

- PREMIUM/FREMIUM ON ORDER/PAYMT
- PRICE: UP/DOWN
- TERM: 1 YR/2 YR
- OFFER: HARD/SOFT
- PACKAGE: VOUCHER, 4 COLOR, POSTCARD
 - CHEAPER VERSION (SIZE, COMPONENT)
 - JUST OUTER
- TIMING
- LIST



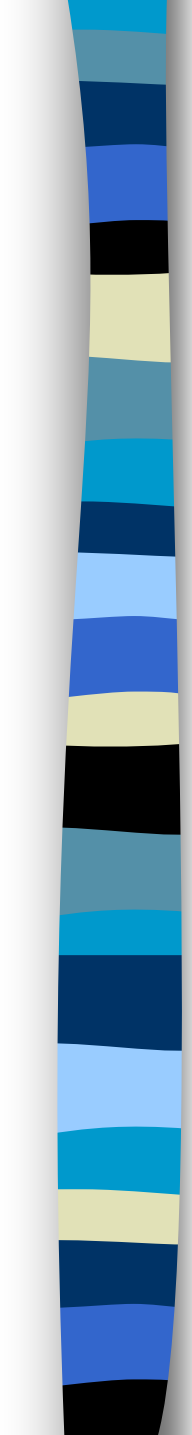
EVOLUTION OF THE 4/COLOR PKG FOR YOGA JOURNAL

- DEVELOP 6 x 9 4/C PKG
- TEST INTO #10 OF SAME PKG AS CHEAPER CPM
- RESPONSE OF OUTSIDE LISTS SHOW THEY NEED AN EDITORIAL AND GRAPHIC PKG
- INEXPENSIVE 4/C TESTS
- CONTINUE TO TEST VOUCHER ON OUTSIDE LISTS



EVOLUTION OF THE VOUCHER FOR YOGA JOURNAL

- DEC '03: TESTED #6, INDEX 118
- JUNE '04: TESTED #6 ON OUTSIDE LISTS, INDEX 73—HOUSE LISTS, INDEX 115
- DEC '04: ROLLED OUT WITH HOUSE LISTS W/OUT CC OPTION, BACKTESTED W/CC OPTION, INDEX 103—OUTSIDE LISTS INDEX 65

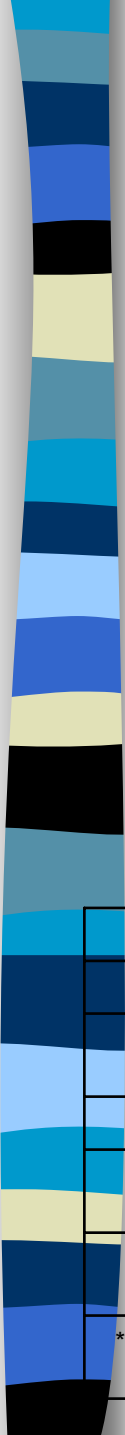
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- JUNE '05 TESTED 2 PANEL FORM, INDEX 87
 - DEC '05 PRICE TESTS \$18 INDEX 84, \$20 INDEX 71
 - JUNE '06 TESTED PREMIUM, INDEX 104
 - DEC '06 TEST OUTSIDE LISTS, INDEX 82; PRICE TEST \$12, INDEX 168, TEST NEW PREMIUM, INDEX 104



GETTING STARTED— REVIEW HISTORY

- LIST UNIVERSE/HISTORY
- REPORTS FROM LAST SEVERAL CAMPAIGNS
- TEST HISTORY
- CPM HISTORY
- SAMPLE OF CONTROL PACKAGE(S)

June 05 DM List Order - ACTUAL AFTER MERGE											DM CPM v	\$331								
#####											DM CPM r	\$517								
*Dec'04 final projected responses											BAD PAY	\$1.64								
		NET	NET	GROSS	GROSS	NET	BRE	\$0.39				NET P&L	NET P&L							
	ACTUAL	RESP	QTY	RESP	QTY	REVENUE	BILLING	\$1.00				PER SU	CONV							
	AFTER MERGE						PREMIUM	\$0.50												
						\$15.95							\$15.97							
							BILLING/					0-12 MO	0-24 MO							
							PR/MP/LET/PSRE/PREMA	D PA	IST COST				35% C							
Continuations - Voucher #10 package																				
LIST #1	879	7.67%	67	8.11%	71	\$ 1,075	\$ 291	\$ 135	\$ 6	\$ -	house	\$9.54	\$21.65							
LIST #2	40,982	4.48%	1,836	4.75%	1,947	\$ 29,284	\$ 13,565	\$ 3,679	\$ 181	\$ 839	house	\$6.00	\$18.11							
LIST #3	48,035	2.28%	1,095	2.45%	1,177	\$ 17,468	\$ 15,900	\$ 2,224	\$ 134	\$ 1,333	house	-\$1.94	\$10.17							
LIST #4	24,336	2.31%	562	2.47%	601	\$ 8,966	\$ 8,055	\$ 1,136	\$ 64	\$ 889	house	-\$2.09	\$10.02							
LIST #5	26,157	2.48%	649	2.62%	685	\$ 10,347	\$ 8,658	\$ 1,295	\$ 60	\$ 863	house	-\$0.82	\$11.30							
LIST #6	17,145	1.54%	264	1.70%	291	\$ 4,211	\$ 5,675	\$ 551	\$ 45	\$ -		-\$7.80	\$4.31							
TOTAL	157,534	2.84%	4,473	3.03%	4,773	\$ 71,352	\$ 52,144	\$ 9,020	\$ 491	\$ 3,924		\$1.29	\$13.40							



JUNE 2006 DIRECT MAIL

QTY. 408,526

Control: #10 Package

PROJECTED

100 %	100 %	PAY-UP
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GROSS	NET	
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DECEMBER 2005 DIRECT MAIL

QTY. 406,765

Control: #10 Package

100 %	100 %	PAY-UP
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GROSS	NET	
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JUNE 2005 DIRECT MAIL

QTY. 490,031

Control: #10 Package

100 %	100 %	PAY-UP
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GROSS	NET	
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Affluent Spa Attendees Female

Alternative Medicine female paid subs

Athleta 3 mo. Buyers

Bally's Total Fitness, 1 mo. female hotline

Boardroom Bookbuyers, 6 mo. female encyclopedia of nat health

Body & Soul (New Age Journal), active paid subs

*Body & Soul (New Age Journal), active paid subs

3.59 %	1.21 %	
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4.74 %	2.36 %	49.94 %
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1.52 %	0.80 %	52.63 %
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DIRECT MAIL CPM
HISTORY

	<u>Jun-02</u>	<u>Dec-02</u>	<u>Jun-03</u>
# PIECES	318,239	399,074	455,539
Printing/Lettershop	\$75,814.11	\$66,149.11	\$96,449.37
	238	166	212
Postage	\$62,101.80	\$78,505.24	\$90,146.00
	195	197	198
List rental/M-P	\$21,098.18	\$28,966.36	\$22,526.23
	66	73	49
TOTAL:	\$159,014.09	\$173,620.71	\$209,121.60
TOTAL CPM	500	435	459



ESTABLISH KEY VENDORS

- LIST BROKER
- PRINTER/LETTERSHP
- MERGE-PURGE COMPANY
- COORDINATION WITH YOUR OWN FULFILLMENT HOUSE



HOW TO FIND VENDORS

- ASK AROUND
- GET REFERENCES
- ASK FOR SAMPLES
(PRINTING/LETTERSHOP)
- GET QUOTES/NEGOTIATE
 - TEST VS ROLLOUT PRICING



SETTING UP TEST PANELS

- WHAT CONSTITUTES A VALID TEST?
- USE CONTROL LISTS
- SAME QUANTITY OF EACH LIST **OR**
- NTH SELECTION OF ALL CONTROL LISTS
- BEST TO HAVE CONTROL PANEL
- RISK IN TESTING—ANTICIPATE WORST CASE

4-color #10 package \$15.95	CODE	QUANTITY	GROSS	GROSS %	NET	NET %	PAY-UP	GROSS INDEX	NET INDEX
Panel #1 - CONTROL	OMAA	21,226	785	3.70	346	1.63	44.08	100	100
Panel #2 - CONTROL	OMAB	21,224	769	3.62	337	1.59	43.82	100	100
Panel #3 - PACKAGE TEST (yellow outer)	OMAC	21,224	789	3.72	357	1.68	45.25	102	104
Panel #4 - PREMIUM TEST (DVD)	OMAD	21,224	785	3.70	372	1.75	47.39	101	109
Panel #5 - PREMIUM TEST (3 booklets)	OMAE	21,224	828	3.90	399	1.88	48.19	107	117
Panel #6 - PRICE TEST (\$20.00)	OMAF	21,224	746	3.51	335	1.58	44.91	96	98
	TOTAL	127,346	4702	3.69	2146	1.69	45.64		



EVALUATING TESTS

- COMPARE RESPONSE AS WELL AS NET PER NET SUB
- HOPE FOR DOUBLE DIGIT INDEX
- USE ROLLOUT COSTS
- MODEL FOR IMPLICATION OF OVERALL CIRC/RATEBASE
- BE SURE TO FACTOR IN REPLACEMENT COSTS IF FEWER SUBS



THANK YOU!

AND NOW, HERE'S
CAROLINE...