

Best Practices in Retention Marketing



**Circ Day LA
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Circulation Trends

New Sub Acquisition

Difficult and Costly Environment

- Response – Still Struggling
- Costs – Still High
- Stagnant or Shrinking Market Universe
- Reduced Budgets

Consumer Pubs

Consumer Pubs

- Direct Mail Gross Response - 3.05 %
- Direct Mail Net Response - 1.72%
- Soft offers - increasing
- Hard Offers - decreasing
- Use Premiums - 50% of direct mail offers include premium
- 95% did NOT increase introductory offer

Source: Capell's Circulation Report July 2009

Current Stats

- Direct mail dropped to 18% of new business
 - Lowest in 20 years
- Average CPM -- \$536
 - Up 25% from last year
- 90% lose money on direct mail
- Average loss/dm sub -- \$14.80
 - Had been \$9.71 in 2007

Consumer Source Mix

New Business Source	2004	2008
Direct Mail	26%	18%
Insert Cards	12%	8%
Gift	10%	10%
Internet	10%	10%
DM Agents	9%	7%
Field Agents	8%	11%
College Agents	2%	3%
Catalog Agents	2%	3%
Synapse	5%	7%
Public Place	7%	10%
Other Agent	3%	12%

Source: Capell's Circulation Report July 2009



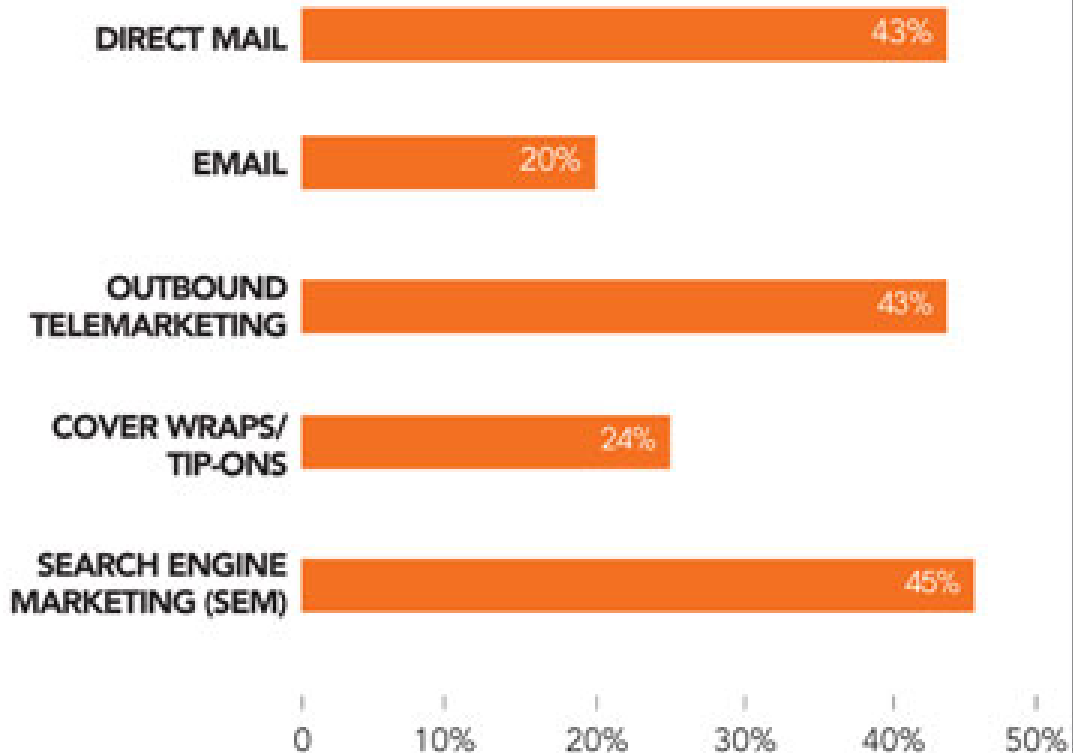
B2B

On the B2B Side

- Acquisition via Direct Mail – declining
- Publishers Web Site – largest source
- Web-Based Sub Agents - continue to grow
 - check out MagHound & MAGpass
- Sub agents in general have increased as part of mix

New Sub Acquisition

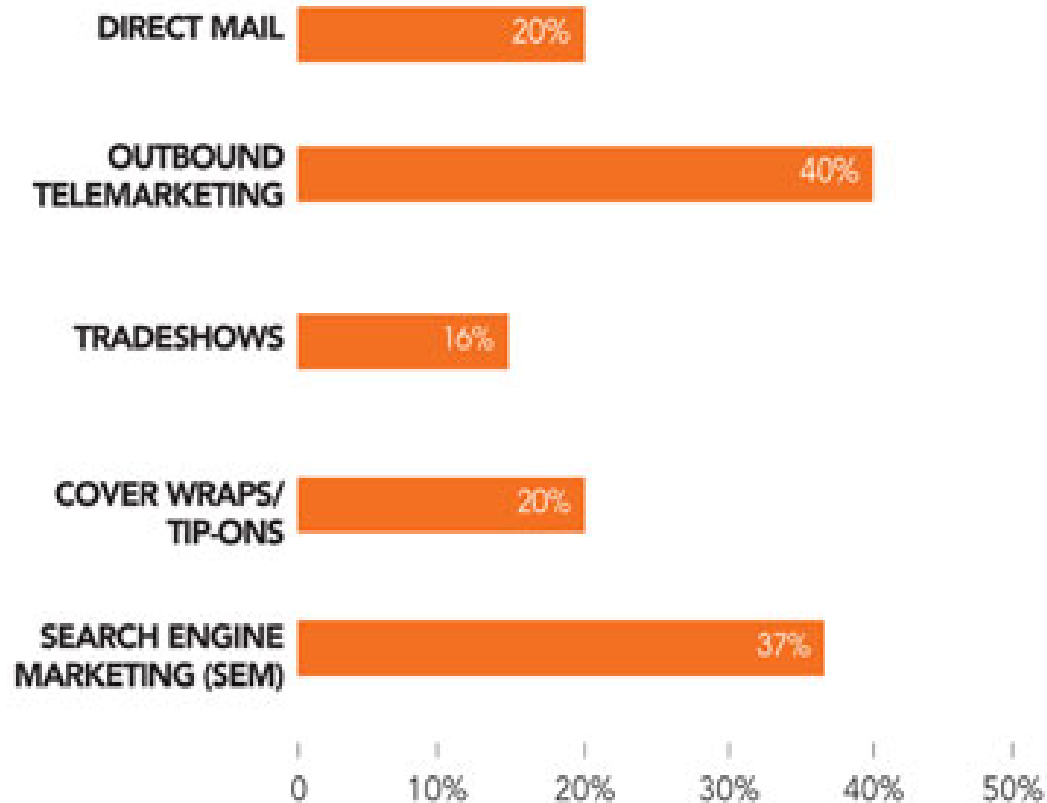
TOP FIVE SOURCES IN 2008 BY PERCENTAGE IN MIX



Source: Audience Development April 2009

Response by Source

TOP FIVE SOURCES IN 2008 BY RESPONSE RATE

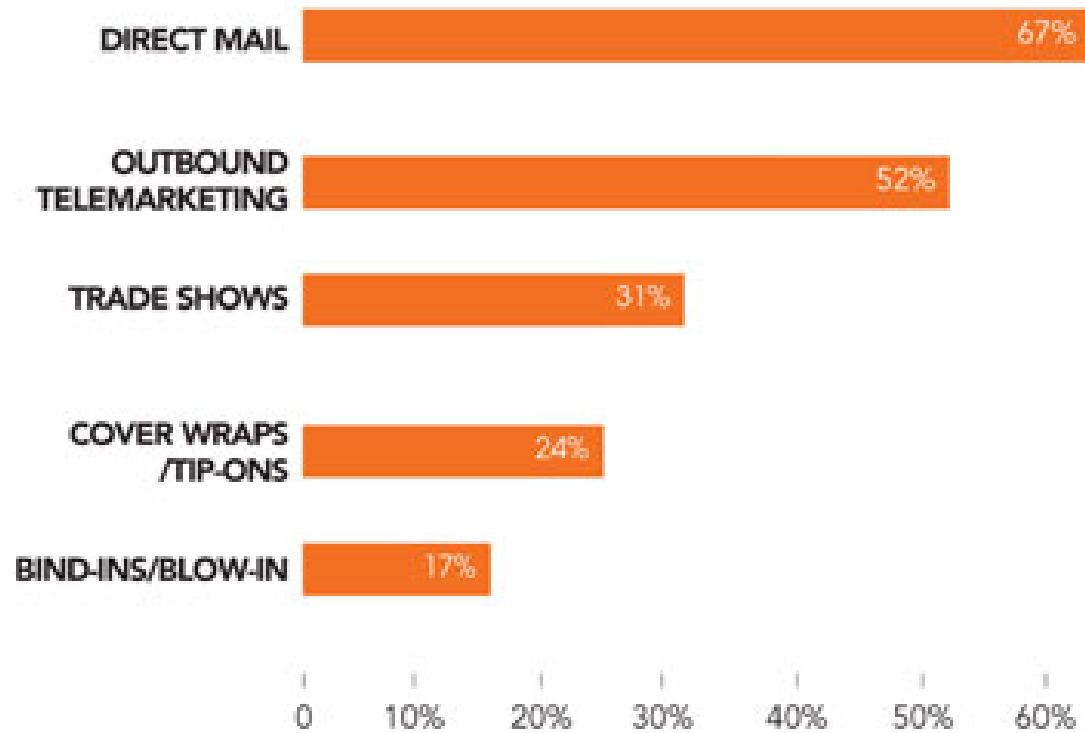


Source: Audience Development April 2009

Acquisition Costs

- Direct Mail: \$15.52
- Telemarketing: \$7.85
- Overall Average Acquisition Cost: \$5.75

TOP FIVE HIGHEST COST-PER-NAME SOURCES



Source: Audience Development April 2009

Stating the Obvious

Direct Mail Response

- Indicates effectiveness of lists, package and offer

Renewal Response

- Reflects the desirability of the product

- Renewal performance reflects the strength and authenticity of the magazine and /or publisher brand

Beth Reynolds, ProCirc Consumer Mktg Director



Financials of Renewals

Publication X

Direct Mail:

Qty Mailed:	61,308
Mailing Cost:	\$42,539
Net Response:	570
Net Percent	.93%
\$/Order:	\$65
Total Rev	\$37,050
Net P/(L)	(\$5,489)
Net P/(L)/order	(\$9.63)

Publication X

Renewals

Annual Qty Mailed:	15,494
Mailing Cost:	\$4,521
Net Response:	2,139
Net Percent	13.8%
\$/Order:	\$89.53
Total Revenue:	\$191,501
Net P/(L):	\$186,980
Net P/(L)/Order:	\$87.41

Renewal Strategies

Renewal Strategy

- Sub Price Makes a Difference

\$19.95 vs. \$195.50 or \$1,950.00

- Source Considerations

Conversions

Regular Renewals

Agencies

- Mail to Agency or Sub?
- # of Efforts

- Efforts

More is Better – Usually



CD Survey

- Average # of renewal efforts – 8.5
- Overall renewals rate (of renewals) 46.6%
- 1st effort mailed 22 weeks before expire
- 58% use standard class postage
- 58% encourage use of bind in to renew
- 27% use premium with renewals
- 50% of the industry offers continuous service on renewals

Source: Capell's Circulation Report: July 2009



Timing – Pub A

1st effort: -34 weeks

2nd effort: - 22 weeks

3rd effort: - 17 weeks

4th effort: - 12 weeks

5th effort: - 8 weeks

6th effort: - 6 weeks

7th effort: 4 weeks

8th effort: Expire

9th effort: + 4 weeks

10th effort: + 8 weeks

Timing – Pub B

1st effort: - 4 months

2nd effort: - 2 months

3rd effort: -1 months

4th effort: - Expire

5th effort: + 1 month

6th effort: + 2 months

Business Publisher

- Small Publisher – 7,500 circ
- Purchased by Large UK Company
- Initial series 5 efforts - mailed
- New series – 13 efforts
- Incorporated email & phone
- 8 different sub levels
- Sub Prices \$930 to \$2,650
- Renewals increased 15%



American Metal Market LLC
 125D Broadway 26th Floor
 New York, NY 10001
 Tel: 1-212-213-6202 Fax 1-212-213-1804

Ref: AM0 AM852433 - L703L1

Date: October 25, 2006

Your current subscription expires: 01/19/07

BILL TO:

RICK HERSOM
 ISOLATION TECHNOLOGIES INC
 4 BUSINESS WAY
 HOPE DALE, MA 01747 1540

PAYMENT OPTIONS

I enclosed a check for \$US _____

Please charge my:

Visa Mastercard Amex

No. _____

Expires _____

Signature _____

E Mail: _____

No	Product	Unit cost	Total
1	AMM Subscription renewal from: 01/19/07	\$860.00	\$860.00

Return Payment to:
 American Metal Market
 PO Box 15127
 North Hollywood, CA 91615-9645
 E-Mail: amm@espcomp.com
 Renew by phone: 1-800-947-9553 Renew by fax: 1-818-487-4550
 Outside the US call 1-818-487-4551

**AMM Monday subscribers receive 52 issues per year. AMM Online access not included.

**All orders must be paid in U.S. dollars drawn from a U.S. bank

**Is your name and address incorrect? If so, please correct above to ensure proper delivery of your issues

Sample – original renewal notice – all efforts - mailed



AMM - Renewal Series Plans by Sub Account Program

AMM - Renewal Series Plans by Sub Account Program				
PROGRAM	Sub Type A, N, E, Y, I, U (AMM Plus) - First Time Renewals			
EFFORT	Timing	Media	Offer	Promo Code
EFFORT 1	4 mos pre x	Mail	Full Price	
EFFORT 2	3 mos pre x	Email (HTML)	Full Price	
EFFORT 3	2 mos pre x	Mail	Full Price	
EFFORT 4	2 mos pre x	Email (text)	Full Price	
EFFORT 5	1 mos pre x	Mail	Full Price	
EFFORT 6	1 mos/2 wks pre x	Message on PDF/At Login	Full Price	
EFFORT 7	1 mos pre x	Telesales	Full Price	
EFFORT 8	at expiration	Email (HTML)	Full Price	
EFFORT 9	at expiration	Message on PDF/At Login	Full Price	
EFFORT 10	exp. + 1 mos	Mail	Full Price	
EFFORT 11	exp. + 2 mos	Email	Full Price	
EFFORT 12	exp. + 3 mos	Mail	Full Price	
EFFORT 13	exp.+ 6 mos	Telesales	Full Price	
Package Description				
Messages are written with new sale emphasis.				
Telesales commissioned higher.				
All efforts include renew for 2 years language.				
Email:	Benefits of live news, exchange prices.			
Mail:	8½ X 11 letter/coupon (2 color); emphasis on benefits of AMM			
	Standard reply envelopes.			
Telesales Call 1:	Renewal effort, sales emphasis.			
Telesales Call 2:	Comeback campaign (commissioned as new).			



Effort 3 – Subsequent

Sub Account Codes: A, N, E, Y, I, U

Sent: Expire Date -2 months



American Metal Market
PO Box 15127
North Hollywood, CA 91615-9645
Tel: 877-638-2856 (within US) 212-224-3577 (International)
Fax: 818-487-4550
Email: custserv@amm.com

{Date}
{Acct #}
JON
TEKNOS OY
P.O. BOX 107
IN-00371 HELSINKI
FINLAND

For your records:
Exp. Date: {x date}
Amt. Due:
Date Paid:
Check No.

Dear XXXXXX:

RENEWAL INVOICE

It's time to renew your subscription to *American Metal Market*, your daily source of information for the North American metals industry.

As a reminder, your *American Metal Market* subscription includes the following important business tools:

- Live news from AMM's global editorial network
- 30-minute delay exchange feeds
- Daily pricing for thousands of steel, scrap and nonferrous materials
- Downloadable historic pricing archives available online 24 hours a day
- A searchable news archive of metals industry information
- In-depth analysis and insight from the foremost experts in the markets
- Advance notice of AMM price changes
- Complete metals news coverage emailed to you every day

To renew, complete and mail the coupon below along with your check or credit card information. You can also fax it to (818) 487-4550. For faster service, log onto <http://amm.com/subscribe/renew.asp> and renew online (you will need your account number and zip code). Be sure to include your Renewal Code from the coupon below.

We hope that you'll continue to choose *American Metal Market* for all of your metals information needs.

Sincerely,
David Brooks
Senior Vice President
American Metal Market

(Tear here and return entire coupon below)



Renewal Code: R07xxR1

- Renew with AMM Plus including LME Feed: \$(Rate)
 Renew with AMM Plus: \$(Rate)

Expiration Date { x date} Account #: AM06724
JON
TEKNOS OY
P.O. BOX 107
IN-00371 HELSINKI
FINLAND

Payment Information

Check Enclosed – make check payable to *American Metal Market*.

Charge my Credit Card
VISA MasterCard AMEX

Card # _____ Exp _____

Signature _____ Date _____

Bank Transfer:
ABA Routing Code: 122240861
American Metal Market - Acct # 166701815
Bank: HSBC Bank Swift Code: MRRMUS33
Please email custserv@amm.com when transfer is made.

Return to American Metal Market:

American Metal Market • PO Box 15127 • North Hollywood, CA 91615-9645
Tel: 877-638-2856 (toll free) • 212-224-3577 (Outside the US) • Fax: 818-487-4550 • Email: custserv@amm.com

Sample – revised renewal notice – Effort 2 - mailed



Mix of Effort Media

- Direct Mail
 - Mail 1st or Standard Class?
- Wraps/Tipons
 - Last Issue
 - Next-to-Last Issue
 - Advanced Renewals
 - Gifts
 - Renewal Mailing with Issue
- Copy/look
 - Maintain look of paper
 - Keep copy simple
 - Can provide sense of urgency
 - Premiums – just of online
- Phone
 - Post or Pre Expire Post or Pre Expire
- Website – pop up reminders to renew
- Email



Email Efforts

- Advantages:

- High Response

- Low Cost

- Quick Turn Around

- Electronic Processing of Orders

- Challenges:

- Gathering E-Mail Addresses & Permission

- Getting Your Email Opened

- Plain Text vs. html

- Fulfillment -Backend Considerations

- URLs and Tracking

- Confirmations/acknowledgements



eRenewal Strategies

- Reader's Digest loosely adapted direct mail renewal creative to email
- Rodale - Showcased value and urgency—sometimes with a low-cost premium incentive
- Rodale sends three e-renewals before sending 1st paper renewal
- Early-bird email effort offered premium only to online renewers, and only for those responding within 48 hours
- Many report success combining email and paper efforts to attract expired subs
- Every Day With Rachel Ray variations have included a free digital every-day meal planner with online renewals of gift subs.

Source: Audience Development June 2009



Other Renewal Considerations

- Auto/Renewals/Continuous Service

 - Must inform prospects of initial term

 - If renewal price is stated, it cannot be increased w/o notification

 - If not stated, cannot be higher than initial offer w/notification

- Arrears

 - Pros and Cons

- Incentives/Premiums

 - Extra Issue offers

 - Involvement Devices

 - Pricing deals (installment payments)

- Short-term Subs

- International

- Work the Web

Pricing

- Pricing Strategies

 - Renewals at Birth

 - Discounted Advance Renewals

 - Step-Up Pricing

 - Incentives for Payment w/Order

- Price Increases

 - “Last Chance” before Price Increase

 - Should you consider NOT increasing price – or even cutting price?



Pricing Strategies

- New York Weekly offers two extra issues with a 1-yr term; 4 with a 2yr term
- Popular Science offers 3 extra issues with 1 yr renewal; 6 w/ 2yr and 9 w/3 yr
- Also uses multi-sticker involvement device
- Science Illustrated offers 3 yr sub for \$53; \$5 more than the 1 year price
- The Week is heavy into “renew and give a gift” for the basic price

Testing

Joy Puzzo's team at Advanstar reduced the cost per order 7.7 % from 2007 to 2008 and increased the response rate by 15.7 % through mandatory testing on every effort

Source: Audience Development May 2009

Creative

- Creative Considerations

 - Text

 - Personalization

- Testing

 - Price

 - Package Component

 - Medium

 - Timing

 - Email Subject Lines

- Cost Control

 - Standard Packages

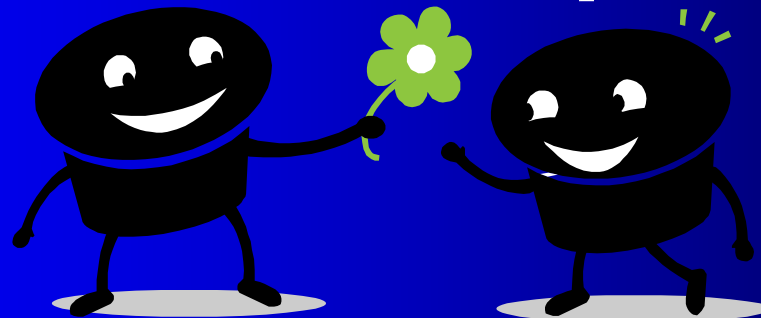
 - Generic Forms

 - Vouchers



Gift Renewals

- Timing – Christmas in July
- Forms – Opportunity for additional gifts
- Incentives – Give a Gift, Get a Gift
- Pricing – Discounts for multiple subs
- Gift Card – to Donor or Recipient?
- Start Issue Considerations
- When to send renewal to recipient?



Group Renewals

- Regular Groups
 - Group Forms
 - Timing/# of Efforts
 - Pricing
 - Challenges
- Site Licenses
 - Service Level Agreements
 - Pricing
 - # of Users
 - By Company
 - Gate Keeping
 - Renewals to Sales Reps
 - Commissions
- Sponsored



Expire Efforts

- Timing
- Offer
- Medium

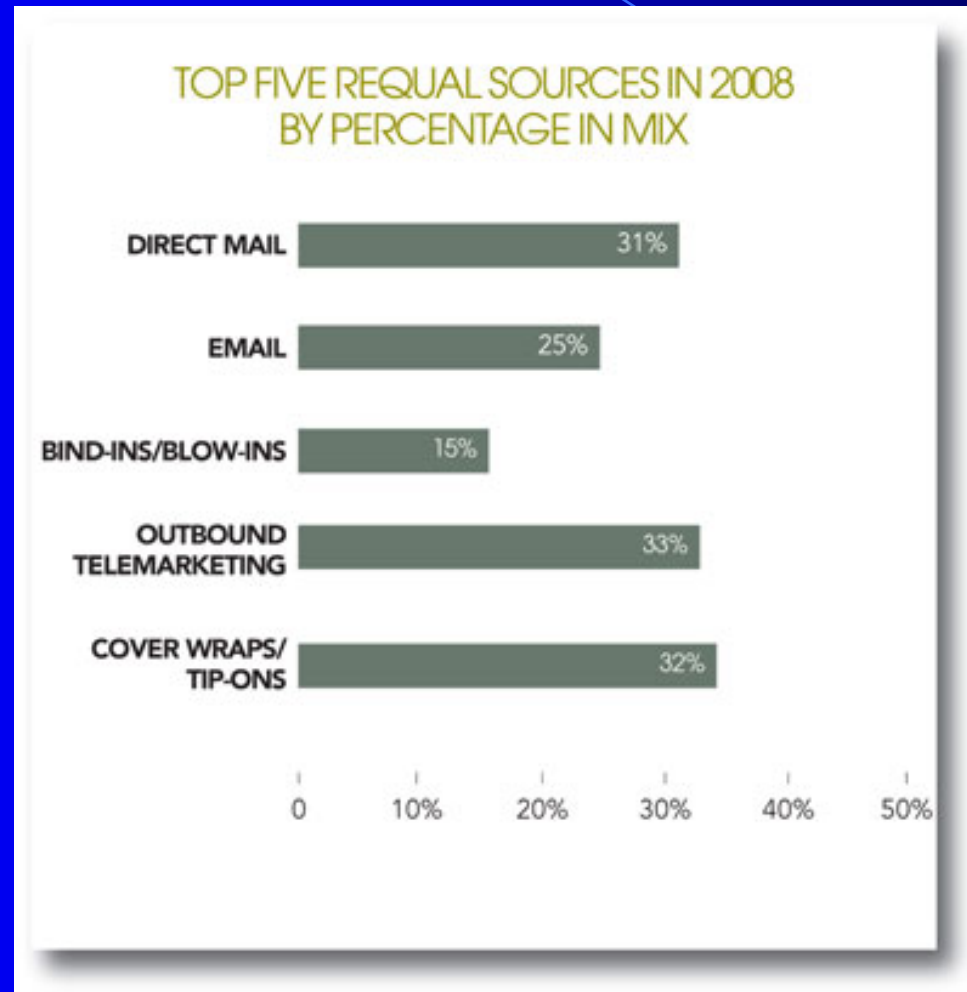
Tracking Renewals

- By Expire Group
 - By Effort
 - Conversion vs. Regular
 - Source to Source
 - By Flow
 - # Times Renewed
- Determine reasons for non-renewal
 - Via Telemarketing
 - By full-blown research
 - With Questionnaire in Late Renewal Effort
- Customer Service
 - Impact of Complaints
 - CS and Renewal Sales



Controlled Retention

Top Requal Sources



Source: Audience Development, June 2009

Keep the audience interested
between issues

Institutional Investor

- Monthly controlled publication
- Began in 2007 II Extra – eNewsletter
- eNewsletter sent monthly w/online content protected by digital rights management continuous communication with subs
- Reminders to requalify come with eNewsletter
- Retention rates up 10% internationally and 8% domestically year on year

Circ Management Online June 2008

The customer experience –
keep it top of your priority list

- Over the past four years Advanstar has changed drastically, but always according to customer needs. “We’ve added digital editions, created Web portals, Webinars, and the list goes on and on,” says Joy Puzzo. “It is always about meeting the changing needs of the customers.”

Source: Audience Development May 2009

Questions?

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