

# DIRECT MAIL IN THE DIGITAL AGE

## DIRECT MAIL IS NOT DEAD

Although some publishers are sending out fewer pieces of direct mail than they used to, DM remains an important subscription acquisition source for many magazines—particularly niche titles.

Some publishers' campaigns continue to generate decent response rates, and for many small-circulation publishers there really is no viable alternative. Direct mail is still the best way to generate a few hundred paid subscriptions and the profitable renewal orders that follow.

The low costs of email and online cross-promotions may be attractive, but response rates can be minuscule. Don't eliminate postal mail from your marketing plan because you heard that "all the cool kids are"—they aren't. Mail, but mail smart.

## DIRECT MAIL IS PREDICTABLE...AND IT'S NOT

Your past campaigns' results are a rough indication of the response rates that you might expect if you do the same thing again—mailing the same offer and the same creative to the same lists.

However, response will taper off, so you must introduce new offers, new creative and, perhaps most importantly, new lists. Test outcomes are definitely not predictable, which is why we test—it's the only way to find ways of improving response. Your hunches will frequently be wrong.

## DO YOU WANT TO OFFER ONLINE ORDERING?

Surprisingly, adding an online ordering URL to a DM package often reduces response. If the response rate to your control package is (say) 2%, and you test a mailed package that is different only in that it also says "Subscribe online at [CheerfulMag.ca/special](http://CheerfulMag.ca/special)," response to your test package will probably be around 1.85%, and only 5-8% of respondents to the test package will order online.

As consumers, you and I may order subscriptions online, and as marketers we may assume that our prospective customers will act likewise, but the majority of them still walk down to the postbox and drop order forms into the mail.

However, if you do offer prospects the chance to respond online, be sure to track those orders as online responses to your mailed campaign, not as miscellaneous "web orders." Print a custom "friendly URL" (leading to a landing page, or to your e-commerce subscription webpage) that is only used for that one direct mail list, so you know they are responding to a specific mailed promotion. That webpage should show the same offer as on the mailing piece you sent them.

## ONLINE AND OFFLINE RESULTS EVALUATION

If your printed promo piece directs prospects to a specific landing page, use web analytics software to evaluate how many of your customers visited that webpage, and what proportion of those completed their order. Your completion rate is a barometer of your landing page's effectiveness. If customers have to click something on your landing page to go to a separate e-commerce page to complete their order, examine how many make it past each step in the process, to see if you should simplify this process in future. (You will likely find it most effective to direct them straight to an e-commerce page, because you will lose a significant number of prospects at each click-through.)

But don't look solely at your web analytics to gauge success—continue tracking these orders *after* they are on your subscription database. If you offered a bill-me option, how many customers later paid is an indication of whether you over-sold (or misrepresented) your magazine in your promotion and landing page. Did their first issue disappoint new subscribers who had previously seen only your marketing materials? Keep an eye on the detailed results, not just the number of gross orders. If you offered a two-year option, how many chose it? What proportion of your new subscribers provided you with their email address when ordering? These are some of the questions you should ask yourself.

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### SHOULD YOU PROMOTE FREE MAGAZINE-RELATED DIGITAL OPTIONS IN YOUR DM PACKAGE?

Although your results may differ, many publishers who have tested free digital bonuses—such as e-newsletters, free digital delivery (as well as print), and/or full access behind the magazine website’s paywall—have found that adding such free digital extras tends to generate fewer orders than simply offering prospects the hard-copy magazine to be delivered by postal mail.

You may find this inexplicable, because “free bonuses” (a.k.a. premiums, such as a tote bag) usually *increase* response rates. But print readers aren’t necessarily digital readers. Anecdotal evidence, like phone calls from customers inquiring about subscribing to your digital edition doesn’t mean that the *majority* of your print subscribers are clamouring for digital delivery or your e-newsletter. Only careful testing will reveal what works for *your* magazine.

### SHOULD I OFFER CUSTOMERS THE CHOICE BETWEEN SUBSCRIBING TO MY MAGAZINE DIGITALLY OR IN PRINT?

If you have a digital edition or app and are selling it online (on your site, or through iOS’s App Store or Android’s Play Store), you’ll probably be tempted to offer the digital alternative in all your subscription promotions. But offering more options tends to reduce overall response rates. If you’re sending out a promotion by postal *mail* to lists of people who subscribe to other *printed* magazines that they receive by postal *mail*, then they’re probably not good prospects for your magazine’s *digital* edition. Giving them a choice will probably reduce response, perhaps by as much as 10-20%. This can happen even in situations where a digital subscription is priced *significantly lower* than the print subscription—total response rates suffer, and very few of those who do respond choose the digital option.

You may find some success in offering digital products in a more digital-friendly marketing environment, but you may be unable to replicate that success in printed/mailed promotions.

### TEST CAREFULLY

You simply cannot test every possible option, or combination of options, but ask your circulation colleagues at other magazines what they have tested and what the impacts were. Consider how your audience might be similar to, or different from, other magazines—in demographics, interest areas, and past buying behaviour. Judiciously select the most promising market tests, and ensure that the “test” percentage of your DM mailout volume doesn’t exceed 25-30%. Don’t do too many list tests at the same time, or too many offer/package tests.

Direct mail remains an important source of new subscriptions for many magazine publishers. But it pays to anticipate, and be responsive to, changes in consumer behaviour. The most successful users of direct mail have ongoing testing programs, to continue monitoring the evolution of their audience’s purchasing behaviour and reading habits.

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