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Vouchers: Variations on a Theme

For the last two decades—and particularly the last few years—vouchers have been a mailstream staple. And despite occasional evidence to the contrary, the format doesn't seem to be going anywhere. "It's really amazing," states Patricia Silver, president of Bethesda, Md., consultancy Silver Marketing. "That little package, for the right product, does so well."

Most of the time, that "right product" is either a magazine or a newspaper, but voucher fever has been spreading of late, working its way into the programs of association, software, nonprofit and even financial services mailers. This can be attributed, in part, to savvy mailers "stealing smart," contends Caroline Zimmermann, of Brookville, N.Y.-based The Zimmermann Agency. "It takes a bigger imagination to look at the broad picture [and] see what's working in all different areas and interpret that into what works for you," she states, citing a long-term voucher control from North Shore Animal League and a recent voucher effort from Capital One as classic examples.

This cross-pollination, coupled with the inevitable fatigue that comes from years of appearing in consumer's mailboxes, has led to a mailstream full of interesting voucher variations, as mailers

across the board test and tweak to keep this cost-effective package on its game. Here's a look at some of the tactical trends that are leading the way.

The More Is More Approach

"The biggest trend that I see taking place is that the voucher packages are metamorphosing from the traditional, plain vanilla, three-panel voucher with BRE into practically full-blown packages, dressed as vouchers," states Zimmermann. While the concept of a full-dress voucher package may seem like an oxymoron—isn't simplicity part of what makes a voucher's ROI so high?—mailers have been finding cost-effective ways to make it work, mainly in the form of modest elements that lift response enough to pay for themselves.

One such element is the letter, suggests copywriter Josh Manheimer.

"I've had considerable success turning the inexpensive voucher format into a cost-effective [direct mail] package by adding a two-page letter and using four color on both sides of the reply device," he states, adding that this has worked very well for client *U.S. News & World Report* and is in the works for a number of others.

Looking at the mail in the Who's Mailing What! Archive over the last few months reveals a plethora of such offers. In addition to *U.S. News'* single-page, double-sided, two-color letter, the Archive also has seen letters added to the vouchers of such mailers as *The Wall Street Journal*, *The Advocate* and National Association for Female Executives. These letters don't always take on the traditional form either. For example, a recent voucher from *Tuff Stuff* magazine



Offer-focused chips (left, from Barron's and The Advocate), informational freemiums (middle, from Kiplinger's Retirement Report) and editorial inserts (right, from Financial Times) are some of the modest elements mailers are adding to lift voucher response.

By TRACY A. GILL

featured a one-column, "Dear Friend" letter printed next to the "explanation of benefits," both of which were perfed to the bottom of the remittance voucher. *Yankee* magazine, on the other hand, includes a short lift letter, printed on bright yellow paper, in its "statement of benefits" packages.

Buckslips and, to a lesser extent, brochures are other components that have been making their way into voucher packages. For copywriter Mark Gauthier, the success of these elements lies in their ability to do what older, more offer-oriented vouchers do not—put the focus on the product. "I am finding that the voucher alone is not enough. The package has to sell and explain the product," he states. A number of mailers seem to agree. The control insert for *Financial Times* is a small replica of the paper—the version received in November was from Friday, March 31, 2006—which opens to reveal a brief sell of its editorial mission. *Sports Illustrated for Kids* includes an insert that speaks to parents, leveraging awards the magazine has won from various sporting and parenting organizations. Recent efforts from *TIME* have featured two inserts: a mini-brochure focused on the editorial and a buckslip that sells the premium.

There are exceptions—such as a recent full-color, six-panel brochure from *The Advocate*—but typically these inserts remain pretty simple: small, focused, sometimes just two-color. But when it comes to cost-effective additions, perhaps nothing can beat the chip—that very focused, undersized insert that has been prevalent in financial services and is making its way into vouchers. The aforementioned *Advocate* mailer features a two-color chip leading the recipient online to subscribe; *Reader's Digest* recently mailed a simple black-and-white chip with the headline, "Rate Adjustment Notice." Zimmermann sees chips, particularly those that focus on price, as a trend that is going to come on strong among voucher mailers.

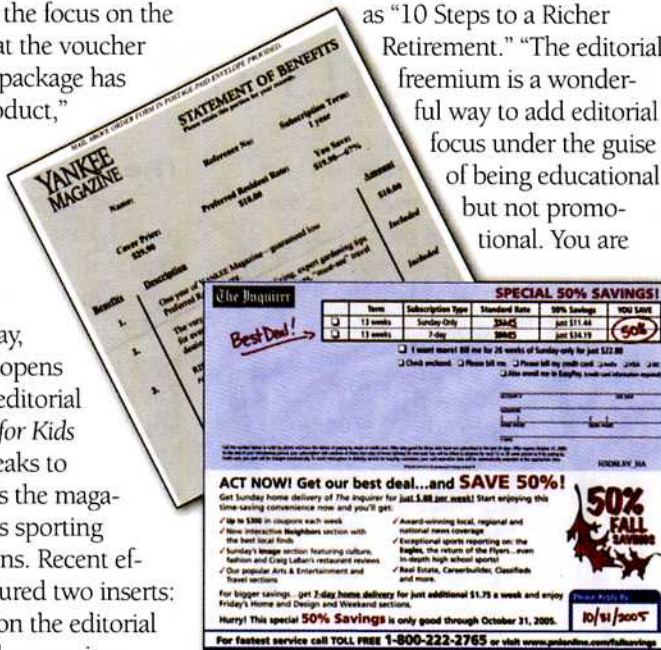
Free(mium) Is a Magic Word

There are a few voucher mailers that have been using freemiums successfully for years—*Sports Illustrated* has its NFL

schedule, *New York* magazine has various iterations of a subway map and *National Geographic* has polybagged both a sample issue and a world map with its voucher. But it seems more and more voucher mailers have been taking advantage of this response-boosting tactic, in part because of the additional product focus such upfront freebies can afford.

Take *Kiplinger's Retirement Report* for example. The only insert the mailer includes in its long-term control is a freemium in the form of a 3¼" x 8" glossy card featuring such valuable information

as "10 Steps to a Richer Retirement." "The editorial freemium is a wonderful way to add editorial focus under the guise of being educational, but not promotional. You are



Pat Silver and Kate Carr, of Silver Marketing, have found that while "statement of benefit" vouchers (like top, from Yankee magazine) work best on some lists, buckslip-style vouchers (like bottom, from The Philadelphia Inquirer) work better on others. Having multiple voucher styles in rotation—and knowing which lists each works best for—can help mailers keep their efforts fresh and their ROIs high.

giving them something of value for free," states Zimmermann, whose agency works with the mailer on its direct mail campaigns. She goes on to add that it is not enough just to include such a freemium; you have to find the right content as well. "We've done a lot of testing on it, and we find that subject matter really can make a big difference in response." To that end, *Kiplinger's* repeatedly has tested into new themes for its info-focused freemiums.

Silver Marketing Vice President Kate Carr also has seen informational freemiums work quite well, citing a package she worked on for *The Washington Post* that

included a recipe from the newspaper's cooking section printed on a buckslip. "It worked really well, so on the second drop, we were able to target outside lists that we go after that tend to be food-oriented, such as *Bon Appetit* and *Gourmet*. And that's had a lift too," she states.

A sample issue is perhaps the granddaddy of informational freemiums—it delivers a taste of all a product's editorial, but at a hefty price. "We polybagged a live issue of *Ad Astra*, the magazine from the National Space Society, with a voucher. It had strong, strong results, but also strong, strong costs," states Silver. One way to work around this higher price tag is to make the sample issue an occasional part of a mailing program, leveraging it just at special times of the year, such as when response is at its lowest.

Of course, all successful freemiums aren't editorial or informational in nature. Sometimes it's enough just to have a slight tie to your product, such as *TIME* does with a bookmark control freemium or as *Condé Nast Traveler* did repeatedly in spring and summer 2006 with personalized luggage tags.

Or, it doesn't need to have any connection at all. Zimmermann is seeing personalized address labels win test after test on the freemium front. "Ironically, the personalized label is beating the editorial freemium right now," she states. "It's in the *Kiplinger* package right now as the control. That's going to be the big thing—everyone is going to be doing labels."

Focus on Your Outer Beauty

Size often does matter in the mailstream, a fact not lost on an increasing number of voucher mailers. *TIME* and *Golf* magazines have mailed 6" x 11½" envelopes with equally large vouchers inside; *U.S. News & World Report's* current control arrives in a commanding gray and red #14; *Philadelphia Business Journal* recently tested placing its #10 voucher, unfolded, in an 8½" x 11" jiffy envelope; and *Money* and *Forbes* both have taken plain #10-sized vouchers and mailed them in larger 6" x 9" envelopes.

Zimmermann sees the latter size as one with real potential in the mailstream: "It will be interesting to see what happens with the 6" x 9". I think it has a pretty good chance of being competitive to the #10 because you can make the 6" x 9" look like what the voucher was originally about—a

bill." Indeed, all of these oversized efforts have relatively staid, official-looking outers.

However, mailers of standard-size vouchers—mainly #10s and close variations thereof, though the Archive recently did receive a 4" x 7" voucher from *Barron's*—have been doing a lot more with their outers. "For a while, the plain voucher carrier was working. But we are finding now that when we do a highlight burst, especially when we do a money-related burst, that's been pulling," states Carr. *Barron's* is a perfect example of this. The weekly's voucher style and offer have changed over the years, but one thing that has remained the same is its outer envelope teaser's focus on urgency and savings, as in its November 2006 mailing: "Reply within 10 Days to Save Up to 75%."

In addition to money-related teasers, other outer envelope tactics voucher mailers have been testing lately include:

- **Meter vs. indicia.** "We've been tending toward the meter because it does look more like a bill," states Silver. Perhaps because the majority of voucher mailers do use indicia, there's an opportunity for the meter to really catch a recipient's eye. That seems to be what *Money* and *Forbes* were hoping for with their recent 6" x 9" envelopes—both use meters.

- **Official language.** While "express" and other similar postal-related teasers are not appearing much, nor do they seem to be working right now—Carr cites a recent

test of a kraft envelope with an Express Delivery label that did not lift results at all—other official statements, such as "do not bend" and "to be opened by addressee only," do seem to be. Consultant Jerry Roache concurs: "One of the things I have been seeing . . . is the inclusion of official-looking stickers on the outer envelope—something to make it look certified or otherwise important."

- **Color.** Carr and Silver both cite colored, offer-related bursts as a test-worthy tactic at the moment, adding that they are looking into some bold colors for upcoming tests. When it comes to the envelopes themselves, few mailers vary from the standard white. *U.S. News & World Report* seems to be the one exception to the rule with its successful steel gray #14 outer.

A Bright Future

It doesn't seem the voucher's power will be waning any time soon; in fact, it appears poised to take on a whole new dimension thanks to an increasing focus on data work.

"Savvy circulators are starting to look at how they can segment their vouchers to be more appropriate for specific audiences," foresees Zimmermann, adding that she has a test in the works for a client where one voucher is aimed at a female segment of the audience and another is geared toward seniors. "Whenever we can make it more specific to the audience, that seems to help response. I think segmenta-

tion is going to be a new and important trend you are going to see."

Gauthier concurs, adding that he's seeing more and more of his clients take this customized plunge. And Silver and Carr report they have done some similar work for their clients, including new homeowner vouchers for *The Washington Post* and *The Philadelphia Inquirer*.

This customization trend also includes testing various voucher styles for use with different lists. "We are testing different kinds of vouchers right now," states Carr, citing a recent test that pitted a remittance voucher perfered to a buckslip-style form against one perfered to a "statement of benefits" list. "On some lists, the old style [the buckslip] works better; on some, the new one works better. The statement of benefits works better with magazine lists. . . . But overall, the different look helps keep the voucher fresh."

Keeping the voucher fresh—that seems to be everyone's goal right now. And whether it comes in the form of a new freemium, an unusual size, an eye-catching outer, an information-packed brochure or a highly personalized message, all that work appears to be paying off. "We have found that some of these little tweaks really make a tremendous difference," asserts Silver. "We've done a lot of testing of formats, and the voucher is still, by far, working the best." ■

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