DMA:2011
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REAL-TIME
MARKETERS

Best Practices and New Practices
in Insert Media

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Insert Media Best Practices

- Plan Development
- Testing
- Creative/Offer/Format
- Campaign Execution
- Campaign Performance Evaluation

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Insert Media Best Practices

- Plan Development
  - Clearly define and communicate the plan goals and objectives, budget and timing.
  - Determine the program test ratio for a campaign based on long-term goals.
  - Clear multiple programs to help ensure planned volumes are achieved.
  - Select programs based on affinity, demographics, continuation mailer usage, and rate.
  - Incorporate a variety of insert programs, covering various categories, and vehicles into your plan.

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Insert Media Best Practices

- Testing
  - Test new programs, vehicles, and promotional concepts in strongest campaign months.
  - Test new formats and programs with a control offer and creative to reduce variables, unless a specific offer and/or creative is needed for a targeted program.
  - Test only one element at a time to also reduce variables (e.g., if you are testing a landscape-oriented creative, pick up the control offer and adapt the control creative as much as possible to fit the new orientation).
  - Conduct head to head tests, commingling on press when possible, to ensure statistically valid results; this refers to tests with the same format, as different formats cannot be commingled on press.

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Insert Media Best Practices

- Testing Continued
  - For tests that cannot be commingled on press (such as different formats), instruct the program to prioritize the test format over the control to ensure full distribution of the test.
  - Test prepaid postage versus a courtesy reply to improve response. Conversely, requiring the respondent to pay for postage can improve backend results, so employ "Place stamp here" reply devices in targeted programs that have high response and poor backend.
  - Test appropriate volume within a program to ensure statistically valid results.
  - Test programs 2-3 times to prove roll-out potential.

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Insert Media Best Practices

- Creative/Offer/Format
  - Maintain an element of consistency across all creative to increase consumer recognition of your message and improve brand awareness.
  - Leverage successful creative and formats from other channels.
  - A clear call to action is necessary to capture consumer attention and encourage response.
  - Clearly communicate the offer and benefits.
  - When possible, target creative to speak to the audience; match offers and creative elements to the demographics of the program.

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Insert Media Best Practices

- Creative/Offer/Format Continued
  - Offer a variety of reply devices (800 number, website, and BRC/BRE) to improve your chances of generating a response.
  - Ensure that premiums are relevant to the offer and audience and are featured prominently.
  - Rotate creative and offer within programs to combat fatigue.
  - Determine the format size and weight based on the programs selected; develop different formats to accommodate the specifications of different distribution vehicles.

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Insert Media Best Practices

- Campaign Execution
  - Allow your media partner to communicate directly with your printer to ensure that questions/concerns are addressed promptly.
  - Your media partner should supply the printer with a detailed shipping summary that includes the following information:
    - Program
    - Earliest/latest material due dates
    - Delivery address/contact/and telephone number
    - Specific requirements including packing slips, delivery appointments, and carton sizes

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Insert Media Best Practices

- Campaign Execution Continued

  - Confirm functionality of all reply devices prior to campaign start date.

  - Supply your media partner with updated results on a weekly basis so insertion timing can be confirmed.

  - Receive and review detailed insertion status reports regularly to allow for proactive management of potential fulfillment issues.

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Insert Media Best Practice

- Campaign Performance Evaluation

  - Understand the response curves associated with each insert media vehicle.

  - Evaluate the success of each program, vehicle, and category to determine retest and roll-out potential.

  - Review performance of formats, creative, and offers.

  - Ensure that your media partner is familiar with your product costs and performance metrics so they can provide alternate scenarios, based on actual results.

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Insert Media Best Practice

Employing these best practices will help ensure the best possible outcome of each campaign.
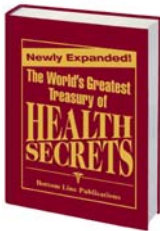
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Using Database Marketing

Challenge: How to use data base marketing to increase your odds of a successful newspaper insert campaign

Using Database Marketing

- World's Greatest Treasury of Health Secrets
  - Direct mail success – tens of millions of pieces mailed, half a million books sold

  - In addition, more than 1.5 million books sold through our successful infomercial with Hugh Downs

Using Database Marketing

Our tabloid format lends itself to a newspaper insert, as it looks like it belongs in a newspaper.

Using Database Marketing

- Creative changes were minimal
  - We were able to adapt the tabloid to an insert by simply changing the order card copy and assigning unique codes for each newspaper

Using Database Marketing

- Create Zip Model for newspaper insert campaign
  - Calculate quantity mailed for each ZIP and number of paid responses (ZIPs with very small quantities mailed can be eliminated)

  - Create an index for each ZIP (how much better or worse did a particular ZIP perform compared to the average net response)

  - Rank ZIPs in index order, and target high index ZIPs for your newspaper insert campaign

Using Database Marketing

- Example of Zip rankings by Index

EXAMPLE OF ZIP INDEX RANKING

RANK	ZIP	MARKET	QTY MAILED	# PAID RESPONSES	RESPONSE RATE	INDEX
1	06902	Stamford, CT	1,000	60	6.00%	300
2	07666	Teaneck, NJ	1,000	40	4.00%	200
3	11552	W. Hempstead, NY	1,000	30	3.00%	150
43,000	54901	Oshkosh, WI	1,000	2	0.2	10
		TOTAL	5,000,000	100,000	2.00%	100

Using Database Marketing

- Advantages of using this method
  - You can use your ZIP code data from your direct mail to help you choose profitable newspapers, in a medium that traditionally does not utilize data base marketing
  - You can lower your print CPMs on your direct mail by increasing your print order quantities
  - You can expand your reach, and piggyback on the success of a direct mail campaign

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Using Database Marketing

- Caveats
  - Media CPM is still a very big factor in the success of a market, even when the index on a particular ZIP is very high, so don't ignore it
  - Be careful about repeating in successful markets, as the falloff in response can often be dramatic
  - Make sure your direct mail piece lends itself to a newspaper insert (highly personalized direct mail efforts, for example, won't work)

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Media Trends

- Rapid Shift in Media Trends
  - More options available
  - Changes in how people consume information
  - Misconceptions about traditional media

This means we have to look at media differently

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Misconceptions

1. No growth in offline media

Research says….

- Magazine audiences are still growing[1]
  4% growth in readership in last 5 years

- Magazine ad sales are increasing[2]
  Ad revenue is up 6% Q1 2011 YOY
  Ad pages up 2.5% Q1 2011 YOY

[1]MRI Spring 2010
[2]PIB 2011

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Misconceptions

- Insert Media is growing and changing[3]
  PIP volume up 5% in Q4 2011 YOY
  Bind-in/Blow-in volume up 3% in Q4 2010 YOY

  - Several newly released programs

  - Increase in web-sourced programs

  - 62% of bind-in/blow-ins and PIPs :
    Flat or increased volume YOY

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[3]Paradysz Market Trends Report April 2011

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Misconceptions

2. You can't use offline media to reach younger audiences

Research says….

- Young adults are heavy magazine readers[1]
  93% of all adults read magazines
  96% of adults under 35 read magazines

[1]MRI Spring 2010

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Looking at Media Differently

Insert and print media still viable means of acquiring new customers

- Large Universe – 13 media types
- Huge segment of consumers comfortable with online transactions; they just need to be directed there
  - Magazines lead other media in influencing consumers to start a search[1]

[1]BIGresearch

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Looking at Media Differently

- Targeting
  - Large volume, broad reach programs offer targeting options to deliver game-changing lift in response.
    - Response model based on performance history
    - Target audience (demos/lifestyle)
    - Customer penetration model (assumes indicator of response)

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Looking at Media Differently

- Smart phones enable immediate response ~ the new 24/7 store hours. Use QR codes to keep up with advancing technology at the rate of consumers' appetite for adoption
  - Don't abandon URLs; add as an option
  - Drive to retail (coupon)
  - Drive to order page
  - "How to" page

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Looking at Media Differently

- QR Codes
  - Up to 4% tracked responses reported (lead gen offer)

  - Eventually lead to less white mail (untracked orders)

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Drive to Web Strategies

1. **Product Hero**
   - High value, low price offer

   - Broader interest product

   - Test lead/control product with success in other channels and/or high sales volume product.

   - Lead with product that has affinity with full product line

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Drive to Web Strategies

2. **Product Collage**
   - Multiple products create interest; drive to web to close sale

   - Tie offer around single product or entire order

   - Match product or creative to magazine editorial.

   - Drive immediacy with compelling offer

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Why 2D Barcodes?

- Insert Media Day 2010
- Interactive
- Instant
- Increases brand loyalty
- Creates brand awareness
- Generates Email Leads
- Generates Orders

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Testing Phase 1

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Testing Phase 1 Results

- Women's Health Nov 2010
  - OSD 10/19/2010
- Distribution
  - 1,597,507
- Total Scans
  - 2,017
  - Unique Scans
    - 1,716
- Customer Progression
  - 4% then purchased on an additional up-sell
- Analytics
  - 70% female
  - 11% income over $200M
  - 25-34 in age – 23%
  - 39% iPhone users
  - 30% Android users

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Testing Phase 2

Testing Phase 2 Results

- Women's Health March 2010
  - OSD 2/8/2011
- Distribution
  - 1,697,507
- Total Scans
  - 763
  - Unique Scans
    - 533
- Incoming Calls
  - 123
    - *Called outside business hours – 53*
    - *Hung up in queue – 43*
    - *Hung up on agent – 11*
    - *Refusal on up-sell – 9*
    - *Wanted Free Gift only – 2*
- Total Sales = <100

Learning Process

- 700 + Scans
- Phones are set-up differently
  - Customers needed to press "Send"
- Customers called during off hours
- Customers didn't wait in queue.
- Intrusive
  - Who am I calling?

Testing Phase 3

Testing Phase 3 Results

- Runner's World August 2011
  - OSD 7/5/2011
- Distribution
  - 660,000
- Total Scans
  - 1,123
  - Unique Scans
    - 997
- Total Sales = < 100
  - + Bill Me
  - - Credit Card

2D Barcodes Moving Forward

- Expand Testing
  - Bouncebacks
  - Package Inserts
  - Page Ads
- Magazines
  - Runner's World
  - Men's Health
    - Over 5M scans in 8 days
- Postal Discount on First Class Mail
  - 7/1/2011 – 8/31/2011
  - 3% on postage if you include a 2D barcode on promotional purposes

What's New – What Works

Questions?

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