



# How To Succeed in Selling Subscriptions?

# Reader's Digest

- Published in 50 countries, 21 languages
- 15,000,000 circulation, generates 3,6MM new subscriptions per year
- In Latin America, 6 editions, 1,500,000 circulation, more than 5,000,000 readers
- Our customers in the region:
  - ◆ 70% middle/upper class
  - ◆ 60/40 female/male readership
  - ◆ Median age 40
  - ◆ Family oriented, brand loyal, optimistic, seeks knowledge and values culture, tech savvy, home is their haven



# Key Success Factors

- Product quality, good service, fair price, relevance, frequency;
- Strong Direct Marketing Skills, possible through:
  - ◆ Reliable distribution channel and lists – including kiosk display;
  - ◆ Promotion strength – response level;
  - ◆ Continuous focus on costs and process optimization;
- Trust – Relationship building;

# How to find your subscriber?

- Work with reliable and updated outside lists;
- Test new sources and segmentations, if possible;
- Selection process – look for “actives” and enrich the data if possible;
  - ◆ Relevant variables: recency, frequency, affinity;
  - ◆ Resting policies must be adhered to;

# How to engage your subscriber?

- Arouse interest, curiosity;
- Benefits should be clear and tangible:
  - ◆ There are no sales teams – consider using contest, sampling, discounts, premiums, MGs, amongst others – create value!
- Inertia is a killer – there must be movement ...  
...Direct marketing requires impulse!



# How to keep your subscriber?

- Magazine must offer value – emotional and practical benefits;
- Service is key!
- Relationship building strengthens the bonds and creates long-term relationship and profitability;
- Building a subscription base requires

PATIENCE...

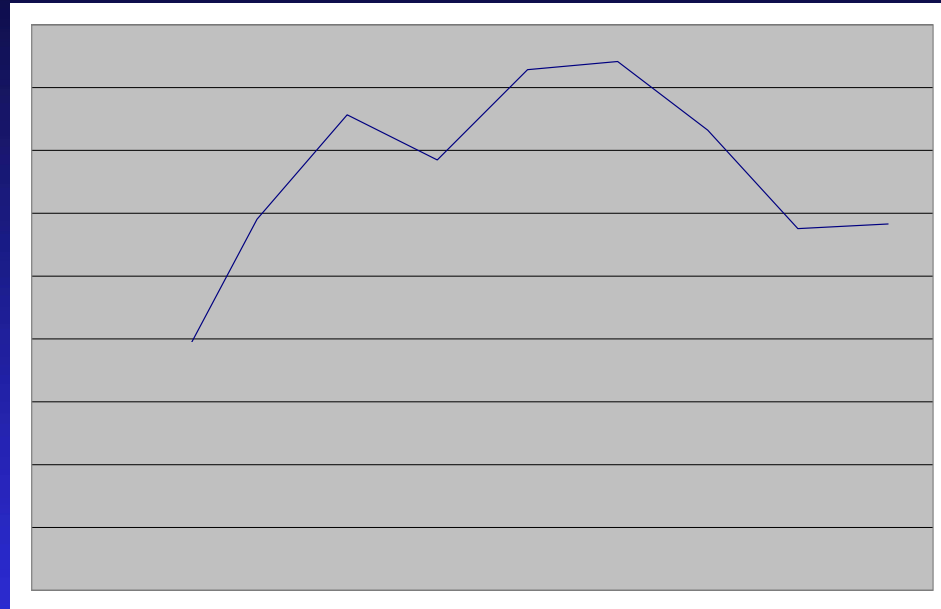
# Direct Mail Investment Stream

■ <u>(\$000)</u>	<u>YR1</u>	<u>YR2</u>	<u>YR3</u>	<u>YR4</u>	<u>YR5</u>	<u>YR6</u>
Acquisition Promotion	(270)	(270)	(270)	(270)	(270)	(270)
Renewal – 1T:		175	175	175	175	175
Renewal – 2T:			90	90	90	90
Renewal – 3T:				60	60	60
Renewal – 4T:					45	45
Renewal – 5T:						35
Total	(270)	(95)	(5)	55	100	135
<u>Cumulative</u>	<u>(270)</u>	<u>(365)</u>	<u>(370)</u>	<u>(315)</u>	<u>(215)</u>	<u>(80)</u>

# Financially Optimizing the Relationship

- Target subscribers with other offers – increase revenue stream;
- Guarantee variety – affinities, price levels, nature of products;
- Diversify channels of interaction;
- Set high expectations – think out of the box;
- Client is unique – and should be treated this way;

# “Musts”



- Understand fluctuations in results can occur
- Cost controls are key
- Respect cultural & national differences
- Be ready to change course

THANK YOU!