

DMNews

Are Vouchers Killing the Circulation Business?

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As I sat through a recent Circulation Day seminar on “Direct Mail Creative Breakthroughs & Trends” I was astounded to think that the voucher was still a creative breakthrough. The voucher, for many years, has played a prominent role for many publishers in their direct mail campaigns. Creative testing has focused on improving the voucher through tweaks to envelopes, forms, adding brochures, and buckslips. Not what I consider a creative breakthrough, but for many circulators this format has saved their business.

As subscription prices and advertising pages continue to drop, and postage and paper costs continue to rise, the voucher has proven to be an effective, low-cost format resulting in reduced cost per acquisition. Its invoice-like graphics have produced pay up results never seen before. Great story, right?

Selling magazines has recently become a price discussion with consumers, and the voucher package is an easy vehicle to promote discounts and price terms through its savings boxes. Although some publishers have successfully tested adding editorial copy to the voucher, the days of the glossy 6- by 9-inch package, chock full of involvement devices and full-size brochures selling the editorial content of a magazine, are gone for most marketers.

But here’s the rub: While the voucher has been a tremendously strong and straightforward format, producing excellent results in response to the market conditions of publishing, in my opinion the voucher has also contributed to devaluing the editorial integrity of the magazine by focusing on a price-driven offer.

In addition, I believe publishers need to be concerned with the quality of readership and the lifetime value implications of voucher responders. Although the short-term results are very promising, marketers must continue to aggressively test creative breakthrough ideas and focus on lifetime cost of acquisition and retention, not simply one-time cost per acquisition. The success of the voucher adds to questions about the future of publishing in general.

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