

21 Ideas for Improving Renewals and Collections

There's a haunting line in one of the pivotal songs in that breakthrough musical *South Pacific*: "Once you have found her, never let her go." That's a good rule for Circulators to follow: You spend a fortune to acquire subscribers, so "Once you have found them, never let them go."

What strategies and tactics are you using to retain subscribers and to increase pay-up? Here are 21 ideas to consider.

Improving Renewals

Reward early birds. Give them the lowest price and the premium. The premium should be withdrawn after the first two efforts. Generally, the better the response on your first two efforts, the higher your overall renewal percentage will be.

Segment as much as possible. Print/mail technology allows this to be done relatively easily and inexpensively. The prime segmentation is of course between conversions and renewals, but also look at major differences in your audience if they're recorded on your database. For business magazines, you might segment by top management vs. IT readers. Sunset does some tracking of those more interested in gardening vs. those more interested in vacation planning.

Position your magazine in the same way your new business control package does. Fact is most renewal series have no positioning at all. What worked to generate subscribers should work to retain them. Make sure that the benefits that you sold the customers in the acquisition packages are repeated in the renewal packages.

Test continuous service. If you can acquire new subscribers under a continuous service offer for the same cost per new sub, you're way ahead because an offer will invariably help retention. This is particularly true of conversions. Continuous service should also be tested on renewals, even if the offer doesn't work on new business.

Use e-mail renewals, even on consumer titles. This doesn't necessarily mean replacing snail-mail efforts. But judicious emails will work on their own, and also drive more mail renewals.

DIFFERENTIATE! It's a problem when all your renewal notices look alike, but the bigger problem is when all your renewal notices look like everyone else's renewal notices! Aside from attached efforts (last issue wraps), test at least one effort (fairly early in the series) that breaks through clutter. Yes, it is going to cost more – but not as much as replacing the subscriber.

Promote online access. Most subscribers to business publications value complete online access more than they value the print edition. Even consumers find features and information online that they can't get in the magazine.

Try a survey approach. This is particularly useful near the end of the series. In providing feedback about why they didn't renew, subscribers often reconsider.

Re-sell the guarantee. Again, near the end of the series, tell subscribers they're really not locked in for a year; they can bail out at any time.

Think about a loyalty program. Loyalty programs really haven't worked in publishing yet, but they can, particularly if you can run/sponsor events and provide benefits beyond the magazine.

Open as many renewal windows as possible. You can't afford an 800# call on a \$7.97 subscription, but you probably can on subscriptions above \$15.00. Let your subscribers renew online and by fax as well as by snail-mail.

Improving Collections and Pay-Ups

ON NEW BUSINESS

Make sure the premium is offered on payment. Most publications do this, but we've seen notable exceptions.

Test using a premium as a collection incentive only. Put an enclosure in with your acknowledgment and offer the premium if payment is received in 30 days. Extend the offer to the first bill.

Get payment up front. When you use a Statement-of-Benefits package, you can automatically expect a very high percentage of payment with order. Offer an extra issue or two for checks or credit card check-offs with the order.

Fulfill the first issue fast. Speed of delivery is a major factor in getting subscribers to pay rapidly. If you can't fulfill fast, acknowledge the order fast...and hold the first regular bill until the subscriber has definitely received the issue.

Provide Value-Added with the acknowledgment. In addition to the customary customer service numbers, give subscribers a guide to getting the most out of your publication. That will re-focus them on the publication and increase your chances of getting paid quickly.

Make the bills look like bills. There should be no mystery or teasing here. This is mail you want in the "bill" pile.

Test different invoice messages and enclosures based on the source. Direct mail generated new subscribers pay differently and react differently than TV-or insert-card generated subs. It's probably more important to tailor the billing series by source than the renewal series.

Re-sell the publication using some of the same language as the control package. Refer to the original decision to subscribe.

On Conversions and Renewals

For subscribers in the continuous service mode, make sure they get a "link" letter prior to receiving their invoice.

Use the "lost in the mail" ploy. There really is no reason someone who has okayed a conversion or renewal doesn't pay unless there's a communications problem. So copy is along the lines of "You've been a loyal subscriber. That's why we're surprised we haven't received payment for your current subscription. Did our invoices reach you? Or perhaps your payment has been lost in the mail..."