

Has the Voucher Package Finally Met its Match?

How the voucher package has evolved
into a new hybrid format that promotes
editorial content — as well as price.

— *Josef Kottler*
Sage Communications

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Innovative new Voucher HybridSM formats focus on magazine content — as well as price — while keeping costs low.

They're the "stealth" marketing tool of magazine marketers. They often use terms like "Statement of Benefits" that sound like they come from the accounting department, and offer "Preferred Subscriber Savings" and "Professional Rates" — even to non-professionals.

They're called "Voucher Packages," and if you're involved in the business of building a magazine's circulation, chances are you're either currently mailing a voucher or are about to test one. Even direct marketing purists and copywriting gurus, who would rather not see their subscription promotions reduced to such a simplified format, find the direct mail efficiencies of this low-cost package too attractive to ignore.

But before you jump on the voucher bandwagon, you should be aware that there are some new variations of this popular direct mail format that allow you to take advantage of the same cost efficiencies, without sacrificing the content portion of your sales message. These new formats are called "Voucher Hybrids," because they combine certain elements from a more complex component package and a standard voucher package.

The Pro's and Con's of Standard Vouchers

Voucher packages were originally created for large circulation titles with national brand recognition, and were not required to place much emphasis on the publication's mission, content, or style. They present a low-price offer that is typically printed on continuous form paper — featuring a very businesslike design and copy style.

Voucher packages have two major advantages over component packages: They are far less expensive to print and mail, and they generate high pay-up typically ranging from 70 – 90 percent. This translates into added savings due to having to send fewer bills and "bad pay" copies.

Part of the success of the voucher format is attributed to the perception that people treat these promotions as important pieces of mail. They often save them to look at with their bills, rather than throwing them out with more obvious "junk" mail.

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On the down side, voucher packages are devoid of the illustrative elements, personality, and emotional content that make magazines so appealing to readers. If a person isn't already familiar with a title, chances are they won't know enough about it to respond, no matter how attractive the offer is. Many magazine editors are unhappy with vouchers because they say very little about the value their magazine's content has for its target audience. Additionally, some circulation marketers are uncomfortable using voucher packages, since they feel recipients may believe they have received an actual bill — rather than a subscription offer.

In an effort to satisfy these shortcomings, many publishers have experimented with adding content-based inserts into their voucher packages, such as editorial chits and lift notes. But in many cases, these inserts actually depress results rather than lift them, or simply don't justify the extra printing cost. As a result, some circulation marketers have concluded that in order for a voucher to work, it has to remain very businesslike and focus on a special low-price offer, rather than adding a more descriptive, editorial-based message.

The Best of Both Worlds: The Voucher Hybrids

A number of leading magazine publishers have recently found that they can successfully integrate a stronger content-oriented message by using hybrid variations of traditional voucher packages. This is especially important for niche titles that require a more detailed, brand-focused marketing approach tailored to the unique needs of their audience. In addition, the Voucher Hybrid format is gaining momentum with business publications and mass circulated women's magazines as well.

Smaller magazines need a more detailed, brand-focused message that is tailored to the unique needs and interests of their specific audience.

The Voucher Hybrid replaces the typical listing of benefits found in standard voucher packages with a more compelling and more personalized message. The design uses strong visual elements usually associated with a larger, more expensive component package to communicate the brand personality of each magazine — while staying within the economic and physical constraints of a standard #10 or monarch-size envelope.

Depending on the nature of the magazine, a Voucher Hybrid can include any or all of the following: benefit-oriented headlines, taglines, editorial spreads, covers, graphics, branded icons, picture captions, a letter from the editor, testimonials from readers, and guarantee language — all printed directly on the voucher form itself. In this way, the cost savings is preserved, while delivering a more powerful and complete sales message. In addition, a buck slip may be added to underscore the offer or promote a premium.

Working creatively within the confines of a limited format like a Voucher Hybrid package requires out-of-the-box thinking. This is definitely not a “one size fits all” format.

Car Craft reported a 15% net lift using a Voucher Hybrid package created by Sage Communications in Fall, 2003. Based on these results, Primedia plans on using Voucher Hybrids with several other titles in 2004.

Meeting the Creative Challenge

The overall creative challenge of working within the confines of such a limited format requires out-of-the-box thinking. For example, one of the most challenging aspects of the Voucher Hybrid is how to treat the outer envelope. While standard vouchers generally use very simple text or blind outers (which make it difficult for the recipient to distinguish them from bills), Voucher Hybrids feature envelopes carrying a wide range of messages, colors, and graphic treatments. But the jury is still out on how creative you can get before the OE starts to get treated as just another piece of junk mail.

Peter Einstein, Creative Director/Copywriter at Sage Communications, explains, “This is not a ‘one size fits all’ format. It makes a difference how well known you are, and if you are speaking to a predominantly female or male audience. To make this approach work, you must have clearly defined positioning that can be woven throughout the package from the outer envelope... to the headlines and picture captions... to the guarantee language... and finally, to a tagline that wraps up a magazine’s unique selling proposition (USP) and main reader benefits.”

He adds, “It takes the same amount of research to write a Voucher Hybrid package than it does for a larger component package, which typically includes: interviewing the editors, pouring through past issues, and reviewing transcripts of focus groups and other subscriber research. From this preliminary work, a big idea usually emerges, and the magazine’s positioning becomes clear. Then, the challenge from a creative standpoint becomes how to make use of every inch of space on the voucher form to express the unique personality and style of the magazine — while making a direct, personal appeal to the reader’s self interest.”

Initial Results Look Promising

Car Craft, an automotive enthusiast title owned by Primedia, reported a 15% lift in response using a Voucher Hybrid package they tested in Fall, 2003. They plan to roll out with the Voucher Hybrid as their new control in 2004. Bobbi Gutman, VP, Consumer Marketing of the Automotive Division at Primedia, talks about her reasons for testing the Voucher Hybrid approach:

“Our old voucher package had been so successful for us on a net response as well as net P & L basis that it had been extremely difficult to beat. Our hypothesis was that introducing editorial sell through the Voucher Hybrid package might be a way for us to increase net response for relatively the same CPM in the mail, thus improving overall profitability. The results indicate that our hypothesis was

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correct. We are going to continue to refine this package to improve results even further, and test it on our other magazines.”

From *Macworld* to *Latina*, Voucher Hybrids Make Sense

Shawne Pecar, Circulation Director at IDG’s *Macworld*, is testing a new Voucher Hybrid package in her Winter, 2004 direct mail campaign. She explains, “We wanted a package which highlighted *Macworld*’s editorial product, but it also needed to be economical. The idea of a Voucher Hybrid package with a letter from our editor intrigued me. It offered us a way to speak to potential readers of *Macworld* in a much more personal way than a standard voucher approach, without increasing our costs significantly.”

Jane Cazzorla, Circulation Director at *Latina*, thinks that the more personalized, brand-focused Voucher Hybrid they are testing this winter will beat their more expensive 6 x 9 control package. She says, “When Sage Communications presented samples of the Voucher Hybrid format, I sensed right away that it was the answer I was looking for. It has the impact of a 6 x 9 component package with a full-color brochure and sales letter, but with printing economics much closer to the voucher type package. We’d tested a voucher package already, but *Latina* has a unique flair and brand personality that needs to be expressed visually. The new hybrid format is perfect for us.”

The Voucher Hybrid promotes a magazine’s editorial merits together with a special low-price offer — thereby speaking to both the *hearts* and *minds* of potential readers. It is a new marketing tool that uses many traditional elements of a component package, while matching the deep cost-savings and high pay-up percent of a voucher package — a winning combination that many of today’s cost-conscious magazine marketers are seeking.

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