

# TARGET MARKETING TIPLINE

## What's Working With Freemiums

By Shira Linden

When I e-mailed 99 circulation directors and consultants for this article, my response rate was a big, fat zero. It seems freemium users are tight-lipped about their successes. One publishing company achieved a 10 percent lift using a bumper sticker and plans to test an in-line package, but didn't want its name disclosed. Another publisher polybags its magazine as part of an acquisition mailing, but maintains this is not a true freemium. A third magazine known for its freemiums asked not to be mentioned, no reason given. And on it goes.

But after turning over many rocks, I found three freemium users who were less gun shy than their compatriots. Carol LePere, circulation director and associate publisher of *Kiplinger's Personal Finance* told me about the publication's new control, which includes what she calls the "Crazy Rich Aunt Letter" and some nice-looking, peel-off, address labels. The actual title is "Money-Making Secrets of My Crazy Rich Aunt," which *Kiplinger's* lifted from a 9½ x 12½ package mailed 10 years ago.

For about a year before the rollout of this effort, *Kiplinger's* was using a four-color, aqueous-coated freemium insert, "8 Steps to a Better Retirement," as part of its statement of benefits package. Better copy yielded a 10 percent lift over its prior freemium, "12 Grade-A Ways to Build a Nest Egg for Retirement."

Craig Kunaschk, associate product manager at *Guideposts*, says that for at least seven years, the control for *Daily Guideposts* included a bookmark. This year, a combination of book plates and address labels beat the bookmark. "The new package received 19 percent more orders and 40 percent more requests for additional copies over the bookmark package," Kunaschk says. Both were self-mailers.

He also mentions that one of *Guideposts*' continuity book clubs tested a refrigerator magnet. Although the magnet lifted response by 15 percent, the lift wasn't enough to cover costs, and it was beaten by a sampler that included little stories and jokes from the book.

Bill Hummel, senior vice president of marketing at *Highlights for Children*, updated me on its sticker freemiums: "We still put stickers in our 9½ x 12½ polys so they show through, and people open the package. We call attention to them with a teaser like, 'Free Stickers Inside.' It's our hallmark. We've tried smiley faces, seasonal stickers and glossy ones for our various programs, including teacher premiums. We refresh them once in a while, too. People in our focus groups mention the stickers—they're our No. 1 freemium. In our holiday mailings we've tried 'from/to' cards for presents, and other things, but the stickers always win."

## Freemium Fashions

A number of other freemiums are making an impact in the direct mail world as well. According to Jill Querceto, vice president of sales and marketing for Capital Design, a supplier of promotional items, "We sell lots of magnets for continuity clubs and magazines, so presumably they're working." She says the magnets she is seeing have evolved to include picture frames and "dress-up" magnets, such as a magnetized index card with a perf-out bear with accessories—a scarf, pennant, headphones, hockey stick, beer mug and other cut-outs—from Bowdoin College, for example. Other popular items include nail files, pill boxes and mirrors.

“Nonprofits are doing pens in their reactivation campaigns, so donors will write the check with the pen. They’re also using seeds, branded metal keys and lenticulars,” explains Querceto. Habitat for Humanity, for one, is rolling out with a metal house key attached to a card that says “Key to their Survival.” North Shore Animal League uses lenticulars (cards that change images) that switch between “I love dogs” and “I love cats,” with a calendar on the back.

Janet Copland, a principal with Copland O’Neil, an agency that advises nonprofits and creates its direct mail packages, indicates that her faith-based clients are using rosaries and crucifixes. Secular clients are going with key rings, fleece blankets and 5½ x 8½ canvas pictures that look like prints, and in which the subject matter is relevant to the organization. Resin statuettes are hot right now, as well. “Labels still work for some clients and for house mailings, but some of these others are working better,” Copland states.

The range is from \$0.50 for, say, small tokens, such as a guardian angel, to \$2 for the blankets. “The ROI pays out, absolutely,” Copland stated. “Freemiums gain the prospect’s attention and point them to the mission of the organization. The average gift size remains steady, but the response goes up with the freemium. Depending on where organizations start, they can double or triple their response (or more). The mailings costing \$2 per package are getting double-digit response rates.”

Looking at these trends and numbers, it seems freemiums are doing the job direct marketers intend, which could be why many mailers prefer to keep mum about this secret direct mail weapon.

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