

Circulation: Finding readers in print and online



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Circulation: Finding readers in print and online

Written by Dr. Kent Wilson and Dave Wilson

“Finding readers in print and/or online” is a unit in the “Managing the Magazine with Confidence and Skill” manual. The entire manual may be purchased at www.magazinetraining.com.

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5376 Tomah Dr., Suite 210 • Colorado Springs, CO 80918

Tel: +1 719 598-9743 • FAX: +1 719 598-1007

Email: mti@magazinetraining.com

Web site: <http://www.magazinetraining.com>

Facebook: <http://www.facebook.com/magazinetraininginternational>

<http://www.facebook.com/MTI.In.India>

Blog: <http://www.Magazine-mavin.com>



About the Authors

Dr. Kent Wilson

Dr. Kent Wilson is chair and executive director of Vistage International and president of Nonprofit Leadership Exchange, a position he took after serving 13 years as executive publisher of NavPress.



At NavPress Kent oversaw the overall operation of the Christian publisher with its three divisions: NavPress books, the Bible division, and the Periodicals Group. Before accepting the position as executive publisher, he served as circulation director for the *Discipleship Journal* and then as associate publisher for the magazine group, which included *Discipleship Journal* and *Pray!* A graduate of Stanford University with degrees in electrical engineering design and psychology, he later studied for the ministry at Denver Seminary, pastoring a church in the Denver, Colorado, area for seven years. He holds a Ph.D. from The University of Aberdeen in Scotland. He is also a member of the board of the Colorado Rockies Bible Camp and Conference and is chairman of the board of Magazine Training International. He has taught MTI publishing business courses in Russia, Ukraine, Hungary, Slovakia, Bulgaria, Hong Kong, and the United States.



Dave Wilson

Dave Wilson is former director of operations for NavPress Periodicals in Colorado Springs, Colorado, where he worked in all aspects of circulation development and advertising sales/management.



His responsibilities included managing all phases of the production process—from prepress to printing—for *Discipleship Journal* and *Pray!* magazines, developing directly-related spin-off products for the Periodicals Group and overseeing business relationships with distributors. He was also involved in the Web development and marketing strategy for the NavPress Books and Periodicals divisions. Dave is a graduate of John Brown University with a degree in business administration and a minor in biblical studies. He has taught MTI publishing business courses in Hungary, Ukraine, and Slovakia. He is currently working in China with a microenterprise and economic development team.



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CHAPTER 1

Potential sources of readers





Potential sources of readers

You've produced an attractive magazine now you need to find readers. But where do you find the people you know would enjoy your magazine?

Important definitions:

Readers: All the people who read a particular issue of your publication

Subscribers: People who pay in advance to receive a specific number of issues of your publication.

SOME POTENTIAL SOURCES OF READERS



Church distribution

Selling or distributing the publication through local churches.

1 Denominational publications often are best sold or distributed through churches.

2 Examples: Church book tables, magazine racks or holders, church bookstores.

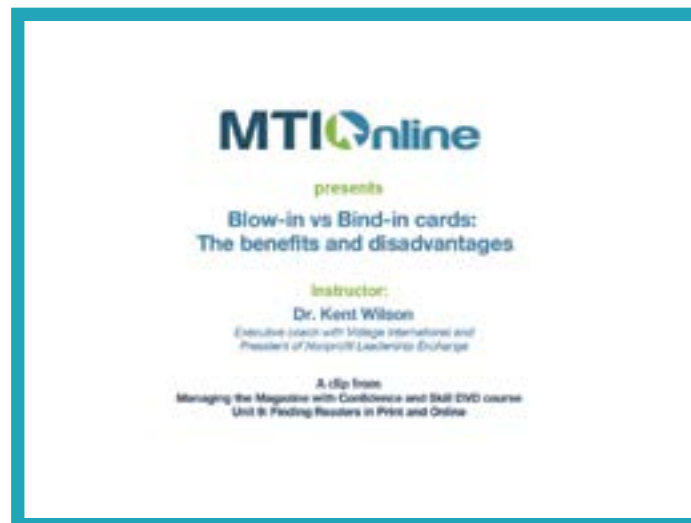


Potential sources of readers

In-publication promotions

Cards or other printed promotions inserted in the publication.

- 1 Insert cards (loose or bound in)
- 2 Order forms printed in the publication
- 3 Outer wraps over the magazine cover
- 4 Inserted envelopes





Potential sources of readers

Book table sales

Book tables set up by the staff at concerts, festivals, special events, or anywhere you can set up a table to sell or distribute copies of your publication.

Conference distribution

Selling or distributing the publication at conferences.

Renewals

Selling a subscription of the publication to current subscribers for an additional year or period of time.

1 Start sending renewal notices long before the subscription expires.

2 Send out as many renewal notices as are cost-effective compared to other circulation efforts.

3 Copy and format should vary with each renewal effort.



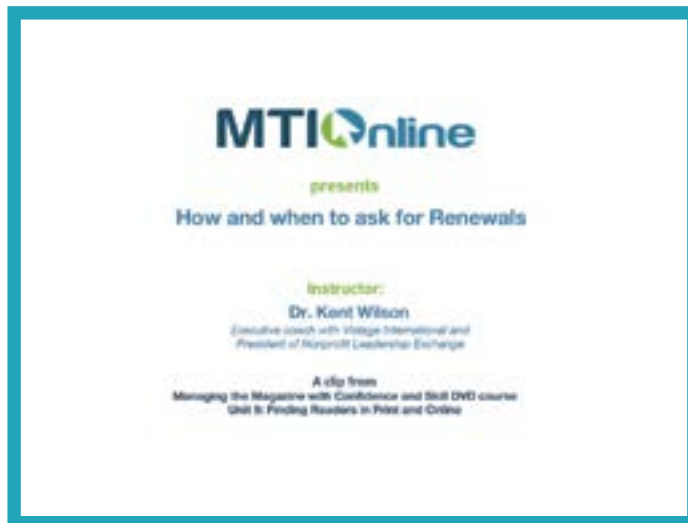


Potential sources of readers

Sample Renewal Schedule

Effort	Timing	Format	Offer
1	4 months before expiration	Letter A	Early bird \$10 for 6 issues
2	2 months before expiration	Letter B	\$12 for 6 issues
3	At expiration	Magazine wrapper	\$12 for 6 issues
4	1 month after expiration	Letter C	\$12 for 6 issues
5	3 months after expiration	Telephone call	\$8 for 3 issues

(If your country allows for "automatic renewal" you may mail invoices instead of standard renewal letters.)



Think about it:

1. How do you renew subscribers in your country?
 2. Determine the best renewal schedule for your publication.
- Determine the actual format for each renewal effort.





Potential sources of readers

Tip:

Renewing existing customers or readers (selling the same customer another issue) is vital to your survival. It is your most profitable long-term source of income and stability. It is always cheaper and easier to sell an existing customer another issue than it is to find a new customer.

Brochures and pamphlets

Printed material that explains your publication and is handed out at events, churches, etc.

Joint promotions

Placing your own brochure in someone else's mailing or publication (bartered or paid for).





Potential sources of readers

Consignment

Paying other people (especially current readers) a commission to sell your publication directly to readers.

Post office distribution

Selling copies or subscriptions through the postal system for a commission.

Gifts

Promotional efforts asking current readers to purchase copies or subscriptions to give as a gift to their friends, children, grandchildren, etc. Gifts require a special fulfillment system to manage.





Potential sources of readers

Friends/referrals

○btaining the names of friends of current readers either at no charge or in exchange for a small gift.

Retail sellers

Single copy sales through registered retail sellers such as kiosks, newsstands, bookshops, or church-operated book tables.

Group (bulk) subscriptions

Selling multiple copies distributed to a single location (churches, college groups, businesses, etc.).

Voluntary request

People who voluntarily contact you requesting a copy or a subscription to your publication.





Potential sources of readers

Direct mail

Mailing a promotional piece to a list of potential readers to sell them a subscription to your publication.

Free distribution

Handing out free copies of the publication (on trains, street corners, at church, etc.).

Tip:

Often you obtain a larger response by distributing promotional brochures that describe your magazine instead of distributing free copies of the magazine. And, it costs much less.





Potential sources of readers

Advertising

In other publications.

Radio/TV

Very expensive unless you own your own radio or TV ministry.

Internet

Promote your publication, website or digital publication via ads placed on your own website, other websites, ads placed on Google Ads, etc.

Think
about
it:

1. What circulation sources work well for you?
2. From the above list of potential sources, identify at least three that you think are worth pursuing for your publication. Then decide how you will test and evaluate each in the next year.



CHAPTER 2

Circulation principles





Variety of sources

It is best to grow and maintain readers for your publication or website from a variety of sources. You should not rely on one method alone.

- 1 Some of the main sources of circulation—Single-copy, gift, subscription, group, and renewals.
- 2 The greater variety of circulation sources, the more stable a publication will be.
- 3 Circulation sources usually change over time:

Circulation sources for a sample publication

Circulation source	Year 1	Year 2	Year 3
Book tables	20%	15%	10%
Subscriptions	10%	15%	30%
Gifts	5%	10%	10%
Group subscriptions	60%	50%	40%
Kiosks/newsstands	5%	10%	10%





Use the most profitable sources first

Build circulation with the most profitable sources first, then the less profitable sources next.

Regularly calculate the profitability of each source by including (*See Chapter 3*):

- a. The actual income generated from selling that issue or subscription.
- b. The total cost spent to acquire a reader. (Printed materials, labor, commissions, etc.)
- c. Direct magazine costs (paper, printing, writers' fees, shipping, etc.).
- d. Future income potential from selling future issues of the publication to the same reader.





Circulation principles

Selling a subscription

	Year 1	Year 2	Year 3	Year 4
+ Income	\$ 10.00	\$10.00	\$10.00	\$10.00
- Acquisition Cost	\$ 10.00	\$ 0.50	\$ 0.50	\$ 0.50
- Cost of Magazine	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
= Net Profit	-\$ 3.00	\$ 6.50	\$ 6.50	\$ 6.50

\$16.50

- One-year subscription \$10.00
- Cost of magazine \$ 0.50 per copy
- 6 issues per year
- Acquisition cost:
 - Year 1-Expensive
 - Year 2-Cost of renewal letter

Selling single copies (4 out of 6 issues)

	Year 1	Year 2	Year 3	Year 4
+ Income	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
- Acquisition Cost	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20
- Cost of Magazine	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
= Net Profit	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80

\$11.20

- Reader buys 4 out of 6 issues
- Single copy price \$ 2.00 each
- Cost of magazine \$ 0.50 per copy
- Acquisition cost: 40% of single copy price

Profitability = Actual income – total acquisition costs – direct cost of magazine + future income potential



2 When you find a profitable source, do everything you can to maximize the number of readers from that source before you shift your focus to less profitable sources.

3 Every source will have a natural limit on the number of readers that can come from that source.





Promoting paid subscriptions or memberships

1 It usually costs more to sell the first subscription to a reader than to sell individual copies, but you make up the money on the renewals.

2 Do not sell subscriptions unless you are ready to manage them with a proper fulfillment system. To start selling subscriptions you need:

- a. Stability (able to produce future issues reliably).
- b. Predictability (able to produce issues on a regular schedule).
- c. An adequate fulfillment system.
- d. An adequate financial system (so that the money is properly handled).

3 Subscriptions usually become the “life blood” of profitable and stable magazines.





4 Readers will only pay for a subscription when they see a benefit (predictable delivery, lower cost, special prize) compared to buying single copies.

5 If possible, sell subscriptions that can start with any issue during the year (instead of starting all subscriptions with the January issue). This will produce a more even source of income throughout the year.

Pricing strategies for single copies and subscriptions

Begin by studying the newsstand cost and subscription cost of existing secular and Christian magazines. Your price should match what people are already used to paying for other magazines.





It is better to price
your magazine higher
at first than to price it
too low and have to raise
prices soon afterwards.

2 Determine subscription pricing first.

- a. Subscription price ideally should cover at least direct costs, shipping, and a percentage of indirect and promotional costs.
- b. Include an estimate for inflation.
- c. The basic subscription period is usually for one year. All other periods are derived from the one-year price.





Circulation principles

3 Determine your single copy cover price next. (Should be priced higher than the equivalent per-copy price of a one-year subscription.)

4 Determine group or bulk pricing last. (Should be priced lower per-copy than the single copy or subscription price since shipping and promotional costs are lower.)

Tip:

Unless your publication is independently wealthy, choose your promotional efforts based upon those that can generate the most income for the least amount of initial expense and effort. In other words, work to achieve the greatest Return On Investment (ROI) both in time and money.



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Types of subscription offers

Type of Offer	Wording of the Offer	Initial Response Rate	% Who Will Pay	Net Response Rate
Order with payment	"Please send me a subscription to magazine X. I have included my payment of \$10."	1%	100%	1%
Order with invoice	"Please send me a subscription to magazine X and send me an invoice for \$10."	2%	70%	1.4%
Trial subscription with invoice	"Please send me a trial subscription to magazine X. If I like the magazine I will pay the invoice for \$10. If not, I am under no obligation."	5%	40%	2.0%
Free issue offer	"Please send me a free issue of magazine X. If I like the magazine I will send in a subscription order with my payment of \$10."	7%	20%	1.4%

(Numbers are for illustration only. Response rates may differ for each magazine.)



Keep testing new marketing ideas every year

1 As you test new brochures, new offers, new sources, etc., you will find more efficient ways to find new subscribers.

2 Most effective things to test: Your offer (price, gift or number of issues), different audiences or lists, the promotion piece, different circulation sources.





Circulation principles

3 Put different promotion codes on each test group to track response rates separately. Always keep mailing a control group (the original package) along with the test groups until a test group shows better response.

Example of a Test Mailing (3000 pieces)

Mailing Lists	Control Package 1. Standard letter 2. Trial subscription offer card 3. Standard outer envelope	Test Package #1 1. Standard letter 2. Trial subscription offer card 3. Test outer envelope A	Test Package #2 1. Standard letter 2. Free issue offer card 3. Standard outer envelope
List #1 (Friends)	Quantity-900 (Code A)	Quantity-300 (Code C)	Quantity-300 (Code E)
List #2 (Pastors)	Quantity-900 (Code B)	Quantity-300 (Code D)	Quantity-300 (Code F)



Keep your website current

Update content daily or several times a week.





Circulation principles

2 Ask subscribers and visitors to your website for their email address. Use the email address to notify them when special content is posted or to promote offers for subscriptions and products.

3 Link your site to other appropriate sites whose content will interest your audience and is aligned with your mission and content.

To do:

Determine the price you will offer for the various types of subscriptions (one-year, two-year, gift, group, etc.) and the single-copy price.



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CHAPTER 3

Sample: Analyzing a circulation source





Sample: Analyzing a circulation source

Assumptions:

- One-year (six issues) subscription: \$10
- Circulation source-1,000 flyers mailed
- 1% of people will subscribe
- 50% renewal rate
- Flyers cost \$0.10 to mail
- Cost of each magazine issue: \$0.50

Year One:

Marketing expense: 1,000 flyers x \$0.10 = \$100

Subscription income: 1,000 flyers x 1% = 10 subscriptions; 10 subscriptions x \$10 = \$100

Magazine expense: 10 subscriptions x 6 issues x \$0.50 = \$30

Income	\$100
(less) Marketing expense	(100)
(less) Magazine expense	(30)
Net loss year one	\$(30)



Year Two:

Subscription income: 10 subscriptions x 50% renewal = 5 subscriptions; 5 subscriptions x \$10 = \$50

Marketing expense: \$0

Magazine expense: 5 subscriptions x 6 issues x \$0.50 = \$15

Income	\$50
(less) Marketing expense	0
(less) Magazine expense	(15)
Net profit year two	\$35





Publishing resources available from Magazine Training International

Manuals (available in print, PDF format on CD, or for download):

Managing the Magazine with Confidence and Skill

- English
- Chinese (simplified)
- Chinese (traditional)
- Korean
- Russian
- Malayalam
- Bulgarian
- Romanian
- Spanish

Advanced Business of Magazine Publishing

- English
- Russian

Editing the Magazine

- English
- Romanian
- Bulgarian

Design for Magazines

- English
- Chinese (simplified)
- Chinese (traditional)
- Croatian
- Russian
- Bulgarian
- Romanian
- Spanish

Writing Effective Magazine Articles

- English
- Polish
- Russian
- French
- Romanian

Audio/Visual resources:

DVD course: Managing the Magazine with Confidence and Skill

Subtitles available in:

- Chinese (simplified)
- Chinese (traditional)
- Russian
- Spanish

DVD course: Design for Magazines

Subtitles available in:

- Chinese (simplified)
- Chinese (traditional)
- Russian
- Spanish

MP3 audio course: Writing Effective Magazine Articles

