



# JUMPING ON THE BRANDWAGON

After decades of being derided as cheap and cheesy, insert-media pieces gain new popularity

BY ANNE STUART // ILLUSTRATIONS BY ZOHAR LAZAR

**WHEN JILL EASTMAN VIDAL WAS WORKING** for a catalog company back in the mid-1990s, she thought insert media seemed like a great marketing tool — but didn't get why so many of her industry peers disagreed. "I wondered, 'Why aren't more people using this?'" recalls Vidal, now director of third-party marketing for gift retailer 1-800-FLOWERS.com.

The reason: insert media had long ago gotten a bad rap. To many marketers, the idea of distributing their promotional materials by bundling them with other companies' direct mail pieces seemed low-rent and undesirable, the marketing equivalent of hitchhiking to work.

Apparently, a decade makes a difference. Today, Vidal is among a growing group of marketers who are re-discovering the reach and value of insert media and adding some new-media twists to the time-tested tactic. Suddenly, a term like "high-quality insert-media campaign" can no longer be considered an oxymoron.

Certainly, the perception of insert media has gotten a boost in recent years from the efforts of companies like 1-800-FLOWERS.COM, which has teamed with a range of upscale brands. For instance, the company often allows its marketing materials to ride along with materials from Omaha Steaks, the gourmet foods distributor, and premium coffee maker Gevalia. "These are not down-market companies, and you're not reaching a down-market consumer," Vidal points out.

So why has an approach developed a half-century ago become so attractive again, even to high-end brands? Simple, says Vidal: "It's affordable."

Not surprisingly, interest in insert media rises whenever mailing costs do. Insert campaigns typically carry about one-third to one-fifth the cost of other direct-marketing efforts, Vidal says. And if two companies agree to distribute each other's inserts, the expense decreases even more.

In such cases, "the only costs are commissions to the broker and manager of the program and printing costs," she explains. Even upscale companies are attracted to such savings — especially if they're reaching customers with a proven willingness to spend cash.

Many companies also view insert media as a potential alternative to increasingly regulated approaches such as telemarketing and bulk e-mailing. For some, like 1-800-FLOWERS.com, the insert approach is now so attractive that they're in it on both sides: their materials ride along in other companies' envelopes and boxes, and they accept passengers for their outgoing shipments.

For its part, Omaha Steaks uses a variety of insert-media options and relies heavily on package inserts because "they have long proven to be successful," says Beth Weiss, corporate communications director for the company. "We feel that higher-end companies are returning to package inserts as they are a proven media option, providing an acceptable return on investment."

What's more, the brands that allow others to ride along can often provide potential "piggyback" companies with detailed, updated customer demographic information. For instance, 1-800-FLOWERS.com's customers tend to be married 30-somethings with average household incomes of about \$75,000. They're educated and interested in fine foods and beverages — hence, the partnerships with Gevalia and Omaha and the History Channel.

### Successful coattails

Insert-media partnerships can benefit both the program owners — the companies providing the delivery vehicles — and the piggybacking marketers. Program owners get extra revenue for providing space in envelopes or packages that they were shipping anyway; marketers get to send messages straight to targeted audiences without paying additional shipping fees.

The key to insert media's success is that marketing materials literally end up in the prospect's hands because, unlike many forms of direct mail, insert media arrives with something the customer needs, wants or expects: a package, a statement, a catalog.

"When people arrive home and find a package waiting, what do they do?" asks Doug Guyer, president for new business development at International Direct Response Inc., a marketing company in Berwyn, Pa. "They pick it up, open



## HOW TO HOP ON

Here are a few tips for marketers hoping to hitch rides on other companies' mailings

- **REALIZE THAT PROGRAM OWNERS ARE PICKY.**

In fact, many — including Amazon.com — turn down more inserts than they accept. Ideally, program owners want inserts with offers that complement, rather than compete with, what they sell. Says Doug Guyer of International Direct Response: "It's got to make sense for their customers, and it obviously can't compete with anything they're selling on their sites or in their catalogs."

- **SHOP AROUND.** The insert-media industry is highly competitive; program offerings and costs vary dramatically. "Get multiple quotes," advises Ellen Sante-Dubs of VistaPrint.

- **KNOW THE RULES.** Every program has its own restrictions on insert size, weight and format; some program owners also require disclaimers or other legal notices on certain types of promotions. As Sante-Dubs puts it: "Your offer reflects on their brand as well."

- **INSIST ON EXCLUSIVITY.** Most insert-media programs include multiple offers; make sure your direct competitors aren't among those sharing your ride.

- **TEST, TEST, TEST.** Expect to do multiple small test runs before scaling up to a major. "Small" is relative here: Leon Henry of Leon Henry Inc.



says initial tests should involve at least 250,000 inserts, which he estimates will cost roughly \$8,000 to \$12,000.

- **TRACK CAREFULLY.** Consider using unique coupon codes or URLs so that you can match responses to specific offers and program

- **KEEP IT SIMPLE YET ATTRACTIVE.** "The customer is only going to give you a few seconds" before deciding whether to toss out an insert, says Jill Eastman Vidal of 1-800-FLOWERS.com. "Your message can't be complicated, and it has to be visually appealing."

- **PROMOTE THE RIGHT CATEGORIES.** Some products simply don't lend themselves to insert-media campaigns, says Vidal. One example: highly variable or customizable items such as curtains. "There are too many sizes and colors and styles. People don't know how to measure for them," Vidal explains. "It's just too complicated." What works,

she says: Primarily, familiar products and services about which customers can make on-the-spot decisions.

- **USE A FLEXIBLE TIMETABLE.** "Program owners don't necessarily forecast delivery perfectly every time," Sante-Dubs warns. "So don't use aggressive expiration dates in your offer. If possible, don't even print them." That way, if you buy space in a September package that doesn't actually go out until November, your offer remains valid.

- **INCLUDE A CALL TO ACTION.** "What works for many people is a starter offer or special offer," says Vidal. Coupons and free samples tend to increase response rates as well.

- **BE PATIENT.** "In these days of search-engine marketing, when results are almost immediate, insert mail is a long-range product," says Rob Stanton of Stanton Direct. Expect to wait a few months to get full results.

the door, walk in, set the package down and open it on the spot," pulling out not only whatever they ordered, but those ride-along materials as well.

Those same consumers might not open bills or catalogs right away, but they almost certainly will eventually—and when they do, they'll wind up handling those statement stuffers or blow-in cards.

And while that offer has just a few seconds to make its point, it has the advantage of having an implied endorsement from the company that delivered it, a company the customer knows and, presumably, trusts.

Experts say response rates of 1 to 2 percent are typical for many types of insert media campaigns, although Guyer says marketers often have even more modest expectations. "An insurance company is looking for one qualified lead per thousand, while a book club may be looking for a 2 percent response," he says.

He quickly adds that a company selling high-end consumer electronics is likely to consider one sale per 5,000 inserts "amazingly successful." However, Guyer says, campaigns providing high-value coupons often reap higher returns — anywhere from 4 to 13 percent, with trial and conversion rates from potential samples coming in even better for the participating brands.

Still, some industries find insert media so effective that their major players concentrate the bulk of their marketing dollars there, says Al Stanton, president and CEO of Stanton Direct Marketing Inc. in Elmira, N.Y., which specializes in insert-media campaigns.

Among the participating industries, he says, are companies that print customized checks for consumers and subscription book clubs and music services. Certain credit-card companies, cosmetic distributors and insurance companies also invest heavily in insert media, which is, Stanton says, "the lifeline for what they do."

## Offline Promotion, Online Business

As the campaigns from 1-800-FLOWERS.COM suggest, the wired world has also begun to leverage insert media. For instance, since 2001, Amazon.com has worked with a variety of partner companies to include information about their ser-

vices in the approximately 80 million eligible packages shipped annually to customers. In recent months, Amazon customers have opened packages to find glossy, one-page inserts advertising a custom-printing service, online banking and a theatrical movie release.

Meanwhile, Web-based printer VistaPrint has also begun promoting itself in offline insert media campaigns, initially targeting consumers before branching out to go after business customers, too. While the Lexington, Mass., company may be best-known for its high-volume e-mail campaigns, and also relies heavily on paid and organic Web searches, VistaPrint also sends out direct mail pieces exclusively via partner companies that, like VistaPrint, are online-only businesses.

Partnering with Internet-only businesses helps VistaPrint know that its prospects are Internet-savvy, according to Ellen Sante-Dubs, VistaPrint's manager of print and offline media. "That's one of our biggest barriers," she says. "If people don't have computers or they aren't comfortable with buying online, they're not going to use our services."

The company's most successful insert mailings have targeted prospects identified, by demographic research, as having had recent "life events." VistaPrint teams up with baby-related companies to send inserts offering new parents discounts on birth announcements.

The company has also joined with home-oriented online compa-

nies to reach new homeowners with special offers for address labels and change-of-address cards. "We try to come to the consumer at the right time with right product mix," Sante-Dubs explains.

By using unique URLs for each campaign, "I can track exactly which orders came from which particular campaigns," she points out.

VistaPrint expects to keep escalating its insert-media efforts because they work: "We wanted to raise brand awareness and drive customers to the Web—and that's what happening," says Sante-Dubs.

Marketers who use insert media believe the approach's new sheen of respectability is here to stay. "I'm glad to see the turnaround in thinking about insert media," says Vidal. "It's a great way to add dollars to the bottom line. The possibilities are unlimited." ■