

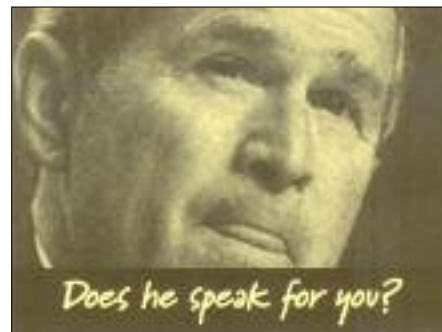
A textbook case of nailing it

“Aggressive and traditional” circulation strategy pays off for The Walrus

BY SCOTT BULLOCK

The recent U.S. mid-term election did not turn out well for the Republicans. George W. Bush described it as a “thumpin.” While W’s humbling defeat is welcome news for most Canadians, the circulation team at *The Walrus* will have to start working on a new lift note soon.

The Walrus’s Bush-bashing tactic was the result of circulation mastermind Greg Keilty’s collaboration with the creative team of Peter Lebensold and Kal Honey. The image of a confused yet sinister looking and chimp-like presi-



From the Desk of The Founding Editor

At long last we're speaking for ourselves!

Dear Friends,

It turns out that we Canadians are, these days, possessed by a very different spirit than any of our neighbourly south of the border.

Delectable great and small! ...

Iraq, Kyoto, the United Nations, the death penalty, gay rights, organized religion, religion, religion, religion ...

... where many Americans depict the topic of empire, we refuse to go there. We insist on tolerance and multiculturalism, knowing there are a hundred better ways to respond to the world than by brute force.

Get out of what we read in *Specialist* - either U.S. published, or produced by Canadians who refuse to acknowledge our different value-system.

Canadians are hating the *Walrus* as that source of creature: a magazine that respects - and expresses - our unique experiences and attitudes.

I think you'll find it provocative, amusing and informing - and also hear in its pages a voice that you recognize.

Your own, at last,

P. Bull

P.S.: The enclosed card lets you see our most recent absolutely risk-free. We met with the *Walrus* a try!

Borrowing from *The Economist’s* “UnAmerican” approach to luring Canadian readers, *The Walrus* lift note evoked a sense of national allegiance

dent has been part of the circulation strategy from the very first direct-mail campaign that dropped three and a half years ago.

And it has worked brilliantly. Cast yourself back to 2003 and ask yourself which of the following outcomes was more unlikely: (i) that *The Walrus* would reach a paid circulation of 50,000 by its eleventh issue; or (ii) that *Saturday Night, Elm Street, Shift, and The Look* would all be out of business.

My guess is that most *Masthead* readers would not have placed a bet on the little upstart left-leaning “thinky” magazine that laid a “thumpin” on their competitors at the 2006 National Magazine Awards.

Of course, it takes more than a brilliant pitch to achieve 50,000 paid. Circulators always give credit to the editorial product first and foremost—that’s a given.

But what were the circulation tactics that really worked?

According to Greg Keilty, the circulation strategy was aggressive and traditional. All subscriptions were to be sold at full price, with the exception of a discount for giving gifts. Direct-to-publisher sources were key to generating

maximum long-term circulation profitability.

The first challenge facing the creative team was to personify their demographic target: a Vespa-riding, CBC-listening, *Globe and Mail* subscribing, organically-grown-coffee-sipping, Bush-hating reader who lived in places like the Annex or Kitsilano. Thus, taking a clue from *The Economist’s* very successful “UnAmerican” outer envelope, an approach was established.

The first direct-mail campaign dropped in June 2003 to 60,556 names culled from nine lists: *Harper’s*, *The Atlantic Monthly*, *New Internationalist*, *Utne Reader*, *Toronto Life*, *Maclean’s*, Friends of CBC, the Canadian Civil Liberties Association and *The Economist*. Result? An overall gross response rate of 11%, with a 71% pay-up, which yielded 4,635 paid subscribers for an 8% net response. The top list was *Harper’s*, which generated a 19% gross response and a 13.8% net response. The worst response (which most of us would kill for) was *The Economist* at 5.3% gross and 3.1% net.

Three outer envelopes were tested. “Get Uncomfortable” became the control.

In terms of price testing, three prices were tested. The control price was \$24 for 10 issues, which was tested against \$19.95 and \$29.75. All were “soft offers.” The \$29.75 price was (happily) the winning price.

In September, *The Walrus* sent out a second direct-mail campaign to 149,250 names from mostly different lists, yielding another 7,795 net subscribers, or a 5.2% net response.

Another traditional source, newspaper FSI (free standing insert) was tested in September. Portions of *The Toronto Star*, *The Globe & Mail* and *National Post* were used. Not surprisingly, *The Globe* pulled the best, with a 1.3% gross and 0.8% net response. This campaign yielded 800 subscribers, and some valuable intelligence.

A publisher’s favourite source, “Over the Transom” (or unsolicited requests) produced outstanding results. For example, a very basic website with an e-commerce facility provided by ClicShop, produced 2,391 subscriptions in the fall

months of 2003. Another 1,089 simply phoned in their requests for subscriptions. Some of this volume was clearly generated by the buzz being created by the traditional direct-mail and newspaper efforts. However, much of the credit is attributed to fabulous public relations work by founders Ken Alexander and David Berlin, who captured the imaginations of writers by talking about how underpaid they were.

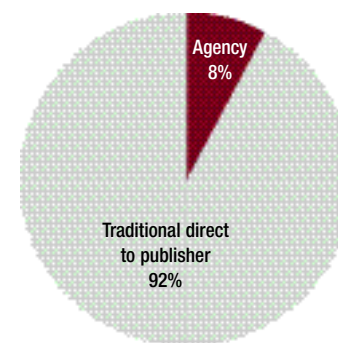
Another encouraging sign that *The Walrus* had correctly identified a niche in the market was proven at The Word on the Street event, when 1,000 premier issues, hot off the press, were sold out at full price in a frenzied day of bumping and shoving, as the anti-war crowd fought over the copies. This was a prelude to another pleasant surprise, which was the reaction by consumers at the newsstand.

The newsstand launch allotment was 25,000 copies in Canada, which is a good baseline distribution for a new Canadian launch with a limited point-of-purchase promotion budget. Retail promotions were purchased with both Chapters/Indigo and HDS airport stores. Strategically, this was astute; however, it resulted in large portions of the allotment being directed to cover off these stores. Consequently, the balance of copies were spread too thin over the remaining base of retail accounts. For example, magazine buyers in The Beaches were frustrated, as the Book City, Presse International, and Coles stores quickly sold out. The problem: only nine copies had been allotted to an area of town where tens of thousands of Bush-haters live.

Newsstand insiders cringed and joked about how the newsstand launch had been “Gordon & Botched”—an allusion to then-distributor Gordon & Gotch. However, news of the “sellouts” spread, whetting demand. Rather than dealing with repeated requests, International News on the Danforth in Toronto actually posted a sign that declared, “We have no more *Walrus*.” It only added to the buzz and was turned into public relations gold by Alexander. “The final sale was 16,303 copies,” says Keilty, “but could have been much higher.” Naturally, insert card response was amazing, with 2,988 subscriptions generated from two issues in 2003.

Maintaining a paid circulation of 50,000 would be impossible without great renewal rates. First-year conversion rates were fantastic

CIRCULATION BY SOURCE



With almost the entire file under the direct control of the publisher, *The Walrus* reduces its exposure to sudden drops in bulk and agency sales

thanks to the use of traditional sources, a brilliantly executed renewal series and a magazine that delivered quality to the target audience.

According to *Walrus* circulation manager Chris Ellis, gift giving has become an important source, and it continues to grow. *The Walrus* has over 7,000 gifts on file, representing roughly 20% of their subscription base—extremely impressive.

With 25 National Magazine Awards under its belt, charitable status in its hip pocket, a new publisher at the helm and a new goal of getting to 80,000 paid circulation by 2008, it appears that *The Walrus* will outlast the Bush administration. I can’t wait to see Hillary on the new lift note. **M**

CHECKLIST:

- ✓ Know your target
- ✓ Great creative
- ✓ Traditional sources
- ✓ Best lists
- ✓ Test prices
- ✓ Test outers
- ✓ Don’t give away to agencies
- ✓ Eschew controlled
- ✓ Use the newsstand
- ✓ Great PR



Scott Bullock operates *Circ3*, a circulation consultancy. He has been consumer marketing director with *Toronto Life*, managing partner with *Coast to Coast Newsstand Services* and in 2003 was named *Magazine Marketer of the Year* by the *Circulation Management Association of Canada*. His column appears regularly in *Masthead*. You can reach him at scott@circ3.com.