

# The very best metric

*Meet a publisher who understands the value of stellar renewal rates*

BY SCOTT BULLOCK

**S**uddenly green is in. How it happened, no one is quite sure. Identifying the tipping point when “going green” went from fad to trend is difficult. Perhaps it was the moment Stéphane Dion draped a green scarf around his neck at the Liberal leadership convention. Or maybe it was when Al Gore accepted his Oscar for *An Inconvenient Truth*. Regardless, the publishing community is embracing eco-friendly paper. Stephen Harper is offering up rebates for hybrid cars. These things are good. But, wait...

The fur is flying with charges of hypocrisy. David Suzuki is touring around in a fume-spewing bus, not a hybrid. Al Gore's home is a power-consuming pig. Stephen Harper is simply buying votes.

The folks at *Harrowsmith Country Life* don't care. They've been virtuous since the magazine launched in 1976, and have remained committed to the cause for 31 years. If going green is more than a fad, and if being a circulation purist counts, *Harrowsmith* ought to be perfectly positioned for a large ad contract for Toyota's Prius. It's earned it.

From a circulation perspective they are purists—100% paid circulation. Readers lay down the green to pay for subscriptions (\$23.95) and copies at newsstand (\$5.95). Hopefully, advertisers still believe that this quaint, old-fashioned behavior of paying cash to read a magazine demonstrates “wantedness” and “reader engagement.” One way of measuring these concepts is through PMB's qualitative data. PMB data shows how often and how much time readers spend “engaged” with the magazine, and how they feel about the editorial product. These metrics can give advertisers great comfort that their ads are being seen, and that a magazine's goodwill is rubbing off on their brands.

*Harrowsmith* enjoys a paid circulation of 128,000, and PMB-measured readership of over 955,000 (7.5 readers per copy). Unlike the recent high-profile flameout of *Toro* (1.3 readers per copy), publisher Michel Paradis does not depend on the generosity of a millionaire sugar daddy or a make-it-or-break-it ad commitment from an auto manufacturer. Paradis is confident Toyota will see the wisdom of advertising in his magazine, but he's not losing any sleep worrying about it. That's because

55% of his revenue stream is circulation-based, while 45% comes from advertising. His readers are loyal, and so are his advertisers.

Most publishers talk a big game about reader loyalty and engagement, but when asked to prove it, they start to dance around and blow a lot of smoke. Renewal rates are proprietary, they claim. Well, yes they are. But doesn't it make sense that if renewal rates are indeed excellent, publishers would be keen to proclaim them?

Renewal rates are without a doubt the best



way to demonstrate reader commitment. Editors' bonuses often depend on strong renewal rates. This key circulation metric imposes a professional rigor and discipline on editors, art directors, and circulators. This ensures that readers get a great read and advertisers get engaged eyeballs.

## RENEWAL RATES

	Harrowsmith	Capell's Averages
First Year Renewal Rate	56%	37%
Second Year Renewal Rate	80%	63%
Grand Total Renewal Rate	71%	48%

Paradis is more than happy to share *Harrowsmith's* renewal rates because he is rightfully proud of how amazing they truly are.

According to Dan Capell's Circ Trac 2006, considered by many industry professionals to

be the bible of benchmarking, first-year renewal rates are typically 37%, and second-year renewals are 63%. A typical magazine has an overall combined renewal rate of 48%.

You can see why *Harrowsmith* is eager to share its numbers. Very few magazines have the courage to do so, because very few can prove reader commitment in this way.

It's also important to note that 40% of the magazine's renewals are for a two-year term—another crystal clear sign of reader engagement.

## GETTING THE TIMING RIGHT

Efforts	Timing	Type
Effort #1	+6 months	Attached
Effort #2	+5	Mail
Effort #3	+4	Attached
Effort #4	+3	Mail
Effort #5	+2	Attached
Effort #6	+1	Mail
Effort #7	@ expire	Attached
Effort #8	@ expire	Poly Outsert
Effort #9	-1	Telemarketing

Over 91% of *Harrowsmith's* active subscription file is direct-to-publisher sources, with 9% agency-sold. Having quality direct-to-publisher subscriptions on file helps ensure higher than normal renewal rates.

*Harrowsmith* has a nine-effort renewal series (see grid above). The first effort is an attached renewal that comes with the magazine at six-months prior to expire, and the ninth effort is a telemarketing call at one-month post expire. Mailed efforts alternate with attached.

The inconvenient truth is this: some magazines have more “engaged” readers than other magazines. Let's hope that go-green pioneer *Harrowsmith* and its openness regarding renewal rates serves as an inspiration to us all. **M**



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