

# TARGET

## MARKETING

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### Subscribing to Hearst's E-mail Philosophy

New subscriptions  
and traffic drives  
are its subject line

Sharon Bailey Romano,  
e-mail marketing director,  
Hearst Digital Media



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**S**o *House Beautiful* and *Popular Mechanics* don't have much in common other than their parent company, Hearst Magazines of New York, right?

Well, no.

As it turns out, readers of both magazines—as well as other Hearst titles, including *Country Living* and *Good Housekeeping*—are interested in being environmentally conscious if it's affordable. So Hearst targeted each magazine's subscribers in a six-part "Earth Month" e-mail campaign. Recipients responded by heading to Hearst's [TheDailyGreen.com](#) in droves. There, *House Beautiful* readers could learn how to save on organic food while *Popular Mechanics* subscribers could research the "10 Most Fuel-Efficient 2008 Vehicles." Meanwhile, the print magazine subscribers were helping drive traffic on the "green Web site for regular people" by clicking through and accounting for 25 percent of [TheDailyGreen.com](#)'s April 2008 traffic.

Understanding its readers this well and aiming targeted e-mail campaigns their way is just one example of how Hearst is accomplishing its main e-mail marketing goal of subscription acquisition and traffic driving—objectives chosen primarily because of their measurable returns on investment, says Sharon Bailey Romano, e-mail marketing director in

the marketing and audience development area of the digital media division of Hearst Magazines, which is a unit of Hearst Corp.

Hearst's first e-mail campaigns began in 2003 but aimed for the stratosphere starting in 2005. Bailey Romano says since 2005, Hearst has almost quadrupled the new subscription acquisition e-mail volume and now sends tens of millions of messages each year. Those campaigns have translated into five times as many magazine subscriptions originating from the publishing giant's e-mail efforts, totaling 20 percent of Hearst Magazines' new subscriptions that come in yearly via digital means. The remaining 5 percent of the digital total includes subscriptions that arrive from branded and third-party sites, making overall digital the source for 25 percent of Hearst's new magazine subscriptions.

"We've also launched multiple e-mail newsletters in the last two years, and in the last year, our newsletter [e-mail] volume has increased more than 50 percent and page views generated have increased over 200 percent," Bailey Romano says. "We also began testing the effectiveness of short-term and one-off traffic drivers in 2008, and with 6 percent of our total page views generated coming from the limited number of these types of campaigns, we see great promise for growth in 2009."

## Good Housekeeping

Officially launching in March 2006, Hearst Magazines Digital Media is a formidable unit of the Hearst empire. According to the corporate site, the

branch sold more than 2 million subscriptions on the Internet in 2008. In November 2008, Hearst Web sites served nearly 400 million page views, with unique visitors rising to more than 14 million a month.

E-mail is driving much of this growth. In addition to e-mail bringing in one in five new magazine subscriptions—the print vehicle is the major push, with the digital editions not actively being promoted at the moment—e-mail attracts 20 percent to 30 percent of Web site traffic to Hearst's core sites.

Bailey Romano adds that after new subscriber and unique traffic efforts, e-mail marketing's secondary role is to promote customer service and subscriber retention through e-mailed bills and renewal requests.

The reasoning behind the e-mail marketing push is simple.

"Well, I'd be lying if I didn't say cost effectiveness is at the top of the list," Bailey Romano says. "But being able to speak to consumers one to one, and personalize our contact with them when possible, is certainly a huge bonus and makes for more effective campaigns and a better customer experience."

Because the marketing method is a new way to reach readers, the channel also is reaching potential subscribers who haven't been contacted before. An audience seeking instant gratification is satiated as well as Hearst's "need for speed-to-market and one-to-one consumer connections," she says. "[E-mail] provides a medium in which you can get instant test results, which can help fuel

both online and offline efforts.”

## E-mail Marketing Mechanics

Everyone on Hearst’s e-mail list has opted in. To that end, Hearst keeps track of stated preferences and targets recipients accordingly.

That said, Bailey Romano makes a surprising statement about the composition of the corporation’s most effective e-mail campaigns.

“For net profit in subscription acquisition, multi-title sales are a clear winner for us,” she says. “We see a great take rate and our highest pay-up. That’s due, in part, to great design with heavy emphasis on the sale rather than individual brands and the effectiveness of our multi-title forms, on which we can mix and match titles, terms, prices, and offer the option to order for [oneself] and/or give a gift. That’s really in keeping with a trend that’s developed in e-mail: getting the most out of every touchpoint. The thought used to be, ‘Don’t muddy the waters with too many options.’ However, when keeping a clear main focus in the e-mail itself and keeping your forms easy to navigate, you can indeed pull it off with great results.”

John Doub, vice president of technical services for Hearst’s e-mail service provider, e-Dialog, headquartered in Lexington, Mass., removes a bit of the mystery by pointing out that Hearst often sends the multi-title e-mails to a final audience that is “built from more than 30 different segments, each receiving targeted content based on Hearst’s subscription priorities and customer preferences.” Among the information at Hearst’s fingertips is customer Web and e-mail behavior, conversion metrics, and demographic and psychographic profiles.

Still, the multi-title approach can have its drawbacks. The multi-title campaigns mean lower response per brand. But Bailey Romano says if the goal is to increase subscriptions for an individual title, Hearst sees optimal results when sending e-mails that specifically offer a free trial for that magazine.

Speaking of single-title campaigns with free trial offers, Bailey Romano says, 2008’s launch of *Food Network Magazine*



Hearst Magazines Digital Media, a unit of Hearst Corp., created a six-part “Earth Month” series of e-mails directing subscribers of various magazines to Hearst’s online property, TheDailyGreen.com.

marked the first time one brand outpaced the November/December holiday campaign’s response rate.

But Hearst doesn’t just let the results speak for themselves.

“Naturally, we measure net profit for each,” Bailey Romano says. “On the subscription front, [Hearst is] splitting campaigns to track net profit on a list-by-list basis, as well as tracking different graphic presentations or copy uniquely and/or subject line testing. Anything that can affect the end result of your campaign should be tracked uniquely.”

Similarly, Hearst tracks traffic campaign results.

“An e-mail newsletter will bring a higher net profit for us as the mix of edit and promotions vary from a short-term series or one-off traffic driver,” Bailey Romano says. “With a focus on

higher page views, a short-term or one-off will result in higher volumes of page views, because there are fewer sub or third-party offers included and there is typically a very timely theme generating page views for multiple Hearst sites.”

Doub elaborates that Hearst immediately can access subscriber browsing and click behavior because e-Dialog partners with Orem, Utah-based Web analytics firm Omniture. That means Hearst can analyze and segment audiences based on this data and deploy mailings—all on the same platform.

When Hearst reviews traffic campaign data, Bailey Romano says, the corporation is measuring “campaigns based on the sum of all revenue-driving features, tracking page views [through] Omniture which lend to the ad revenue on the site, as well as any revenue from any

sponsorships or our own subscription sales generated [through] the newsletter. And like subscription campaigns, any testing of subject lines, content, graphic presentation and layout should be tracked uniquely, so that you get a true measure of effectiveness.”

Therefore, it’s useless to only track opens and clickthroughs, she says.

“The only time we track at that level is when doing a quick litmus test to gauge the effectiveness of a subject line,” she says. “In those cases, it’s a matter of tracking clicks, not opens, which can be erroneously reported if images are turned off.”

### The Smart Money’s on E-mail

Hearst thinks its e-mail marketing future is so bright, the corporation feels like sharing the news.

Specifically, recipients now have an option far beyond the send-to-a-friend feature on e-mails; technology from ShareThis of Mountain View, Calif. already is showing positive test results in Hearst e-mails, Doub says. The “Share With Your Network” button and link are being integrated into e-mails and lead recipients to a Web-hosted version of the e-mail. From this page, recipients can post content to 20 different social networks or send it to their own ShareThis-maintained address list (which can include instant messaging or mobile contacts). In addition to being convenient for subscribers, ShareThis ends up being a viral marketing tool that can generate prospects, he says.

As it is, a percentage of Hearst’s e-mail list is generated by including an e-mail field on print inserts and direct mail, and through e-mail appends. Sometimes, Hearst offers prospects e-mail confirmation or freemium incentives.

“We look to increase our viral and social network efforts in the hopes of generating cost-effective leads and new sources of traffic and subscriptions,” Bailey Romano says, adding that ShareThis is just one of those methods. “We’re also expanding the use of e-mail for editorial surveys, feedback and reader participation by making e-mail more readily available to our print and digital editorial and

Hearst’s November to December 2008 holiday sale, in which every title cost \$5, normally pulls in the highest response rates and the most profit of the year. In 2008, the launch of *Food Network Magazine* changed Hearst’s e-mail subscription campaign history. Hearst is able to make the \$5 offers on the digital platform only because of its low cost, but direct mail has not yet seen \$5 campaigns.

marketing teams.”

The plan is for teams to use an e-Dialog-created application that has predetermined key elements for each group, so they can react quickly as stories develop and meet advertiser needs, she says. Along those lines, Hearst is working to develop new revenue streams through lead-generation and revenue-share programs with various partners.

“With an ever-increasing e-mail database, continued efforts to finesse our e-mail creative and offers and marry the right database segments with the right offers, and further developments to refine order paths,” Bailey Romano says, “we expect to see subscription acquisition via e-mail continue to grow steadily.”

Hearst also will introduce more upsell and cross-site promotions.

Part of this is due to Hearst’s improved segmentation capabilities, created by

building its own database of subscriber information, which includes information from customers’ registration forms and allows Hearst to e-mail automated, customized communications.

In the second half of 2009, Bailey Romano believes Omniture data will help Hearst enhance its capabilities to serve content dynamically through e-mail newsletters. Bailey Romano expects the short-term and one-off traffic-driving efforts to ramp up as they marry Hearst campaigns to various seasonal and entertainment themes.

“On the general e-mail front, I expect to see advancements in the next year with video and flash via e-mail, and more concentration on segmentation and targeting to improve the effectiveness and ROI of e-mail,” she says.

After all, expanding e-mail use may save Hearst money. And according to *TheDailyGreen.com*, using the Internet can be environmentally friendly. ■

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