

Column: Inserts Are a Low-Risk Acquisition Alternative

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Though marketers have used insert media for decades, only in the past few years has it been considered an essential part of a marketer's blend.

Advantages of insert media. Cost is perhaps the main reason for more companies adding insert media to their acquisition vehicles. An insert program averages less than \$100/M total. In solo direct mail, lists may be \$100/M to \$125/M alone, and then you have postage of \$200/M. With printing and lettershop costs, you're at four to five times the cost of an insert.

You can begin testing insert media with a \$10,000 to \$15,000 budget. This allows for tests in four to six programs. That's much less costly and risky than a 25,000-piece direct mail test or testing print ads in a major magazine.

Beyond initial spending for testing, there are other advantages:

First, you can be extremely targeted. If you sell insurance to boaters, for example, a number of insert media programs focus on that market. You can reach corporate executives, small business owners, attorneys, teachers and other professionals. Second, the expansion potential is huge. More programs come online all the time, and many existing programs provide the ability to push out 1 million inserts monthly.

Third, lower costs mean lower break-even points. On lower-cost categories like freestanding inserts and catalog blow-ins/bind-ins, your break-even may be one per thousand or below.

Fourth, with so many insert programs available, a marketer having the right kind of product/service can achieve a degree of ubiquity. So there's a brand awareness bonus.

Types of insert media. Various delivery methods are available:

- **Package inserts:** Your insert is placed into another marketer's mail-order shipments. You get your offer in front of someone who has just ordered something, and if your product has relevance you have a shot at getting a purchase. Package insert programs usually have minimum tests of 10,000 to 25,000. Insert cost is normally \$50/M, and you supply the piece. You may be able to target by type of product or dollar amount in some of the larger programs, but you can't target geographically.
- **Co-ops:** These mailings go to a large number of consumers. Your piece may be among 15 to 30 others. Some co-ops target specific segments like young families and senior

citizens. You can target geographically, but minimums frequently are 50,000 or 100,000, sometimes higher.

- Statement inserts: Your piece goes into statements with one or two others. The advantage is that your piece has very little competition for attention.
- Postcard decks: Used mostly in business-to-business lead generation applications, you buy a card in the deck (they do the printing) or place your own insert in the deck.
- Take ones: You put your insert on supermarket or drugstore bulletin boards by geographic area. The other variety is self-standing take ones.
- Ride-alongs: Your piece goes along to help defray costs of a single marketer's direct mail solicitations.
- Sample packages: Product samples are given to new mothers, students, gym rats, etc. Your piece rides along with those samples.
- Catalog blow-ins and bind-ins. You put a reply card in someone else's catalog. This is one of the cheapest forms of insert media.
- Freestanding inserts: They are the multi-page coupon inserts that appear in your Sunday newspaper. Though your offer may be up against free offers or cents-off coupons, the cost of running in an FSI may make a test worthwhile — if your product is right. You sometimes can buy half-pages for as little as \$3/M to \$4/M.

Creative guidelines.

- Inserts need to be much more offer oriented than solo direct mail. You have no time/room for an educational or inspirational sell.
- It's difficult to get high-priced, long-term products/services to work. If you're selling a magazine, for example, test a free issue or short-term offer.
- Punch up the graphics. Because you are competing with other marketers' pieces in the same package, your piece needs more impact to get attention.

Bumps on the road. Testing and executing an insert media program has complexities. The biggest problem is control. Insert media is tougher to track and evaluate than solo direct mail, print or broadcast. If you are just launching a direct marketing program, do not use insert media alone if you want to know where your program is going.

The second bump: Most programs don't allow geographic selects. Co-ops are an exception, with Money Mailer and Advo designed for very local advertising. The third bump is lead and rollout time. It may take months before you can get your test into the more popular programs. Then it may take 60 days to find out you've found a gold mine, and another 60 days before you can get back in the program.

To help get over the bumps, work with advisers and vendors experienced in insert media: a well-established insert media broker and a printer that work together to keep your costs down and get your coding and deliveries right.

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