

B2B renewals health check

For all but the very largest companies, those with dedicated subscriptions managers, renewals are a 'back-end' aspect of the operation. Indeed, a company's renewals may even be outsourced to another firm. Not surprisingly, then, they all too often become a forgotten part of the daily grind. Sadly, this is the case even in some subscription publishing firms where I know for a fact that the senior management are fully versed in best practice. Out of sight, out of mind...

Understandably, we're also so busy trying to get new subscribers in the front door, we often forget how many are leaving via the rear exit. Once set up, renewals are frequently left, de facto, to run in the background until such time as falling response rates show up in the management accounts. And by then, a lot of damage has been done.

So why not take ten minutes right now to 'self check' your publication's renewal series? Make sure you're complying with the following renewal series fundamentals. I bet there's at least one aspect that could benefit from a little attention – and if so, this exercise could be the best revenue-generating activity you engage in all day.

1 Are you giving your subscribers your best offer FIRST – and clearly telling them so? If not, you're in effect 'training' them to wait for a better offer to come along

Every subscription publisher knows that their business is based on renewals. Why then do so many practitioners neglect this vital dimension of their business model? Simply put, it's human nature. Here, Chris Gregory lists nineteen different aspects of the renewal process which need to be got right.

later in your renewal series. Putting your best offer last rewards the laggards - and could annoy your early renewers if they get to find out, via a miss-directed mailing, that they didn't get the best deal. (Of course, this doesn't mean you can't offer a 'welcome back' premium with post-expire offers - eg free copies of missed issues. Strictly speaking, they're no longer part of your renewal effort.)

2 Do you know whether your renewal series is the optimum length for your publication and your market? If not, don't worry; you're in some distinguished company. Most renewal series stop too early. So take a look at your ROI data. Is your current final effort making a positive ROI? If so, then add another renewal effort. If that breaks even, then add another. Keep doing so for as long as each one breaks even. (And make sure your break even is correctly calculated...)

Make sure all your renewal efforts, from around two months after expiry, clearly offer an opt-out, as some customers may get irritated by the increase in renewal efforts. It should be

made clear to them that all they need to do to stop receiving such correspondence is to call or email you. You do it with emails, so do it with your renewals as well – but only in the later stages of your series, post-expire.

When adding more efforts, do so at both ends if possible – ie start earlier and finish later. Publishers often don't start renewing early enough. So start your series six months out with an early-bird effort (see point 4 below), and keep going until efforts fail to break even. That can mean 3-4 months after expiry, or even later.

3 Have you tried renewing your subscribers 'at birth'? New subscribers will often sign up for another year there and then, and experience teaches us that such extended period subscribers often renew at a higher frequency than the rest of the subscriber base. Of course, you'll need to make them an offer to induce them to do so.

4 Do you have an 'early bird' effort, halfway through the subscription period? This can be a great way to boost cash



- how do you measure up?

flow. Just pay particular attention to the language you use in the letter and renewal notice. It should be abundantly obvious to the subscriber that they're being asked to renew early, and not that their subscription is about to come to an end. As a reward to subscribers for parting with their cash early you could offer a discount, extra issues or a premium.

5 If 'grace' copies are part of your series, do subscribers know that you're doing them a favour? Don't let them get used to 'free copies'. When you stop the grace copies, your next renewal effort should be heavily editorial-driven; tell them what they're missing.

6 Do you have a blanket renewal effort in your schedule? Send renewals out to everyone on the list, once a year. The key to this is not so much the timing as the rationale – make sure you have a convincing reason, eg an end-of-calendar-year price rise. You can tell your August/September renewals that this is coming in 4-5 months' time. So

you're doing them a favour by alerting them in advance. This is also a good time to try two or three year offers; this doesn't improve LTVs, but it does wonders for cash flow.

7 Are you integrating telephone, email and fax efforts with your direct mail so as to improve the efficacy of your renew-


puter-literate subscriber base. But do make sure you have a dedicated landing page on your web site – ideally with a cookie'd, pre-filled form that does most of the work for the subscriber. Alternatively, they can either print out the email and forward to their accounts department, or simply give you permission, via return of email, for you to send out an

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al efforts and increase your response? Your costs and cash flow aside, it's amazing how many subscribers will claim never to have seen one of the six renewal mailings you've sent them. Moreover, subscribers vary in their preferred media; some respond more positively to email, say, than to direct mail.

So try using email to do your blanket renewals, and also early in your regular series, particularly if you have a highly com-

invoice. Then fax subscribers an urgent message with a renewal notice in their week of expiration, timed to hit a day or so after their last issue lands. Or, insert a fax-back renewal form with their last issue.

Telesales is a great way to get the revenue in fast – though of course it usually comes at a higher cost per renewal. Correctly integrate all these various media and you'll maximise your renewal response rate and 

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at the optimum cost. Test to see what works best for you over time.

8 Do you vary the appearance of both the mailing outer and the inner throughout the series? You want to make sure people don't get to recognise your mailings. Try different sized paper and envelopes, different coloured paper, etc.

9 Are you revising the whole 'look' of your renewal series regularly enough? You should do so at least every other year, so regular subscribers don't get too familiar with your renewal series.

10 Is your renewal series copy as powerful as it could be? Harassed subscription marketing executives can put far less effort into their renewals series than they do into their acquisition campaigns. Do you actually know how good your company's renewal series copy is? When did you last read, review or refresh it?

The copy should remind subscribers of the product's benefits - especially at the end of a subscriber's first year. It's particularly important at the point of conversion from first to second year to resell a subscriber on the original benefits they 'bought into' when they took up your original offer. You want to reinforce that original buying decision. To do this properly, you need to have tracked the original mailing that brought them in, so you can echo it in your renewals series. (Yes, that does mean you may have more than one set of renewals series letters operating at any one time...)

But remember: benefits are not enough. You should also remind subscribers of the potential downside of not resubscribing. Spell out the likely consequences for them and their business of passing up this opportunity to continue receiving your publication.

11 Are you using all the possible different signatories (and 'voices') in your renewals series? Give the subscriber the impression that there's a whole lot of people at your end rooting for the renewal - not just the publisher, but the editor, the subscription manager, editorial director and the marketing manager as well. It's harder to say no to so many people...

12 Do you send an unannounced 'love gift' in advance of the renewals series - say, three weeks before the first renewal letter? An editorial premium, perhaps the execu-

tive summary of a brand new report, or something else you've specially created eg. repurposed material from issues of the publication that predate their subscription. This 'warms up' the recipient so they're more predisposed to hear from you at renewal time.

13 Does every effort in your current series include a renewal notice? Remember, it's what you include in addition to the notice that marks the difference between one effort and another. For example: Post-it notes, buckslips (small flyers so-called because traditionally they are the same size as a US dollar bill), certificates, etc.

14 As your renewal series progresses, do the sales messages (both in letters and on notices) increase in urgency:- 'only two issues to go', 'only one issue to go', 'this is your final issue', 'still time to resubscribe' etc? If so, good for you, but just make sure it's not too obvious that this is what your message is. Use carefully-crafted copy to ratchet up the tone, rather than bald text. Your message shouldn't come across as self-serving or anxious. Make sure equivocating subscribers understand that not renewing creates a problem for them, not for you.

15 If most of your renewals are clustered at one point in the calendar year, do you make use of new editorial to gain extra renewals leverage at this point? eg start a new must-have series of articles whose payoff is after the renewal point. This can be a great way of keeping wavering subscribers on board.

16 Do you mail notices both solus and enclosed with issues? If you're concerned that some of your direct mail efforts are not getting through to the subscriber, this is a good way to make sure that at least some of your renewal efforts get past any gatekeepers.

17 Do you survey lapses who've resisted all your previous notice mailings? A short survey on why they didn't resubscribe is a great way to get a feel for why subscribers are failing to renew - and several recipients just may renew there and then. Just make sure it includes an 'Oops! I didn't mean to lapse! Please reinstate me' option.

While we're on the subject of surveys, make sure you always do at least one a year. (It's all too easy to get out of this annual

habit.) A survey is a great way of keeping in touch with subscribers, and a useful source of new ideas and subscriber testimonials. It may even boost your renewals by getting any negative feedback out in the open where it can be tackled, one-to-one, by customer services in advance of the renewals cycle. Remember, subscribers often fail to renew for reasons more to do with customer service problems than the editorial quality of your publication.

18 Is your customer service first class, with any gripes promptly and courteously dealt with? Let's not forget that, from the subscriber's perspective, their subscription is more than simply the editorial product you deliver weekly, fortnightly or monthly. Excellent customer service builds long-term, loyal subscribers.

19 Last but not least, can your existing subscription fulfilment software easily cope with pumping out regular notices, on time, every time to exactly the right subscribers? And is it flexible enough to accommodate copywriters' and marketers' requirements? (I recently met with a major UK publisher that is currently migrating from one database to another. The circulation manager told me he had been informed by the software developers that he could have only four renewal letters because that should be enough to get the job done...)

Renewals are the single most important cash-generating activity of any subscription publishing operation. So proper subscription marketing systems are a vital prerequisite if you're to be able to perform meaningful analysis of renewal rate by effort, and thereby learn what works best for you. ■

OUR CORRESPONDENT



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