



Canadian
Heritage

Patrimoine
canadien

Periodical Publishing
Policy and Programs



Advertising Sales Tools

A Guide for Small Publishers

Prepared by Gwen Dunant



Canada

About this series

Advertising Sales Tools: A Guide for Small Publishers, is one of a series of practical guides for small publishers produced by the Department of Canadian Heritage. The guides are intended to provide small publishers with guidance from industry experts on key aspects of their business.

Other titles in this series include

Renewals: A Guide for Small Publishers by Jon Spencer

Selling on the Newsstand: A Guide for Small Publishers by Pierre Proulx

New Subscribers: A Guide for Small Publishers by Greg Keilty

About the author

Gwen Dunant has been in the publishing industry for over 25 years. She began her career at MacLean Hunter and moved to Key Publishers where she sold advertising space for *Toronto Life* magazine. For 10 years she sold national and retail advertising for this magazine, developing territories, building a client base, designing value-added packages, advertiser incentives.

In 1992, Ms. Dunant left Key Publishing to start her own consulting company – Dunant Consulting in Toronto. As a consultant, she sells advertising space, works with client publications to develop effective sales tools (such as media kits, rate cards, readership surveys, etc.) and delivers sales training frequently to small and mid-sized publications.

Since 1980, Ms. Dunant has been involved with Magazines Canada, speaking at seminars at Magazines University, participating in numerous committees, as well as writing and editing articles on advertising sales for handbooks and newsletters. In addition, as Program Co-ordinator for Magazines Canada, she played a key role in the design and structure of Magazines Canada's Travelling Consultants Program, School for Circulation, School for Professional Publishing and School for Advertising Sales.

Ms. Dunant specializes in teaching and training publishers and advertising representatives of small to mid-sized magazines to reach their advertising goals.

Contact us

Periodical Publishing Policy and Programs Directorate
Cultural Industries Branch
Department of Canadian Heritage
15 Eddy Street, 15-4-F
Gatineau, Quebec K1A 0M5

Phone: 819-994-3118

Fax: 819-953-7782

E-mail: pep-ppp@pch.gc.ca

© Gwen Dunant, 2006

PDF Edition

Catalogue No: CH44-73/2-2006E-PDF

ISBN 0-662-42887-0

These guides can be found online at www.canadianheritage.gc.ca



Table of Contents

INTRODUCTION	1
WHAT YOU ARE REALLY SELLING	1
PRINT MEASUREMENT BUREAU (PMB)	2
THE SUBSCRIBER SURVEY	2
Is it expensive to do an in-house subscriber survey?	2
The Survey	3
The Subscriber Survey Questions	4
What is a valid sample size?	5
How often should you survey your subscribers?	5
Getting Basic Information from your Subscriber List	5
IDENTIFYING NEW MARKETS	5
YOUR PLACE IN THE MARKET	6
CPM Analysis Chart – Circulation and Readership	6
Overcoming a High CPM	7
HOW TO PORTRAY THE READER TO THE ADVERTISER – DESIGNING A MEDIA KIT	7
PAPER OR ONLINE?	7
EDITORIAL INFORMATION	8
Editorial Mandate	8
Editorial Calendar	8
CIRCULATION INFORMATION	8
READERSHIP INFORMATION AND DATA	8
RATE CARD	9
Setting Ad Rates	9
Frequency Rates	9

Fractional Rates	10
Black and White Advertising Rates	11
Rates for Special Positions	11
Inserts, Brochures and Bind-in Cards	12
SELLING YOUR STORY	12
Categories of Advertisers	12
BUILDING A CLIENT BASE	13
BUILDING A CLIENT DATABASE	13
WORKING WITH ADVERTISING AGENCIES	14
Finding the Right Contact	14
SELLING IN PERSON, OVER THE PHONE OR THROUGH MAILED MATERIALS	15
Meeting with the Client	15
Selling Over the Phone	16
Selling Through Mailed Materials	16
How many sales calls should be made in a day?	17
BUILDING RELATIONSHIPS WITH ADVERTISERS	17
CREATING ADVERTISING OPPORTUNITIES IN YOUR MAGAZINE	17
VALUE-ADDED PACKAGES	18
Structuring a Value-added Package	18
Putting Together a Value-added Proposal	19
SELLING AGAINST OTHER PUBLICATIONS	21
SELLING AGAINST OTHER MEDIA	21
Magazines Versus Newspapers	21
Magazines Versus Direct Mail Pieces	21
Magazines Versus Radio	22
Magazines Versus TV	22
CONCLUSION	22
BIBLIOGRAPHY	23

This publication derives some of its insights and information from material that is public knowledge and has been delivered in a variety of formats (seminars, lectures and articles) over the years by several highly-regarded advertising consultants and people in the publishing industry. The author would like to specifically acknowledge Helen Berman, Gary Garland, Christine Giavarini, Jennifer McLean and Beth Scott.



Introduction

Advertisers have many vehicles to choose from when it comes to getting their advertising message to their market, so how do you get them to buy advertising in your magazine? Different magazines attract different kinds of advertisers. Advertisers will buy space in magazines that most efficiently reach their target markets and have an editorial environment that complements what they are advertising.

In order to develop effective strategies for attracting advertising to your magazine, you need to take the strengths of your publication, that is, the things that make it unique (this could be your editorial, your method of distribution, the audience you reach and deliver, etc.) and communicate them to the advertiser in such a way that they want to be a part of your magazine.

To do this successfully you need to know your magazine, you need to know your readers, and your positioning in your market. Once you know all of this you can develop the tools you need to strategically address and maximize the opportunities available in the advertising community.

What You are Really Selling

You're not just selling a third of a page, a full page or an outside back cover. What you are really selling is access to readers in an editorial environment they trust.

This concept unites the three pillars of publishing: editorial, circulation and advertising. Your editorial attracts readers (or circulation) and you sell advertisers access to your readers. Readers trust the editorial of the magazines they like. This is because of the relationship people have with magazines.

Magazine readers are joined together by a common interest. For this reason magazines give readers a sense of community. Readers have a very intimate relationship with their magazines – think of how many people you know who have magazine racks in their bathrooms!

People know when their favourite magazines come out and they look forward to when that happens. They rely on the editorial to entertain, enlighten, inform or provoke them.

When people read a magazine they like and trust, their minds are open and receptive to the editorial as well as the advertising. They trust the editorial and by association, they trust the advertising.

In this way, editorial gives advertising credibility. That's the value of editorial to advertisers. That's why the editorial environment is so important to advertisers and why they want their ads placed adjacent to it.

When you start selling advertising based on access to readers, you get away from selling on specific editorial, which makes it easier to sell on frequency. For example, if you are a gardening magazine, your

editorial will always be about gardening. Let's say you have a pesticide client who says they only want to be in issues where there is pesticide editorial. In order to get their business, you need to shift the sale away from editorial and focus on your reader. Your readers are interested in all things related to gardening, therefore the pesticide advertiser should advertise in each issue of your magazine regardless of whether there is specific editorial on pesticides or not.

This is because advertising works subliminally. You don't see an ad for Coke and then rush out and buy one. In fact, you may not like Coke at all and never have it in your house. But one day you're at an ice rink watching a friend's child figure skate. Breakfast was long ago, so you go to the snack bar and order the only hot food they have – a hot dog. And to drink? Sunfresh? SOBE? They're not available at the snack bar, so you say "...and a Coke." Coke came top of mind when the decision to buy a drink was made. Similarly, your advertiser needs to have his message there when your readers discover aphids on their roses and open their gardening magazines to see how to get rid of them today!

Since you are selling access to your readers, you need to know who your readers are. Are they men or women? Young or old? Rich or poor? You need to know your reader demographics in order to identify your target market so you can match your target market to that of your potential advertisers.

Print Measurement Bureau (PMB)

If 70% of your readers are men aged 25 – 34 with an average household income of \$40,000 you are not going to attract a lot of advertising for women's clothing in your magazine. How do you find out who your readers are? You survey them.

The most powerful readership information service is PMB.

PMB stands for Print Measurement Bureau. This is an independent marketing survey that publishers pay to participate in. What PMB does is send representatives out to visit randomly selected

households across Canada and interview people in the household regarding their member magazines. They show them the masthead/logo and ask if they have personally read or looked into any issue of the magazine within a specific time frame related to each title's publication frequency, e.g. read or looked into during the past week for a weekly; past month for a monthly, etc.

This done, they leave behind a questionnaire. The questionnaire asks about the buying habits of people in the household. Do they eat peanut butter? How many times a week? Crunchy or smooth? Do they drink wine? How much per week? White or red? Domestic or imported? The questionnaire also asks about income, education, profession, and home ownership. In this way, PMB can correlate a magazine's readership with its audience's buying habits.

What makes PMB so powerful is that many large national advertisers will often base their buying decision on a magazine's performance in PMB – packaged goods, for example. *Canadian Living* and *Chatelaine* tend to get these ads because they have better PMB numbers for women in this category than *Maclean's* does.

Being measured by PMB isn't for everybody. PMB doesn't do well with magazines that have a small circulation or with regional publications as the sample size can be too small to yield a valid result. How small is small for PMB? A magazine with a circulation of less than 100,000 should be carefully assessed by PMB to ensure it would hold up statistically.

If your magazine isn't a good fit for PMB you are going to have to survey your readers on your own in order to get the information you need to help you sell advertising.

The Subscriber Survey

Is it expensive to do an in-house subscriber survey?

It can be, but it needn't be. There are many ways to survey readers, such as by mail, phone, personal

interviews, in-book and online. Each survey method has pros and cons. For example, personal questions can be difficult to deal with over the phone or in person and they invite interviewer bias and lying. And in-book readership surveys end up surveying secondary and tertiary readers, through pass-along and newsstands, and their responses may not be representative of your dedicated reader. Some magazines survey their readers online. Be careful if you do this, as visitors to your web site may not be your magazine's readers. Your best results will come from your committed readers – your subscribers. This makes an in-house subscriber survey, mailed to known subscribers the best option for most magazines.

You can hire a research firm like Ipsos-Reid to design and tabulate your subscriber survey or you can design your own and have it tabulated by a third party. It is critical that a third party do the tabulation so that the research has credibility, especially with advertisers. Third party tabulation needn't be expensive. You can use people from the statistics department at a university for example to tabulate your results.

There's an added benefit to doing your own subscriber survey. While PMB tells you who your readers are, it doesn't tell you about the relationship the reader has with your magazine. A good subscriber survey can do this as well as provide you with information on reader demographics, psychographics, lifestyle and product usage.

The Survey

You can ask your subscribers all kinds of questions in your survey. For example, you may want some feedback on your editorial or you may want to know how subscribers feel about an increase in cover price or you may be trying to generate some information that can be used to help you sell advertising in your magazine. Whatever the focus of your survey, it is important that you are clear about your objectives from the outset so that you avoid getting useless information.

You can easily design your own survey, keeping just a few basic principles in mind. First, you should meet with your tabulator before you design your survey. You will want to discuss sample size with

them, how the data will be gathered and how it will be analysed. They may also have some helpful suggestions about designing your survey questions and how the data can be used.

Next, you want to design a survey to get the highest possible response rate. A high response rate indicates subscriber commitment to the magazine while a low response rate may indicate that subscribers aren't very satisfied with the magazine. There are a few things you can do to ensure a good response rate.

Keep your questions simple and clear. Ambiguous questions can lead to ambiguous answers and useless information.

Your questions should be as easy to answer as possible. The more work you ask people to do, the less likely they will do it. Multiple choice and yes/no questions are easier to answer and will get more responses than open-ended questions.

Your survey should not be too long. Four pages is about right. If you don't get all the questions you want or need to have on four pages then wait until the next survey to ask them.

In order to get a high response rate, you will need to motivate your subscribers to fill out the survey. A letter from the publisher or editor along with the survey when you mail it to them can help do this. The letter should explain why you are asking them to take time to fill out the survey and to thank them for doing so. It should also say that their opinions matter and will help shape the magazine. Involving them in the process of change is a good motivator to fill out the survey. Your letter should also promise that the information they provide would be confidential and not passed on to a third party.

In addition to a letter, publishers can also offer incentives to subscribers to fill out the survey. Generally speaking, the more niche your magazine is, the more dedicated your readers are and the more likely they will fill out the survey just because they relate so strongly to the magazine. This may be all you need. If you do need an incentive, look around your office or warehouse and see what you have to offer that doesn't cost much

or anything. Can you give them a T-shirt with the magazine's logo or the bags you had made up for Word on the Street? Do you have back copies they might want? The number of incentives you need will be dependent upon the number of surveys you send out and the number you expect to get back.

Some magazines offer their readers a chance to win a prize in a contest if they fill out the survey. The problem with this is that you get people who want to enter the contest and these may not necessarily be the people who want to help you improve your magazine.

The Subscriber Survey Questions

Again, you can ask whatever questions you like in your survey, but it is critical that you ask your readers about gender, age, education and employment. These questions can look like this:

1. Are you...

- Male
- Female

2. Into which of the following age groups do you belong?

- Under 18
- 18 – 24
- 25 – 34
- 35 – 44
- 45 – 54
- 55 – 64
- Over 64

3. What is the highest level of formal schooling you have reached?

- High school
- College
- Undergraduate university degree
- Graduate university degree

4. Which of the following best describes your employment?

- Professional
- Manager/Owner

- Sales/Teaching/Technical
- Clerical/Secretarial
- Skilled/Unskilled Primary

5. Finally, for statistical classification purposes, we would like to know what is your total household income from all sources and before taxes? Please remember, data will not be associated with you by name in any report at any time.

- Under \$25,000
- \$25,000 - \$35,000
- \$35,000 - \$50,000
- \$50,000 - \$75,000
- \$75,000 - \$100,000
- \$100,000 - \$150,000
- Over \$150,000

The breakdowns in the categories of education, type of employment and income will be determined by what you think the composition of your audience is. If, for example, you don't think they are educated, you may want to include "Have some high school education" as a category in the education section.

Having good subscriber information lets you develop sales strategies that help you guide clients in creating successful advertising campaigns in your publication. For example, you may learn that your readers who have high incomes are not cost conscious. So if a client wants to put a coupon in their ad in your magazine, you can discourage them from doing so on the grounds that if your reader wants his product he has the means to pay full price and your advertiser would be better off using the ad space to promote his product and not his coupon.

Ask your readers about product usage so that you can get advertisers into your magazine. For example, if you feel book publishers should be advertising in your magazine, ask your readers how much time a week they spend reading and how much they spend per month or year on books. Do not ask them if they shop at Chapters in the hopes of getting Chapters to advertise. Instead, focus on how much they spend because this number can

be used to sell to other bookstores or .com book outlets or help to paint a picture of your readers as intellectual if the number is high enough.

You also want to use your subscriber survey to learn about how your readers use the magazine. For example, how long do they keep their copies? What do they do with them once they have read them – throw them out or pass them along? If they keep their copies that means repeated exposure for the advertiser, if they pass them on that means the ads are being exposed to new readers.

And since people trust the editorial of their favourite magazines, you want to show this relationship by asking your readers if they have taken an action (i.e. bought an article, attended a concert, read a book) as a result of reading your magazine. In this way you can show how your publication influences the buying decisions of your readers. This is a very powerful link to make for advertisers.

Finally, a subscriber survey can be used to help you handle objections. If there are objections you are hearing over and over again, then put the questions to your readers. For example, if you are losing business because there are too many ads for trade unions in your magazine, ask your readers if they feel your magazine carries too much or just the right amount of advertising for trade unions.

What is a valid sample size?

It would be ideal if you could survey all your subscribers, but depending on your circulation this may not be practical. You may have to take a sample of your subscriber list (i.e. every 10th name) and survey them. There is no threshold rate that guarantees a statistically valid result, however, a response rate of less than 20% is considered poor. Such a low response rate would represent an unstable sample size so the information gathered from it would not likely be a valid representation of the population. With this in mind, you should aim for a 50% or higher response rate. In order to achieve this, you may have to do a second mailing.

How often should you survey your subscribers?

As a rule of thumb, you should survey your readers every two years. The survey should reflect changes in your readership and help you respond to changes in your market. If your circulation increases or there is a shift in your reader demographic, you should survey your subscribers. Similarly, if your market has changed you need to know how this affects your readers. For example, if you publish a computer magazine, the .com crash altered your market. What will these changes mean to your readers? Will they be less affluent; will they change their buying habits? You need to survey them in order to find out.

Getting Basic Information from your Subscriber List

Putting together a subscriber survey, mailing it out, getting it back and tabulating the results can take time. A quick way to get some subscriber information is to go to your subscriber list. From looking at this you can tell if your subscribers are mostly men or women, urban or rural, live in apartments or houses, etc. With this information you can make some assumptions that can be helpful in trying to get advertisers.

Identifying New Markets

This is really what a subscriber study does best. It can lead you to new markets. If you think you should have more ads for environmentally conscious products, ask your readers if they compost, buy organic food, wear hemp clothing, etc. You may get the numbers you need to get the advertising in this category that you want.

Sometimes, you just want a quick answer and waiting for subscriber survey results will take too long. In this case, ask readers or subscribers you meet at such places as poetry readings or events like *Word on the Street*, about what kind of advertising they would like to see in your magazine or if there are any groups of advertisers or new markets you should be targeting.

Your Place in the Market

There are so many magazines competing for advertising, and they all have different rates and circulations, how can you effectively compare them?

The most basic way of comparing magazines is on how much it costs an advertiser to reach a thousand readers or CPM. To calculate cost per thousand you take the one-time, four-colour gross advertising page rate divided by the circulation of an issue of your magazine (or audience) multiplied by 1,000. Here it is expressed as a formula:

$$\text{CPM} = \frac{\text{Cost of Ad} \times 1,000}{\text{Circulation}}$$

For example, if a full-page, four-colour ad in your magazine costs \$1,500 and your circulation per issue is 18,000, you divide \$1,500 by 18,000 which gives you .08333. You then multiply .08333 by 1,000 and you get 83.33. This means that it costs an advertiser \$83.33 to reach a thousand of your readers.

But how does this compare to other magazines? How can you find your magazine's place in the market? A CPM chart will answer these questions. You can get the data to calculate CPMs for other magazines from PMB, CARD or from a magazine's rate card or off their web site, if it's available there. Then you can do a comparison chart like this:

CIRCULATION AND READERSHIP CPM ANALYSIS					
Publication	1x 4/C Rate	Circulation	Circulation CPM	Readers 18+	Readership CPM
<i>Canadian Gardening</i>	\$11,345	159,255	\$71.24	2,547,000	\$4.45
<i>Canadian Geographic</i>	\$14,990	228,655	\$65.55	3,503,000	\$4.28
<i>Cdn. House & Home</i>	\$16,961	244,840	\$69.27	2,526,000	\$6.71
<i>CottageLife</i>	\$9,375	70,680	\$132.64	N/A	N/A
<i>Gardening Life</i>	\$9,510	90,974	\$104.54	1,723,000	\$5.52
<i>Outpost</i>	\$4,190	30,511	\$137.33	N/A	N/A
<i>Saltscapes</i>	\$6,396	28,034	\$228.18	N/A	N/A
<i>Style at Home</i>	\$13,625	232,785	\$58.53	1,734,000	\$7.86
<i>Toronto Life</i>	\$12,960	98,860	\$131.09	882,000	\$14.69
<i>Up Here</i>	\$3,300	27,383	\$120.52	N/A	N/A

Source: CARD 2004 and PMB 2004

You can calculate the CPM using circulation or readership figures, full page colour or black and white rates; just make sure that you are consistent in the data you use when comparing CPMs with other magazines.

More sophisticated advertisers and agencies will often do a CPM based on a portion of the circulation that is in their target market and not the total circulation. For example, *Canadian Living* has a CPM of \$16.27 for women 25-54 years old.

Of course, advertisers want the greatest efficiency, which is the lowest cost per thousand. But what if your CPM is high?

Overcoming a High CPM

We don't always buy things based on their price. Higher priced items often have features or attributes that we are willing to pay more for. It's the same with magazines. If you have a high CPM, you are going to have to emphasize the value of your magazine's features or attributes.

It's your magazine's voice – the things that make it different from the rest that will sell the magazine. What are your magazine's strengths? Your answers will become your selling points. Is it your editorial? Do you have award-winning financial experts guide your readers in making their investment decisions? Is your magazine printed on high-quality stock? Is the layout inviting to advertisers? Does your publication hit the newsstands before your competition?

Whatever you determine your selling attributes to be, combined with what you know about your readers, will form the foundation of your sales strategy.

How to Portray the Reader to the Advertiser – Designing a Media Kit

A media kit is your opportunity to use materials to showcase your magazine's strengths and convey credibility to advertisers. In this way you let advertisers know what your magazine can do for them. It's your chance to tell your story. It is what advertisers will use to assess your publication. Therefore, it must be a clear statement about your magazine and the audience it delivers.

Credibility is crucial. This is because we are selling an intangible product. You can't promise an advertiser that he'll get results – you can only rely on the experience of past and current advertisers. This is why so much of the media kit is geared towards credibility – numbers, research, audits, testimonials, etc.

A media kit can be fancy or it can be plain. It can cost a lot to produce and have die-cut tabs and folders or it can be done on the cheap with document covers from Staples and some clever cutting and pasting from your magazine. What's important is that the kit represent the magazine.

Paper or Online?

Large publications, like *Canadian Living*, which contain mostly national advertising, only have an online media kit. They don't have a paper one. This is because agencies are the ones needing the information and they can get it online when they need it rather than keeping a paper copy on hand. For magazines that don't have the profile with agencies that *Canadian Living* does, it's best to have a paper and an online kit. This way you have something to send to potential advertiser that opens the door for selling and you are available online to those who want to know more about your magazine that way.

A media kit can contain as many pieces of information as you want it to, but in order to be effective, a media kit must contain these four elements: editorial information, circulation information, readership survey information and a rate card, and, of course, a copy of the magazine.

Editorial Information

Editorial Mandate

This is your opportunity to define your magazine to your advertisers. The editorial mandate should explain how your magazine is different from your competition, so that advertisers know its position in the market. Defining the magazine in an editorial mandate gets rid of any misconceptions the advertiser might have about the publication and gives you a good strong starting point for presenting the magazine to them.

The editorial mandate is also your promise to the advertiser that you will maintain the same editorial direction and therefore attract the same readers who are also their clients. In other words, you're not going to be a gardening magazine one month and an internet magazine the next. It is safe to sign a one-year advertising contract.

Editorial Calendar

Since you are selling access to readers in an editorial environment they trust, you don't want to sell on specific editorial, as that editorial might change as you get closer to your issue closing date. Yet, advertisers often want to know about upcoming editorial. This is where an editorial calendar can be useful. An editorial calendar shows the editorial focus of each issue of a magazine for a year, without going into specific editorial. For example, the spring issue of a food magazine may have articles on Easter dinners, eggs and asparagus. It may also have a Cookware Guide. As specific editorial may change before closing, the Editorial Calendar will just show the Cookware Guide as the focus of its spring issue. In this way, the editorial calendar shows that the magazine isn't writing just

about food, but food related goods and products as well. The fact that it is a guide means that the editorial is geared to service journalism.

Sales people can use this information to show advertisers the type of editorial they can expect from the magazine and use it to build a case for aligning the advertiser's product with the editorial environment. And since an editorial calendar shows that issues are planned in advance, it gives the magazine credibility.

Circulation Information

Next, your media kit should contain circulation information. Since advertising rates are based on circulation, you should show your advertisers your numbers. Many magazines are audited by either CCAB or ABC. Being audited gives a magazine credibility with advertisers. The publisher's statements (also called pink sheets) are always included in a media kit.

If your magazine is not audited, you should have a sworn statement, signed by the publisher and notarized, which states the magazine's circulation. A copy of this document goes into the kit. Again, this is to give credibility to your circulation claims.

In addition, your media kit should contain a summary sheet telling advertisers where your magazine is distributed (is your circulation higher in rural areas?) and how it is distributed (paid or controlled, how many on newsstands, etc.) and the advantages of circulating your magazine this way.

Readership Information and Data

Your media kit should contain a summary of the readership information that has been gathered from PMB or your subscriber survey. These sheets should show a demographic breakdown of your readers as well as pass-along readership, readers per

copy, research that counters objections, actions taken as a result of having read the magazine and any other information about your readers you feel the advertiser needs in order to make the decision to buy.

Rate Card

Theoretically, the rate card is all an advertiser needs in order to place an ad.

To begin with, the cost of an ad by size, frequency, colour or black and white, as well as position premiums, special colours, etc. should be clearly laid out in full. A rate card should never state a rate and then tell the user to deduct 'x' amount for frequency or size. It's not the client's job to figure out the rate, it's yours.

In addition to rates, the rate card should contain all charges related to the placing of an ad in your magazine such as position charges, artwork charges, terms and conditions. It should state issue closing dates, material deadlines, on sale dates, shipping instructions, contact information (i.e. names, addresses, and phone numbers) and publication policies.

Magazines often have more than one rate card. In many cases they have two: a rate card with net rates and a rate card with gross rates. Net rates are usually given to advertisers who place their ads directly with the magazine (retail or regional advertisers). Gross rates are given to advertisers whose ads are placed by an accredited advertising agency (national advertisers). This is because advertising agencies get a 15% commission on ads placed in magazines. If you don't gross up your net rate, that 15% commission will come out of your profit when an agency places an ad. To determine the national rate, multiply the net cost of the advertisement by 17.6%. For example, if your net rate for a full-page four-colour ad is \$3,000 your gross rate will be \$3,528.

There can also be cultural rates, not-for-profit rates and regional rates as well as rate cards for different sections (i.e. classified and 'marketplace') of the magazine.

Setting Ad Rates

What you charge for advertising will depend on many factors, such as frequency, competitive set, whether your publication is regional, etc. It will also have to take into account the costs (production, art direction, etc.) of producing an ad. When all is said and done, the guiding principles behind setting advertising rates for your magazine should be: how much will people pay to advertise in your magazine and for you to make money.

When developing a rate card there are four main rates that have to be calculated. These are: a rate for advertisers who advertise more than once a year in your magazine (the frequency rate); a rate for advertisers who advertise less than a full page in your magazine (fractional rate), black and white rates and rates for special positions (i.e. covers, double page spreads, etc.).

Frequency Rates

A frequency discount is offered to clients who commit to buying more than one ad up-front making it cheaper per unit to advertise in a magazine six times than it is to advertise just once, for example.

In order to set any rates, you have to know how much and how little you can charge advertisers to advertise in your magazine. As a starting point, use the CPM formula to see how you compete with other magazines in terms of price for a full-page four-colour ad in your magazine. For example, are you charging enough for that space? Too much? This will be the most expensive rate per ad. Next, you need to know the least amount you can charge for a full-page four-colour ad.

To find this out, determine how many issues you will have in a year. Is your magazine a quarterly with four issues a year or a monthly with twelve issues a year or something in between? Now, calculate the lowest amount you can charge for a full-page four-colour ad, taking into account all costs related to producing the ad, and the magazine, while still making a profit. This will become the rate you offer advertisers who buy a full-page four-colour ad in each issue of your magazine. This is your maximum frequency rate. That is, your four-

time rate for a full-page four-colour if you are a quarterly or your twelve-time rate for a full-page four-colour if you are a monthly.

The one-time rate and maximum frequency rate should be no more than 15% to 20% apart. This will be the highest discount an advertiser will get for the most ads he can buy. You may have to make adjustments to these rates in order to get them within this range.

Next, decide on the frequency breaks you want to offer advertisers (i.e. four-time rate, six-time rate, etc.) and then using the 15% to 20% difference between your one-time rate and your maximum frequency rate, assign a rate to your other frequencies.

A rule of thumb costing for fractional advertising space is: the 4x rate is 7% off the 1x rate, the 6x rate is 12% off the 1x rate and the 12x rate is 16% off the 1x rate. Here's how frequency rates would be calculated based on a full-page four-colour rate of \$3,000 (see table below).

According to these rates, it will cost an advertiser \$11,160 to run four full-page, four-colour ads at the four-time rate; \$15,840 to run six full-page, four-colour ads at the six-time rate and \$30,240 to run twelve full-page, four-colour ads at the twelve-time rate.

Compare the cost of running a full-page four-colour twelve-times on the one-time rate (\$36,000) with the cost of running the same ad twelve-times on the twelve-time rate (\$30,240) and you get a difference of \$5,760 That's quite a savings and a good incentive to sign up for twelve ads.

Once this is established, you work to give the rate card a structure by offering fractional advertising sizes.

Fractional Rates

Fractional advertising spaces are offered to clients who don't want to buy a full-page advertisement. There is more flexibility when setting rates for

fractional advertising space, because there are more factors determining what can and will be offered. For example, does the column width of your magazine allow for one-third square sized ads? What is your market environment? Does your magazine carry a lot of fractional, retail advertising? Such things will affect what sizes you offer advertisers and how much you charge for them.

For example, a $\frac{2}{3}$ page ad is, physically, 75% of a page, but it leaves you with a $\frac{1}{3}$ page space to fill, which depending on your layout could be very difficult to do. You don't want to turn business away, but maybe you don't want to encourage this size either, so you price it at 80%-90% of a full – page in order to make it worth your while to carry an ad that size.

The rule of thumb for setting rates for fractional ads is this: $\frac{2}{3}$ page four-colour is 80%-90% of the full-page counterpart; a $\frac{1}{2}$ page is 70%-75% of its full-page counterpart; a $\frac{1}{3}$ page is 40%-45% of its full-page counterpart and a $\frac{1}{4}$ page is 35%-40% of its full-page counterpart.

Here's how frequency and fractional rates could be calculated using the above guidelines based on a full-page four-colour rate of \$3,000 (see table next page).

Note that the $\frac{1}{3}$ page is calculated at 40% of the full-page rate for each frequency. It doesn't have to be. The $\frac{1}{3}$ page rate may be 40% of the full-page four-colour one-time rate, and 37% of the four-time rate so as to encourage that ad size at that frequency. In this way, you can construct your rate card to favour particular ad sizes and colour (i.e. $\frac{1}{3}$ four colour) to give your magazine a particular look or to encourage first-time advertisers into the magazine with an eye to talking them up in size after a few issues. In this way, your rate card becomes more than a statement of the cost of buying an ad in your magazine, it becomes a sales tool.

FREQUENCY RATE – FOUR COLOUR

Frequency	1x rate (100%)	4x rate (- 7%)	6x rate (-12%)	12x rate (- 16%)
Full-page	\$ 3,000	\$2,790 each	\$2,640 each	\$2,520 each

FRACTIONAL RATE – FOUR COLOUR

	1x rate (100%)	4x rate (- 7%)	6x rate (-12%)	12x rate (- 16%)
Full page	\$ 3,000	\$2,790 each	\$2,640 each	\$2,520 each
2/3 page	\$2,400 (80%)	\$2,232 (80%)	\$2,112 (80%)	\$2,016 (80%)
1/2 page	\$2,100 (70%)	\$1,953 (70%)	\$1,848 (70%)	\$1,764 (70%)
1/3 page	\$1,200 (40%)	\$1,116 (40%)	\$1,056 (40%)	\$1,008 (40%)
1/4 page	\$1,050 (35%)	\$976 (35%)	\$924 (35%)	\$882 (35%)

Black and White Advertising Rates

Black and white ad rates are 15% to 20% lower than their colour counterparts. Here again, you can use the rates to discourage or encourage colour in some ad sizes depending on what you want in your magazine.

BLACK AND WHITE (15% OF THE FOUR COLOUR RATE)

	1x rate (100%)	4x rate (- 7%)	6x rate (-12%)	12x rate (- 16%)
Full page	\$ 2,550 each	\$2,370 each	\$2,244 each	\$2,142 each
2/3 page	\$2,040 (80%)	\$1,897 (80%)	\$1,795 (80%)	\$1,714 (80%)
1/2 page	\$1,785 (70%)	\$1,660 (70%)	\$1,570 (70%)	\$1,499 (70%)
1/3 page	\$1,020 (40%)	\$948 (40%)	\$898 (40%)	\$857 (40%)
1/4 page	\$892 (35%)	\$829 (35%)	\$785 (35%)	\$750 (35%)

Rates for Special Positions

These include things like covers, double page spreads (DPS) or guaranteed positions in the magazine. What you charge for these positions is really up to you.

Premiums are added to the full-page four-colour rate for covers to reflect their superior position in the magazine and because they are usually printed on better stock. Generally speaking, the outside back cover is 12%-15% higher than the full-page four-colour one-time rate; the inside front cover is 5%-6% more and the inside back cover is 4%-5% more. Here is how the cover premiums would be calculated based on a full-page four-colour rate of \$3,000.

COVER PREMIUMS

Outside Back	\$3,360 (12%)
Inside Front	\$3,150 (5%)
Inside Back	\$3,120 (4%)

Some publishers don't offer discounts on double page spreads. They simply charge two times the full-page four-colour rate. Others offer an incentive, anywhere from 5%-10% less than the rate of two pages at the full-page four-colour one-time rate, to advertisers who book a DPS. If you want more double page spreads in your magazine charge less for them, if you want fewer, then charge more.

What premium you charge for guaranteed positions is also up to you. If offering a guaranteed position is a hassle for you when laying out the magazine, try charging more for it. If offering a guaranteed position helps you to get the business, charge less of a premium for it. Most magazines charge an additional 10% of the one-time ad rate to guarantee the client the page they want.

Inserts, Brochures and Bind-in Cards

Rate cards usually invite advertisers to contact the Account Manager in order to get a rate for these kinds of advertisements. As these pieces are pre-printed and vary in size and weight, there really can be no set rate for them. They have to be priced individually.

The first step in costing a pre-printed piece is to contact your printer for any pre-bind or other charges for putting the piece in the magazine. These charges will be passed on to the client. Depending on what the insert is, you may also want to contact your Canada Post representative and talk to them about it in case there are any issues there.

The rule of thumb for pricing pre-printed materials is this: take the insert, brochure, blow-in or bind-in and convert it to full-pages. Take the number of pages and multiply it by the $\frac{1}{3}$ black and white one-time rate. This is just a guideline – if an insert is too big the cost will be too high to make it worth putting the ad in the magazine. When the guideline doesn't work, you can try costing the piece on a cost per thousand basis.

What you end up charging for pre-printed pieces will be determined by what the client will pay, how badly you want the business and whether or not the piece can be made part of a larger campaign or value-added package.

Once you have the four main elements of your media kit in place, you can then focus on adding materials to the kit that highlight your magazine's strengths and help sell the magazine. These can be reader testimonials, advertiser testimonials, etc. You can do up a promotion piece that promotes your outstanding editorial team, the awards your

publication has won, or your exclusive audience or readership and so on.

The kit should also include any value-added services or merchandising opportunities you might offer advertisers.

Some media kits contain foldout rate cards that contain all kinds of circulation and readership data. They look great but can be very impractical especially when you need to update one aspect of them such as the circulation data or if you want to raise your rates. When this happens, you have to print a whole new card! For this reason it's best to put information under separate headings on separate sheets of paper. Not only does this make the information more easily accessible to you or the client, it also allows you to update elements of the kit independently of the others.

Selling your Story

Categories of Advertisers

There are two groups of advertisers you can sell your magazine to: national and retail.

Simply put, a national advertiser is a manufacturer or distributor whereas a retail advertiser is a store. Therefore, Ford Canada is a national client and Phil's Ford dealership is a retail account. The process of selling to a national advertiser is different from that of selling to a retailer advertiser.

When selling advertising to a retailer, you are usually dealing directly with the client. Retailers don't have much time to think about advertising, as they are deeply involved with the day-to-day running of their business (i.e. their merchandise coming through customs, being short-staffed, or faulty debit machines, etc.) so they rely on advertising sales people to help them make their advertising decision.

They tend not to be numbers driven, although there are some pretty sophisticated retailers out there, especially the ones who do a lot of direct mail marketing, but more emotional in making

their advertising decisions (“My mother loves your magazine and she says I should be in it.”). They are interested in moving inventory, so they are looking for immediate results. Once they decide on an advertising vehicle they tend to stay with it. This means that it can be very hard to get them to change advertising vehicles to yours, but then again, once you get a retailer sold, they can be yours for years.

Most national advertising is bought by advertising agencies on behalf of their clients. This means that you are not dealing directly with the client, but working with a middleman. The agency plans the client’s campaign and buys advertising space for the campaign. If the client approves a budget for print advertising, then space in magazines will be bought.

Advertising agencies are numbers driven. They rely, almost to a fault, on research and data to make their buying decisions. Unlike retail advertisers, agencies have huge budgets, and so, they are approached by every medium.

Unlike retailers, they generally are willing to be more experimental in their advertising choices and they change advertising strategies more often.

Building a Client Base

Let’s say you publish a gardening magazine. Your aim is to sell to as many gardening and gardening-related product advertisers as possible. In order to do this, you have to prioritize your potential advertisers.

Start by identifying those advertisers who would be the most natural fit with your editorial mandate. For a gardening magazine this list would include nurseries, garden equipment manufactures and retailers and books on gardening, etc. If your editorial mandate allows for lifestyle (i.e. what people do in their gardens besides plant flowers) you may look at advertisers of gardening furniture, outdoor lighting, ponds, decks, etc. Next, look through other media (i.e. magazines, flyers, catalogues, etc.) to see who is advertising in this grouping. There may be hundreds of nurseries in Canada, but only twenty that are large enough to be currently advertising in some media. You want

those twenty because 1) they already advertise so they already know the power of advertising 2) they likely have advertising material, or creative, that can be used in your magazine. The advertisers on this list will be easier to sell to because they are a perfect fit with the editorial. They should also advertise with greater frequency because you are reaching their target market and because the reader expects them to be there. This will be your ‘AA’ list of accounts and should get most of your attention.

Next, approach advertisers who would be interested in reaching your reader demographics even though they may not be directly involved in the business of gardening. This will be your ‘A’ list of accounts. This list might include barbecue manufacturers or retailers, car manufacturers, etc. This list will be more difficult to sell to, so the more support materials you have (i.e. research data, testimonials, credibility, etc.) the better. Beyond this stage genuine reader interest and the circulation numbers that flow from that will determine how successfully the magazine can attract advertising.

Building a Client Database

Building a client database is an essential sales tool and is the foundation on which you will build your business. A client database is proprietary information and is usually not available from someone else. You have to build your own. Once you’ve got your database established keep it up to date. There is software available, such as ACT! and Goldmine that will help you keep the information in your database, and you, organized.

Now that you’ve got your ‘AA’ and your ‘A’ list (and maybe even a ‘B’ and ‘C’ list) of prospects, start going through each potential advertiser on the list and contact them, usually by phone. If the potential client is a national advertiser, their co-ordinates can be found in the *National List of Advertisers*. If it is a retail advertiser, you can get their information from the phone book, other ads in magazines, flyers, promotional materials, etc.

Next, contact the company and ask for the person in charge of making advertising decisions. Once

you get the contact on the phone, introduce yourself, tell them the name of the publication you represent and tell them that you are interested in discussing advertising with them. If they put you on to their agency, then call the agency, but not before finding out the title, correct spelling, e-mail and mailing address of the client. This is what will go into the database. Repeat the process with the agency, asking who the decision makers are, when media plans are made, etc. This is not the time to 'pitch', this is just information gathering. However, as this may be your first contact with some of your potential advertisers, it is an opportunity for them to get to know you a little and for you to gauge their interest in your magazine. Log all this information in the database.

As you sell advertising, those prospects that become clients should now go on to a separate list.

Make sure you clearly record current objections when you do not get the sale. This information can be used to help you sell to other clients. For example, if the prospect won't buy because your circulation is too small, record the objection. If you notice that it comes up over and over again, then this is an issue that is clearly preventing you from getting advertising into the magazine and you are going to have to develop a strategy for dealing with it.

Depending on your budget and the size of your prospect list, there is database software available to help you keep track of your accounts.

Working with Advertising Agencies

Advertising agencies vary in size from large international companies to one-man operations, so the structures of agencies vary a great deal, as does their role with the client. Some agencies may only make the buying decisions for its clients, while another only supplies artwork.

Finding the Right Contact

When selling to agencies, it is important that you sell to the right contact at the right time. There can be many people involved in the selection of media and when ad agencies are involved there is often sensitivity around the process. This is why the clarity of the database is necessary.

Start with the client since it is always good to have a relationship with them even if they prefer you deal directly and, in some cases, only with the agency. Do what the client directs but always keep them on your database for comp copies, mailings and invites. This is especially important, as people and accounts tend to move around. The rule of thumb is to "surround the account", that means keeping in contact with the client and the agency if there is one.

Most agencies have a media director, several media planners and supervisors and then buyers. Of course this depends on the size of the agency. As long as you ask the right questions you will get to the right person at the agency. In most cases, you will end up dealing with the media planner responsible for print, the 'print planner', for the business you want to attract.

It's their job to speak with sales representatives and to make recommendations for the media plan. Media planners look at many aspects of a magazine when considering them:

- > The editorial fit of the magazine with a product or campaign
- > Circulation size
- > Frequency
- > Geographical location of audience
- > Cost-efficiency
- > Value-added opportunities and so on

Most clients have a planning cycle or a time of year when they plan for the following fiscal. Fiscal can either be calendar year, or any time, but they usually encompass a full year or more. This means that agencies can be working on a campaign well

over a year in advance, resulting in a long sales cycle. You need to know when the client's planning time is and when their fiscal year is. If the fiscal year starts in January, it's no good seeing them in December.

While working through an advertising agency can sound a bit daunting for a small circulation magazine, remember that small circulation magazines have smaller advertising rates which likely won't put a dent in the budget if they are put on the plan. In fact, they can come out of the discretionary budget.

And because your rates are so small, you may not get much attention at the agency level anyway, as they make their money on 15% of the page rate. This means that you can likely end up working directly with the client. This is a good thing because ultimately it's not huge numbers that will sell your magazine to them, but your strong compelling story about what your magazine can do for their product.

Many a small magazine has gotten a large advertiser in the magazine by selling their story. For example, *Lola* had advertising for Absolut vodka in it.

Another to bear in mind is that there are fewer and fewer full-service agencies nowadays which means that media management companies aren't tied to creative departments anymore. For example, many large international companies, like Lego, don't have Canadian creative. This creates an opportunity for small magazines to offer creative on spec when presenting to planners. By designing a tailored program for the client, you not only help the agency but you also bring something unique to your readers that your competition can't touch.

Finally, sometimes advertisers want to find you. The best way for them to do this is if you have an entry in *CARD* (*Canadian Advertising Rates and Data*). Not only will your information be available to potential advertiser, being in *CARD* will help to give your magazine credibility.

Selling in Person, Over the Phone or Through the Mailed Materials

When selling advertising space you will do some selling in person, some over the phone and some through the mail. Depending on what type of magazine you are selling space in and where you are located, you will likely use one method more than the others, but no matter which method you use, your success at selling advertising space in your magazine will depend on your knowledge of your magazine, your knowledge of your client's product and your ability to show how advertising in your magazine is beneficial.

Meeting with the Client

The key to selling is listening. Regardless of how much homework you do on the client's product, it's best to begin a meeting by getting the client to talk. You want to know their budget, where they are currently advertising, who they want to reach, what they are trying to accomplish with this campaign and what the creative concept is. What about their product/service – is it different from their competitors? Getting the client to talk first allows you to sell to their needs and to their target markets. It also gives you a chance to get comfortable so that you are less nervous when the time comes to present your media kit. As you go through your materials, use speech that assumes the sale. For example, "When you begin your advertising campaign with us ..." as opposed to "If you decide to advertise with us..." Go through the information in the media kit making sure the client understands it and making links to comments they may have made. For example, "As you can see, we do deliver your target market..." Make sure they understand the terms and conditions (billing, artwork, charges for overdue accounts, etc.).

Don't be surprised if you can't answer all their questions, just promise to get back to them with the answers. Finally, ask for the sale: "I suggest you

begin your campaign in our next issue...” There are many theories about closing and the timing around it, but remember: the reason you are meeting with the client is to get them to advertise. By asking for the order, you make that intention clear. It is very rare for a client to buy at the first meeting, but their response to your close will likely bring out objections and questions that need to be dealt with before a sale can happen.

From this point on, you will be working with the client to show him how your magazine can work for him.

Selling over the phone

In some cases, meeting with clients is impossible or impractical, in which case most of your selling will be done over the phone. The same principles for selling in person apply to selling over the phone – let the client talk first, do some information gathering, give them the information they need to know about your magazine. You will likely have to follow up a phone call with a letter and media kit or other materials sent through the mail.

You should call your accounts on a regular basis. This keeps you informed about their products and advertising plans and it allows you to keep them updated as well. If you have trouble staying focused, develop an outline or script and stick to that. As in meetings, take plenty of notes. The more you learn about the client’s needs and likes and dislikes, the more you will be able to satisfy them when they advertise in your magazine.

Here are a few guidelines for phone sales:

- > If you are having success on the phone, keep making calls. People can hear the energy in your voice and they respond positively to it.
- > Conversely, if your energy is flagging and your mood is a bit down, people will feel the lack of energy in your voice and respond negatively to it. At this point it’s time to take a break. Have a coffee, walk around the block to clear your head and then get back to making calls.
- > Use the silences on the phone to your advantage. People often find silence at the other end awkward. If you give someone the price of

an ad over the phone, then give them a minute or two to think about it. Don’t get nervous and fill the empty space with chatter.

- > Don’t waste time. Business calls are not social calls. Don’t substitute talking about your weekend for information about your magazine.
- > Be courteous, especially to people who answer the phones. They can become important allies.

Selling Through Mailed Materials

Mailed materials include media kits, promotion pieces and letters. We’ve already discussed media kits and how to make them effective and promotion pieces are pretty self-explanatory. Then, there are sales letters.

Letters can be used to reach an elusive client, to move the sales process forward, to speak to several clients at once, or announce upcoming special sections or promotions. Regardless of the purpose of your letter, remember that it is an opportunity to promote your magazine. If you are following up a phone call for example, you might write: “Here’s the information I promised you. As you can see, our readers are your clients...”

Here are some guidelines for selling through the mail:

- > Make sure the material gets to the right person. Nothing should go in the mail addressed to “Dear Advertiser” or “President of Kodak Ltd.” You don’t want it to look like or be treated as junk mail.
- > Letters should be short, unless they are dealing with a problem (about one page).
- > Use direct language so that the reader knows what you want from them or what you want them to do. Tentative language tends to generate confusion.
- > Tell the reader why you are sending the letter. For example, “You should be in our next issue which closes Dec. 12th...”
- > Tell them what the next step will be. For example, “I’ll be calling you before the 12th to discuss your participation in our next issue...”
- > Take the time to personally sign your letters as a sign of respect.

How many sales calls should be made in a day?

There is no real rule of thumb answer to this question because there are so many variables to consider, such as the frequency of your magazine, effectiveness of sales materials, how many people are selling for you, etc. It's not important how many sales calls are being made in a day, as long as the right ones are being made. Are your current advertisers being serviced? Is new business being developed? Are sales targets being reached?

Bear in mind too that there is an awful lot of rejection in advertising sales and keeping sales people motivated is important. All of these things need to be factored in to the number of meetings or phone calls you think a sales person can make in a day.

Building Relationships with Advertisers

This isn't about taking clients to expensive lunches; it is about working in good faith to do your best for your magazine and your clients. As a sales person, your responsibility is to keep your clients informed about everything your magazine has to offer them so that they can meet their marketing goals.

Some sales people fall into the trap of befriending their clients. They chat with clients, get to know them and all about their families, they know where they go on vacation, etc. They spend time getting to know the personal life of the clients instead of educating them on the advantages of advertising in your magazine. Often this is because they lack the confidence to represent their magazine as a valid advertising vehicle. They are hoping the client will advertise because the salesperson is a 'friend'.

People don't buy advertising from you because you are their friend; they buy it because you have shown them that your readers are their customers, that your rates are fair and based on your circulation, that your magazine will give them repeated exposure because it is kept and referred to again and again or it will introduce his ads to new readers

through your pass along readership. In other words, your publication has value for them.

The best way to build relationships with clients is to be courteous, pleasant and professional. If you handle all issues that arise in a professional and responsible manner and take all concerns seriously, then you will be appreciated and respected. Without compromising your magazine, keep their best business interests at heart. If you can make their advertising campaign in your magazine a success, you will have built a great working relationship that will benefit you in the long run.

Creating Advertising Opportunities in your Magazine

In order to capture some or more of a market you may want to create a variety of advertising opportunities in your magazine. These can include such things as a classified section, a 'Marketplace' section, seasonal to topical guides and your website.

A classified section can be surprisingly lucrative, especially if you put a coupon in the section which allows advertisers to write, and cost, their own ads. This way, you don't have to pay someone to get the ads in.

A Marketplace section can work the same way, but ideally, this would be a place where smaller advertisers could put their display ads. Unlike classified sections, Marketplace sections should be more attractive (i.e. have a heading and colour border) and the ads sold in larger units.

You could also have a section for advertisers in a particular category, such as a Theatre Guide or a Summer Camp Guide. These would allow you to get seasonal advertisers in the magazine.

Not only do special sections allow you to broaden or capture a market, once the ads are in your magazine, you have the opportunity to sell the advertiser up into a larger ad in the main book.

Your website can also be used for advertisers when it doesn't suit you to have them in the main book. Literaries for example, often have very little advertising space to sell, while other publications don't want to clutter up their magazine with small ads. Having an advertising section on your web site still gives advertisers the benefit of being aligned with your brand, but not necessarily in the magazine.

Value-added Packages

Value-added packages are another way to create an opportunity to capture the market. Value-added means different things to different advertisers. Generally, it means that an advertiser wants to add something to their one-page advertisements, at no additional cost to them that will extend their advertising message. When an advertiser buys an ad, they are investing in your magazine. By extending their ad campaign, you 'add value' to their investment by improving its chances of success.

There are many types of value-added packages that you can offer advertisers. You could put a napkin from Starbucks or a dustcover from a new book in a polybag with your magazine or in a goody bag to be handed out at a poetry reading. You could distribute CD's, samples, inserts, coupons and brochures in a Word on the Street or in polybags along with your magazine. You can sell merchandise on your website. You could have a contest. You are only limited by your imagination.

One of the keys to developing successful value-added packages is being creative and letting the advertiser feel they are getting more than just an on-page advertisement.

For example, suppose you would like to get an ad from a national museum in your magazine. You've been in contact with the client, you've told them about your magazine, you've shown them how advertising in your magazine would benefit them, you've sent them your media kit. They are interested, but won't commit. Then, you go back through the notes you took while speaking with them on the phone and discover that they have a

big exhibition opening in the fall. The nature of the exhibition means that your readers would be its target market. You convey this to the museum, but they still won't commit. This is where a value-added package can help. You put together a package where the museum buys three full-page four-colour advertisements in your publication over the course of a year and in addition, you will put the brochure announcing their exhibition in a polybag along with your magazine. The museum goes for it and you get the business.

Structuring a Value-added Package

In this example, the museum is getting repeated exposure to your readers and they get their brochure out to them as well. And you get three full-pages of advertising from a new client. But what did it cost you? How you structure a value-added package depends upon how much you want the business. You make your money on your ad space, so you don't want to discount that or give it away. Also, you want the museum to advertise in your magazine because their ad enhances the advertising environment of your magazine and may draw other advertisers to the book.

What you can play with is the cost of the polybag and the brochure. The cost of polybagging varies, but whatever it is, it will be passed on to the advertiser. As for the brochure, you aren't paying for the cost of printing it. In fact, it isn't even part of your editorial/advertising ratio. So really, your hard costs are the cost of the advertising space and the polybag. Would it be worth it to you to absorb the charge of the polybag if the client bought three pages, but not if he bought just one? And, if you were polybagging your magazine for the museum, would you add two more brochures to the polybag and make even more money?

When considering what you have to offer as value-added, bear in mind that it has to benefit your magazine and your client. This means it should cost you very little and have value for the client, or if it is going to cost you something, it should be tied to a campaign that will benefit your magazine.

Putting Together a Value-added Proposal

In this scenario, you've been trying to get GMC into your *Canadian Fisher* magazine. They aren't interested. Then you realize you can tie an advertising campaign for GMC in your fishing magazine with the contract publication you print called the *Northern Travel Guide*. Here's the proposal:

Ms. May Parker
MacLaren McCann Canada Inc.,
130 Bay St., 12th Floor,
Toronto, ON
M4L 3S2

Dear May,

Thank you for taking the time to speak with me recently about *Canadian Fisher* magazine. During our discussion I mentioned our *Northern Travel Guide* and said I would write you a proposal for General Motors of Canada Ltd. (GMC) and the *Northern Travel Guide*. Here it is:

Proposal

This proposes that GMC be the exclusive sponsor of the annual 2004-05 *Northern Travel Guide* and that this be tied into an advertising campaign in *Canadian Fisher* magazine. Our plan is to further expose GMC and Chevrolet trucks to our readers and provide them with year-long exposure through these publications.

Background

Since 1979 *Canadian Fisher* magazine has delivered editorial that sells the excitement of fishing to a dedicated and affluent readership across Canada. With a paid circulation of 20,000 and a readership of over 80,000, this established publication is the voice of fishing in Canada.

The *Northern Travel Guide* is an annual publication. It is designed to be the ultimate source for travel in Canada's north.

The *Northern Travel Guide* is a glossy, magazine format publication. Its enticing photography and service journalism are designed to attract fishers to Canada's North - where the best fishing is. The *Guide* will tell fishers where to go, where to stay and what to buy when in the North. It will be a resource to be kept and referred to again and again.

Concept

The *Northern Travel Guide* will have a press run of 50,000 copies. Twenty-thousand copies will be distributed to *Canadian Fisher* readers in a polybag along with the January issue of the magazine. The remaining 30,000 copies will be distributed by Canadian Tourism through their 1-800 request line. Canadian tourism will be promoting the 1-800 number via their advertising

programs in major Canadian markets. The media plan is currently being developed and will include advertisements in *Canadian Geographic*, *Westworld* and each issue of *Canadian Fisher* throughout the year. And so, this year, for the first time, *Canadian Fisher* is offering a sponsorship opportunity to a national advertiser, specifically, GMC. GMC is a natural fit because their trucks stand up to the rugged demands of road travel in Canada's north.

Proposed Marketing Opportunity for GMC

GMC will receive:

- > the inside front cover double page spread of the *Northern Travel Guide*
- > the outside back cover of the *Guide*
- > the inside back cover of the *Guide*
- > three double page spreads in *Canadian Fisher* magazine in 2004/2005
- > GMC logo and website address on the front cover of the *Guide*
- > GMC logo in advertisements promoting the 1-800 number in *Canadian Fisher* magazine
- > exposure through *Canadian Fisher* magazine's website via a hot link to the GMC website
- > banner ad on *Canadian Fisher* magazine's website for GMC
- > exposure through the Canadian Tourism website via a hot link to the GMC website

Total value of the package is:

\$15,647	(inside front cover spread, OBC and IBC)
\$16,017	(three double page spread in CFF)
\$ 3,500	(GMC logo on the front cover)
\$ 3,300	(CFF website link and banner ad)
<u>\$ 2,300</u>	(Canadian Tourism website)

Total Cost: \$40,764 (gross)

Cost to GMC: \$27,176 (gross)

This custom campaign will have a significant impact on our readers because nothing like this has ever been done before in *Canadian Fisher* magazine. It is a natural fit with the editorial thrust of the *Northern Travel Guide*, *Canadian Fisher* magazine's readers and GMC vehicles. We hope that GMC will participate in this exceptional opportunity.

Thank you for taking this proposal to your client and responding to us on or before October 30, 2004.

Sincerely,

Advertising Consultant, *Canadian Fisher* magazine

In any proposal for value-added you want to outline the proposal, the background, the concept (how the campaign will be executed) and what the client will be getting and how much it costs. This is standard.

It is in the 'Proposed Marketing Opportunity for GMC' where you get creative. Your hard costs are the cost of your ad space, the covers and double-page spreads. These are what will benefit your magazine. The cost of putting the GMC logo on the front cover and for the website links and banner ads are flexible and cost virtually nothing. They have value to GMC, but not to you. For this reason, never say 'free' even though it might not cost you anything to provide it. Assign a value to everything you offer the advertiser in the proposal.

Having GMC in *Canadian Fisher* would be a real coup, so you are willing to give them a bit of a break on your hard costs. The total cost of the advertising space only is \$31,66, but GMC will get the whole package for only \$27,176.

Finally, your proposal should be no longer than two pages.

Selling Against Other Publications

Before you can sell against other media or other publications, you have to know your client's needs, and sales goals so that you understand why they chose those other options. Then you can take the strengths of your magazine and position it against the strengths and weaknesses of your competitor. Does your magazine reach more of the advertiser's target market than the other publication does? Is your circulation more targeted? Is your CPM more attractive? Is your magazine printed on better stock? These are the things that you must convey to the advertiser. However you convey them, be careful never to criticize your competition to a client. You can question some of their practices,

but slagging your competition makes you look bad and opens the door for you to be criticized.

Another strategy is to show how your magazine can work with the competition to extend and enhance a campaign. Does your publication come out two weeks after your competition? That means an ad in your magazine will give the campaign a boost just as the competition's presence in the market is waning. Is your magazine kept longer than your competitor's? Are the production values better?

Selling Against Other Media

Magazines are effective advertising vehicles for many reasons. First, is their relationship with the reader. They build reader loyalty and trust from issue to issue. They also build enduring relationships with readers. These strengths are what will sell advertisers on placing their ads in magazines. However, if you are selling against other media, there are some points of comparison to be made:

Magazines Versus Newspapers

- Magazines have better production values, so advertising printed in them looks more appealing than ads reproduced on newsprint.
- Newspapers are gone at the end of the day. Magazines are kept and referred to again and again.
- Newspapers don't offer advertisers the benefits of 'pass-along' readership.
- Newspapers are designed to appeal to a broad range of people; magazines offer a more targeted readership, so there is less waste.

Magazines Versus Direct Mail Pieces

- Magazines deliver a message in an editorial package that is bound to get more attention than a direct mail piece, which is often discarded.

- Magazine advertising gets repeated exposure to the reader, direct mail pieces don't.
- Magazines offer advertisers better reproduction quality than most direct mail pieces.

Magazines Versus Radio

- Magazines get full attention and concentration from the reader; radio is often 'background' noise.
- Magazines offer repeated exposure over longer periods of time than radio.
- Magazines create interest in an advertiser's product by offering them a visual of the product.

Magazines Versus TV

- TV time is expensive to buy.
- TV production costs are high.
- TV commercials can be ignored or muted.

Magazines involve commitment, they demand concentration and as a result magazine readers are actively engaged with the medium.

As you can see, advertising sales is all about selling the strengths of your magazine – the strengths that come from your editorial and your readership.

Conclusion

This is an exciting time to be selling advertising in small circulation magazines. Niche publications have never been more popular and what small magazines may lack in circulation they can make up for in being flexible and creative in what they offer advertisers.

Nonetheless, selling advertising in magazines can be a challenge. Many people think they can sell. After all, how hard can it be to pick up the phone and tell people about your magazine? Anyone who has tried knows that it is much more than that. And if you've read this entire handbook, you know that it isn't about telling people about your magazine – it's about telling them how advertising in your magazine will help them meet their marketing goals.

In advertising sales, the rejection rate is high, but for the advertising person who knows the strengths of their magazine and can communicate them to an advertiser in a way that gets them excited about participating in that magazine, brings creativity to the table and who is persistent, the results can be very rewarding.

Bibliography

Berman, Helen. *Ad Sales: Winning Secrets of the Magazine Pros, Vol. 1*. Los Angeles: The Berman Publishing Company, 1996.

Berman, Helen. *Ad Sales: Winning Secrets of the Magazine Pros, Vol. 2*. Los Angeles: The Berman Publishing Company, 1997.

Berman, Helen. "Selling Against Other Media." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 179-183.

Bernstein, Jack. "Factors Influencing How Much to Charge For Your Advertising Space." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 65-75.

Bernstein, Jack. "Putting a Media Kit Together." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 77-80.

Bernstein, Jack. "Presentations to Advertisers and to Ad Agencies." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 109-116.

Garland, Gary. "Magazines Canada Fast Facts Tool Kit." Magazines Canada, 2004.

Jolley, Jennifer. "Making the Most of Your Rate Card." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 153-156.

Laitin, Julie. "Subscriber Survey Reports I: Putting Power Into Your Presentation." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 55-59.

Lorimer, Karen. "Selling at a Distance." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 177-178.

Stendel, Brian. "In-House Subscriber Research." *Advertising Sales: a Handbook for Canadian Magazines*, A Canadian Magazine Publishers Association Handbook, 1997: Pages 47-54.