

## THE TOP 4

### Changing Its Colors

imitation is the sincerest form of flattery, especially in the direct mail world.

That's why *Kiplinger's Personal Finance*, a magazine for Washington, D.C.-based personal finance and business forecasting publisher Kiplinger Washington Editors Inc., modeled its outer envelope after the USPS postage label. And why not? After all, the USPS has been

**#3** around for more than two centuries. It's no coincidence then that Kiplinger's used a freelance copywriter to develop an OE with a USPS-like seal on its #10 package. The OE resembles a USPS piece so much that Kiplinger's Circulation Director Sandra Hunt describes the piece as the "junior postage package" (Archive Code #205-174257-0712).

On the seal itself, Kiplinger's uses the phrase, "DO NOT BEND," in underlined text to grab the prospect's attention. It also notifies the consumer that the material is dated and that he or she must "Reply within 5 Days." In other words, it certainly gives the impression that this is an important piece of mail. The design worked for Kiplinger's control for a few years, and the response from customers continued to be strong—but the personal finance publisher was looking for a way to make it even more effective.

The question was how? Turns out, the answer was just a simple change in color. When the package was originally



**1 BEST STOCK TO BUY AND FORGET** – The Minneapolis maker of medical devices, Medtronic (MDT), is perfectly positioned to grow with an aging population.

**2 BEST DOMESTIC STOCK FUND** – Fairholme (FAIRX) minimizes risk in bear markets and maximizes return when the bulls begin to run.

**3 BEST INTERNATIONAL STOCK FUND** – With meticulous research, modest management fees, and strong stock-picking, Dodge & Cox International (DODIX) has creamed the competition in recent years.

**4 SINGLE BEST FOREIGN STOCK** – The Danish drug maker, Novo Nordisk (NVO), is one of the world's largest producers of synthetic insulin products and will benefit from the growing epidemic of diabetes.

**5 BEST WAY TO GO "GREEN"** – GE invested nearly \$1 billion in clean-energy research and development last year. It's a great way to "go green" with low risk.

**6 BEST ONLINE CHECKING ACCOUNT** – ING's "Electric Orange" account pays a minimum of 3.5% interest with low fees and plenty of free services.

**7 BEST STUDENT LOANS** – Federal Stafford Loans offers a low interest rate (6.8%), increasing maximum loan amounts each year, and payments deferred until six months after graduation.

**8 BEST NEW "GREEN" IDEA** – Compact fluorescent lights glow like incandescent bulbs but use 75% less energy and save up to \$60 in electricity bills per light over their lifetime.

**9 BEST ALL-AROUND RETIREMENT ACCOUNT** – There's still no substitute for the Roth IRA, if you qualify. Decades of tax-free growth, plus tax-free income in retirement, make the Roth a "no-brainer."

**10 BEST "TARGET DATE" RETIREMENT FUNDS** – T comes out on top in this competitive category because of their more aggressive growth strategy.

**11 BEST CREDIT WEBSITE** – You'll get reports from the three major credit bureaus in one sitting. AnnualCreditReport.com.

**12 BEST ONLINE TAX CALCULATOR** – Maybe we're biased but we think our own online tax calculator, Kiplinger.com/money/taxes is the best way to find out you're giving Uncle Sam too much.

**13 BEST PERSONAL FINANCE BLOG** – The author of PBlog.com shares his plan for parlaying a million dollars into a \$1 million portfolio by 2012.

**14 BEST LIFE INSURANCE WEBSITE** – AccuQuote.com offers personalized help in finding coverage, especially if you have a pre-existing medical condition.

**15 BEST CHARITY WATCHDOG SITE** – Check out a charity before you send a check with CharityNavigator.

**16 BEST WAY TO FIGHT BACK AGAINST PHONE TRESS** – If you're sick of dealing with computerized voice response systems, go to GetHuman.com for a list of customer numbers, along with the codes that will help you hook a live human being.

**17 BEST LAST-MINUTE TRAVEL SITE** – Using LastMinute.com is an easy way to get travel deals, whether your trip is two weeks or two hours.

**18 BEST LONG-TERM CARE INSURANCE** – Both John Hancock and MetLife win our recommendation because they never raised premiums for existing policyholders.

**19 BEST PLACE TO MOVE FOR RETIREES** – With no state income tax and plenty of entertainment and recreation, Seattle has become a hot spot for the 50+ crowd.



Kiplinger's *Personal Finance's* "junior postage package" features an outer with a postage-style seal and the words, "DO NOT BEND," to get prospects to see what's inside. The contents feature a quick-hitting product guide that takes just 90 seconds to read. To order: 215-238-5225, Archive code #205-174257-0712.

mailed, Kiplinger's used a green seal for the OE. To keep true to its USPS inspiration, the company sent out a co-control test in May 2007, of a red, white and blue seal—the same colors of the USPS—against a green seal version and an old, black-and-white control. "In May, the responses came back dead even," Hunt says. "Then, the co-control started beating the old control in responses. We saw a very nice lift with the new outer." When the company mailed it again in December, the new outer fared better than the rest.

There are many key factors that make the new OE so effective. The “DO NOT BEND” is a major reason. Through testing, Kiplinger’s found people are more likely to open the material with that phrase present. Equally as important is the fold-label seal that gives the “official” feel to the mailing. “The old control did not have ‘DO NOT BEND,’ and it did not do as well,” Hunt says. “And with the fold-label, we’ve had a lot of good results.” Add in the new pigments, and the prospects—mostly males over the age of 50 years—cannot help but look to see what’s inside.

Once they get there, the potential subscribers find the standard subscription voucher that highlights the offer and savings. Nothing out of the ordinary there. Instead, the real attention-grabber lies in the complimentary brochure inside. Entitled “Kiplinger’s 90-Second Consumer Guide: THE BEST of everything!”, the brochure has 30 one- or two-sentence descriptions of products and services Kiplinger’s provides. Prospects and subscribers alike love it. “People like the concise, mini-consumer report because it’s a quick read that offers a look at some of our products,” Hunt shares. “It’s very popular. This flyer is driving the whole

## IDEAS IN *Action*

The quicker your direct mail responses come in, the more time you have to determine just how well the mailing is doing and plan future tests. To speed up the response cycle in its latest effort, *Kiplinger’s Personal Finance* added the copy “Reply within 5 Days,” on their mailings’ outer envelope and voucher form. Then they sat back and watched as the responses come pouring through the door. The results were staggering. “Mentioning the five-day reply on the outer was a big thing for us,” says Sandra Hunt, circulation director for Kiplinger’s. “Returns came back fast and furious. Prospects have a sense of urgency when they see that so they don’t miss out on the deal.” As a result, Kiplinger’s gets that coveted head start on its future direct mail campaigns.

package. The voucher is not the driving force.”

Kiplinger’s got the idea for the brochure thanks to one of its best-selling issues. Each year, it publishes a consumer-guide issue that’s always strong in sales. One year, Kiplinger’s sent out the small brochure, and it boosted response. A staple with each mailing ever since, over time the brochure adapted with the times.

With an OE that oozes importance and an inner that pulls prospects in, *Kiplinger’s Personal Finance* has seen lots of success with this mailing. The company sends out 2 million copies in May and 4 million in December each year, and has had a rate base of 800,000. That has proven more than effective for Kiplinger’s, and the personal finance publisher plans to continue using the new control. Of course, like every company, it will look for ways to improve upon it—but, considering the numbers it continues to hit, that

will be no easy task. “We might change our approach at some point, trying to raise price, tweak some things,” says Hunt. “But we’ve been pretty successful with this, so that’s not looking to be the case.”

—Joe Boland