From Direct Marketing Tool to Digital Niche Product:
A Reader’s Digest Sweepstakes Case Study

by

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Abstract

This report explores how Reader’s Digest Canada’s digital strategies are used within an existing brand framework to adapt to a diverse and changing media landscape. Using a case study of a direct marketing effort, the RD Sweepstakes (Sweeps), the effects of digitization on the development of new business opportunities are explored. With direct marketing practices following a digital trajectory (in response to audience migration to online platforms), the Sweeps has gradually carved out a niche of its own. This report reaffirms the marketing function of the Sweeps as well as argues that the Sweeps is a vertical capable of generating its own direct revenue. By citing market research and beta testing in the United States and Canada, two monetization models for a stand-alone Sweeps product are considered. Conclusions are drawn that demonstrate the viability of a Sweeps mobile application while taking heed of legal implications, market context, and overall brand equity.

Keywords: magazine publishing – online; direct marketing; market research; digital product development; magazines – case studies; technology – social media applications
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Introduction

The rise of digital, the pervasiveness of new devices, and the diversification of access points for consumers has led to a trend that demands new requirements and roles of traditional magazine publishers. Mobile content delivery mechanisms and new devices populate our media climate, revolutionizing the information consumption experience and changing how people engage with and value content. The Reader’s Digest Association (RDA), for instance, was originally responsible for churning out a new magazine issue every month for a general interest audience in select markets; today, it is a global brand comprised of a dynamic portfolio of offerings that exist both offline and online. This complexity, coupled with a market that has become both larger and generally more fragmented, has encouraged publishers to increasingly emphasize customer-centricity because of the need to engage niche communities. The Canadian branch of Reader’s Digest (RDC) adopted Web practices over a decade ago to increase brand reach — and it continues to do so as technology becomes more complex. As a result of all this “digitization,” the direct marketing operations of RDC have also become increasingly digital. This has moved the Sweepstakes increasingly online, allowing the program to continue its function of eliciting direct response from consumers, but in more channels. These contextual changes have created a unique product development opportunity for RDC in the new media landscape, which this paper explores by using existing market research as a reference point.

The Sweepstakes originated in the form of direct mail as part of the company’s original direct marketing strategy, a strategy that was and continues to be integral to the company’s success. However, the original medium is growing insufficient for the Web era. In response, RDA has been implementing a Global Digital Sweeps Initiative, which aims to bring more online presence to the Sweepstakes. As a result of this initiative and the company following a digital trajectory in general, the Sweepstakes has both reaffirmed and reframed its purpose within the existing brand framework. As such, the Sweepstakes is no longer simply a marketing tool that promotes brand activities; surprisingly enough, it is actually evolving into a vertical in and of itself, with its own audience and direct revenue stream.
Part I of this paper discusses several impacts of new media on the market and on RDC. Part II examines RDC's brand activities and the brand architecture and guardrails that seek to establish parameters for how these activities are implemented as they venture to communicate a cohesive brand identity (or “essence”) online. After discussing the role of the Sweepstakes within the brand architecture, Part III explores the digital transition in direct marketing practices that has brought about a redefining of the Sweepstakes as not only an electronic marketing tool but also a digital product. Part IV and V then discuss the specific landmarks in the digital evolution of the Sweepstakes from marketing tool (Part IV) to product (Part V) and the potentials and limitations of adopting certain models in the Canadian market. Based on this examination, a conclusion is drawn about the future of a Sweeps-related product in Canada while considering some challenges and opportunities brought about by the digital era.
Part I

Reader’s Digest and the Current Publishing Market

Over the past decade, the internet has taken root in everyday life, significantly expanding the space in which consumers can be reached and content can be disseminated. The publishing arena, which has grown with the advent of new devices and channels for diffusing content and offerings, has also expanded opportunities for non-traditional entrants to compete in the “publishing sphere.” As a result, (English) publishers like Reader’s Digest Canada\(^1\) and their future legacies are being tested in unprecedented ways. Publishers today must navigate a more complex media landscape to expand sustainably within it. They also face more competition, which has diminished their role as the primary suppliers of information consumption experiences.

The Demands of the Current Media Landscape

Today, the market is increasingly characterized by high competition and a consumer standard that demands user-choice and a host of containers for consuming media (Goyette 2011). As such, publishers should think more than just about content—they should think about media, the communicators of their branded products and services. It is not only about what audiences like, but how and where they like it. Such needs, or opportunities in the market, can be carefully intuited via a customer-centric approach to brand expansion and more contextualized product development, an approach especially applicable at a time when audiences are growing more fragmented, individualistic, and selective. Additionally, and as pointed out by Christodoulides and de Chernatony (2004) in a review of major works on brand marketing, “Staging experiences is not about entertaining customers; it is about engaging them” (171). As we will see, cyberspace has become an ideal space for boosting user engagement with one’s brand.

\(^1\) For the purposes of a more focussed discussion, only the English language publishing activities under the Reader’s Digest Canada (RDC) umbrella will be discussed. (Henceforth, the acronyms RDC and RDA will be used equivocally with Reader’s Digest Canada and Reader’s Digest Association, respectively.)
The Digitization of Media

The Reader’s Digest Association (RDA) made a penetrating move into both Canadian language markets in 1947 with its staple publications, Sélection du Reader’s Digest and Reader’s Digest. Ever since, the RDC branch has expanded and has found success in the Canadian magazine market. Yet, even while the brand remains strong in Canada in its print manifestations, just like many other magazine publishers, RDC has seen the effects of the digital shift across its entire brand portfolio: Traffic to its websites is for the most part steady or on the rise while magazine circulation has dropped (RDMC Ltd. 2011f). (See Appendix A for a breakdown of RDC’s circulation and online reach.) Currently, circulation is hovering around an average 24.6 percent loss in comparison to 2007 for the national editions of Our Canada, Best Health, Sélection, and Reader’s Digest, RDC’s main publications (RDMC Ltd. 2011c). On the other hand, the number of page views on Readersdigest.ca has increased by 19 percent in the past year with the average time spent on the site also having increased dramatically (by 324 percent) (RDMC Ltd. 2011g). This reflects how reader loyalty to the online channel has strengthened over the past year. Generally, today’s consumers are migrating from traditional to digital platforms (PwC 2011), a behaviour that has catalyzed the prioritization of cross-media brand activities for publishing companies like Reader’s Digest Canada.

The adoption of digital strategies by companies and the embedding of new revenue models into existing business frameworks continues (PwC 2011), years after the Web opened up windows of opportunity, so to speak. According to a 2011 report (Nuttney and Eastwood), mobile access devices (Smartphones, tablets, and netbooks) are the leading category for internet revenues in North America—outstripping both internet contracts/subscriptions and advertising. And though this is forecasted to drop, it is solely due to the gradual commoditization of these new technologies (Nuttney and Eastwood 2011), which only reflects their potency and future pervasiveness. It is forecasted that 30 percent of cell phone subscribers will be using their handsets to access the internet by 2013 in North America, compared to a mere 3.4 percent measured in 2008 (see figure 1) (PwC 2010, 110).

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2 Today, the Canadian edition of Reader’s Digest reaches an audience of 5.79 million (RDMC Ltd. 2011c) and was proclaimed the nation’s most trusted magazine brand in 2011 — for the 39th time in a row (CNW Telbec 2011a).

3 Mobile access devices like cell phones, tablets, and laptops, (as distinguished from desktop computers and portable devices with no broadband), give users high download speeds and networking capability on the go.
Figure 1: Mobile access subscribers as a percent of wireless telephone subscribers in North America.

Mobile devices are slowly being appropriated for regular use, and have evidently replaced fixed telephone lines (see figure 2). And today, 78 percent of Canada is covered by a 3G\(^4\) network (Nuttney and Eastwood 2011, 58). Having internet access and mobility has become normative.

Figure 2: Global Information Communications Technology (ICT) trends from 2001 to 2011.

The Consumer-Centric Approach

Publishers are also being forced to get to know their audience’s content consumption behaviours better because today’s consumers are more discriminating. The intuitive

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\(^4\) According to ITU standards, the 3G network is the third generation of mobile networking (superseding 2G and 1G). It features a wider range of services (in terms of areas covered) and increases network capacity and information transfer (higher download speeds/bandwidth). These criteria are identified as the IMT-2000 standard (ITU 2011).
strides in consumer product development today have made consumers more individualistic, sophisticated, and self-aware. Consumers seek tailor-made solutions and a user experience (UX) through which they can exert their consumer control and power (Datamonitor 2009, 2). Such changes are demanding publishers to adopt a consumer-centric approach. According to recent forecasts made in PricewaterhouseCoopers' Global entertainment and media outlook 2010–2014:

With economic confidence remaining subdued and advertising showing a modest but uncertain return to stability, we are currently in an environment where consumer feedback and consumer usage provide the only reliable guides to the commercial viability of products and services. As a result, consumer behaviour will be an important driver of industry developments. (2011, 12)

Audiences, in short, are growing increasingly comfortable with expressing a preference for a diverse “media menu” (Sabatier and Fitzelle 2011, 220), so publishers need to figure out how best to deliver the goods—otherwise, someone else will.

Thousands of entrants are competing for the same consumers’ attention by satisfying a demand for content once filled mostly by publishers. Many entrants are placing more focus on online communication and social media marketing as a way to build up brand, regardless of whether their product or service is related to the media industry. They often supplement their offerings with content and media to increase brand awareness and stature (for example, via YouTube channels, engaging websites, and corporate blogs). And because informational content is secondary in their business, they often offer it for free.

This poses a new challenge for publishers like RDC who depend on revenues from their content: How to retain readers in an increasingly digital, “freemium,” information-propelled society. Arguably, the answer could be found in the advent of new products and services in digital containers that leverage the omnipresence of the web and online marketing opportunities.

**Contextualizing Containers**

Publishers today need to evaluate how their offerings relate back to their brand and value propositions as well as how they retain competitiveness and relevancy in a changing media environment. Technological shifts tend to fragment audiences along the lines of not only affinities (verticals) but also consumption preferences (containers) (PwC 2011). As a result, companies like RDC are instinctively reacting to new consumer behaviours by expanding their offerings across more platforms to increase touch-points and drive brand
reach. Yet, with new opportunities in a larger sphere, there are also challenges. In the words of Brian O’Leary (2011), advocate of the “context first” publishing workflow, “In our evolving, networked world ... we are no longer selling content, or at least not content alone. We rely on context.”

O’Leary’s philosophy is grounded in the need for a re-evaluation of publishing workflows, as containers (like the page or the binding) no longer limit publishers as they did before. This creates an argument for a “context first” approach that looks at organizing around customers first (the context), rather than around the medium (the container). While O’Leary is more concerned with the mechanics of publishing when speaking on the subject (the need for functional metadata, search optimization, and compatibility), his theory rings true with a more holistic interpretation: that to choose appropriate containers for new and existing brand offerings, publishers need to continually reacquaint themselves with how the changing market is affecting their brand.

**Growth and Expansion in the New Media Context**

Reader’s Digest, a company that has long contextualized its strategies by way of direct marketing, is taking advantage of its position by tapping into the knowledge it has about its audiences to expand its brand. In a way, the company is taking heed of economist Theodore Levitt’s (1960) advice from decades ago: that marketers need to place more emphasis on customers than on products. As a result of higher competition, publishers must contextualize their offerings within a larger competitive landscape and look outside the limits of traditional containers and roles. In a sense, publishers must convince the public that they are relevant outside the traditional box of being a fixed content provider, which is made especially difficult as consumers adapt to a digital world that offers them more options, in more places, from more sources.

Fortunately, the current landscape also offers publishers more opportunities to leverage their brand and add identifiable value to their initial offerings. But if a publisher wishes to cash-in on all these new opportunities, it must also rise to meet the customer at the customer’s location of choice. Reader's Digest has done this by taking a “360-degree approach” to publishing by leveraging multiple channels to meet more consumers (Young
2011b). The company’s high ranking in customer-based equity\(^5\) surveys such as the Brand Asset Valuator, reveals that this approach has been and continues to be successful.

**Brand Asset Value**

This past year, as in every year since 1973 when the first results were recorded, *Reader’s Digest* has been recognized as the number one magazine in Canada in terms of both circulation and consumer-based brand equity (CNW Telbec 2011a). *Reader’s Digest* reaches an average of 5.9 million Canadians each month and more importantly, has successfully resonated with that huge audience to score well on the Brand Asset Valuator (BAV), Canada’s largest brand equity study, conducted by Young & Rubicam Canada Ltd. (CNW Telbec 2011a). The BAV measures the intangible value of a brand in relation to other brands, which is deduced from consumer perceptions. The 2011 survey revealed that the Reader's Digest brand is seen as highly respected, principled, trusted, and democratic—characteristics evidently necessary for high consumer-based brand equity.

Brand asset value is derived from evaluating two dimensions of a given brand: brand stature and brand strength, as seen in figure 3 (RDMC Ltd. 2011f, sl.4).

*Figure 3: The four pillars of brand asset value considered in the BAV study.*

![Figure 3](From Brand Asset Value Overview, RDMC Ltd., March 17, 2011. PowerPoint. (RDMC Ltd. 2011b, sl.4)]

Reader’s Digest Canada scored sufficiently high in the four evaluated categories (esteem, knowledge, differentiation, relevance) that it left magazine competitors in its wake (RDMC Ltd. 2011f, sl.6). Figure 4 shows Reader's Digest in the upper quadrant of the “power grid.”

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\(^{5}\) Consumer- (or customer-) based equity measures the intrinsic value of a brand, rather than the dollar figure the market dictates to be the brand’s worth.
However, its positioning also illustrates that as an “established leader,” RDC could be seen as potentially eroding (RDMC Ltd. 2011f, sl.5–6). As figure 5 illustrates, brands that demonstrate established leadership could be seen to have lower potential.

Arguably, a digital trajectory could combat this by leveraging social media to support Reader’s Digest’s already known ability to build community — something RDC is seen as
doing better than even social media outlets themselves (RDMC Ltd. 2011f, s.l.16). Figure 6 shows that Reader’s Digest is seen to be a more democratic and transparent community builder than both Twitter and Facebook.

Figure 6: RDC’s attributes in comparison to major social media outlets.

As discussed, the BAV findings show that the Reader’s Digest brand stands well against its print competitors. The findings also indicate, however, that the brand is disembarking from a homogenous definition of being purely a magazine brand. Notably, RDC was also the *only* magazine publisher positioned in the top quarter of the power grid, alongside major internet media companies like Google, YouTube, Wikipedia, MSN, and Facebook (RDMC Ltd. 2011b). Even before the Web revolution, it was known that a brand is not strictly a single logo, a name, or central product offering; it has an “essence,” a story to tell, a value proposition to sell, and has its own personal “vision of the world” (Barnham 2009, 593). RDC’s unique identity has arguably translated well in the digital landscape. As Tony Cioffi, then-president of Reader’s Digest Canada, mentioned in response to the 2011 BAV results, “This study clearly shows that our multi-platform strategy is resonating with consumers. We are very proud of our brand and its increasing presence in the digital space.

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6 Even though RDC was a bit behind the times in terms of getting on Twitter and Facebook, (and it still does not have a blog), it is perceived as a community enabler, as shown in figure 6.

7 Google set the curve at 100% brand asset value (RDMC Ltd. 2011f).
allowing us to have a favourable and relevant position in the lives of consumers” (CNW Telbec 2011b).

Reader’s Digest Canada successfully translates its essence through its three brand defining activities: the website, the magazine, and the iPad edition—two of which are digital. This (dis)proportion should be noted, as it reflects the digital transformation occurring in publishing, though perhaps not statistically, at the very least, symbolically. Today, it is essential for publishers to organize around customers, in places where their audiences have not been traditionally. Apart from appealing to people’s affinities, which household brands like Reader’s Digest have historically done well, publishers must be present in the predominant spheres where customers operate and expect media providers to be—such as at the various online platforms that are quickly becoming more popular and diverse. And with more channels come more moments for assessment by consumers; each click, transaction, and interaction is a moment of judgment that drives brand equity, a chance for a brand to gain recognition, credibility and loyalty—or lose it. And in a world in which information is becoming increasingly commoditized due to the internet, a brand and its touch-points are at the core of what differentiates often very similar solutions to information problems.

**Leveraging Resources Available**

The mission of the Reader’s Digest Association demonstrates the company’s awareness that digital has the ability to augment consumer experiences of the brand: As “a global media and direct marketing company,” it aims to provide multi-media content for “branded communities” by reaching select markets via direct marketing, its second line of business (RDA Inc. 2011d). The same is true for the Canadian branch: “Digital media are at the heart of Reader’s Digest’s strategy. Its growing digital network reaches millions of Canadians each month, offering them a vast array of timely and credible content as well as lively communities catering to their needs and aspirations” (Readersdigest.ca 2011). Both RDC’s and RDA’s missions recognize the need to appeal to select groups via the diverse (increasingly digital) channels available today. In order to appeal to current and potential audiences with new offerings, however, a publisher must study its existence in this digital context by recognizing, evaluating, and leveraging the resources it has available.

A strong brand like Reader’s Digest is well positioned in the market for digital product development in areas like the content affinities and direct marketing strategies it has long established as its expertises. In other words, the brand could benefit highly from
making the most of its strengths. If we look at the brand’s leveragable attributes inferred from the most recent BAV results (figure 7), we notice that the company excels in attributes that take a long time to develop and demonstrate (RDMC Ltd. 2011f, sl.11).

**Figure 7: RDC’s leveragable attributes.**

![Figure 7: RDC’s leveragable attributes.](image)

The brand is already seen as a “tried and true,” trusted, and respected community builder that conducts itself with integrity and is known for quality and transparency (RDMC Ltd. 2011b). This positions RDC to expand via digital containers with less risk. Plus, despite the fact that RDC has already made moves in the digital direction, its identity of being “traditional” is still also highly valued. All this suggests that even as containers change, the success of any derivative product, whatever its form, relies on its intrinsic connection to the brand’s essence and value propositions: If consumers interpret these positively, the brand as well as its products will not appear to be on their way out.

One aspect of Reader’s Digest’s response to an increasingly Web-savvy population has been its Global Digital Sweeps Initiative, which looks to continue digitizing the Sweepstakes. This drive draws on the company’s intention to take its leveragable attributes into markets that are expanding. This approach to the Sweepstakes, in particular, focuses on extending the brand not only vertically (by content or affinity) but also horizontally (by container or medium) — and onto the Web. To ensure growth, a company can move in four directions as delineated by I.H. Ansoff (1965). The four possible “adjacency moves,” as seen in figure 8, are: 1) market penetration (which RDC has already done); 2) market development (looking for new markets with existing products, such as
moving online to appeal to a new demographic, which RDC has also done); 3) product development (like books, music compilations, and increasingly mobile apps, which continue to expand offerings in Reader Digest’s current market); and 4) diversification (creating offerings for a newly recognized market, like in the example of a digital Sweepstakes product, which will be further discussed) (1965; Logman 2008).

Figure 8: Ansoff’s adjacency moves matrix.

However, sustainability still depends on revenue. As such, businesses arguably need to make “contextualized adjacency moves” by continuing to invest in current businesses while also aligning for future opportunities (Logman 2008, 501, 508). The following section will delve into how RDC is responding to this duality.

8 See Appendix C for a breakdown of RDC’s audiences by age and channel, which shows that the online platform appeals to a younger demographic than the print magazine does (ComScore Inc. 2011; RDMC Ltd. 2007; 2008; 2009b; 2011c; 2011e).
Part II

The Reader’s Digest Brand in the Face of Media Expansion

The line that connects the brand of Reader’s Digest, its products, and the market, has become increasingly pixelated with brands reaching out to audiences via digital platforms. However, as circulation rates and overall reach statistics show, there are still millions of people interested in RDC’s print offerings (RDMC Ltd. 2011c). This print reality, together with online consumer statistics, demonstrates that publishers are being pulled in two directions as their presence is demanded not only offline but also increasingly online. And with every new touch point comes the challenge of maintaining core values. For a long-standing magazine brand like Reader’s Digest, this consistency can come under threat as the brand portfolio expands into new media. Reader’s Digest has to navigate the market with a keen idea of what its brand is, as it does not solely offer content but an overall brand experience. It is thus useful to discuss the identity and architecture of the Reader’s Digest brand so that the nuances of its expansion into new media can be deduced, and the viability of new products thoughtfully considered.

The Essence of the Reader’s Digest Brand

Since Reader's Digest’s inception in 1922, and especially in the last two decades, how we publish has changed drastically. And though the RDC strategy has been adjusted to acclimatize to these shifts, the identity of Reader’s Digest has remained, at its core, the same. Having worked for the company since 1994, Editor-in-Chief of the (Canadian) English publications, Robert Goyette, has come to know the essence of Reader’s Digest more intimately than most. Goyette characterizes that essence as “bringing people together, and appealing to a human value system regardless of the time period” (2011). Though timeless, the brand has, however, strived to make the manifestations of its essence evergreen as well.

Originally, Reader's Digest positioned itself as a kind of educational foundation in the mass (American) market that sought to inform and entertain everyone who had access to a mailbox. The early 1920s was a time when ordinary Americans needed a trustworthy
but optimistic source. The magazine fulfilled this promise, and in Goyette’s words, responded to the post-war morale with a kind of “Pollyanna-ish” tone (2011). DeWitt and Lila Wallace, its founders, offered a magazine filled with the world’s best content in a digestible format and at an affordable price. *Reader’s Digest* was also appropriate for all ages; it brought families together and “it inspired people to take on whichever resources they had in themselves, recognize them, and then use them to better themselves or those around them” (Goyette 2011). Though the essence of the brand has not changed, the channels through which that essence is communicated have. The Sweepstakes has long been essential to helping RDC fulfil its unique mission by building magazine subscriptions; over time, however, the company has expanded its activities both vertically and horizontally onto new platforms, as a result of its focussing on overall brand development outside the container of the magazine. This, for one, expanded the role of the Sweeps. Understanding the nuanced relationships between the dynamic activities that support the master brand via a conceptual framework will serve our examination of this particular transition.

**The Reader’s Digest Brand Architecture**

Brand architecture is a concept whereby brand activities that serve to communicate the brand’s essence are approached hierarchically so that their relationship to one another and their role in strengthening the master brand are clear to employees so they can execute these activities optimally. (Refer to figure 9 for RDC’s brand architecture, which outlines the tiers that constitute the master brand.)
By placing the “essence” of the master brand at the peak of the hierarchy, Reader's Digest effectively establishes the brand’s value propositions and the promises it makes to consumers as the highest priority. Reader’s Digest Canada’s magazine production manager, Jayne O’Brien, speaks to RDC’s awareness of why the master brand should be paramount:

To have a strong brand, consumers must be able to recognize and access your brand whenever and wherever they prefer. I don’t think of it as RD Magazine or Rd.ca; the print and online are just distribution platforms for the Canadian Reader's Digest content…. whatever form it takes, the content is the brand and the brand DNA must be consistent and recognizable in all forms. (2011)

As such, the tiers that lie below this essence of the brand include all the activities that support the consistent communication of the brand and its offerings. These culminate in goals of widening the brand’s reach to increase equity, consumer loyalty, and revenues, by operating within a set of “guardrails,” or guidelines, that always keep “the Reader's Digest brand in mind” (RDA Inc. 2011b). Individually, however, these activities serve the brand in very distinct ways, which, in the case of the Sweepstakes, will be re-examined in this paper.
Brand Defining and Vertical Defining Activities

The closest tier to the brand essence is comprised of brand defining activities—“the face of the brand.” For example, the Reader’s Digest brand in Canada is defined by three entities: Readersdigest.ca, the Reader’s Digest magazine, and the digital edition of Reader’s Digest for the iPad (Goyette 2011). These three touch-points are the primary points of access for consumers and potential subscribers. The guardrails set out for these particular activities revolve around content delivery: the reinforcing of the currency and relevancy of content and the usage of a clear brand voice and a consistent visual identity. If these guidelines are adhered to, a strong “foundational relationship that shapes brand perceptions” (and that promotes high brand equity) can be created (RDA Inc. 2011b).

Once the brand essence has been defined and its touch-points established, over time, certain offerings of the brand become organically “chosen” by audiences based on affinities and preferences. The company ultimately distinguishes these areas of expertise (or “topics”) as verticals whose credibility accrues to that of the master brand, which acts as their endorser. Many of RDC’s long-established verticals grew out of the magazine’s rubric, including health, food, family, finance, and travel. As a result of their popularity, these, and other RDC verticals (such as humour and home and garden), have been defined as areas of growth opportunity, which justifies the putting up of company resources to promote the development of branded communities around them. It could be argued that the Sweepstakes, having established its own community vis-à-vis its increased presence (and popularity) online, is an opportune space for further development.

Vertical defining activities help to improve the overall status of the master brand by expanding a vertical’s expertise further via the launching of vertical-related products and services. For example, Reader’s Digest popular humour vertical was extended with the 2011 launch of a mobile App,10 Reader’s Digest Canada’s Jokes & Funny True Stories. Similarly, the Arokoo11 (health) and Easy Meals (food) Apps have also widened the breadth and credibility of their respective verticals by increasing vertical reach (through

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9 The term “subscriber” encompasses all individuals who have opted in (or subscribed) to RDC’s offerings or communications—including, but limited to, paying customers (like magazine subscribers).

10 An application is colloquially known as an “app,” (or when iOS-compatible, “App”) because of its file extension (.app). Though it has been used to refer to any software that executes a function on the computer, it is increasingly being used to refer to programs unique to mobile devices (like Smartphones/iPhones and tablets/iPads).

11 Arokoo turns the iPhone into a pedometer and uses features like “star challenges” to encourage exercise (Apple Inc. 2011; Vivity Labs Inc. 2011).
the mobile channel). Like apps, RD-branded affinity-specific books and e-newsletters (Pets, Travel, etc.) also raise brand recognition in this way. Currently, market research for the development of new (digital) products is also being conducted: RDC is looking into the possibility of developing a vertical-specific ebook series, an online health club—and more central to this report—a stand-alone sweepstakes offering. The latter justifies the consideration of vertically defining the Sweeps via the development of a full-fledged product since the Sweeps has evolved into a vertical with its own niche.

**Vertical Extending Activities**

Once verticals have been established and defined, *vertical extending activities* can be implemented to increase engagement levels. These enrich consumers’ relationship with the brand and its verticals and can also sell additional products. While the extending of verticals is an activity common between niches as it builds brand equity overall, it can also focus on building consumer’s loyalty to individual verticals as well. Vertical extending activities are consumer-centric qualities of the brand experience that improve UX, enhance stages of the buying cycle, and increase consumer loyalty, subscriber retention, and conversion. These include website redesigns, the offering of preferred payment options, the engagement of users through social media channels and multimedia, as well as the creation of constructive vertical-specific partnerships. Vertical extending activities also strengthen the overall brand in the eyes of third parties (like advertisers) by establishing connections between the verticals that constitute the brand’s overarching expertise.

According to RDA, partnering with other reputable companies offers better services and products to customers by “raising credibility without sacrificing objectivity” (2011b). For example, Reader’s Digest’s credible verticals are now able to reach more audiences thanks to its partnerships with portal sites MSN and Sympatico, which offer wider distribution of RDC content in return for higher reach and revenues for all parties involved. Thoughtful advertising partnerships (co-registration) can work the same way: Both parties

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12 Well-defined verticals that produce a successful special interest publication (SIP), site, or app can even veer off to become sub-brands (RDA Inc. 2011b), such as in the example of Best Health. This sub-brand emerged from a popular Reader’s Digest content vertical (health) but has chiselled out a large enough niche (particularly, of women) to become a sub-brand with its own brand-defining activities (Besthealthmag.ca, Best Health, and branded products) (Young 2011b).

13 Conversion pertains to the action of turning passive engagement (casual views or visits) into active engagement (any action the marketer desires to be the outcome, such as a click or a purchase) using marketing cues or calls-to-action.

14 Eukanuba pet foods partnering with RDC’s online Pets channel in 2010 is one such example (Young 2011b).

15 MSN.ca syndicated Reader’s Digest content, while Besthealthmag.ca (Best Health) became Sympatico.ca’s health and fitness channel. See Megan Lau’s *Reciprocal Rewards* (2011) for more details on these partnerships.
symbiotically leverage each other’s reputation and access to their respective (and relevant) niche groups, to increase their own brand’s reach.

In the context of the Sweepstakes as a vertical defining activity, partnerships could be especially leveraged as the Sweeps itself is so centred on promoting and giving away products. As noted on Readersdigest.ca “Offering Sweepstakes allows the company to showcase a wide variety of products that appeal to a broad range of Canadians.... The Sweepstakes is like the window of a retail store; the customer can browse without buying” (2011). As such, RDC could foster existing partnerships as well as build new ones by setting up arrangements with companies that would benefit from the consumer reach that comes from being represented in a Sweeps campaign.

**Brand Activating Programs and the Reader’s Digest Sweepstakes**

The bottom tier in Reader's Digest's brand architecture is *activation*. Activating programs bring Reader’s Digest to life and offer chances for consumers to “rediscover and reconsider the brand” (RDA Inc. 2011b). Community-building programs like tours, contests, and promotions as well as direct-response marketing that take consumer interests to heart are all considered activating programs. Currently, the Reader’s Digest Sweepstakes is viewed as an activating program that offers consumers a unique relationship with the Reader’s Digest brand. Building on the editorial credibility of the Reader's Digest brand, the Sweepstakes program drives traffic, gathers names, and improves reach, while offering perks to those who sign up. In return for sharing their information with RDC (for future communications) by entering contests and sweepstakes, subscribers (paying customers as well as people who signed up for free) are encouraged to engage with the brand, its content, and RDC’s partners. The Sweeps also encourage subscribers to engage with their own community (via referrals and online sharing).

The Reader’s Digest Sweepstakes, or as it is dubbed, “Canada’s Favourite Sweepstakes,” is a free service that since 1962, has given away a total of 107,776 prizes valued at $25,983,495 (CAD) (Orsini 2011; Readersdigest.ca 2011b). The Sweepstakes is audited and judged by an impartial third party, a chartered accountant firm, which draws the winner(s) out of a list of numbers that correspond to individuals who submitted their entries on time. Marisa Orsini, Prize Award Administrator of the Sweepstakes, then runs a database search and extracts the name of the winner corresponding to the drawn number. She then immediately contacts the winner(s) via postal mail requesting that he or she
answer a skill-testing question (required by law\textsuperscript{16}) and sign a claim form, within thirty days in order to claim the prize. Prizes are then sent out within thirty days of the receipt of satisfied eligibility requirements (Orsini 2011) with payment guaranteed by TD Canada Trust (Readersdigest.ca 2011b). This same process is run for both digital and print offers (Orsini 2011).

The Reader’s Digest Sweepstakes program offers two kinds of activities online and offline: cash sweepstakes and contests. Cash sweepstakes, its major umbrella of prizes, typically range from $5,000 (Daily Sweeps online) to $500,000 (the Prestige Prize in the annual National Sweepstakes) and are based primarily on chance. Contests, on the other hand, require more skill, and are won by different methods like referring friends or collecting points, though many are also entry-based. Contests usually offer product prizes (like home appliances, beauty products, cars, tablets, laptops, televisions, vacation packages, books, and gift certificates) (Orsini 2011). The company gives away an average of nearly $1.4 million (CAD) annually to an average of 1,200 people.\textsuperscript{17} And while on the one hand, the Sweeps draws audiences to engage with the brand in an appealing way, on the other hand, it is also engaging in its own right.

As we will see, the digitization of publishing has pushed for a re-evaluation of how the Reader’s Digest Sweepstakes strengthens the brand from its present position in the brand architecture. The Sweepstakes could be leveraged not only to bring in sales of subscriptions and other RDC products as an activating tool like they have been doing thus far; the Sweeps arguably also has the potential to monetize the engagement of its own unique audience by being presented and defined as a vertical. By borrowing ideas from existing models and taking heed of current market realities, it is reasonable to contend that the Sweeps could build up the equity of the master brand by simultaneously activating engagement with the brand in new and existing channels, while also bringing in its own revenue as a digital product. So, while the scaffolds and categories remain the same, seeing that the Sweepstakes could belong elsewhere in the brand architecture could pave way for a potentially viable digital growth opportunity for Reader’s Digest Canada. This is something RDC could not take advantage of before the technologies of the last decade

\textsuperscript{16} According Section 206 of the Criminal Code and Section 74 of the “Competition Act,” if you have a disposition of property (i.e. the giving away of a prize), skill-testing questions are required in games of chance (sweepstakes)—in contrast to a contest, which is already (purely) skill-based (Competition Bureau 1999).

\textsuperscript{17} These numbers are based on data collected over the last ten years, and include all cash sweepstakes and contests, both digital and mail-out entries (Orsini 2011).
matured and its direct marketing program embraced the digital mission of the company at large, a correlation the following section will address.
Part III

Direct Marketing: The Sweeps as an Activating Program

Over fifty years ago, economist Theodore Levitt (1960) famously called on marketers to shift from a product-centred perspective to a customer-centred one by emphasizing the need for marketing: To ensure company growth, marketing needs to be a part of the act of selling because it concentrates on the needs of the buyer rather than on the needs of the seller. Ideally, marketing efforts should not be viewed as “a necessary consequence of the product,” but rather as a component of developing appropriate products with particular audiences in mind (Levitt 1960, 145). Levitt also called on managers to define their business more broadly by looking to produce “customer satisfactions” rather than just goods and services (1960, 145–6). Today, an analogous demand is being made of publishers: O’Leary advises publishers to recognize that they are in the “content solutions business” (2011), a business defined by the proliferation of not only content, but of an experience of content. For a publisher that once dealt with a single medium geared at a general audience and now needs to think “niche,” having long invested in direct marketing operations, however, is especially advantageous for adapting to this contextual shift.

Direct Marketing

Reader’s Digest defines itself as not only a media provider, but also as a “direct marketer” (RDA Inc. 2011d) and much of the company’s success can be attributed to this. It’s direct marketing system and name database are tools many companies have only begun to utilize extensively (and far more recently than over sixty years ago). Simply defined, direct marketing achieves a straight line of communication between a company and the consumer, combining eloquent advertising with given knowledge about the recipient to elicit a response from particular consumers via calls-to-action. Targeting individuals and particular niches in lieu of a “one-size-fits-all” approach also yields more responses (Young 2011b), as does providing incentives like sweepstakes, prizes, and subscription discounts.  

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18 Triggers or cues that marketers hope will elicit response from the receiving party, which can then be tracked and analyzed for future application. This response rate is often referred to as a “conversion rate.”
And more responses mean more data about consumer behaviour from which to derive applicable hypotheses and conclusions that will inform future promotions, deployment, and development decisions.

Originally, Walter H. Weintz, employed by Reader’s Digest US in 1946, designed and tested mail-order techniques and campaigns by developing a “unique and completely proprietary” mailing list and strategy (Volkersz 1995, 53). Weintz created a highly sophisticated, unified, electronic database of over one hundred million American households that was robust enough to track purchase history and demographic details about customers for all product lines, while also striving for efficiency and good customer service by avoiding duplication (Volkersz 1995). Current digital database management tools allow for even more acute product positioning by better organizing and using known audience traits, (like purchase behaviour, demographic traits, and preferences,) when targeting individuals via direct marketing. Today, RDC boasts a database of six million names, (of which 1.3 million are active consumers,) and 900,000 emails (RDMC Ltd. 2011i). RDC can further leverage this large qualified pool of names as the database helps target specific demographics (which is useful to advertisers as well). Currently, direct mail is still utilized to build lists, which gives the company the “capability to precisely define an affinity database...[in order] to positively influence intent” (RDMC Ltd. 2011i). This is good for the consumer as well, as offerings are customized to appeal to the individual.

**Building and Organizing a Subscriber Database**

The process of building a database is as follows: Once an individual receives a campaign offer, he or she is given the option to opt in to be included in future communications with the brand(s) in question in return for something (such as a contest entry, a product, or a discount on a product). If the individual opts in (signs up, purchases, or subscribes), he or she also consents to offering specific personal information (as requested), which the soliciting party can use for further communication with that individual—because by opting-in, the individual has agreed to be added to a proprietary internal list. External lists, in comparison, are another company’s internal lists that have been rented out.19 Having access to external lists gives the buying company the opportunity to engage with a set of

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19 Of course, not all lists can be sold to third parties (as the status of a list depends on the terms set out and agreed to during the initial signing up process).
consumers it may not otherwise have gained access to on its own, and for a price.\textsuperscript{20} Generally though, contacts on an internal list are more valuable to a company than those on an external list as the internal list constitutes the current base of subscribers and customers who have some kind of loyalty to the brand. Since the company has already invested in acquiring these people, it is important to retain them as well as keep them active.\textsuperscript{21} This is true especially since external list subscribers may be more difficult to move to an internal list.

Once the names have been acquired, the next step is the creation of prospect lists,\textsuperscript{22} a collection of recipient names selected for a specific offer to target. Carefully filtering the database and selecting relevant segments of the internal list ensures that marketing energy is directed where it will have the most potential and highest possible return. For example, e-newsletter subscriber lists can generate prospects for verticals (i.e. Pets, Travel, Food, Health) that can later be used for future market research and promotions for products related to the respective affinity.\textsuperscript{23} A new-to-file (NTF) list,\textsuperscript{24} a subset of the internal list, is also particularly useful when it comes to building prospect lists for future products. Since a brand’s newest acquisitions have a minimal history with (and presumably less loyalty to) the brand, those on an NTF list are arguably quite similar to potential acquisitions. As such, if the ways in which the company communicates and relates to the NTF list produces high conversion rates, it can be quite telling of what activities and offerings build loyalty and new relationships.

RDA has long been an industry leader in the area of direct marketing. General response rates to its direct marketing efforts are typically much greater than the one or two percent average, sometimes even reaching double digits, according to a case study

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\textsuperscript{20} The cost of external lists increases with the intrinsic value of its names, which is proportional to their likelihood of conversion of those customers.

\textsuperscript{21} Active customers on the internal list are those who have engaged with the brand recently and are considered “retained” (on the list) if they do not opt out.

\textsuperscript{22} Individual names are pulled from a database based on whether they have specific characteristics that the offer aligns with or addresses (such as demographic traits like gender or income, affinities, engagement history, etc.) It is comprised of people from whom the given campaign or offer is most likely to elicit a desired response (i.e. a conversion).

\textsuperscript{23} In the USA, the “Winning News” Sweepstakes e-newsletter was launched in 2008 (Farrow 2011; Rd.com 2011); within two months it had 25,000 opt-ins—enough to generate a substantial number of prospects for future research in this niche.

\textsuperscript{24} A New-To-File (NTF) list is one comprised of newly acquired names—people who recently became active with the brand by purchasing, or subscribing, opting in or signing up as a result of an offer.
conducted by Xerox (2009). Initially, the company's marketing efforts were primarily concerned with promoting Reader's Digest products by encouraging purchases and magazine subscriptions via direct mail (DM) (Wood 1958). DM pieces are still distributed via postal walks or placed as free-standing inserts (FSIs) inside Reader's Digest issues. However, the traditional direct mail piece is becoming antiquated as more digital channels become available and popular. Consequently, like direct marketing practices at RDC in general, the Sweeps activating program has also transitioned slowly from the mailbox to the inbox, per se, in order to respond to migrating audiences and support the brand online. A fine example of this transition is the "Teller, I Won" EDM campaign (figure 10), an FSI that was re-appropriated for the web (Palombi 2011).

![Figure 10: "Teller, I Won" electronic direct mail campaign.](from RDMC Ltd. via Dario Palombi)

**Direct Marketing Goes Digital**

As the brand’s defining activities tap more into online channels in response to media shifts, direct marketing efforts become increasingly active on the Web in the form of electronic direct marketing. As confirmed by RDC’s Prize Award Administrator of the Sweepstakes Marisa Orsini, the ratio of participation with the Sweeps is now 50:50 between electronic and direct mail with digital participation on the rise (2011). For RDC, the number of new subscribers gained via ecommerce initiatives over the last two years has grown by almost

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25 RDC partnered with Terminal Van Gogh one-to-one marketing solutions to increase direct marketing response rates through the customization of product line offers. Different product and complimentary offer combinations were built and tested for RDC’s current (mail-in) catalogue using consumer profiles and preferences. The results showed that leveraging information on one’s customers could increase sales by as much as 75 percent (Xerox Corporation 2009).
double—from 9.9 percent in 2009, (16.1 percent in 2010), to 18.5 percent in 2011 (RDMC Ltd. 2011h). The sources of new customers over a three-year period are seen in figure 11.

Figure 11: New-To-File customers, by source (2009–2011)

Adapted from *NTF by Source*, RDMC Ltd. 2011. (RDMC Ltd. 2011h)

The rising effectiveness of ecommerce initiatives also likely correlates with the decline in direct mail, whose internal list contribution has fallen from 50 percent in 2009 to 34.6 percent in 2011 (RDMC Ltd. 2011h). This is also in line with the general market: In 2010, 34 percent of marketers in the USA surveyed said they used email marketing, for example, while another 74 percent said they intended to implement it by the last quarter of 2011 (eMarketer 2010, 5).

There are a number of advantages of having activation programs exist in the online environment. When it comes to editorial, as Maria Barillaro, associate Web editor at Reader’s Digest Canada, states, “Online media allow you to gauge reader satisfaction immediately” (2011) and track responses like click-through rates and rates of conversion. Similarly, direct marketing also thrives online. The Web makes offering a longer visual “story” easier and more attractive—as well as more effective. The more clicks needed to get to the crux of the (E)DM (i.e. the offer itself), the better the response, as it gives users more chances to opt-in or change their mind after saying no. Automated “rules-based” responses also lengthen this journey by making an exchange with an individual more engaging since the user’s actions actually influence how the conversation unravels.

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26 A click-through rate is the percentage of impressions (the number of times the campaign was delivered) that caused a user to click on the particular campaign.

27 Ideally, between eight and ten slides per initiative (Palombi 2011; RDMC Ltd. 2009b, sl.20).

28 Algorithms (or rules) automate responses to the customer by reacting to the customer’s actions in an effort to maximize the chances of conversion (RDA Inc. 2010a, sl.33–6). So, a customer’s decision triggers what email he or she will receive next or what slide will follow in a campaign’s sequence.
This, along with the low costs and expediency of electronic deployment makes the use of EDM very appealing.

However, “spamming” people with excessive or irrelevant offerings is more likely to dissuade them from further interest than encourage a conversion. Fortunately, robust database management promotes the cautious and thoughtful targeting of individuals to promote a pleasant conversation that, even if unsuccessful, can ensure names are retained for later efforts. And since opting out online usually requires less time and effort than opting in does, organizing subscriber lists is especially important in this new context. Furthermore, consumers are increasingly expecting this kind of “intuition” and effort from marketers online: Of 2,038 internet users surveyed in 2010, 64 percent said they expect email marketers to know the types of products or services they like (eMarketer 2010, 6). As such, database management and the creation of suitable prospect lists are crucial for sustaining good conversion rates.

Yet, organizing and inferring information about one’s audiences via list management is not only important for engaging current subscribers and paying customers; it is also important for acquiring new ones and for encouraging future purchases. Cara Schlanger, the vice-president of Global Marketing and Promotion, fittingly explains the power of appropriately matching offers like digital sweepstakes to consumers in order to build—and later, monetize—the internal list:

Digital sweepstakes is a great device to attract and engage new consumers. This gives us the ability to learn more about their needs and interest so we are better positioned...to make relevant ecommerce offers to them and convert them to customers. The more relevant the offer, the more likely they are to establish an ongoing relationship with us. (RDA Inc. 2010c)

Seeing that almost a quarter of new names are gathered through ecommerce, (which includes Sweepstakes EDM,) (RDMC Ltd. 2011h; Young 2011a) reveals that many of RDC’s new subscribers have affinities to not only the online space but to sweepstakes as well; this alludes to the existence of prospects in the online Sweeps affinity and creates an argument for a Sweeps-oriented vertical, which is discussed in the next section.
Part IV

Moving Online: The Sweeps as a Vertical

The Sweepstakes’ digital trajectory can be attributed to the company’s active leveraging of digital channels in response to market changes and its desire to drive more people to these channels via marketing efforts. This has influenced the Sweepstakes, as it, too, has moved online to support the master brand in these new channels, a reality that has reframed how the Sweepstakes is seen to accrue value for the master brand. Mapping this evolution of the Sweepstakes illustrates how its role within the brand architecture has expanded to have a dual function: as an activating program that promotes brand activities to increase brand reach; and as a vertical with its own niche to whom derivative Sweeps products could potentially appeal.

EZwin.ca: An Online Activating Program for Rd.ca

In the nineties, once the Web had attained the status of being “worldwide,” companies in many diverse sectors sought to get online to make use of this new promotional space. As such, in 1997, the site, Rd.ca, was fashioned (via pure investment) for the particular purpose of keeping up with the times (Goyette 2011). Primarily, it functioned like many other sites of its calibre: as an online store that showcased branded products like music compilations and books, as well as its flagship, the magazine itself (Lau 2011, 20). By 2001, traffic grew substantially, which forced editors to recognize a need for backing the online venture with even more resources (Goyette 2011). Further, with more audiences migrating online, electronic direct marketing became a cost-efficient link to prospective customers (then, namely, magazine subscribers). The website was launched as the face of the Reader’s Digest brand in this new space, and was backed up by a Web department, which grew to be bigger than the print editorial one (Goyette 2011).

Building traffic for the site became both a possibility and a priority as the site and the internet in general grew more popular at the turn of the century. To follow precedent, the Sweepstakes were once again called forth for the purpose of increasing readership and building a subscriber base, though this time, online. In 2001, EZwin.ca (figure 12) was set
up to drive traffic to Reader’s Digest’s online content (on Rd.ca), as well as to offer a new service to RDC’s existing customers “who enjoy using the Internet” (2002).

**Figure 12:** EZwin.ca home page in 2001 (left) and in 2003 (right).

The site offered promotional codes to registered users, which were required for signing up for EZwin’s daily, weekly, and monthly prize giveaways (EZwin.ca 2001b; Young 2012). After completing an entry on EZwin.ca, visitors were redirected to Rd.ca (Goyette 2011). This subsequently turned out to be the beginnings of email gathering for RDC, and eventually a push-off point for establishing the Sweepstakes as a vertical.

The era of EZwin.ca lasted from 2001 to roughly the spring of 2003. When the site was closed, its URL automatically redirected visitors to Rd.ca where Sweeps could be accessed directly on-site (EZwin.ca 2003). By this time, EZwin.ca had given away cash and product prizes to over 850 winners (EZwin.ca 2003) in a successful effort to generate more magazine subscriptions by increasing traffic, collecting names, and making Reader’s Digest product lines and the brand more known to potential clients (EZwin.ca 2002). At the height of the site’s functionality, the vast majority of Rd.ca traffic—as much as 90 percent—was coming from EZwin.ca (Goyette 2011), attesting to the power of the Sweepstakes to once again increase awareness of and support the Reader’s Digest master brand—though for the first time, in an online setting.

**A New Reader’s Digest for a New Market**

The Web, however, is no longer simply a promotional space. It has gradually become one of the primary spaces for engaging in personal communication, consuming information and entertainment, as well as networking and building community. It has become more functionally robust, accessible, and aesthetically intuitive to the user experience. In
response to the evolving language of the Web, Readersdigest.ca was redesigned a number of times (see Appendix D for screenshots) to take advantage of the capabilities of the advancing medium as well as to be more receptive to the needs and expectations of the market.

While initially, Rd.ca was primarily populated with Reader’s Digest content, the current site no longer elevates the magazine to be the primary brand-defining activity of the master brand. In the most recent 2011 redesign, Drupal, a more robust, user-friendly content management system, was adopted to make Web production workflows more efficient—a switch that not only eased the repurposing of magazine content but that also suited the trend of adding original content to the site. This new addition also possibly improved search engine optimization (SEO), as evidenced by organic search source referrals to the site increasing by 9.5 percent over the past year (RDMC Ltd. 2011f). (For a more detailed breakdown of RDC’s online audience, see Appendix E.)

The magazine itself also acts more as a drive-to-Web piece: In January 2008, under the guidance of its business development team, Reader’s Digest revamped its logo and slogan, which emphasized its dual presence on both offline and online platforms (Bonigala 2007). The Reader’s Digest original Pegasus-accompanied nameplate was redesigned (figure 13) to illustrate the company’s prioritization of user needs and community building in all channels where it is present.

The new logo visually emphasizes Reader’s more than Digest and has dropped the traditional serified R, replacing it with an emphatic sans-serifed D that imitates a speech bubble. This emphasizes conversation and engagement rather than passive consumption. The website address was also attached to the magazine’s masthead to reflect the brand’s dual presence and a “Now at readersdigest.ca” front-of-book page has been recently added as well. In the same spirit of promoting the value of community and a divergence from an existence in a single (print) medium, the company’s slogan was also changed, from

Figure 13: Reader’s Digest logos before (left) and after (right) the 2008 redesign.

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“Canada’s most trusted magazine” to “Life well shared” (Bonigala 2007). These moves to contempnorize the visual identity of the brand by embracing digital contribute to RDC’s emphasis and continued leveraging of a multi-platform approach.

**Integrating the Sweepstakes into Readersdigest.ca**

Readers always need something that is relevant to their life to engage them and as Goyette affirms, Reader's Digest still aims to “participate in the telling of a reality and what is true for Canadians” (2011). An aspect of the new reality has emphasized internet use, which has driven the company to synchronize itself with the times via online initiatives. For example, due to its increased presence and popularity online, the contesting affinity was embedded into the site, driving the Sweepstakes to be viewed as a vertical with an online community forming around it. The earliest embedding of the Sweepstakes into Readersdigest.ca (see Appendix D for screenshots) came in the form of the “Daily Sweeps” tab (“Win $5,000”) in July 2004 (Young 2012), which mimicked the daily sweepstakes once offered by EZwin.ca.29

Born out of already trusted content verticals in the magazine, online channels (or tabs) were implemented as early as 2001 to ease navigation and better showcase the brand’s strengths and credibility in specific areas of expertise (such as Travel, Pets, Food, and Health). In the 2011 redesign, the navigation panel was revamped, with already-existing channels being renamed (like Food & Recipes, and Health & Well-Being) and new channels emerging, including the Jokes & Fun tab, and more significant to this report, the designation of a “Contests” tab. Over time, contests have evolved into an outlet for yet another “multi-platform community based on branded content” (Lau 2011, 18–9)—a new niche of consumers who visit the site primarily for the Sweepstakes. And even three website redesigns later (in 2008, 2009, 2011), the Sweepstakes has held its place—and with good reason: It significantly boosted daily traffic to the site, making Readersdigest.ca one of the top three Canadian magazine websites online (Lau 2011, 20). The Sweepstakes channel also attracts almost three quarters of total traffic on Readersdigest.ca today, attesting to its sustained popularity (RDMC Ltd. 2011g). (For a detailed performance indicators report for sweepstakes and contests landing pages, refer to Appendix E.)

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29 Those who register for online daily sweeps, receive a code in their email to remind them to enter every day of the month to qualify for the monthly prize, which ranges from $1,000 to $5,000 (CAD) depending on the market (RDA Inc. 2010c).
idea eventually translated into one of the many recommendations made in RDA’s proposal to digitize the Reader’s Digest Sweepstakes across the globe.

In December 2010, Global Digital Sweeps Initiative was launched internationally (RD Asia and RD Europe), debuting in five markets including France, Singapore, Philippines, Hungary, and Czech Republic (RDA Inc. 2010c). President of RD Europe, Dawn Zier, confirmed the benefits of making this addition to the sites: “Taking our core competency in sweepstakes and aggressively moving it into the digital space will accelerate our digital revenues and profits as well as grow our customer base” (RDA Inc. 2010c). However, the addition of the Contests channel to the RDC website in the 2011 redesign has made the Sweeps more than just a more robust activating program. Another consequence of digitizing the Sweeps has been the gradual carving out of the Sweepstakes vertical affinity.

**Leveraging Social Media: Facebook**

The popularity of the Sweepstakes has instigated Reader’s Digest Canada to not only reconsider how the program can promote the website to yield more magazine subscriptions, but to also reconsider how the Sweeps can promote the brand in general—and beyond the website itself. As proposed by the 2010 Global Digital Sweeps Initiative, (which recommended that integrated marketing plans be created to boost ecommerce via social media,) a companion Facebook initiative was launched and appeared on the RDC’s Facebook page in July 2011. One of the Facebook page’s applications allows participants to register for the sweepstakes directly without leaving Facebook.\(^3\) This utilizes the benefits of word-of-mouth in the online space by making referrals more convenient and accessible through social media tools such as “like” and “share” — features found at the core of many of Reader’s Digest’s successful (i.e. “viral”, or referral-based) name-gathering EDM campaigns. A Facebook campaign launched recently, “Life...The Reader’s Digest Version,” which requires users to post on the RDC page’s “wall” in order to enter a contest, has also taken advantage of these referral features.\(^4\) The contest was launched in November 2011 to create buzz around the January 2012 launch of a book (with the same name) and to build subscriptions. This addition to the page could be the reason the Facebook fan base (the number of people who “like” the Reader’s Digest Canada page) nearly doubled — from

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\(^3\) This did not intend to boost referral traffic to Readersdigest.ca, but instead sought to increase brand reach.

\(^4\) The contest was originally launched in August 2011 by RD US, and largely fuelled a social media milestone: The RD US Facebook page received 9,000 “likes” within two days of the contest’s promotional push on Facebook (RDA Inc. 2011e).
4,857 to 8,926—during the weeks after the tab’s launch (November 11–30) (Facebook 2011b). As precedent would have it, the Sweepstakes is again increasing reach: The number of Facebook fans has increased fivefold as a result of the Sweeps tapping into the Facebook channel, jumping from 1,777 fans in June 2011 to 8,929 by the end of November 2011. And with Facebook offering so much user information, this jump is all the more significant and potentially beneficial for market research.

This social networking space is particularly worth investing in as 70.8 percent of 1,387 internal list subscribers recently surveyed said they use Facebook\(^{32}\) (RDMC Ltd. 2011d, Q24). Being present on Facebook is also especially pertinent for RDC as two of its largest magazine competitors are active on the platform: Chatelaine and Canadian Living both offer lifestyle content as well as a contests tab on their respective Facebook pages (2012a; 2012b). For further reference, see Appendix F, which reveals the frequency with which other social media channels are used by a sample of RDC’s internal list.

As we have seen, the Sweepstakes currently indirectly build revenue by supporting other brand-defining activities. It incentivizes engagement with the Reader’s Digest brand via Readersdigest.ca, (EN)DM campaigns,\(^{33}\) as well as social media. These efforts convert existing subscribers into customers and build prospect lists that contribute to future market research. And since market research informs future marketing and product development decisions, the Sweepstakes as a marketing tool has somewhat ironically fuelled its own definition as a vertical, too. Over time, by being a major communication device with audiences, the Sweeps has arguably carved out a niche for itself online, which also opens up its potential to bring in direct revenue for RDC as a full-fledged product, as the next sections will discuss.

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\(^{32}\) Only 11.6 percent said Twitter.

\(^{33}\) In fact, of all new customers added to internal lists in 2011, 35 percent joined because of direct marketing with another 18 percent joining because of ecommerce activities (which EDM supports considerably); so, generally speaking, direct marketing activities account for about half of the company’s NTF list.
Part V

Evaluating Models for a Vertical-Defining Sweepstakes Product

The Sweepstakes was conceived as a marketing tool to drive sales by encouraging purchases of branded products or incentivizing subscriptions in an effort to gather names and future customers. For the first time, however, the Sweepstakes is also being reconsidered as something more than “a form of direct response activity which cross-promotes verticals or products within verticals” (RDA Inc. 2011b). The Sweeps has increasingly become an end in itself rather than purely just a means for people to engage with other brand activities. A niche has been demonstrated to exist for the contesting affinity, making it possible to reconsider the status of the Sweepstakes as not only an activating program but also as a vertical that can be further defined via digital product development. Recent market research conducted by RDA has considered the viability of further defining the Sweeps vertical by examining possible models for a Sweeps-related product. This chapter will outline two recent North American developments that have imagined the Sweepstakes as a stand-alone digital offering and comment on their applicability in the Canadian market.

An Ad-Revenue Model: Prizedigest.com (USA)

As a result of the recommendations outlined in the Global Digital Sweeps Initiative, whose primary mission was to encourage the creation of a Sweeps community online, the American branch of Reader’s Digest (RD US) proposed and launched Prizedigest.com in the spring of 2011 (with plans to include a mobile application and e-newsletter component as well). Prize Digest was envisioned as an online “content portal” for curated sweepstakes (Farrow 2011), a gateway to the best contests and sweepstakes offered on the Web. Initially, RD US promoted the site via its internal sweepstakes subscriber list for “live usability testing” (beta testing) (Peterson 2011b). July 2011 marked the launch of the full site. With a clean, contemporary “Groupon-esque” design (seen in figure 14), Prizedigest.com aggregates sweepstakes from various advertisers, reducing consumers’
barriers to securely entering sweepstakes, and increasing reach, a win-win for consumers and advertising partners alike.

**Figure 14: PrizeDigest.com home page.**

Intended to primarily generate revenue from third-party advertising, PrizeDigest.com offers marketers more value by bolstering their ROI and their ability to reach interested, measurably qualified consumers via a “one-stop hub” (Peterson 2011a; 2011b). Offering about one thousand sweepstakes at a given time, PrizeDigest.com also introduces "Express Entry", a feature that enables registered, logged-in users to enter each sweepstake on a PrizeDigest.com landing page with a single click (Peterson 2011a). This eliminates the nuisance of being redirected to a third-party site (a feature, main competitors do not offer (Milidragovic 2011), while it also keeps people on Reader Digest’s webpages. While this means that advertising partners may not gain as much traffic to their own pages, there are benefits from keeping the sweepstakes entries within the site: Advertisers can offer post-entry promotions on-site and via email, include the "Express Entry" (button) feature on their own sites, and as well as display ads on PrizeDigest.com that are more likely to be seen (Peterson 2011a).

This model also allows RDA to better track behaviour and make inferences about its audiences to better serve them in the future (Peterson 2011a). Prize Digest taps into a

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34 For a competitive analysis of sweepstakes sites, see Appendix G.
different demographic than the magazine, giving advertisers a more diverse reach: "People who have never clipped a coupon [are now] members of Groupon," says Renee Jordan, vice-president of International Digital; similarly, the Prize Digest experience brings a different kind of user on board and adds "a fun level to the marketing tactic" (in Peterson 2011a), which together, can be a very consumer-centric approach to appealing to and defining this new niche. RDA will be able to mine and analyze data about user sweepstakes preferences to study online sweepstakes marketing—what kind of prizes, offers, post-entry activities, and campaign structures are most appealing to audiences. An optional bi-monthly Prize Digest e-newsletter has been launched as well, which offers registered members a summary of current sweepstakes opportunities. RDA plans to eventually integrate user profile information35 to enhance this experience by offering customized content and recommendations based on an individual’s entry history on a more frequent (a weekly or daily) basis as well (Peterson 2011b). There is also an accompanying Prize Digest Facebook page, which as of December 2, 2011 had 10,407 fans (2011a)—perhaps not a substantial number in terms of the size of the US market, but considerable enough to demand some attention nonetheless; (if anything, it is a sizeable sample for future market research and data analysis.) In short, the Sweepstakes as a stand-alone site is able to harness the credibility of the Reader’s Digest brand and apply it in new modes, which opens up more opportunities of understanding how different groups engage with the sweepstakes. This can be useful for appealing to the overall online sweepstakes community and for enhancing future offerings and the overall online Sweepstakes experience.

Applications in the Canadian Market

Additional development of Prizedigest.com has been put on hold due to a change in administration at the RD US office in New York (Farrow 2011). However, whatever the status of the initiative, Prize Digest is a useful reference point when considering the options available to Reader’s Digest Canada for developing a stand-alone Sweepstakes product. Arguably, adapting such a concept for the Canadian market would present challenges, though aspects of Prize Digest could serve to inform the development of a Sweep service for the Canadian online sweepstakes community.

In the last few years, publishers have seen increases in Web traffic; however, they have also seen that it does not translate directly into quantified and qualified value, which

35 RDA does not share its subscribers’ private information with advertisers, unless consent to do so has been granted by the subscriber in question (Peterson 2011).
poses questions about the value of spending money to increase traffic to websites that primarily make money off of ads. For example, only 10 percent of revenues for Reader’s Digest Canada come from its website36 (Goyette, 2011). More traffic does not necessarily translate into engaged readers either (insofar as engagement is defined as the kind focussed on content), so high unique visits and page views may create an unrealistic image of how users connect with a publisher’s site. Recent Google Analytics reports show that Contests and Daily Sweeps make up a majority of the website’s page views, revealing that despite high traffic counts, editorial pages are getting far fewer hits (RDMC Ltd. 2011g). Just over 70 percent of all pages on Readersdigest.ca are viewed for the purpose of entering a “Daily Sweeps,”37 while the second most visited page on the site is the “Contests” channel, generating another 8.2 percent of the incoming traffic (RDMC Ltd. 2011g). The implications of the relationship between online audiences, Sweepstakes programs online, and the RDC website is evidently worth investigating.

Over the last two years, the Paid Active Customer Base (PACB) has dropped over a third (31.6 percent) despite unique traffic to Readersdigest.ca having increased by 8.7 percent over the last four years (refer to Appendix E for these numbers) (RDMC Ltd. 2011c). This, coupled with a less engaged inside list (where 10.2 percent fewer customers have shown activity in the last thirty six months than was the case in 2009), produces a picture that at first glance seems troubling: Though readers are becoming increasingly aware of Reader’s Digest’s offerings, that awareness does not necessarily translate into monetized engagement; those who do engage with the brand do so primarily through “freemiums” (RDMC Ltd. 2011c)—in other words, the consuming of free online content. So, when more than 340,000 unique visitors38 arrived to the site in June 2011 (RDMC Ltd. 2011a; 2011c), a majority came to enter a contest or sweepstakes, or consumed free content, which monetarily contributes only to ad-revenue. This, however, is expected.

Tim Farrow, North American Promotions Director, summarizes the traditional online conversion model: Resources put up against drawing in a community of (online) followers is often worth it because enough people eventually do make a purchase (2011). The fact that the Sweeps draw in such a substantial audience to Rd sites39 should then not

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36 A rise in online readers does not translate into a comparable increase in advertising spending as print advertising still dominates this sector (PwC 2011).
37 This is based on June 2011 Google Analytics results (i.e. PVs), though the Sweeps channel has long been known to bring in the majority of page views to Readersdigest.ca (Goyette 2011).
38 Google Analytics reported 498,229 (RDMC Ltd. 2011a) and comScore reported 349,000 (2011c).
39 As is true for Readersdigest.ca, much of Rd.com’s traffic enters via a Sweeps landing page (Farrow 2011).
be overlooked—or undermined. And since a website that offers sweeps would target the same users as Readersdigest.ca’s Contests tab does, launching a Canadian sweeps site similar to Prizedigest.com is not recommended as the sites would be in direct competition. A Sweeps site that sits on par with Readersdigest.ca would risk cannibalizing what is at the heart of the Reader’s Digest mission: content that informs, entertains and inspires (Wood 1958, 114). As such, it is crucial that the Sweepstakes remain, at least in part, as an activating program online that promotes the dissemination of content. Driving people to Reader’s Digest content offerings is necessary and an isolated Web-native Sweepstakes site—even if it contributes to revenues—would quash this important objective of the master brand. The question then, is what form a stand-alone Sweeps product should take.

**A Subscription-Based Model: Market Research (Canada)**

In November of 2010, and as part of the Global Digital Sweeps Initiative, Reader’s Digest Association conducted a survey\(^{40}\) of New-To-File customers to find out what kinds of products a new audience base would find appealing. The study’s primary goal was to distinguish the value of individual offers when presented as part of a group, so that an “optimal stream” (of products grouped together) could be produced for use in future EDM campaigns (RDA Inc. 2010b). Seven categories of products and services were identified and presented to each respondent via an online survey that included a total of fifty-eight products—eight of which were a service or club concept. One of the offers that most appealed to customers was a Sweepstakes subscription service or club, costing ten dollars a year, and pitched as follows:

> Become a part of our exclusive club...a private online contest club that brings you huge jackpots, amazing discounts, insider perks, and much more. As a valued member... you’ll have instant access to online prize opportunities that won’t be offered anywhere else. Membership is by invitation only and we can guarantee that every member will be rewarded. (2010b, sl.65)

Using Shapley value analysis,\(^{41}\) the survey deduced that offering a comparable sweepstakes service in Canada would increase overall purchasing behaviour, while it also established

\(^{40}\) A total of 201 Canadians who had not purchased anything from RDC in the past were surveyed. While this sample size is small, the results of this study do offer conceptually valuable findings.

\(^{41}\) Shapely value analysis is a method stemming from game theory that assigns a value to individual members of a group (i.e. offers) based on their relative strength over other members presented at the same time. The value is based on incremental reach and overall appeal, meaning that for a product to have high value it must appeal to a relatively large number of consumers (i.e. be selected as a popular choice more often) as well as a subset of those who select the item must choose only that item (RDA Inc. 2010b, sl.67).
that the particular concept is also strong as a single one-off product. This demonstrates that the Sweeps could benefit RDC in two ways: by encouraging the purchasing of branded offerings as an activating program that supports the overall master brand; and by appealing to a subset of the Reader’s Digest audience as a vertical-defining activity (or in this case, as the particular service described above).

According to the findings, a subscription Sweepstakes product has potential as a prospective specialty product (figure 15) as it incites high purchase interest, high product uniqueness,\(^{42}\) and demonstrates potential in a smaller, niche consumer segment (RDA Inc. 2010b).

![Figure 15: Potential product categories in a Shapely value analysis.](image)

Adapted from Reader’s Digest Concept Screen, RDA Inc. December 2010. PowerPoint. (RDMC 2010b, sl.5)

Unlike generic products, prospects intrinsically stand apart from others and do not need as much marketing “muscle” as they have a unique edge—and in the case of the Sweepstakes product concept tested, this is significant as it counterbalances the risk involved with launching a specialty product.

The Shapely analysis, shown in figure 16, found that 13 percent of the Canadians surveyed chose the above-described paid subscription sweepstakes product as one of the top two concepts based on interest appeal. This made the sweepstakes-related concept the most appealing of all service or club concepts presented (RDA Inc. 2010b).

\(^{42}\) Nineteen percent marked the product as having uniqueness value.
However, the Sweeps subscription concept described above may prove unviable if implemented in channels in which the Sweeps currently exists (on the Web and in print) because of legal implications; this will be addressed and resolved by considering what container such a product could legally take.

**Applications in the Canadian Market**

In Canada, it is prohibited that the condition of participation in a sweepstakes be a purchase. According to Section 206.1(f) of the *Criminal Code*, “Dispos[ing] of any goods, wares or merchandise by any game of chance or any game of mixed chance and skill in which the contestant or competitor pays money or other valuable consideration,” is considered an indictable offense (Competition Bureau 1995). As such, in order to monetize a (paid subscription) Sweepstakes service and not break the law, the service would have to be an extension of an already existing and comparable *free* service. In other words, the service would have to make purchasing an *option* since a form of “reasonable hand-drawn facsimile” or some other means of obtaining the same entries for free is available (Competition Bureau 1995). One option is having the new (paid) service offered in a different format or container from Readersdigest.ca, where sweepstakes are already
offered for free; this new format would also need to offer the same contests and sweepstakes as Readersdigest.ca does, but with an appealing user interface (UI) that would justify its price.

With new customers increasingly active on Web channels (Orsini 2011; RDMC Ltd. 2011h), and the mobile device market being projected to continue outgrowing other telecommunication and internet channels (ITU 2011), the aforementioned subscription Sweeps offering could arguably take the form of a mobile application. A Sweeps mobile app would marry the positive attributes of Prize Digest and the subscription model presented in the RDA research study. The following section will discuss the viability of this hybrid option and demonstrate how a mobile Sweeps app is a particularly good way to make a (direct) revenue-generating sweeps product a legal reality.

A Hybrid Model: A Reader's Digest Sweeps Mobile App?

More internet access, particularly via mobile and tablet devices, coupled with an embedding of Sweepstakes programs into online brand-defining platforms, has arguably carved out a Sweeps-oriented niche online. A high Shapely Value for a subscription Sweeps service, the popularity of the Contest vertical on Readersdigest.ca, and the research that supported the launch of Prizedigest.com in the US, also corroborate this argument—that the Sweeps has evolved into a niche vertical that has potential to further develop and satisfy its own audience base in Canada. However, as we have seen from the aforementioned models, efforts to directly monetize the engagement of the Sweeps community have not been without difficulty. Developing a revenue-generating product from a program that has traditionally been seen as a free service poses a tremendous challenge.

A mobile application, however, could generate revenue (directly and via ad sales), add value to the Sweeps to support them as a vertical, as well as support the brand overall by enhancing access to an already popular service. By addressing the needs of not only those with an affinity to the specific vertical, but also of those with a preference for using mobile devices, RDC may have an opportunity to extend its reach and increase its brand asset value by developing a Sweeps mobile application—all without cannibalizing existing brand activities or breaking Canadian sweepstakes regulations.

43 It is imperative that the App and the description of the App implicitly state that all sweepstakes and contests available in the App are also available online for free at Readersdigest.ca. This will promote transparency and will ensure that the App’s legality is not called into question.
Leversing the Brand to Increase Reach

Tapping into the mobile app market would continue in the company’s stride of launching other Reader’s Digest apps and “creating a multiplatform experience...to keep people connected with the brand wherever they are” (Paquet in Masthead Online 2011). Fittingly, RDC US has seen a high number of readers adapting to mobile (Johnson 2011), a general trend occurring North America-wide. According to a 2011 report published in Business Insights, the market share of Smartphones has seen the largest growth in the internet access device market, with touchscreen mobile handhelds growing from 7 percent in 2005 to 24.6 percent in 2010 (Nuttney and Eastwood, 51); this growth is set to continue with projected growth doubling by 2013 (PwC 2010) to reach 41.1 percent market share in 2015 and 53.5 percent by 2020 (Nuttney and Eastwood 2011, 51). RDC could take advantage of this anticipated migration of users by increasing investment in app development. A Sweeps mobile app has the potential to increase brand recognition and reach as well as nurture a dedicated (albeit initially small) audience. However, in order to complete a cost-benefit analysis, assess risk, and investigate what the app itself would look like if it were launched, further market research is needed.

While RDC has monitored audience preferences for a long time in an effort to inform its future initiatives (via the A/B split testing method), it also has access to an abundance of marketing resources through its relationship with other Reader’s Digest branches. Zahra Young, director of Digital Marketing at Reader’s Digest Canada, explains: “As a global company, we are able to pull together best practices based on results across different markets. We generally think globally and act locally” (2012). This benefits RDC in a number of ways when it comes to expanding its brand. For one, RDC has sovereignty in

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44 The 2011 revamp of the brand’s online presence via a site redesign and the renaming and adding of new vertical channels occurred concurrently with the launching of a series of twelve monthly iPhone Apps as a way to repurpose already popular channels and increase reach (Masthead Online 2011).

45 In late January 2012, a free iPad edition of the magazine was launched (Apple Inc. 2012). During the first weeks, 7,000 downloads of the App and $3,000 (CAD) in magazine subscription revenues were generated (Goyette 2012).

46 Interestingly enough, 66 percent of 607 respondents on Best Health’s internal list say they download apps (Wiesenfeld 2011, sl.29). And while Besthealth.ca does offer some contests (2012), a mobile App from RDC could provide a contemporary way for Best Health’s mobile readers to engage with the original flagship without necessarily hurting the Best Health brand.

47 Editorially speaking, internally developed Enthusiasm Quotient (EQ) Surveys have been used to gauge how well editors were choosing books (Volkersz 1995, 58). Currently, Editorial Assessment Research (EAR) surveys are solicited via online surveys throughout the year to track how well particular issues have been received by readers (RDMC Ltd. 2006; 2007; 2008; 2009a; 2011).

48 A/B split testing is popular market research method used at RDC whereby a control group and test group (via prospect lists) are set up, in order to do basic comparative testing of creative elements (like visuals and promotional copy) as well as entire concepts (like complete product pitches) (Palombi 2011).
developing initiatives for its local market within the RDA network; it also has opportunities to evaluate what it is (or what it could be) doing by referring to and borrowing Sweeps campaigns used in similar markets. For instance, RDC can pick up creative and marketing initiatives from other countries in which the company operates to test and launch in its own market (Young 2012); RDC can also automatically schedule campaigns for bulk deployment if they have been incredibly successful in a similar market already (Palombi 2011). This system is especially useful when riskier initiatives are considered, like those with small revenue projections (like mobile applications): RDC can forgo development costs by adding an existing product developed by another branch to its own repertoire if it foresees its applicability in the Canadian market. And if the product needs more resource backing, RDC can monitor foreign sales and decide how much to allot or whether to drop its adoption altogether (Young 2011b). This ability to borrow and build on working models gives RDC a notable advantage over its competitors and could particularly support the developing of a revenue-generating Sweeps application that appeals to new and existing audiences.

**Leveraging the Brand to Monetize Reach: Direct revenue via paid subscriptions**

A Sweeps mobile application would allow RDC to leverage its position as a trusted brand to not only increase reach, but also monetize it. An app would add value to the existing “freemium” Sweeps option (the Contests tab on Readersdigest.ca) without cannibalizing it because the app would appeal to a different kind of consumer—a mobile device user who is willing to pay for added value: By opting in (“registering” or “subscribing”) to a paid mobile Sweeps service, customers would be able to submit in-app entries to sweepstakes they trust. Still, monetizing an app’s value could be problematic because mobile applications have relatively low revenue projections in comparison to websites due to market size limitations.\(^{50}\)

Even so, mobile development in this vertical is a small price to pay for a company that has found and foresees further success from investing in digital products. Equally, a Sweeps-related digital product by a company known to have an established credibility in the area of sweepstakes, would likely draw in more audiences than any competitor’s

\(^{49}\) One such example is the Jokes and Funny True Stories App that was adapted from RD US’s version and had to be “Canadianized” (due the humour’s cultural sensitivities).

\(^{50}\) Ad-supported applications also tend to not be as appealing to paying customers.
would. It is undeniable that the recent launch of the iPad edition of the Canadian *Reader’s Digest* could also aid in promoting the Sweeps app as well.

**Leveraging the Brand to Monetize Reach: Indirect revenue via third-party advertising**

Reader’s Digest already has a competitive advantage in the sweepstakes affinity having long established roots in this area (its National Sweepstakes program is in its 74th year (Readersdigest.ca 2011b)). This reduces the costs associated with gaining a completely new niche (Porter 1985) as well as increases its ethos in the eyes of not only consumers, but advertisers as well. As stated by Jayne O’Brien, who has held an array of titles in various departments at RDC (from production to advertising to media sales), “Newer media vehicles give advertisers access to different audiences who have an affinity to media consumption through digital and interactive channels while still allowing them to benefit from the trusted environment of the Canadian Reader’s Digest” (2011). A similar point was articulated by Renee Jordan, vice-president of International Digital, in a June 2011 press release for Prizedigest.com: “Aligning the Reader’s Digest brand with sweepstakes will serve as a seal of approval” by eliminating the suspicion often roused by “incentivized information collection tools” that look (and often are) scams (Jordan in Peterson 2011a). Accordingly, and in line with architecture guardrails presented by RDA (2011b), it is recommended that the app be presented as a derivative product of the Reader’s Digest brand in its full form (unlike “Prize Digest” was). Such consistency would enhance transparency between the brand and its Sweeps program, especially if they expand into new channels. This branding strategy would feed off of the master brand’s strong reputation and equity to develop new audiences, while appealing to current customers who connect strongly with the full trademark as well (RDA Inc. 2011a).

A mobile Sweeps app would not only give advertisers access to more consumers with different consumption and buying habits, however; a Sweeps app could also justify higher ad rates than standard apps do because of how features innate to mobile devices could be creatively utilized for sweepstaking. Mobile features could drive deeper

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51 Currently, only a small number of visitors are accessing Readersdigest.ca sweepstakes/contest pages via mobile (Young 2012). This leaves a whole market to be tapped by the Sweeps program—via an app that targets mobile users.

52 Of 712 respondents, 56.5 percent said that “the best name” for a health and weight-loss Web service would include “Reader’s Digest” in it, despite “Best Health” also being an option. Of the respondents who had recently purchased a Best Health product (24 percent), 49.6 percent still expressed preference for “Reader’s Digest.” This attests to the strength of Reader’s Digest even in categories in which it may not be the recognized or obvious (niche) brand of preference (RDMC Ltd. 2011d, Q19). For a breakdown of responses see Appendix H.
subscriber engagement with select advertising parties without damaging (and perhaps even enhancing) the Sweeps experience. For example, geo-location would not only aid in filtering through subscribers’ eligibility requirements; it could also make more inventive and engaging entry methods possible. Contest or sweepstakes could request that entries be made in any combination of ways, from arriving on location (such as an advertiser’s establishment) in order to submit entries via virtual “check-ins,” to demanding “likes” on the advertiser’s Twitter account or Facebook page in order for entries to be validated. Sharing features deeply embedded into the mobile UI could also enhance the experience by revolutionizing “word-of-mouth” in referral-based campaigns to boost ad rates. It is true, however, that ad revenues would only be a secondary contribution of the Sweeps app to the overall brand since subscriber rates and frequency of app use would have a direct correlation with ad rates. As such, it is important to understand how a mobile app would support the master brand even if its projected revenues were smaller than anticipated.

**Leveraging the Container to Support the Brand**

A mobile application’s features, accessibility, and convenience coupled with the legitimacy of both the Reader’s Digest and the Reader’s Digest Sweepstakes have the ability to cultivate a loyal mobile audience. However, a Sweeps mobile app would not only leverage current resources to create new opportunities; it would also be an opportunity to support the brand’s long-standing mission of promoting community. According to RDA, a successful brand activity is one that contributes to the master brand and where the brand is heading, by: contributing to the brand’s social purpose (promoting sharing and community building); offering actionable information; being presented in a concise and simple manner; and reflecting a more modern interpretation of the brand or a vertical (RDA Inc. 2011a, 28). Appropriately, a Sweeps mobile app would fulfil all these requirements. It would engage a community of like-minded prize-lovers by offering them a convenient, contemporary, and user-friendly space in which to browse and share available sweeps and contests.

New mobile devices have many unique features that RDC could utilize in order to exploit its incredible resources, take advantage of competitors’ weaknesses, and improve

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53 Check-in apps like Foursquare and Facebook Places or ShopKick allow users to announce their location or activity on social media channels. Whereas the two former offer non-monetary rewards like virtual badges (Foursquare 2012; Facebook 2012c), ShopKick offers real-world incentives like “walk-in rewards” and in-store discounts (2012).
on current offerings in the market. For example, the instantaneousness innate to internet-enabled mobile devices like Smartphones and tablets could be useful: Updates and push notifications could deploy reminders and recommendations according to an activation calendar based on user preferences, (much like triggered emails or customized e-newsletters). Further, when looking at the current competition online in the sweepstakes niche (Appendix G), there are many shortfalls that could be exploited: lack of credibility, unfriendly user interfaces, poor website functionality, and lack of preferred payment methods (Milidragovic 2011). A mobile application, with a simple UI that mimics other Reader’s Digest Apps (figure 17) (to achieve brand unity), could offer a convenient and engaging Sweepstakes tool for a one-time annual fee payable by credit card, a preferred payment scenario for many people—including RDC’s existing subscribers.

Figure 17: User interfaces of current Reader’s Digest Apps.

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54 The same study that found a Sweeps service to have individual strength also illustrated how strong an influence the Reader’s Digest magazine has: Reader’s Digest aroused a higher purchase interest and reach than any other product presented in the stream; however, it also suffers from low uniqueness, which could be supplemented by the development of a more niche-specific product like a mobile Sweeps app (RDA Inc. 2010b).

55 In a survey of 699 people on RDC’s internal list, 40.6 percent expressed that they find that paying by credit card online is the most convenient way to pay subscription fees (RDMC Ltd. 2011d, Q17). A 2010 survey also indicated that 93 percent of 201 respondents preferred one-time payments (RDA Inc. 2010b, sl.37).
As such, it may be intuitive to regard the recommended digital sweepstakes product as an iOS App, which is compatible with the Mac platform like other RDC mobile applications. This would also allow for the use of iTunes, an online App store where other RD products are already available. This recommendation is supported by the fact that almost a third of RDC’s subscribers use iTunes, of which two thirds use it at least once a week (RDMC Ltd. 2011d, Q24). The fact that current iOS mobile devices (i.e. iPhone, iPad) have good social media integration, could arguably also give the social media components within a Sweeps App more credence. This would promote referrals and sharing, and enable cross-referencing and live updates, which would add considerable value to the mobile Sweeps experience. Such additions could justify payment to fuel subscription revenues.

Wherever consumers are, whatever their habits, affinities and needs—whatever the context—the container through which they experience new offerings will heavily dictate the product’s success and sustainability. Just like the release of the iPad edition of Reader’s Digest reduced the fixed value of print (Garcia 2011), an increased digital presence of the Sweepstakes has changed the program’s perceived value as solely a marketing tool: “Print is no longer the central product that the other platforms revolve around…very soon we are going to see unique products and content specifically designed for each platform,” said Bob Newman, Creative Director at RD US, in a press release about the launch of the US iPad edition (Garcia 2011). As such, it is crucial to choose the “right” container with which to sell and communicate the brand’s strongest offerings. Arguably then, a Sweeps mobile application (and possibly, an iOS App,) would be a well contextualized service in a unique, timely form: It would leverage a vertical RDC is already known to be dominant in, which reduces development risks in the effort to generate revenue and, (at the very least,) brand reach.

---

56 Of 1,387 internal list subscribers surveyed about channels they use, 29.5 percent said iTunes. Refer to Appendix F to compare iTunes with other online platforms.
Conclusion

According to TippingSprung, a New York-based branding consultancy that puts out an annual survey on the top brand extensions, “Strong brands with household names can achieve great results if they look at tangential businesses where they are still relevant” (2005). The Sweepstakes is a particularly good example of an area in which Reader's Digest Canada can both continue to invest in as well as use to grow the company further—especially when framing such a strategy within the rhetorical situation of a brand architecture that necessarily prioritizes the building of brand asset value. No longer is the Sweepstakes merely an activating tool that supports other brand activities via (electronic) direct marketing; it has also been increasingly perceived as a vertical that offers a unique service within its own area of expertise—and which can be developed further to boost reach as well as potential revenues for RDC, as well.

With this, and by taking heed of current market realities, market research, and beta testing, a monetized digital Sweeps product is quite viable. New niches have been carved out of the current audience base comprised of people with an affinity to contesting as well as those who have an affinity to using mobile devices. The development of a Sweeps mobile application could nurture the growth of these segments as well as reintroduce the Sweepstakes to existing audiences through a more contemporary channel. And even if conversions that build revenue do not occur, the Sweeps mobile app would still build brand asset value. The Sweeps has the potential to not only engage audiences in a new way online; the development of a Sweeps app (and hence the further defining of the Sweeps as a vertical) would also indicate to the public that the Sweepstakes is not merely a marketing tool used to lure in magazine subscribers, but also a credible service that directly benefits consumers in whichever form it takes. After all, we are in the age of the brand, not the age of the magazine, and retaining transparency and trust is the key to surviving as a successful business. For RDC to remain a household name, it should mould itself as lifestyles of those households change. Re-appropriating a very strong aspect of its business, while continuing to tap into changing attitudes by influencing a growing market, may be the key to RDC’s long-term success.

48
As this report argues, the tools and media that traditional publishers have used have become unravelled—and redefining these to suit the current media landscape is especially important as competition rises and consumers are given more choices—in both content and container. No longer is the publishing arena completely focussed on print, nor is content the pure selling point. Today’s publishers must compete on context by choosing the most suitable containers through which to sell entire information consumption experiences. The rise of mobile internet access coupled with the flood of customizable, user-friendly mobile applications that cater to individual needs has created a space in which efforts with a consumer-centric focus can flourish. As such, an activating program like the Reader’s Digest Sweepstakes, which has long targeted individuals by prioritizing customization and personalization, could be a successful revenue as well as brand asset value generator in the growing mobile market. The Sweeps could benefit from existing in a space that has always been about improving communication and networking. As a mobile app, the Sweeps could work to fulfil one of the primary tenets of the RDA mission: building and connecting niche communities—something that too, has changed forms, and which is no less important in the Web era—if not more so.

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57 Even social media networking, which is quite central to the appeal of “smart” mobile devices, can be interpreted as a direct marketing tool that targets individuals who have opted in to receive communication (via news feeds, on Twitter and Facebook, for instance).
Appendices

Appendix A: Circulation Trends for RDC Publications and Readersdigest.ca

(Please refer to Appendix B for definitions of online units of measurement.)

### CIRCULATION

<table>
<thead>
<tr>
<th>National edition</th>
<th>2007</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reader’s Digest *</td>
<td>868,007</td>
<td>627,197</td>
<td>-27.70%</td>
</tr>
<tr>
<td>Sélection du Reader’s Digest*</td>
<td>233,512</td>
<td>176,710</td>
<td>-24.30%</td>
</tr>
<tr>
<td>Our Canada **</td>
<td>302,122</td>
<td>229,932</td>
<td>-23.90%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Best Health*</th>
<th>2007</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100,000</td>
<td>123,629</td>
<td>100,575</td>
<td>96,000</td>
<td>-22.4% (from 2009: -18.70%)</td>
</tr>
</tbody>
</table>

### AUDIENCE

<table>
<thead>
<tr>
<th>Channel</th>
<th>2007</th>
<th>2011</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reader’s Digest *+</td>
<td>6,847,000</td>
<td>5,794,000</td>
<td>-15.40%</td>
</tr>
<tr>
<td>Sélection du Reader’s Digest **+</td>
<td>1,066,000</td>
<td>874,000</td>
<td>-18.00%</td>
</tr>
<tr>
<td>Our Canada ++</td>
<td>947,000</td>
<td>931,000</td>
<td>-1.70%</td>
</tr>
<tr>
<td>Readersdigest.ca</td>
<td>321,000**</td>
<td>349,000**</td>
<td>8.70%** (since 2010: 13%~)</td>
</tr>
</tbody>
</table>

### PAID ACTIVE CONSUMER BASE (All customers with a payment in the last 12 months)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>940,228</td>
<td>897,940</td>
<td>614,940</td>
<td>-34.60%</td>
<td>-31.60%</td>
</tr>
</tbody>
</table>

### INSIDE LIST (Any activity in the last 36 months)

<table>
<thead>
<tr>
<th>Nov. 2009</th>
<th>July 2011</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,284,150</td>
<td>2,051,975</td>
<td>-10.20%</td>
</tr>
</tbody>
</table>

Source: Adapted from RDMC Ltd. 2011a; 2011c.
Appendix B: Online Units of Measurement

**Visits** refers to the number of times visitors started a session on the site within the report’s time frame.

**Page Views (PVs)** refers to the number of times a webpage has been viewed by a visitor to the site. PV is not a measure of a website’s true audience size as individual visitors can be counted more than once if they return within the time frame of the report.

**Time Spent** denotes the time spent on the website by a visitor during one session.

**Unique Visitors (UVs)** is a measure that counts each visitor only once within a given period of time by tracking their computer’s unique Internet Protocol (IP) address; this online metric often reflects a publisher’s true “reach.”

**Referrals** denote the number of visits that came to a page on the site via another website.

**Direct traffic** measures how many visitors arrived at a site without a referrer; this typically means they typed in the website’s URL by hand or used a bookmark to get to a page.

**Organic search source** measures referral traffic coming from unpaid search engine results links, other websites such as blogs, as well as direct traffic.

**Paid search source** measures referral traffic coming from sponsored search campaigns (like Google AdWords).
### Appendix C: Audience Trends, By Age and Channel (2007–2011)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>19.4</td>
</tr>
<tr>
<td>30–34</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>35–39</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>14.2</td>
</tr>
<tr>
<td>40–44</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>45–49</td>
<td>12</td>
<td>12</td>
<td>8</td>
<td>5</td>
<td>25.9</td>
</tr>
<tr>
<td>50–54</td>
<td>13</td>
<td>13</td>
<td>9</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>55–59</td>
<td>12</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>51.7</td>
</tr>
<tr>
<td>60–64</td>
<td>9</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>65–69</td>
<td>9</td>
<td>9</td>
<td>11</td>
<td>12</td>
<td>14.6</td>
</tr>
<tr>
<td>70–74</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>75–79</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>80 &amp; over</td>
<td>15</td>
<td>15</td>
<td>19</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td><strong>UNDER 55</strong></td>
<td><strong>36</strong></td>
<td><strong>36</strong></td>
<td><strong>27</strong></td>
<td><strong>19</strong></td>
<td><strong>59.7</strong></td>
</tr>
<tr>
<td><strong>OVER 55</strong></td>
<td><strong>64</strong></td>
<td><strong>64</strong></td>
<td><strong>73</strong></td>
<td><strong>81</strong></td>
<td><strong>40.3</strong></td>
</tr>
</tbody>
</table>

* Active Universe is the total number of active internal list subscribers based on annual Editorial Assessment Research (EAR) surveys conducted online.

** Percentage calculated based on total unique visitors (UVs) to Readersdigest.ca, according to comScore.

Source: Adapted from RDMC Ltd. 2007; 2008; 2009a; 2011c; 2011e; Comscore Inc. 2011.
Appendix D: Screenshots of Readersdigest.ca (1999–2008)


Appendix E: Key Performance Indicators (KPIs) for RDC’s online channels

(Please refer to Appendix B for definitions of online units of measurement.)

<table>
<thead>
<tr>
<th>WEBSITE STATS</th>
<th>June 2011</th>
<th>MoM</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>UVS</td>
<td>489,229</td>
<td>5%</td>
<td>-82%</td>
</tr>
<tr>
<td>Visits</td>
<td>1,644,795</td>
<td>9%</td>
<td>-49%</td>
</tr>
<tr>
<td>PVs</td>
<td>6,882,088</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>PVs/visit</td>
<td>4.18</td>
<td>3%</td>
<td>135%</td>
</tr>
<tr>
<td>Time Spent (m:s)</td>
<td>02:04</td>
<td>-2%</td>
<td>324%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Traffic Sources</th>
<th>June 2011</th>
<th>MoM</th>
<th>YoY</th>
<th>% Total Visits (June 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>525,640</td>
<td>18%</td>
<td>-79%</td>
<td>32.0%</td>
</tr>
<tr>
<td>Search – organic</td>
<td>156,093</td>
<td>-8%</td>
<td>8%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Search – paid</td>
<td>35,948</td>
<td>-11%</td>
<td>-11%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Newsletters</td>
<td>61,049</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Referrers</td>
<td>646,777</td>
<td>16%</td>
<td>26%</td>
<td>39.3%</td>
</tr>
<tr>
<td>MSN</td>
<td>10,103</td>
<td>22%</td>
<td></td>
<td>0.6%</td>
</tr>
<tr>
<td>Facebook</td>
<td>1,920</td>
<td>157%</td>
<td>125%</td>
<td></td>
</tr>
<tr>
<td>Contest Sites</td>
<td>18,506</td>
<td>-11%</td>
<td>11%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 5 Pages, by popularity</th>
<th>Visits</th>
<th>PV</th>
<th>% Total Visits (June 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Win Cash &amp; Prizes With Our Famous Can...</td>
<td>795,663</td>
<td>3,688,963</td>
<td>48.4%</td>
</tr>
<tr>
<td>Reader’s Digest Canada-Enter to WIN!</td>
<td>245,909</td>
<td>1,166,960</td>
<td>15.0%</td>
</tr>
<tr>
<td>Win Between Friends Giveaway-Win an iP...</td>
<td>18,566</td>
<td>194,869</td>
<td>1.3%</td>
</tr>
<tr>
<td>Reader’s Digest Magazines Canada Online</td>
<td>35,556</td>
<td>193,943</td>
<td>2.2%</td>
</tr>
<tr>
<td>Free Online Games: Puzzle Games, Word...</td>
<td>62,193</td>
<td>115,911</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOCIAL MEDIA STATS</th>
<th>June 2011</th>
<th>Nov. 11, 2011</th>
<th>Nov. 30, 2011</th>
<th>Change % (Jun–Nov)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reader’s Digest Canada Facebook Page (Fans)</td>
<td>1,777</td>
<td>4,859</td>
<td>8,929</td>
<td>502.5%</td>
</tr>
<tr>
<td>Twitter @readersdigestca (Followers)</td>
<td>359</td>
<td>745</td>
<td></td>
<td>207.5%</td>
</tr>
</tbody>
</table>

Source: Adapted from RDMC Ltd. 2011g.
### Appendix F: Internal List Survey–Frequency of Social Media Use (2011)

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>Times per day:</th>
<th>At least once</th>
<th>Less than once per month</th>
<th>MEMBERS*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Several</td>
<td>Once</td>
<td>per week</td>
<td>per month</td>
</tr>
<tr>
<td>Facebook</td>
<td>21.1%</td>
<td>29.0%</td>
<td>25.9%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Twitter</td>
<td>11.1%</td>
<td>13.3%</td>
<td>31.9%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Google Cal./Apps</td>
<td>11.1%</td>
<td>21.3%</td>
<td>25.0%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Digg</td>
<td>9.5%</td>
<td>0.0%</td>
<td>23.8%</td>
<td>23.8%</td>
</tr>
<tr>
<td>StumbleUpon</td>
<td>9.1%</td>
<td>13.6%</td>
<td>15.9%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Four Square</td>
<td>8.3%</td>
<td>25.0%</td>
<td>16.7%</td>
<td>16.7%</td>
</tr>
<tr>
<td>LivingSocial</td>
<td>4.7%</td>
<td>34.4%</td>
<td>21.9%</td>
<td>12.5%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>3.8%</td>
<td>4.5%</td>
<td>27.4%</td>
<td>24.8%</td>
</tr>
<tr>
<td>Flickr</td>
<td>3.2%</td>
<td>4.8%</td>
<td>7.9%</td>
<td>27.0%</td>
</tr>
<tr>
<td>iTunes</td>
<td>2.6%</td>
<td>6.9%</td>
<td>21.3%</td>
<td>30.7%</td>
</tr>
<tr>
<td>YouTube</td>
<td>2.3%</td>
<td>7.8%</td>
<td>26.3%</td>
<td>27.5%</td>
</tr>
<tr>
<td>Groupon</td>
<td>2.0%</td>
<td>29.7%</td>
<td>22.4%</td>
<td>14.5%</td>
</tr>
<tr>
<td>eBay</td>
<td>1.3%</td>
<td>3.4%</td>
<td>11.6%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

*Proportion of social media channel members from the total number of RDC’s internal list subscribers surveyed (1,387).

**Source:** Adapted from RDMC, Ltd. 2011d.
Appendix G: Competitive Analysis of Online Sweepstakes Services

<table>
<thead>
<tr>
<th>PREMIUM ACCOUNTS &amp; FEATURES</th>
<th>Forum Features</th>
<th>Chat</th>
<th>Sweeps Archive/History</th>
<th>Faster entering</th>
<th>Better searching</th>
<th>Billing</th>
<th>No ads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online-Sweepstakes “Premium OLS”</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sweeps Advantage “Plus”</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Contest Canada (subscription only)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>WinForMe (service)</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>PrizePeople (free)</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Visnja Milidragovic, Competitive Analysis of Online Sweepstakes Services, prepared for Zahra Young, July 25, 2011, PDF.
What do you think is the best name for this Online Service?

<table>
<thead>
<tr>
<th>TOTAL RESPONSE</th>
<th>Total</th>
<th>BH</th>
<th>Prospects</th>
<th>RD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#/712</td>
<td>%</td>
<td>#/171</td>
<td>%</td>
</tr>
<tr>
<td>Reader’s Digest Health Club</td>
<td>189</td>
<td>26.5%</td>
<td>30</td>
<td>17.5%</td>
</tr>
<tr>
<td>Reader’s Digest Best Health Club</td>
<td>152</td>
<td>21.3%</td>
<td>44</td>
<td>25.7%</td>
</tr>
<tr>
<td>Reader’s Digest Weight-Loss Club</td>
<td>62</td>
<td>8.7%</td>
<td>11</td>
<td>6.4%</td>
</tr>
<tr>
<td>Best Health Weight-Loss Club</td>
<td>61</td>
<td>8.6%</td>
<td>27</td>
<td>15.8%</td>
</tr>
<tr>
<td>Best Health No-Fail Weight Loss Club</td>
<td>27</td>
<td>3.8%</td>
<td>5</td>
<td>2.9%</td>
</tr>
<tr>
<td>Best Health Diet Club</td>
<td>17</td>
<td>2.4%</td>
<td>7</td>
<td>4.1%</td>
</tr>
<tr>
<td>Other suggestion</td>
<td>45</td>
<td>6.3%</td>
<td>17</td>
<td>9.9%</td>
</tr>
<tr>
<td>I don’t have an opinion</td>
<td>159</td>
<td>22.3%</td>
<td>30</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Source: Adapted from RDMC Ltd. 2011d, Q19.
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