

Leveraging the Value of Your Ezine Subscribers

By Max Shifrin

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Since you came to the web and began to explore the subject of making money on the internet, you have heard from dozens of sources that what you really needed to do was to start your own newsletter. Chances are, you have heeded that advice and started your own ezine.

Now, you are probably struggling each month with the questions of how exactly you are going to make money with your ezine and how you can grow your subscriber base to the point where your ezine is a profitable part of your business venture. Publishers from around the world, in every imaginable niche of web publishing ask themselves and others these same questions every day.

Many people will step forward and present to you techniques to draw subscribers to your ezine, but I want to talk to you instead about strategy. Techniques are fine, they are the methods that you will employ to reach your goal. Strategy is much more. It is the science and art of conducting a campaign on a broad scale. The "science" is rooted in the ability to "measure" your progress and your results.

Many people have been bemoaning the demise of the advertising industry on the web. What this means to the publisher is that fewer companies are interested in spending money on advertising. In theory, this is an accurate assessment, but there is really much more to it. There are advertisers out there ready to spend money, but they want to know the dollar value of the audience they are targeting. They need to be able to "measure" the risk they take when they advertise.

In the previous internet business model, one visitor was as good as the next, and people bought and sold advertising based on the number of visitors or readers. Today, advertisers want to know the value of a visitor or a reader before they plunk down their advertising dollars. Who can blame them? It is just

good business practice.

The dot-bombs bombed because they failed to provide a measurable return value to their advertisers. They did not exercise solid business strategy in the development and the growth of their businesses, and paid the dear price of bankruptcy for their failure to employ the science of business to their enterprises.

So far at least 555 substantial Internet companies around the world have shut down since January of 2000. Of that number, 330, or almost 60 percent of the total, have shut down in the first six months of 2001 alone.

-- webmergers.com

More than nine times as many Web companies shut down in the first half of 2001 as in first half of 2000, or 330 compared with 36 in the same period last year.

--Reuters

Another reason the dot-bombs failed was because most of them relied on only one revenue stream. Unfortunately for them, they had placed all of their eggs in the "advertising revenue" basket. So when the advertisers began to pull back on the reins, the dot-bombs had no other choice but to close their doors.

A successful ezine is one that employs multiple streams of revenue. Often times, the most lucrative area for an ezine publisher is not advertising revenue, but back end sales and special offers. When you started your ezine, it was to support the business model that you have set up for your primary business. Sell your own products and services, and offer special purchase deals to your subscriber base. The potential profits from this type of activity far outweigh the profits you will see from advertising in most every case. Use this to your advantage. Once someone has purchased anything from you one time, he is much more likely to buy from you again. Find ways for your past customers to buy from you again. Leverage your advantage.

Once you have earned sales from your subscriber base, it is time to apply the "science" of business to your ezine. Remember, the "science" is the ability to measure progress and results. In order to do so, you must have a formula that you can apply to your business.

Here is a formula for calculating the value of your ezine subscribers:

$$\frac{(\text{Ad Revenue} + \text{All Sales to subscribers})}{\text{Number of subscribers}} = \text{VALUE.}$$

You should also calculate this formula with time as a measure. Whether you employ this formula on a per-issue basis or on a per-month basis is not important. What is important is that

you determine a standard time measurement and apply the formula to your ezine at the appropriate intervals. I recommend that you employ this formula at one month intervals. I also recommend that you refigure all of your totals after one year. In this manner, you will be able to determine an average monthly value and a average yearly value for your subscribers.

The "Value of your Subscribers" is the most important "measure" that you can apply to your ezine.

It has two very important roles for the strategic planning for your ezine and business venture. Once you know this value, you know how much you can afford to spend to increase your subscriber base. This is directly proportional to the planned growth of your ezine and business. It really is a science.

For example, if you know that the value of your subscriber is one dollar, then you know that you can realistically spend \$100 to get 100 new subscribers, and still break even. If the value of your subscriber is one dollar per month, even better. Your subscriber is now worth \$12 per year, and the \$100 you just spent to acquire 100 new subscribers is worth an additional \$1200 per year to your business.

The number representing the "Value of your Subscribers" has one additional benefit. If you develop a press kit telling potential advertisers the value your subscribers represent to your business, then advertisers will have the information they want and need to be able to open their wallets and spend advertising dollars in your ezine.

To understand the science of measure as it applies to your business model is the most important step in successfully developing the strategic planning you need to grow your ezine and business beyond your wildest dreams.

Resource Box:

Max Shifrin, the owner of <http://www.FunEzines.com> specializes in helping ezine owners build their subscriber base. Max uses massive promotions to generate hundreds, even thousands of subscribers every month for over 100 ezines! Want Max to grow your Ezine? Visit: http://www.funazines.com/clients_signup.cgi Make sure you subscribe to Max's Popular Marketing & Publishing Ezine Send an email to: <mailto:promotion-tips-subscribe@topica.com>

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