

POCKET \$75,000 A YEAR AS A NEWSLETTER PUBLISHER

According to Howard Penn Hudson, publisher of The Newsletter of Newsletters, "there are at least 100,000 professional and amateur newsletters in the United States--some estimate as many as 500,000--and they are read by millions of people."

WHAT A NEWSLETTER REALLY IS

There is some confusion about what a newsletter is as evidenced by many pieces of material that carry the name, but lack the proper characteristics. A newsletter is NOT a magazine; it is NOT a newspaper; it is NOT an ad sheet. It is none of these, yet it often encompass a few characteristics of each. A newsletter is, by simple definition, a LETTER containing NEWS about a specific field, business, profession, industry, hobby or activity.

HOW TO FIND YOUR PLACE IN THE NEWSLETTER FIELD

You don't have to be an accomplished writer to publish a newsletter, but you will need three basic elements:

1. A subject that is not being covered by other newsletters, or is not being covered thoroughly enough.
2. A specific market for your subject material. Unlike a magazine or newspaper which may require a circulation of 10,000 to over a million readers to achieve success, a newsletter can produce a nice profit with as few as 500 subscribers.
3. A continuing supply of material that you can draw from to provide readers with news, facts & feature articles, ideas, supply sources and other bits of information to round out each issue.

These are the basics. Naturally, you should be an AUTHORITY on the subject on which you intend to report through your newsletter. You can draw from your knowledge and experience, of course, but in addition to this you should be a member of associations, clubs organizations in your field, subscribe to several magazines, newspapers (possibly other newsletters) and other material, all of which will help to provide you with an on-going stream of information for your own newsletter.

Your function (other than publisher) will primarily be that as EDITOR OF THE MATERIAL you gather, refining it to useful worthy of printing in your newsletter.

HOW OFTEN SHOULD YOU PUBLISH?

Some newsletters are published monthly; a few are issued on a weekly basis. But until you work out the "bugs" and get yourself established in your particular field, it is advisable that you plan a QUARTERLY newsletter, publishing every 3 months. Thus, your newsletter will carry issue dates such as Jan-April-July & Oct. This will give you nearly three months between issues to gather material, write and layout the next issue. I say "nearly" three months because you'll have to allow at least two weeks (maybe longer) at the printer. Once you get a few issues under your belt, you might be able to work out a

tight schedule with your printer in which you can furnish newsletter copy on Monday and have the printed issues delivered to you on Friday. Until then, you will be at their mercy, and that means it might take two weeks to a month turn around time.

WHAT'S A GOOD NEWSLETTER WORTH?

When we talk about worth, we're referring to the value to a subscriber. It might surprise you to learn that some subscribers pay \$300 to \$400 a year to get their hot little hands on vital information that keeps them abreast of current trends and shifts in their respective fields. There are the heavy hitters; the major league newsletters that are few and far between, and need not concern us for this report. On the other end of the economic scale, many beginning newsletter publishers go too low in pricing their publication. Some are priced as little as \$12 to \$15 a year. It is extremely unlikely that these publishers will ever get out of the red and will soon be forced to increase their subscription rates or ultimately cease publication.

Right from the start you'll have to set \$24 a year as your bare minimum price. As time goes on, you might try \$36--\$48 or even \$64 a year...but don't go to the higher extremes until you can establish some kind of projections on the next year's edition.

WHAT ABOUT SIZE?

Some newsletters run 8-12-16-24 pages, and virtually all of them are printed in the convenient 8 1/2 x11 size. Naturally, the larger sizes are usually those commanding the higher subscription rates. You'll probably want to begin with the standard 8-page format. This can either be 4 single sheets printed both sides, or two 11x17 sheets printed two sides, folded to 8 1/2 x 11. If you go for the 8-page format at \$24 a year, published quarterly, this gives you a price of \$6 per issue. This might seem a bit steep for just 8 sheets of paper, but here's what you must keep in mind...and stress in your advertising and promotion: You are NOT selling and subscribers are not buying the paper; they are buying the INFORMATION you are providing, information that might easily cost them \$100 more each issue if subscribers had to search, weed out, edit, evaluate and condense the same information you are giving them.

A newsletter's true value (although style, format and printing quality are all important) is in the information content each issue offers its readers. This is what you have to sell. Everything else is packaging.

WHAT SHOULD YOUR NEWSLETTER CONTAIN?

It's your publication, so you can include anything that is moral, legal, ethical and useful to readers, just so it pertains to the subject and market for which it is intended.

Here are a few examples----

* EDITOR'S PAGE Here's the place for your own opinions, viewpoints, editorial comments about your subject or field. Say what you like or dislike about what's going on, what changes should be made, what the competition is doing, what happened at a

seminar you recently attended. Also, ask readers for their opinions about what you are providing in your newsletter; what would they like to see covered?; tell who's doing what. This is YOUR page to blow your stack or toot your own horn. Make the best of it.

* **LETTERS FROM READERS** Eventually you'll be getting letters from subscribers, some congratulating you on your progress, others complaining about you or somebody else in the field. A few might ask questions or be looking for additional help and information that you haven't yet provided in your newsletter. These can be printed as-is (with the subscriber's permission) or edited to fit your space. They also give you needed input for additional features in future issues.

* **BOOK REVIEWS--NEW PRODUCTS** Aside from your newsletters, there are probably many other publications out there offering information in your specific field: new books, magazines, newspapers, directories, courses, audio/visual tapes and, yes, maybe other newsletters. Buy some. Subscribe, read, evaluate, digest and report on them in this spot. Include a special invitation to solicit additional publications to be featured in future issues. Is there a new machine on the market? A new gadget or product that might help readers? Here's the place to tell them. All publishers, manufactures and distributors want and need publicity for their wares, and this gives them a good outlet.

* **WHAT'S NEW--WHAT'S HAPPENING:** This is where you report on the NEWS that makes your newsletter what it is. Include the latest innovations, changes in the law, new companies in the field, new ideas, new people, or anything that will help readers accomplish more in their field of interest.

* **GUEST WRITERS** If you see articles or columns in other publications by prominent people in the field, you can write to them and ask if you may reprint a particular article in your newsletters, naturally giving the author full attribution for their work. Some may grant permission if you allow them a plug for a book or service they provide.

* **USE YOUR IMAGINATION** Use your initiative to include whatever you think readers want to know. Be concise, keeping all information brief and to the point as you make every issue informative, interesting, helpful and valuable so subscribers will want to file all issues for future reference, and renew their subscription year after year.

BUILDING A SUBSCRIPTION LIST

This is what will make you a millionaire or break you as a newsletter publisher. It has been reported that many newsletter publishers must spend up to 75 cents on promoting their newsletter for every dollar they take in. Others say that at least 50% of their subscription revenue must be used for advertising and promotion. This means you can expect to spend \$500 in advertising for every \$1,000 in subscriptions you receive. If that seems discouraging, don't let it. You can still make big money in this field, but that's why the high subscription price was stressed earlier in this report. You need the additional dollars to work with.

As with promoting any product, you will advertise your newsletter in publications that are read by your target market. Also, if your market is somewhat limited, not the mass audience, you can solicit subscriptions by renting names of likely prospects. There is some disagreement on this, but most authorities tend to favor NOT offering a free sample issue or even a sample issue at the regular price. The reason given is that best results are usually obtained by building interest and anticipation in the advertising, but not satisfying the resulting curiosity until you get the subscription order. Once a prospect sees a sample issue, it seems, they have satisfied their curiosity about it and procrastinate about subscribing, usually not sending in their order at all, however sincere their intentions might have been. You might want to test both methods and continue with the one that brings best results for you.

A HYPOTHETICAL PROMOTIONAL CAMPAIGN

Let's say your newsletter will sell for \$24 a year. You spend \$5,000 in advertising and receive \$7,500 inquiries. You answer these inquiries with a good sales letter and descriptive circular explaining all the benefits of subscribing. You convert 10% of these inquiries to subscribers. This gives you 750 subscribers @ \$24 each for a total gross of \$18,000. Subtract your original \$5,000 advertising cost leaving you \$13,000. Now subtract the mailing cost to publish and mail your newsletter to subscribers 4 times a year, and this gives you a total cost of about \$1,050, depending on whether you mail First Class or use bulk mailing permit, which is a considerable saving. In round numbers it will leave a net profit of about \$10,000.

Of course, the next logical step is to increase the advertising to three or four times the original amount, hopefully to produce an equally proportionate number of subscribers or a net of \$40,000.

Although blatant hardcore advertising should NOT be included within the pages of the newsletter itself, you can generate additional revenue by including subtle offers of books, reports or a service that you can provide to readers. If presented in a dignified manner that is perceived as being helpful, not as cold advertising, this can provide many extra orders from subscribers throughout the year. Before subscription end, send renewal notice to keep the subscriber on your list. Everyone won't renew, of course, but you should be able to keep about 40 to 50% each year...and there will not carry the high promotional cost. That's where the real money will start coming. That's when you'll be well on your way to your \$75,000 a year...or even more.