

# THE DEVELOPMENT AND USE OF THE CONDÉ NAST PREFERRED SUBSCRIBER NETWORK™

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## Introduction

This paper describes the methodology, development and typical applications of a large-scale subscriber survey undertaken by Condé Nast Publications for the purpose of developing a unique marketing partnership among the Condé Nast magazines, their subscribers and their advertisers to enhance circulation management and support the advertising sales process. After describing the methodology and data collection, the paper presents 2 case studies which highlight the use of the subscriber research data.

## Background of the Project

Prior to the genesis of the Preferred Subscriber Network™, the Advance Marketing Database® consisted of approximately 18 million individuals, encompassing both active and expired subscribers. As many as 1,600 bytes of data were appended for each individual, including demographic and lifestyle data purchased from Acxiom/Infobase, Polk automotive data, and wealth measures provided by Experian Corp. The result was a highly enriched, state of the art consumer database, with both subscribers and a sampling of newsstand readers (collected through bingo cards) represented on the base.

For many organizations, that's enough – a database of subscribers with an extensive overlay of commercially available data is adequate. However, all publishing companies are experiencing heavy – and increasing -- competitive pressures in the marketplace, both in the advertising sales and circulation areas, pressures which call for new tools. Condé Nast – and, specifically, Executive Vice President Catherine Viscardi Johnston – felt that Condé Nast needed to take another step to turn the database into a tool that could give us in-depth insights into our readers, initiate a dialog with our “best” subscribers, and forge stronger marketing relationships with our advertisers. Her vision was a database that gave our circulators and our advertisers unique knowledge about our/their best customers. To realize that vision, she initiated the Preferred Subscriber Network™ project in July, 1997.

## Phase I: 1997 Pilot Study

Before the benefits of the Preferred Subscriber Network™ (“PSN”) could be realized, the considerable challenges of methodology and data collection had to be mastered, particularly those involving timing and matching respondents back to the database. The initial delivery method for the survey involved inserting questionnaire packets (“onserts”) into the polybags (plastic wrappers) in which Condé Nast usually mails most of its magazines. However, before embarking on a large-scale data collection effort, a pilot study was designed and executed to determine the most cost-efficient method of collecting the data. Six alternative incentive offers were considered for the rollout planned for 1998 and were tested as part of the pilot study. The primary objectives of the pilot study were:

- To determine which incentive approach obtained returns most cost-efficiently. The approach to be used for the full-scale effort was to be determined on a cost per usable return basis.
- To establish the quantities of magazine onserts needed for the full-scale 1998 data collection effort. We anticipated that we would obtain different response rates by magazine and we needed to know what were reasonable response rates to use during the roll-out in 1998 because Condé Nast had established targets on a magazine by magazine basis for responders to be added to their database.
- To test and iron out any potential logistical problems with the entire process (i.e. coordinating shipments to the printing plants, assessing potential data entry and respondent matching problems, and establishing a working relationship with Condé Nast's database maintenance supplier).

Fifteen of Condé Nast's magazines were included in this pilot study:

Architectural Digest	GQ
Allure	House & Garden
Bon Appétit	Mademoiselle
Bride's	New Yorker
Condé Nast Traveler	Self
Details	Vanity Fair
Glamour	Vogue
Gourmet	

The test involved a total of 137,000 onserts with mail-out quantities ranging from about 3,000 for a bridal magazine to about 20,000 for a general interest magazine. Only subscribers who had renewed their subscriptions at least twice were selected to receive these packets. The number of subscribers selected for each magazine in the pilot corresponded to each magazine's proportion of the total multiple subscribers in the full Condé Nast database. This selection criterion was used because multiple subscription contract subscribers have a high renewal rate. The cost of data collection was such that it was prudent not to collect data from someone who might not be a subscriber any longer by the time the data were put to use.

The six alternative incentive offers evaluated were:

- A \$1.00 bill included in the packet along with a letter from the magazine's publisher.
- A promise of a gift from the magazine (by return mail) along with a publisher signed letter. The gift offered was different for each magazine.
- A sweepstakes offer for a substantial prize along with a publisher signed letter.
- No incentive in a publisher signed letter.
- A \$1.00 bill included in the packet along with a letter from a Condé Nast executive. The letter did not make any reference to a specific magazine.
- A promise of a gift from Condé Nast along with a letter from a Condé Nast executive.

Ultimately, based on publisher requirements, eighty-eight unique questionnaire packets were tested.

The questionnaire packet itself consisted of the following:

- The incentive offered (if any)
- A cover letter explaining in details the concept of the PSN to the subscriber. Each letter from the magazine's publisher was customized for the magazine it accompanied (i.e. for *Allure* there were references to beauty products, for *GQ* references to men's fashion and accessories, etc.)
- The questionnaire which was an eight-panel booklet covering specific brand usage for all of the categories of interest to Condé Nast
- A postage-paid return envelope

The pilot study questionnaire covered more than 20 categories and nearly 500 individual brands, not including individual automobile makes and models by year. All onserts were made onto November 1997 issues. These PSN packets were shipped, after full assembly and rotation of the incentive alternatives, to the appropriate printing plant for each magazine. It should be noted, however, that while the full list of subscribers for each magazine was pre-selected, there was no way of identifying individual responders unless the respondent correctly transferred his or her subscription identification information from the mailing label to the questionnaire or provided their complete name and mailing address. The subscriber ID or the name and address could be matched back to Condé Nast's database using match-code software. However, the 3-month lag time between the initial selection of the names and the time that the survey actually reached the subscribers meant that a certain percentage of the subscribers had changed their addresses and/or names in the interim, and could not all be matched back to the current database.

By the end of January 1998, the response rates for all six alternatives far exceeded our expectations.

<b>Pilot Study Response Rate by Incentive</b>	
\$1 incentive/letter from publisher	27%
\$1 incentive/letter from Condé Nast	24%
Gift from magazine	21%
Sweepstakes	16%
No incentive	15%
Generic Condé Nast Gift	15%
Overall Pilot Study Response	20%

As we anticipated, there were substantial differences in the overall response rates on a magazine by magazine basis. They ranged from a low of 13% to a high of 27%.

<b>Response Rates by Magazine Including all six incentives</b>			
<u>Magazine</u>		<u>Magazine</u>	
A	13%	I	20%
B	15%	J	20%
C	16%	K	21%
D	17%	L	23%
E	19%	M	23%
F	19%	N	25%
G	20%	O	27%
H	20%		

Finally, at the data entry and analysis phase, we were successfully able to match about 80% of the returned surveys to the subscribers who were selected and received the onserts during the initial data entry processes using a very conservative name and address matching algorithm. The remaining responders did not provide us with sufficient information to make an initial match.

## **Phase II: 1998 Full-Scale Data Collection via Onserts**

Based upon the results of the pilot, we determined that the most cost efficient approach (lowest cost per usable return) was to use **no incentive**. Onsert quantities and targets on a magazine by magazine basis were then established based upon the response and the match rates obtained in the pilot for each magazine.

Condé Nast established an overall target of 300,000 usable returns for the 1998 data collection effort. Each magazine had its own minimum target in the mix—so the overall distribution pattern of PSN packets in 1998 was somewhat different than the pilot study. In order to reach the targets, the overall onsert quantity to be used over the course of the year was set at 3 million. PSN questionnaires were distributed over the last 8 months of 1998, starting with May issues.

This, of course, resulted in a logistical nightmare. It involved:

- Coordinating monthly shipments of PSN packets for each of 16 magazines (Sports for Women had been added to the roster) to correspond to actual bindery dates
- Coordinating the delivery of data to Condé Nast's database supplier each month to allow for monthly updates of the data
- Working with the production facilities to avoid conflicts with other onserts which were scheduled for each magazine (i.e. magazine supplements, advertiser onserts, etc.)

All of these factors resulted in a good, but less than perfect questionnaire distribution process. Some magazines had PSN onserts on all of their issues during this period. For others, only three or four issues were delivered to subscribers with PSN onserts. Scheduling depended upon what other onserts were scheduled for each magazine.

At the end of this eight month data collection process a total of 345,000 surveys were returned for an overall response rate of 12% (compared to 15% obtained in the pilot study with no incentive). The response rates were lower across all fifteen magazines included in the pilot study.

<b>Response Rates</b>		
<b>Magazine</b>	<b>Pilot with no incentive</b>	<b>1998 full scale process</b>
A	24%	19%
B	20%	17%
C	18%	16%
D	18%	15%
E	17%	13%
F	16%	12%
G	16%	13%
H	16%	11%
I	16%	12%
J	14%	13%
K	13%	10%
L	13%	12%
M	11%	9%
N	10%	7%
O	8%	8%
P	NA	8%
<b>Overall</b>	<b>15%</b>	<b>12%</b>

The reasons for these lower response rates can only be guessed at. However, factors such as seasonality (the pilot was executed for only one issue in 1997 while the 1998 study was executed over eight months) cannot be ruled out. In addition, over the course of the year, the pool of 2+ renewers was exhausted for some magazines, which necessitated using some one-time renewers whose response rates were slightly lower.

Additionally, the ability to match returned questionnaires to the subscribers to whom they were sent was somewhat diminished. As a result, the number of usable surveys from the 1998 collection process initially was only 270,000 instead of the target number of 300,000 set at the beginning of 1998. However, the records of all those who were not matched during the initial data entry processes were then forwarded to Condé Nast's database maintenance supplier for a follow-up matching attempt. This firm was able to successfully match 55% of those who did not initially match up to the files. Thus, about 310,000 or 90% of all those who returned usable questionnaires in 1998 had their PSN data successfully merged back into Condé Nast's database. Moreover, approximately 4% of the unmatched surveys could be linked to subscriber households, e.g., a wife filled out the survey from the husband's copy of the magazine, thus providing data on the household.

### **Phase III: 1999 Data Collection via Direct Mail**

Because of the persistent logistical problems of coordinating monthly shipments of PSN packets to the printing plants and the fact that each Condé Nast magazine was adding more and more of their own onserts to its magazines, using the onsert process for PSN during 1999 became increasingly problematic.

As discussed above, matching a returned questionnaire to a known subscriber was also difficult, since it depended upon the respondent's accurately transferring a 14-digit id number from his or her mailing label to the questionnaire or their filling in their complete name and address and our successfully matching it. Additionally, the onsert process did not allow for any flexibility. Magazine publisher changes and/or logo design changes could not be easily accommodated because of the massive up-front printing volume necessary to execute the onsert process cost-efficiently.

As a result, data collection for 1999 was changed to a direct mail approach. In 1999, this has involved mailings of 100,000 surveys per month over a nine-month period. The major difference in this approach is that the questionnaire is printed as 6-panel form (collecting the same amount of information as the 8-panel booklet) and the explanatory cover letter is custom-printed along with the appropriate magazine logo and publisher's signature using "on the fly" laser technology on a subscriber by subscriber basis. This approach alleviated all three of the problems of the onsert process described earlier:

- Coordination with the printing plants was no longer an issue since the questionnaires are mailed directly to subscribers. This means that all magazines send questionnaires to subscribers each month. Additionally, if Condé Nast acquires new magazines, they can easily be folded into the mix using the "on the fly" laser technology approach.
- All returned questionnaires are automatically matched since each questionnaire has the subscriber information laser-printed on it directly.
- Any changes to a magazine's logo and/or a publisher's name/signature or a cover letter can easily be handled with one-month's notice for any magazine.

The biggest surprise in 1999, however, has been the subscribers' response rate. The first three month's returns from the direct-mail approach have yielded a 15% overall response rate, all of which are usable because of the 100% match rate.

<b>Response Rates</b>			
<b>Magazine</b>	<b>Pilot</b>	<b>1998</b>	<b>1999</b>
<b>With no incentive</b>			
A	24%	19%	18%
B	20%	17%	21%
C	18%	16%	15%
D	18%	15%	18%
E	17%	13%	13%
F	16%	12%	15%
G	16%	13%	16%
H	16%	11%	17%
I	16%	12%	14%
J	14%	13%	17%
K	13%	11%	12%
L	13%	12%	14%
M	11%	9%	12%
N	10%	7%	9%
O	8%	8%	9%
P	NA	8%	19%
Q	NA	NA	13%
<b>Overall</b>	<b>15%</b>	<b>12%</b>	<b>15%</b>

The overall result of this 1999 direct mail approach has been a better response rate and a much more cost-efficient data collection effort compared to the 1998 onsert approach—one that will continue to be used in 2000 and beyond. Before coming to this decision, additional pilot-testing was conducted during 1999 to determine if a modified onsert approach might be more cost-efficient than the direct mail approach. This test occurred in March 1999 among subscribers to three magazines and the results of this test conclusively proved that the direct mail approach currently in use continues to be the most cost-effective.

In addition, circulation promotion tests were conducted in 1999 to assess the feasibility of using the PSN mailings as an early renewal promotion device, as well as incenting subscribers for answering the survey with a special renewal offer. Somewhat surprisingly, the response rates for these test mailings were materially lower than those that did not include any magazine subscription renewal attempts and thus the PSN mailings do not include any renewal promotions. We do not have an explanation for the failure of the special renewal offer to raise response rates.

**Profile of the respondents**

Who responded to the survey? We compared the responders to our active subscribers overall, to the 2+ renewers overall, and to some other responder populations available on the database. The table below shows that, compared to the total active subscribers, the 2+ renewers overall are more affluent, older, and slightly more likely to be male. They also are less likely to show selected lifestyle interests, compared to our subscribers overall. The PSN responders (who are 2+ renewers) are more likely to be female than either the 2+ renewers overall or the active subscribers. They are also more likely to come from both ends of the age distribution, i.e., under 35 and 56+, in contrast to the 2+ renewers overall or the active subscribers, who are more likely to fall into the 36 to 55 age range. The PSN responders are less affluent than the 2+ renewers but are similar to the active subscribers. Finally, the PSN responders are more likely to indicate interest in sweepstakes and contests, money-making opportunities, self-improvement and casino gambling, a constellation of interests which we have seen in other responder groups on the database. They are also more likely to exhibit other lifestyle interests which are characteristic of Condé Nast subscribers.

	<b>PSN responders</b>	<b>2+ renewers</b>	<b>Active subscribers</b>
Gender: Female	65%	59%	60%
Male	24%	28%	26%
Age: 18 to 35	28%	20%	28%
36 to 55	42%	50%	47%
56+	30%	21%	25%
Income: Under \$50,000	36%	30%	37%
\$50,000 - \$99,999	39%	40%	39%
\$100,000+	25%	30%	24%
Lifestyle interests:			
Physical fitness/exercise	44%	39%	39%
Gourmet cooking/fine foods	36%	33%	28%
Cultural/arts events	34%	29%	24%
Foreign travel	34%	30%	25%
Fashion clothing	28%	20%	20%
Self-improvement	19%	15%	17%
Sweepstakes/contests	14%	9%	11%
Casino gambling	11%	8%	9%
Money-making opportunities	7%	6%	7%

The lifestyle interests point up another characteristic of the PSN responders, i.e., their tendency to show more lifestyle interests across the board. It might be expected that interest in gourmet cooking and fine foods, cultural and arts events and foreign travel would be more characteristic of the more affluent 2+ renewers, but that isn't the case. Instead, the lifestyle interests, which are collected by R.L. Polk, Inc. from product warranty cards and surveys, demonstrate that PSN responders are apparently more likely to have responded to those data collection venues as well. In this regard, the PSN responders are again similar to other responder groups. To check this out, we compared the number of lifestyles per individual for several different groups of responders on the database versus the base groups from which they were drawn. As the table below demonstrates, responders of all types are likely to exhibit more lifestyle interests than the base population from which they came. While the finding was serendipitous, we have begun to test the use of number of lifestyles as a selection criterion for mailings such as subscription promotions or event invitations in order to improve our response rates.

	<b>1 to 5 lifestyles</b>	<b>6 to 15 lifestyles</b>	<b>16 or more lifestyles</b>
PSN responders	5%	41%	54%
2+ renewers overall	8%	46%	46%
Subscribers who sent in magazine response cards requesting advertiser information	6%	40%	54%
Total subscribers	8%	45%	47%
Responders to catalog of fitness-related products	4%	34%	62%
Individuals who received catalog	7%	45%	48%
Responders to automotive test drive offer	4%	36%	61%
Individuals who received offer	7%	45%	48%

Finally, how did our change of methodology affect our responder profiles? From the initial test in November, 1997, through December, 1998, our surveys were delivered through polybagging with subscriber issues. Starting in January, 1999, we began mailing individually-addressed surveys to subscribers. The change in methodology was also accompanied by three complicating factors: 1) an increase in the number of 1-time renewers surveyed and a corresponding decrease in the number of 2+ renewers; 2) the addition of two new magazines to the mix, *Wired* and *Women's Sports & Fitness*; and 3) a change in the target quantities for each magazine. The complicating factors make it difficult to attribute the profile changes to the methodological change. However, the differences are summarized below for inspection and lead us to believe that the mailed surveys have been somewhat more successful in reaching young subscribers who were under-represented in our earlier efforts. Their responses to the PSN questions give us a picture of more physically active individuals who are involved in a wide range of interests and activities, and are active consumers of products and services in a variety of venues and categories. The more youthful profile has led to an increase in early marriage and family lifecycle events, such as having children, buying homes, etc.

	<b>1998 responders</b>	<b>1999 responders</b>	<b>2+ renewers overall</b>
Gender: Female	65%	64%	59%
Male	24%	24%	28%
Age: 18 to 35	27%	35%	20%
36 to 55	42%	41%	50%
56+	31%	24%	21%
Income: Under \$50,000	36%	39%	30%
\$50,000 - \$99,999	39%	39%	40%
\$100,000+	25%	22%	30%
Lifestyle interests:			
Physical fitness/exercise	44%	43%	39%
Gourmet cooking/fine foods	37%	32%	33%
Cultural/arts events	36%	30%	29%
Foreign travel	35%	29%	30%
Fashion clothing	28%	25%	20%
Self-improvement	19%	18%	15%
Sweepstakes/contests	14%	14%	9%
Casino gambling	11%	11%	8%
Money-making opportunities	7%	7%	6%

### Using the PSN data: The Beauty Panel Project

A major project involving subscribers drawn from the Preferred Subscriber Network™ was undertaken this summer to provide the manufacturers of beauty products with timely research information, coupled with an ongoing dialogue with users of their products. The beauty market has been in a state of flux for the past 10 years, leading to a highly fragmented market flooded with products which are often indistinguishable in terms of benefits and quality. In addition, the number and types of venues where beauty products are sold has increased dramatically, with a corresponding blurring between “mass” and “prestige” products, and an increase in market share lost to non-traditional outlets and exotic new brands. The need for current and ongoing market information is critical, but few beauty manufacturers have access to their own customers. To fill the information gap, Condé Nast launched BeautyLab in the spring of 1999.

BeautyLab began with the PSN population. Using the data on ownership of beauty products, Condé Nast isolated a group of approximately 50,000 female PSN respondents who owned 4 or more beauty product brands which included at least one prestige product and one mass product. Earlier research with the PSN data had established that “cross shoppers”, i.e., consumers who purchased both mass and prestige brands, tended to own a wider variety of brands in many categories and to shop in more outlets. Thus, the group isolated was considered to be more actively involved and interested in the beauty market than the average beauty product user, i.e., they are the manufacturer’s “best customers”. From that group, a random sample of 20,000 was selected to receive a 10-page survey on beauty products with an incentive of a sweepstakes drawing for a \$3,000 American Express gift certificate. The response rate to the lengthy and dense survey was over 50% in 4 weeks time, suggesting that, indeed, the women surveyed were keenly interested in the beauty market.

The survey itself offered a wealth of information on the current state of the beauty market and the product use and shopping habits of the respondents. Among the insights generated was the extent to which the cross-shopping phenomenon has become the dominant shopping pattern among beauty consumers, the limited nature of brand loyalty, and the need for beauty manufacturers to pursue a strategy of placing their product in multiple venues. However, that information could be gained through standard research studies. What unique value did PSN contribute to the research and to beauty manufacturers?

The unique value of BeautyLab is three-fold:

- 1) the ability to link the responses to the beauty survey with the rest of the PSN data and other enhancement data on the database, so that, for example, we can provide demographic data and other lifestyle data from the PSN survey for profiles of the heavy, medium and light users of a manufacturer’s brand;
- 2) the opportunity for ongoing recontacts with these “hand-raisers” to enrich the pool of data collected on these subscribers and chart changes in their beauty attitudes and behaviors over time, crucial knowledge for the publisher of 7 beauty and fashion magazines;
- 3) the potential for segmentation and modeling using the PSN respondents to select “best prospects” for future product launches, events, product tests, ad testing, sampling with feedback, loyalty programs, and other activities, creating an ongoing laboratory for experimentation and evaluation.

An example of follow-up research is a project undertaken for a major beauty manufacturer as a sequel to BeautyLab. After discovering that a number of women who used color cosmetic products were not users of their products, a follow-up telephone survey was fielded among the non-users. The results suggested that the presentation of the products at point of sale did not invite trial or communicate the products’ benefits in a way that would entice shoppers to try them. Since product trial is a major purchase motivator in the beauty area, their products weren’t breaking through the clutter at retail and their image-driven advertising wasn’t communicating the benefits strongly enough to overcome the presentation. A potential follow-up to the research findings is the use of PSN and/or BeautyLab responders for sampling, package testing and/or ad testing, as well as follow-up research to see if product purchase behaviors have changed as a result of interventions.

### Using the PSN data: An Automotive Promotion to Introduce a New Model

“When was the last time your restaurant reservations included gourmet cuisine, live entertainment and multi-adjustable power front seats?” That was the opening line, superimposed over a picture of a gourmet table setting, for a test drive invitation sent to selected Condé Nast subscribers from a manufacturer of luxury automobiles. The promotion began when the manufacturer approached us to partner with them in hosting test drives in 8 cities across the United States to introduce a new model. The promotion was unusual in that the manufacturer’s degree of confidence in the new model was such that they were willing to let attendees compare the new model with competitive set cars from other manufacturers in side-by-side test drives at the event.

We began by mining the PSN data for a series of profiles of individuals who owned the manufacturer’s cars as well as cars in the competitive set. Using the PSN data, we were able to develop a rich lifestyle picture of the potential buyers for the new model, which highlighted their interest in gourmet food, travel, upscale entertainment, and cultural events, as well as the very high level of discrimination they brought to their consuming activities in all areas. The profiles suggested that the potential buyers are very appearance-sensitive, so that every aspect of the event had to enhance their feeling of being special. This was used to develop the creative for the invitations to the test drive, as well as structuring the event, which included gourmet cooking demonstrations and food, as well as musical entertainment. The product data on the profiles also helped in the selection of a gift for attending the event, a Coach leather CD holder.



The invitations for the event consisted of a six-panel mail piece which was elegantly-produced and highlighted the gourmet and driving aspects of the event through pictures. It invited the recipient to attend the event on either of two weekends and informed them that they would have the chance to test-drive the new model and their existing models as well as competitive cars from other manufacturers. It also invited them to watch celebrity chef demonstrations, accompanied by gourmet food and music. They were assured that no sales representatives would be in attendance. Reservations were required, both to underline the exclusive, invitational nature of the event and to facilitate event management.

The selection criteria for the 375,000 subscribers receiving the invitations were based on the profiles and consisted of automotive ownership, age, higher income levels, and selected PRIZM clusters. In addition, we tested segments of PSN responders compared to other subscribers. Prior to each mailing, we produced maps of each event for the manufacturer, showing the location of the invitees relative to the event location. When the subscribers arrived at the event, they were given a name tag which they carried throughout the event. Before leaving, they turned in the name tag and filled out a survey which asked about their car ownership and their perceptions of the cars from their test drives, among other information. The name tags allowed precise tracking of the responders.

To date, seven events have been completed, with average response (attendance) rates ranging from 2.1% to 3.2%. The segments consisting of PSN responders have produced response rates ranging from 3.5% to 8.8%, another indicator of the responsiveness of these subscribers. Overall, the response rates for the event compare very favorably with those obtained in prior promotions. Since the target audience was a very affluent group and one which is usually very difficult to motivate to attend events, the response is a testimony to the targeting, the creative and the planning enabled by the PSN data.

The partnership with the manufacturer in the test drive program is a continuing one. Responders from the events will be matched back to the database, allowing us to profile responders. We will also construct a model (or models) of the people who responded, so that we can pull "best prospects" for the events in 2000. The final profiles of the PSN subscribers, together with the results of the exit survey, may also suggest alterations in the creative, the incentive gift, or the elements of the event.

### **Future Plans**

In 2000, we plan to continue collecting PSN data to maintain the active subscriber level at approximately 325,000 respondents. We are also planning two extensions of the program. The first of these is to collect data from a representative national sample of respondents, for use as a reference file with our subscriber data. This will give us valuable context for the data we have collected on our subscribers. To do this, we will pull a national sample from Infobase List, a database with information on approximately 95% of U.S. households and field it in the early part of 2000.

The second initiative we will undertake in 2000 is to collect PSN data from a series of representative subscriber samples over the course of the year. While the subscriber studies will enhance the value of PSN as an advertising sales tool, we also expect to use the rich lifestyle data available from PSN to identify opportunities for new products among our subscriber base. We also expect to mine the PSN data more intensively for circulation purposes, e.g., identifying lifestyle segments for special offers, looking for patterns of migration through our stable of magazines which will inform the timing and patterns of our subscription promotions, etc.

While the Preferred Subscriber Network™ represents a considerable investment for Condé Nast Publications, our use of the data is limited only by our imaginations. We've only begun to exploit the rich potential of the data as a sales, circulation and subscriber research tool.

