



Trends and Challenges in Publishing: Magazine Survey 2010

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1. Introduction

The growth of digital and online channels continues to compete for consumer attention and increasingly fragment audiences that once turned to traditional media as a primary source of information and entertainment. This fragmentation has often left print with less than its fair share of advertising dollars.

Publications are also facing new challenges including:

1. How to target accounts mostly limited to local/regional advertisers
2. Limited access to syndicated media research data (e.g. MRI, Simmons) for smaller audiences results in fewer national advertising accounts
3. General lack of advertiser information/subscriber data to better customize their advertising pitch by category
4. Misalignment between pre-campaign marketing segmentation and advertiser audience segmentation
5. The availability of tools that can deliver reliable, data-based post-campaign ROI/response measurement

LogicLab set out to determine the tools and resources publishers and editors most frequently use to stay current with industry trends and events. As such, a survey was conducted in December 2009 as an online invitation sent to individual publications with specific name and email address. All invitations were sent via email.

2. Composition of Surveyed Respondents

The findings reflect the views and opinions of 58 respondents. Of the total respondents, 61.4% are publishers/owners. The second highest group, by function, are editorial (21.1%), followed by sales management (12.3%).

The top five industries by surveyed publications included:

1. Special interest or lifestyle (48.6%)
2. Commercial/professional (35.1%)
3. Demographics (e.g. seniors, parents) (13.5%)
4. Media (10.5%)
5. Travel or entertainment (7%)

Other industry representation in terms of publication content include: Automotive (5.3%), consumer packaged goods (3.5%), retail (3.5%), pharmaceuticals and healthcare (1.8%) and computer/IT/high-tech (1.8%), the majority of special interest publications surveyed are publications with 50,000 or fewer subscribers (86%). The subscriber universes of the remaining publications breakdown as follows:

- Less than 9,000 (40.4%)
- 50,001 to 100,000 (12.3%)
- Over 100,001 (1.8%)

3. How Survey Respondents Keep Themselves Up-To-Date

Kaila Colbin, in a Media Post *Search Insider* column, defined a useful marketing query called “Find the Kitchen.” It is about finding where the party really happens and where people are compelled to go, which is often not the official place (i.e. the kitchen being where people congregate instead of the living room).

To find out where people are going for news and updates and to share ideas, LogicLab wanted to know how publishers and executives at publications keep themselves up-to-date with the latest industry information.

According to surveyed respondents, industry events and industry associations are the top two sources for gaining new information and keeping up with industry trends at nearly 69%.

Top industry event preferences include:

- Industry-specific events (22.4%)
- Publication-sponsored (e.g., Folio, MIN) events (10.3%)
- Regional events (10.3%)

Top industry association categories include:

- Regional (12%)
- Industry specific (10.3%)
- Publishing (8.6%)

The 2010 Magazine Survey also asked respondents to compare various channels of information to find out what was most used and what least used.

Online, the most frequently used sources of information to share ideas with industry colleagues and/or keep up with industry trends include:

- Facebook Groups (28.1%)
 - e.g. magazines, business, demographic, industry specific
- LinkedIn Groups (19.3%)
 - e.g. magazines, advertising, social marketing, publishing
- Twitter/Twitter lists/hashtags (17.5%)

The top five most often used channels for getting news and new job- and industry-related information include:

1. Internet (general Web and/or specific Websites (37.9%)
2. Press releases/PR pitches/newswires (31%)
3. Associations (17.2%)
4. Emails (13.8%)
5. National print magazines/newspapers (12.9%)

The most often used channels to learn about new products and services are:

- Articles in print (49.1%)
- One-on-one phone calls (47.2%)
- Direct emails (41.1%)
- One-on-one chat (25.5%)

Channels that survey respondents say they never use to learn about new products and services are:

- Ning (customized social media networks) networks (80.8%)
- Mobile notices (65.3%)
- Twitter (57.7%)
- RSS Feeds (37.7%)

4. Generating Advertising Revenue

The recent macro-economic climate has put even a stronger spotlight on a publication's ability to generate advertising revenue. As individual titles seek to keep and gain advertising dollars, we wanted to find out what other sources of advertising revenue show promise and where the new dollars are coming from.

Depending on the business model of the surveyed publication, the most significant sources of revenue are:

- Advertising (100%)
- Subscribers (39.1%)
- List managers/direct mail campaigns (12.5%)

Small, but growing, sources of revenue include:

- Sponsorships (60.9%)
- Cross-channel promotion with other properties in group (52%)
- Event hosting and organizing (45.8%)
- List managers/direct mail campaigns (37.5%)

Respondents considered content — both print and digital — as the single most effective tool to attract advertising revenue (27.6%).

Other revenue-boosting tools considered to be effective include:

- Networking/personal sales calls (24.1%)
- Events/promotions/loyalty programs (13.7%)

5. Challenges for Generating Revenue

In the macro-economic climate of tightened spend and slower than recent historical growth, special interest publications appear to be facing similar challenges in terms of competition for their advertising revenue.

By category, the top competitors for the surveyed publications' advertising revenue are:

- Other magazines (31%)
- Websites (25.6%)
- Newspapers (10.9%)

The issues considered either somewhat or very important in making an impact on publication advertising revenue levels are:

1. Inability to more fully leverage audience data (76%)
2. Availability of tools to deliver post-campaign ROI/results metrics (72%)
3. Fragmentation of audience due to mobile/online/digital media (70.3%)
4. Insufficient data about subscribers to better demonstrate match to advertiser segments (68%)
5. Mismatch of audience segmentation with advertiser segmentation (48%)

As such, the most often mentioned missing tool or data that would most significantly improve a publication's ability to attract more advertising revenue is results metrics/data/tracking (35.7%).

6. In Summary

While multiple sources of information and industry news are utilized by respondents (primarily publishers and owners) to keep up to date, there does not appear to be a predominant set of specific events, associations or sources on which most publications rely for their updates. Instead, there appears to be a wide range of regularly utilized sources that depend in part on the subject matter of the publication as well as any local or regional geographic focus.

This could indicate a possible use of a more centralized focal point for special interest publications. Such a focal point would provide useful information and industry news across subject matter and geographic focus. Given the high, existing levels of usage of digital sources of information (websites, Internet search, emails); a digital “kitchen” could be very useful for special-interest publications.

Although content remains king in terms of attracting and retaining advertising revenue, it does appear that additional tools – ones which support publishers in being considered by new national advertisers – would help the category significantly.

About LogicLab™

LogicLab™ develops innovative solutions that match advertisers with the best media choices possible. By placing actual consumer data at the center of media evaluation, the LogicLab Media Marketplace™ enables advertisers, agencies and media buyers to, for the first time, optimize and measure campaigns using the same proven quantitative criteria used in disciplines such as direct marketing. The LogicLab Media Marketplace™ also gives media owners the ability to attract new and diverse advertisers. Founded in 2009 and based in New York, NY, LogicLab Inc. is a wholly owned subsidiary of Merkle Inc.

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