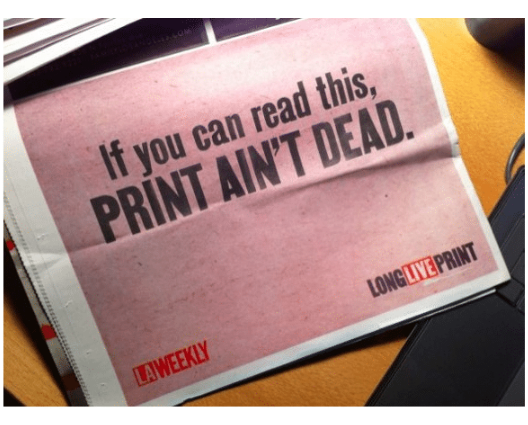
Print Is Still Big Business in Magazine Media

Far from dead, print continues to be a critically important product for publishers.

By Beth Braverman :: February 22, 2018



The last decade has seen massive shifts in magazine media, in part due to digital publishing startups that are competing by creating innovative (and cheap) products that aim to stay a step ahead of ongoing disruptive forces. Worse, the rise and scale of the duopoly has left most publishers fighting for virtual table scraps.

Many content producers responded aggressively with a (often ill-advised) "pivot to video," while others are leaning more on social channels, where the rules continue to change. Still, despite the perception by some that print is dying and digital is the only way to survive and thrive, there are publishers who still recognize value in print.

After all, print continues to generate the largest chunk of revenue for most legacy publishers. Print advertising accounted for 62 percent of the $16.6 billion in magazine advertising revenue in fiscal year 2016, according to PwC's most recent research, and 87 percent of circulation revenue came from print products.

"We see it as print *and* digital; not print *or* digital," says Jon Werther, president of Meredith's National Media Group.

At Meredith, print revenue accounted for two-thirds of overall advertising revenue, and circulation represented 30 percent of revenue in 2017, making it the company's second-largest revenue stream.

"The old trope that print is dead is just lazy thinking," says Linda Thomas Brooks, president and CEO of the MPA—the Association of Magazine Media.

While many ad dollars that were previously allocated to print will almost definitely not bounce back to pre-recession (and pre-mobile) totals, brands still want to invest in print campaigns, and continue to believe in the power of the medium to get their message across.

"There is so much innovation that you can still bring to the magazine part of the business," says Chris Mitchell, chief business officer for the Condé Nast Culture Collection. "For a while we were so focused on innovation equaling digital that we as an industry didn't put quite enough of our brain power into how we could integrate the businesses and the delivery of magazines."

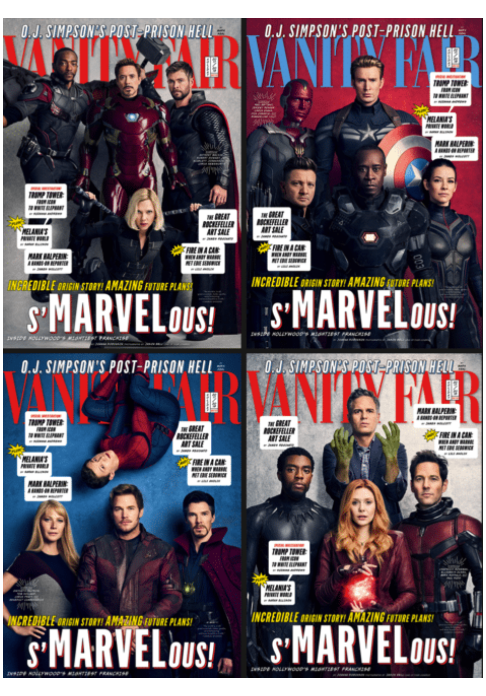
The Data Play

The ability to use big data to prove the value of print advertising has become even more important as publishers find themselves competing with data-rich digital rivals. Print publishers have responded with hard numbers of their own. Meredith, for example, uses the Meredith Sales Guarantee to measure and guarantee the incremental sales impact of advertising in print, digital and cross-platform. In every case, advertisers have seen a positive ROI and increase in sales, and the company plans to roll out the program to cover it's recently-acquired Time Inc assets, Werther says.

Bauer Media—where more than three-quarters of revenue comes from print—uses GFK MRI's Starch research data to show advertisers how it can help them meet their marketing goals.

"Because readers are making an active purchase decision the day they read the magazine, we provide outsize reader engagement that we can very convincingly demonstrate with third-party data," says Steven Kotok CEO of Bauer Media Group USA. "And because our readers are retail shoppers who encounter and purchase our products in a retail environment, we are uniquely able to activate retail consumer purchases."

Focus on Frequency



Some titles have made changes to their frequency in recent years in an effort to align issues with events and both reader and advertiser demand rather than simply with a traditional calendar. While *Vanity Fair* did not reduce its number of issues out each year, slight calendar shifts have made its print magazine more profitable, Mitchell says.

For example, instead of putting out both a December and January issue of *Vanity Fair,* the publisher now pushed the January issue up a few weeks and labeled it a "holiday issue." A "summer issue" combines the July and August issues, and allows an extra issue in February tied to awards season.

"You're talking about newsstand dates that might be 26 or 27 days apart in some cases instead of 31 or 35," Mitchell says. "They're imperceptible shifts in the amount of time it sits on the newsstand or when the subscriber gets their copy, but to the advertisers, who has more finely tuned needs, it makes a difference."

That success inspired changes at *W* magazine this year, which will reduce its number of issues from 10 to eight per year. Rather than labeling them by month, each of the eight "volumes" will have a specific theme tied to the seasonality of fashion.

Bauer Media is also making changes to the frequency of its magazines, but has taken the opposite approach, opting this year to increase the print frequency of four titles. Since much of the company's revenue reflects newsstand sales, increasing the number of issues sold in a year increases profit.

Price Increases

While many digital-first media companies are struggling to convince readers to pay anything for online content, print magazine publishers are enjoying the ability to increase the price of their product without alienating their loyal base. "We raised prices on most of our products in 2017, and our ability to do that was a direct outcome of everything else we do right for our audience," Kotok says.

In recent years, Condé Nast has also had success with price hikes on some of its magazines, including—notably—*The New Yorker.* The cost of a print subscription to the magazine has increased from $59.99 in 2015 to $109.99 this year (after an introductory offer of $12). The increases have apparently not slowed subscriptions, which have grown at double-digit rates every year for the past five years.

That success has inspired similar moves at other titles in the publishing house. Part of the shift to eight volumes from *W* this year, will also include a price increase of $2 per issue to $9.99 each.

SIPs Continued Growth

The market for Single Issue Publications also appears willing to pay much higher prices for such magazines. Last year, Trusted Media Brands sold many of its "megazines" for $12.99, more than double the price of most of its other magazines.

"People really like the single topic thing," says Alec Casey, chief marketing officer for Trusted Media Brands, which sees about 70 percent of its revenue come from consumers. "It's a smaller investment than what you'd pay for a book, but bigger than a magazine. If you know you're going to like the topic, you're willing to spend a little more."

Bauer Media is also enjoying a boon in consumer interest in SIPs. The company produced seven of them in 2016 and 17 last year. In 2018, it expects to more than double that number, sending 41 SIPs onto newsstands under various titles.

Reducing Friction for Renewals

> ***Our marketing efforts on our websites and through emails and social media are making up a bigger portion of how we sell print subscriptions today.***

While digital disruption has created plenty of headwinds for print magazines, one bright spot is that consumer-marketing trends now make it much easier for consumers who want to renew a subscription to do so quickly and easily.

"Our marketing efforts on our websites and through emails and social media are making up a bigger portion of how we sell print subscriptions today," Casey says. "We have made the user experience much better. We're not asking you to fill out a ton of forms to get a subscription now. We've really streamlined the process."

The shift to more digital sales reflects the ability of companies to easily and securely store customers' credit card information for future use, or to complete a transaction with a few taps on your phone. It also reflects a broader acceptance of subscriptions models in general.

"We now have a lot of digital companies that are subscription based that have trained the consumer for short-term trials and renewals," Mitchell says. "It's everything from Netflix to Apple Music. I bet in the next few years, because of those outside companies, you're going to see an acceleration of that innovation."

Meet the Author

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