



IN THIS ISSUE: HOW PUBLISHING WILL MOVE BEYOND PRINT

Synopsis of keynote presentation to the Western Publications Association Publishing Conference by Roger Selbert, President, Ask Dr Roger Publications, Editor & Publisher, Integrated Retailing and Growth Strategies.

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1 – DOES THE INTERNET REPLACE PRINT?

Yes. No. Yes *and* no. Well, not exactly. Clear enough?

According to the Audit Bureau of Circulations, newsstand sales for 62 out of the 99 charted titles (newsweeklies/business magazines and major women's/men's titles) were down for second-half 2006 versus 2005 – some dramatically. There may be many reasons, causes and explanations, but clearly, some percentage of newsstand buyers have been converted into Internet users.

It's certainly true that most every single magazine published has a web site, and some indeed have gone exclusively electronic (such as *ELLEgirl* and *Premier*). But other magazines (including other Hachette Filipacchi titles like *Car & Driver* and *Woman's Day*) complement and interact with their web sites. Do magazine web sites carry the same heft and authority as their print editions? Well, that's the goal, and if reached, then that's the future model achieved. Can this be profitable? Yes indeed: the Internet revenues at some publishing companies are growing by more than 35% a year, while even traditionally strong

print products are experiencing only modest growth, or are flat or down, in advertising volume.

What's the biggest difference between print and digital versions of a magazine? In a nutshell, a print version is one-way communication, while a web version must be an interactive conversation. This means servicing your community of readers in whole new ways. The first step may be adding functionality to allow the audience to interact with both the magazine (publisher, writers, staff), **AND** with each other. Publishing is no longer just about compiling information and pushing it out – it's now a dialogue between and among editors and users (a dialogue that's 24/7/365). This may require a completely different philosophy, approach, business model and work environment from what you are used to, and may require more staff, not less.

Publishers also need to narrow their focus. Traditionally magazines – even specialty magazines – went for the broadest possible appeal. Today's online communities are more thinly-sliced than ever, and are constantly changing and evolving.

2 – THE NEEDED BUSINESS MODEL

What publishing business model can produce profits in this environment? You need a business model that is channel agnostic: one that will produce profits by 1) bringing needed, wanted and useful content, products and services to a community of readers; and

2) by bringing desired eyeballs to marketers and advertisers. Further, you will do these things in each and every channel of reach and distribution, which these days means continuously and everywhere. That's all! Who's doing that? Well,:

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- The web sites of *Esquire* and other Hearst magazines are getting complete facelifts: larger photos, easier navigation, improved search capabilities, new (and online-only) content.
- *Cosmo* and *CosmoGirl* now have mobile sites (can be accessed by mobile phone), which feature videos, games, vastly expanded content and, of course, interactivity. You can also stream or download a new song every day.
- *Seventeen* has its own page on MySpace, Friendster and other social networking web sites.
- *Lucky* enables shopping by text messaging.
- *Vogue* features “Fashion On Demand” video podcasts.
- Most online visitors to both the *Sports Illustrated* and *Car & Driver* web sites do not subscribe to the print versions, but as frequent, enthusiastic, registered users, can be just as profitable, if not more so, to the publishers.
- *Motor Trend* provides programming for satellite radio broadcasts.
- *Maxim* is planning to build a 2300-room hotel and casino in Las Vegas.
- *Frank 151* is opening a full-service barber shop on the ground floor of its corporate offices in New York.
- *Martha Stewart Blueprint* has become a hybrid magazine/website, appearing six times yearly in print, while featuring new web content daily.

These publishers all know their markets, all of which are very desirable sales targets! They are servicing their markets by providing needed, wanted and useful content to interactive “communities,” providing products and services at a profit to themselves, and inviting marketers and advertisers to the party in every channel (who will gladly pay a premium for exposure to specific markets which are attracted to the content provided by specific publishers).

There are a few other lessons we can take away from these trends, including:

- Print can be as interactive as online when it drives action. Readers are looking for information and advice concerning home, work, life, politics, technology, relationships, health, food, sports, business, industry, etc., etc. That makes it the publisher’s job to provide desired and appropriate content where it is needed and wanted, when it is needed and wanted.
- No magazine or web site alone accounts for more than 1% of all visits, eyeballs, contacts or influence. The field is wide open. It is the publisher’s job to aggregate an audience across channels.
- Print and other media work better for advertisers in combination than alone. It is the publisher’s job to be accessible to a desired community, and to make that community accessible to clients and partners, in all spaces.

3 – WHAT PUBLISHING CAN LEARN FROM RETAILING

There is revolution occurring in the retailing industry. E-commerce? Well, e-tailing has in fact exploded, accounting for hundreds of billions of dollars of spending every year, and growing by 25% annually. Is that the revolution? Actually, e-tailing still accounts for only 3 to 4% of all retail

sales, and annual growth rates will plateau before long. But 90% of shoppers now research items online before heading to a store or using a catalog to make their purchases. **That’s the revolution: consumers now expect to be able to move seamlessly between and among providers’ multiple channels.**

Consulting in:

- Market and industry analysis
- Strategic business direction
- Growth dynamics

Providing:

- Trend identification and analysis
- Keynotes and presentations
- Proprietary research and reports

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And here's a fact most people outside the industry don't know: the overwhelming majority of online sales are conducted not by "pure-play" e-tailing sites, but through the web sites of retailers that also have physical stores and catalogs. **Lesson for publishers: consumers will go the provider that has what they are looking for, in whatever channel.**

Americans have dramatically changed the way they research purchases, shop and buy. Consumers are comparing prices and inventory availability, and are doing so using retailers' web sites, aggregator sites (shopping portals), price comparison sites and search engines. They have dramatically changed the way they seek, collect and use information, becoming hunter-gatherers, not passive recipients. **Lesson for publishers: the way you acquire, communicate, inform, sell to and serve your customers must also change dramatically.**

The Internet has not only changed the way people research, shop and buy – it has also changed the most crucial element influencing purchase decisions: word of mouth and peer input. That's because what used to be conducted face-to-face is now conducted online, through user reviews, customer feedback, rankings and ratings that appear on web sites (including retailers' own web sites), complaint sites, message boards and in e-mail. For some retailers, targeted email marketing has become more effective than any form of advertising. **Lesson for publishers: interactivity is now required.**

80% of retail winners (those that outperform peers in comparable store sales growth) operate

in multiple channels, versus only 50% of retailers who perform worse than average. Providing a seamless multi-channel experience in the strategy being pursued by retail industry leaders. Smart retailers are leveraging their web sites (and catalogs) not just to sell products but to learn about their customers and drive traffic to their brick-and-mortar stores. **Lesson for publishers: you must operate in multiple channels.**

Customer loyalty is the #1 factor in long-term retailer profitability. To keep customers loyal you must be customer-centric, which means knowing and providing what they need, want, expect and demand. And consumers now expect, demand and utilize multiple channels. Because multi-channel customers are most profitable, industry-leading retailers are even learning how to "right channel," delivering their offerings to each of their customers using the best suited and preferred channel. **Lesson for publishers: fairly or not, you are judged against best performers and industry leaders.**

Multiple-channel selling requires retailers, whether big or small, specialized or mass market, to undergo major re-organizational changes. **Lesson for publishers: the new environment may require major organizational changes for you as well.**

What has not changed about retailing is that brand equity is a major, although still under-appreciated component of attracting and satisfying consumers. **Lesson for publishers: reinforce and enhance your brand identity in every channel.**

4 – WHAT FORWARD-LOOKING PUBLISHERS ARE DOING

- Time Inc. has jettisoned 18 (about a third) of its titles, including *Popular Science* and *Field & Stream*, to concentrate resources on its Internet strategy. Part of *Time's* redesign involves providing lots of directional signals to the magazine's online edition.
- Hearst is revamping the Web sites of eight of its largest magazines to include video content and TV-like ads.
- Rodale is building multiplatform businesses with all of its titles, including *Prevention*,

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Growth Strategies newsletter was formerly published as *FutureScan*.

South Beach, Runner's World, Bicycling, Backpacker and *Men's Health*.

- Meredith, whose magazine titles include *Better Homes and Gardens, Family Circle* and *Ladies' Home Journal*, has acquired two interactive-marketing agencies, based on the belief that marketing services will have a faster growth rate than traditional media businesses.
- Martha Stewart, the queen of brand, operates in every available channel: magazines, books, TV, radio, Internet, merchandising and licensing.
- Digital b-to-b publisher FierceMarkets has grown in six years from an e-newsletter provider to a full-fledged media company with 16 online publications serving six industries via four media channels, including Webinars, trade shows and executive summits. The goal

is not only to bring in new customers but to get existing advertisers and readers to use all FierceMarkets products.

- Reiman Media Group, which publishes cooking and enthusiast magazines such as *Taste of Home*, uses different channels to market its products, and looks to its audiences to offer direction in cross-promotion. Reiman also cross promotes by repurposing content in a variety of products.
- Published in major cities throughout the world, *Time Out* is an international brand. Since launching over 35 years ago, *Time Out's* weekly magazines and city guides have become the leading source of information for English-speaking residents and visitors. To supplement its print publications, *Time Out New York* offers online portals that subscribers can use to plan events and outings, sometimes at a moment's notice.

5 — IT'S AN ALL-PLATFORM WORLD

In today's publishing world, separate audiences and separate advertisers for the different platforms of the same brand no longer work. It is more important than ever for publishers to diversify their offerings, and to drive their audiences and advertisers across their entire portfolio.

We don't mean to sell print short. It remains a crucial, integral component of brand identity and the consumer brand relationship. And it provides the broad reach and engagement that advertisers continue to need, and which remain difficult to achieve online.

But for publishers, the strategic importance of a strong Web presence cannot be argued. A strong Web presence not only attracts new audiences to a traditional print brand, but substantially augments the content available to committed readers, thus strengthening brand relationships.

The future of traditional print brands will lie in publishers' ability to transcend platform and remain relevant to their readers regardless of how those readers choose to access information. In cross-promoting, publishers need to look for the kind of projects that can appeal across a variety of media channels, have a broad enough reach, and make sense in pricing, timing, format and production specifications in each channel.

In retailing, today and in the future, the most desirable, profitable (and satisfied) consumers use stores, catalogs and web sites interchangeably. In publishing, today and in the future, the most desirable, profitable (and satisfied) audiences are those who both read the publication and regularly visit the Web site.