Magazine Media Handbook

2007

Foreword

Welcome to the first edition of the new look, new name *Magazine Media Handbook*. Called the *Magazine Handbook* in its previous incarnation, this new edition embraces and analyses the magazine business in an evolving communications landscape.

Looking at the three distinct pillars of consumer, business media and customer publishing, the handbook examines all aspects the magazine industry from the latest data available to growth and development, subscriptions, ABC figures and multi-platform publishing. With this publication, we aim to appropriately represent and aid our whole membership.

If you would like further bespoke information or have suggestions on how we can make this book even more relevant to your business, please contact the PPA research and information team.

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Introduction

The evolution of magazine media

As magazines evolve and business media becomes recognised as one of the UK's larger industries, it is difficult to imagine a time in their 400 year history when there has been a period of more dramatic or rapid change.

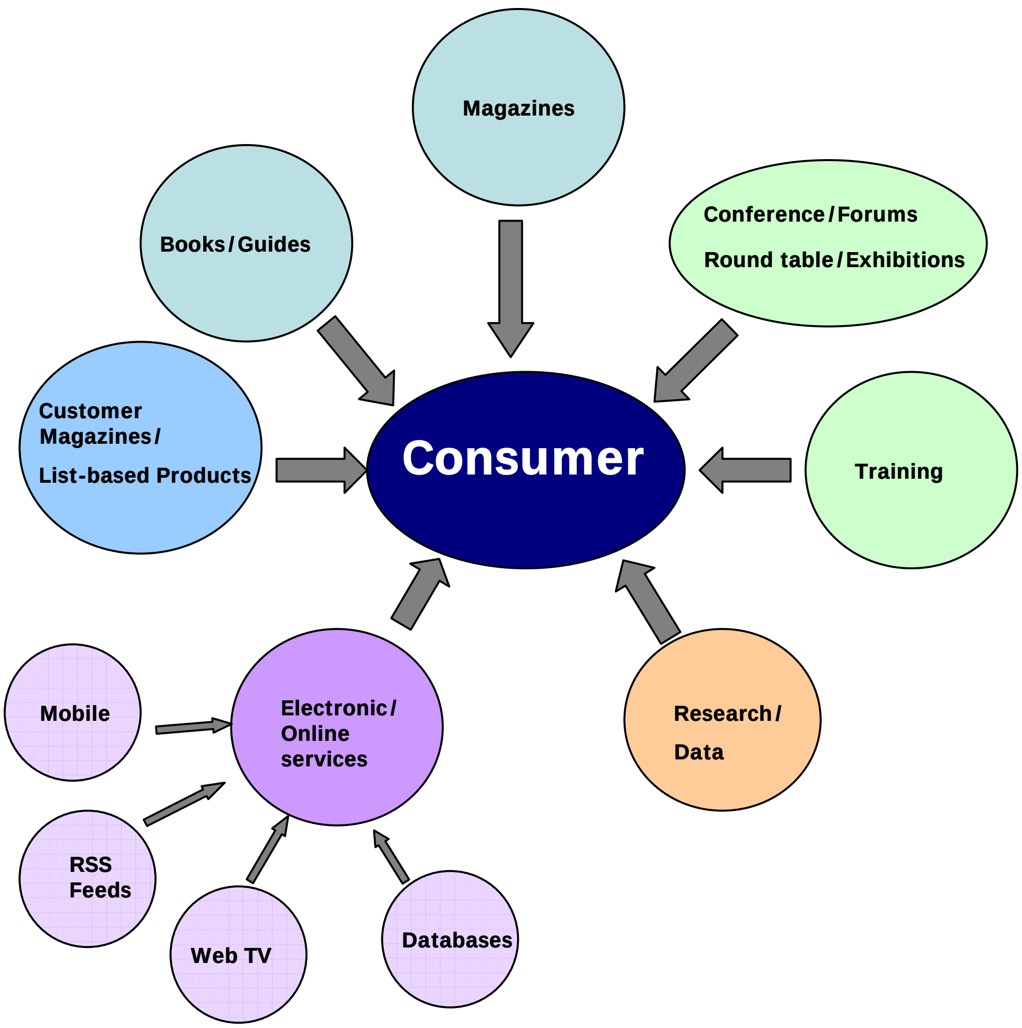
This vibrant and evolving industry gains in stature and confidence as it masters the art of multi-platform communication. We estimate the value of consumer magazines to be around £7.2bn, and the business media industry – including magazines, to be valued at £18bn to £20bn, with customer magazines valued at around £800m.

Magazines themselves – the printed ones – have continued to flourish in the last decade since the launch of the Internet. At least one new title is launched every day of the year and has resulted in raising total volumes of sales and of consumer spend on printed products. Huge growth in volumes is coming from customer magazines as advertisers identify how effectively magazines can build customer loyalty.

Throughout the course of this book, we will examine all aspects of the magazine medium, from analysis of the new platforms upon which magazine publishers now increasingly building their brands to full and complete data about the industry as a whole.

The *Magazine Media Handbook* aims to pull together in one place all of the building blocks of this evolving business. The consumer, more so now than ever before, is in control and an understanding of this fact sit firmly at the heart of the publishers' programme as they find increasingly innovative and effective ways of delivering content to meet consumers' needs.

Who's trying to talk to the consumer?



Growth and Development

Growth and development

Share of the £7.2bn sector

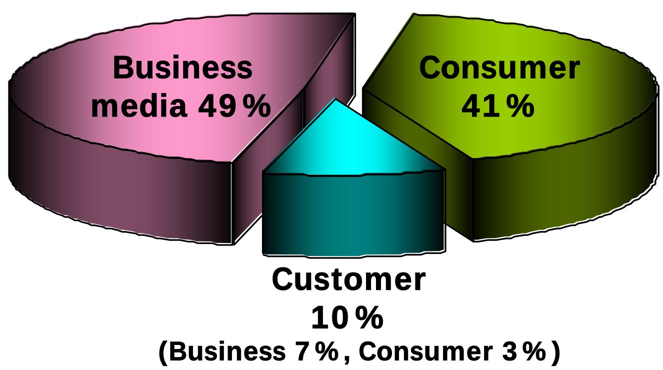
The past decade has been one of continued growth and development for the magazine industry. Indeed, this 400 year old medium has more than doubled in size over the last 15 years.

The value of the total magazine industry is now estimated at just over £7.2bn.

This figure can be broken down into two sectors: consumer, and business media.

The past decade has also witnessed the emergence of a sub set of customer publishing.

Share of total turnover



Source: PPA/APA- various, Nov 2007.

Growth across all sectors

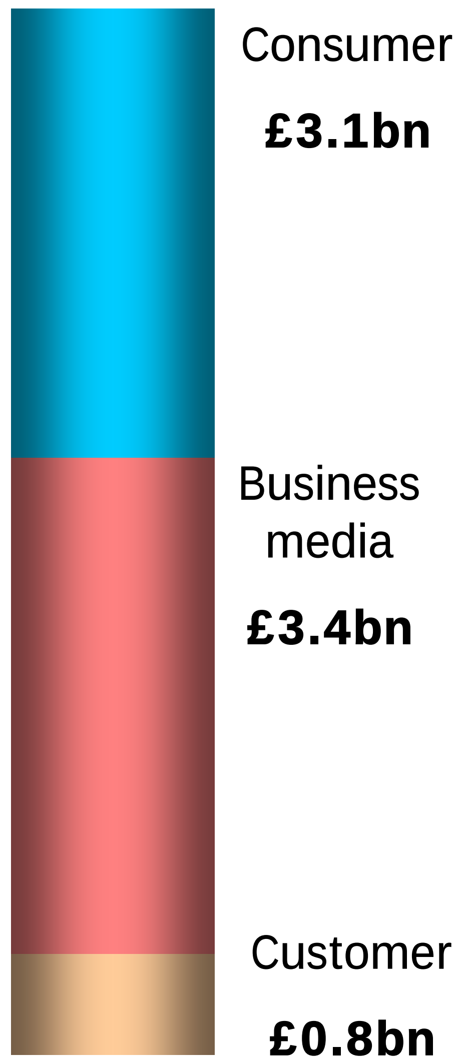
Substantial growth continues to occur across all three sectors in terms of number of titles, circulation, readership and revenue.

Increasingly however, publishers are leveraging their brands in other media.

A diverse programme of additional revenue streams including online products (e.g. directories and newsletters), events, exhibitions, television and radio channels, and a growing number of additional services provide an expanding marketplace for consumers and advertisers alike.

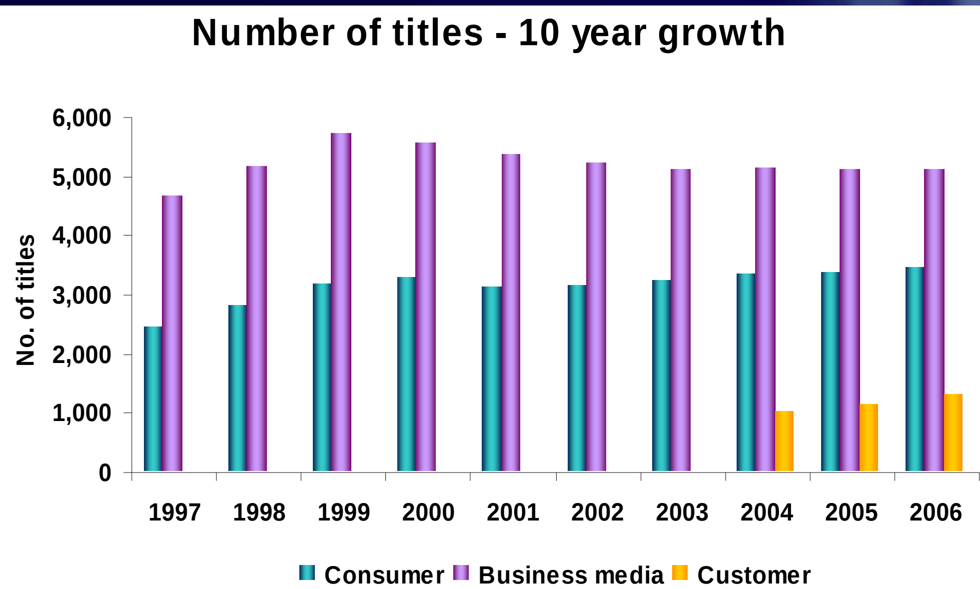
The £7.2bn sector

Consumer magazines	£m
Advertising Sales	812
Copy Sales	2,085
Other	200
	3,097
Business media magazines	
Advertising sales	1,016
Copy sales	650
Exhibitions	400
Directories	830
Others	400
	3,296
Customer magazines	**788**
TOTAL	**£7,181m**



Source: Various, PPA, Nov 2007.

A dynamic medium



Source: BRAD, Nov 2007; APA estimates.

Total number of UK magazine titles

Year	Consumer	Business media	Customer
1993	2,085	4,533	No data
1994	2,112	4,586	-
1995	2,220	4,607	-
1996	2,329	4,628	-
1997	2,438	4,650	-
1998	2,794	5,151	-
1999	3,174	5,713	-
2000	3,275	5,545	-
2001	3,120	5,342	-
2002	3,130	5,208	-
2003	3,229	5,108	-
2004	3,324	5,142	1,021
2005	3,366	5,108	1,117
2006	3,445	5,113	1,300

Source: BRAD, Nov 2007; APA estimates

Both the business media and consumer sectors continue to show steady growth. According to the latest BRAD figures, the market size – in terms of number of titles – experienced a 2.3 per cent growth last year.

Wessenden Marketing solely monitor consumer titles, and use a different metric, but they also find a 2.3 per cent increase over the course of 2006, and charts a total of 548 new launches across the consumer sector.

The customer sector saw an immense 16 per cent growth in 2006, and a 9 per cent growth in 2005.

Last year also saw a sharp drop in the magazine “death rate”, from 544 magazine closures in 2005 to only 267 in 2006, indicating a strong year of consolidation and development.

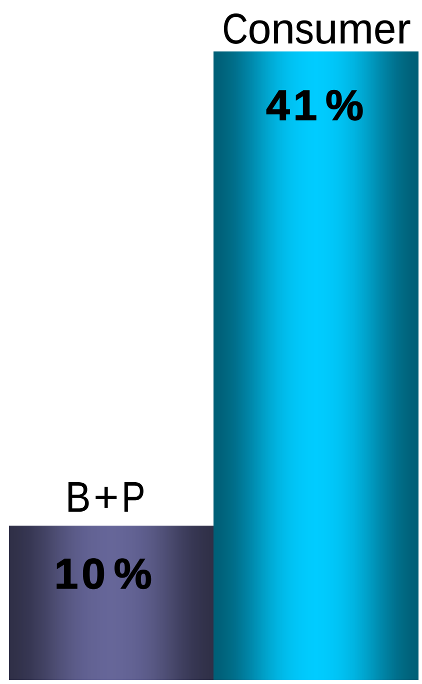
A magazine for everyone

Meticulously targeted audiences

The growing number of titles being launched for tightly defined target audiences reflects the increasing variety of lifestyle patterns and the trend towards business specialisation.

Key magazine titles are, on the whole, owned by a handful of major publishing companies.

Growth in number of UK magazine titles 1997-2006



Source: BRAD, Nov 2007.

Leading publishers

Consumer

Leading consumer publishers include BBC Magazines, Condé Nast, D C Thompson, Dennis Publishing, The Economist Group, Emap Consumer Magazines, Future Publishing, Hachette Filipacchi, Haymarket, H Bauer, IPC Media, The National Magazine Company, and Reader's Digest Association.

Business media

On the business media side, the key players include CMP Information, The Economist Group, Emap Communications, Haymarket, Incisive Media, Informa Publishing, Reed Business Information and William Reed Publishing.

Customer

The main publishing agencies for customer magazines include Redwood, John Brown, Redactive Media, Haymarket, Cedar Communications and Publicis Blueprint.

Consumer magazine explosion

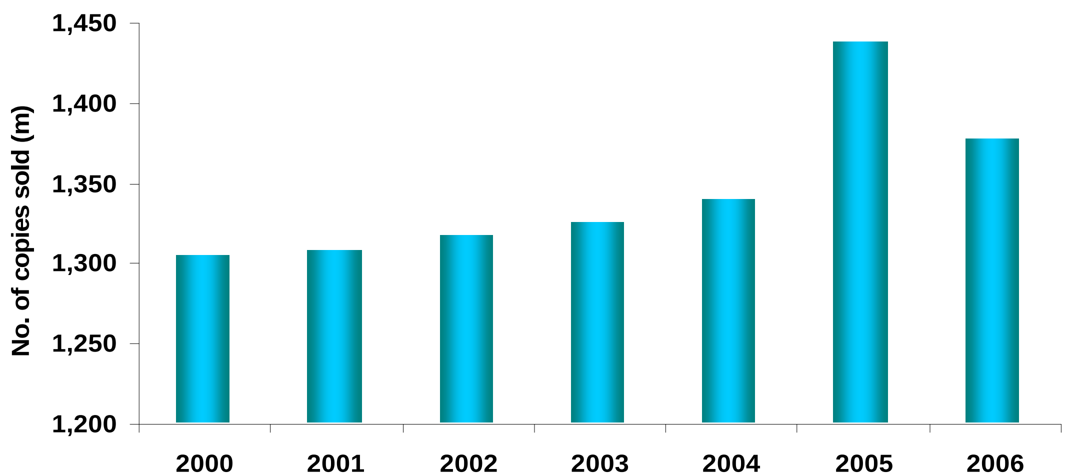
With the range of media options available to consumers continuing to expand, the growth of the magazine industry in recent years can be easily overlooked. In the twelve years since the dawn of the commercial internet in 1995:

Consumer Expenditure on magazines has increased by	Ad spend on magazines has increased by	The number of magazine titles has increased by
56%	**52%**	**55%**

Source: Advertising Association, 2007; BRAD, Nov 2007.

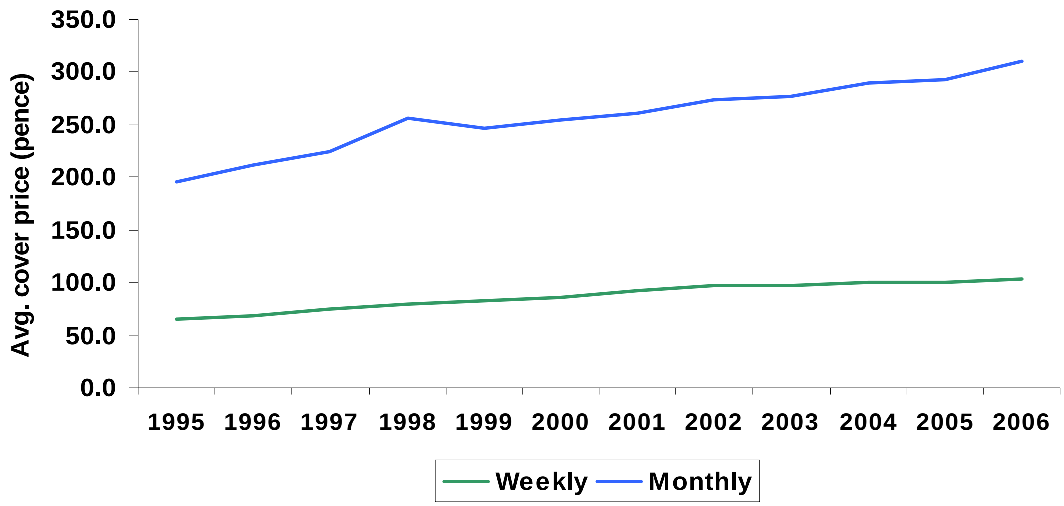
The growing popularity of magazines is highlighted by the increasing number being sold each year. There were approximately 12,000,000 more copies of consumer magazines sold in 2006 than there were in 1995 – an increase of 0.9 per cent. In the UK alone, almost 45 magazines were sold every second of the year 2006.

Total number of copies sold per year



Source: Ad-Stats Yearbook, 2007.

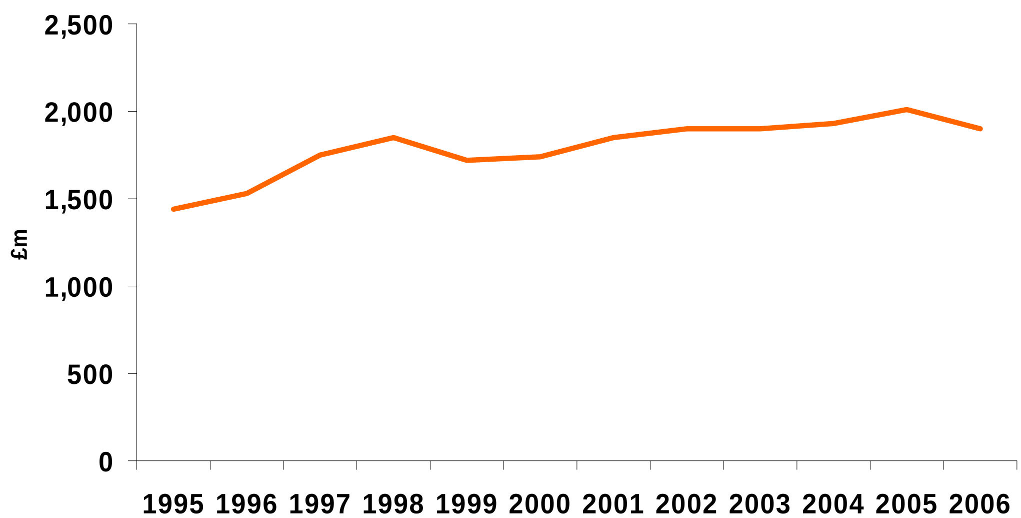
Average cover price of consumer magazines



Source: Advertising Association (current prices), 2006.

Because of consumer demand for magazines the balance of the business model for publications has shifted from advertising to cover price. Consumers have become prepared to for higher quality and more choice. As a result consumer expenditure on magazines has increased impressively.

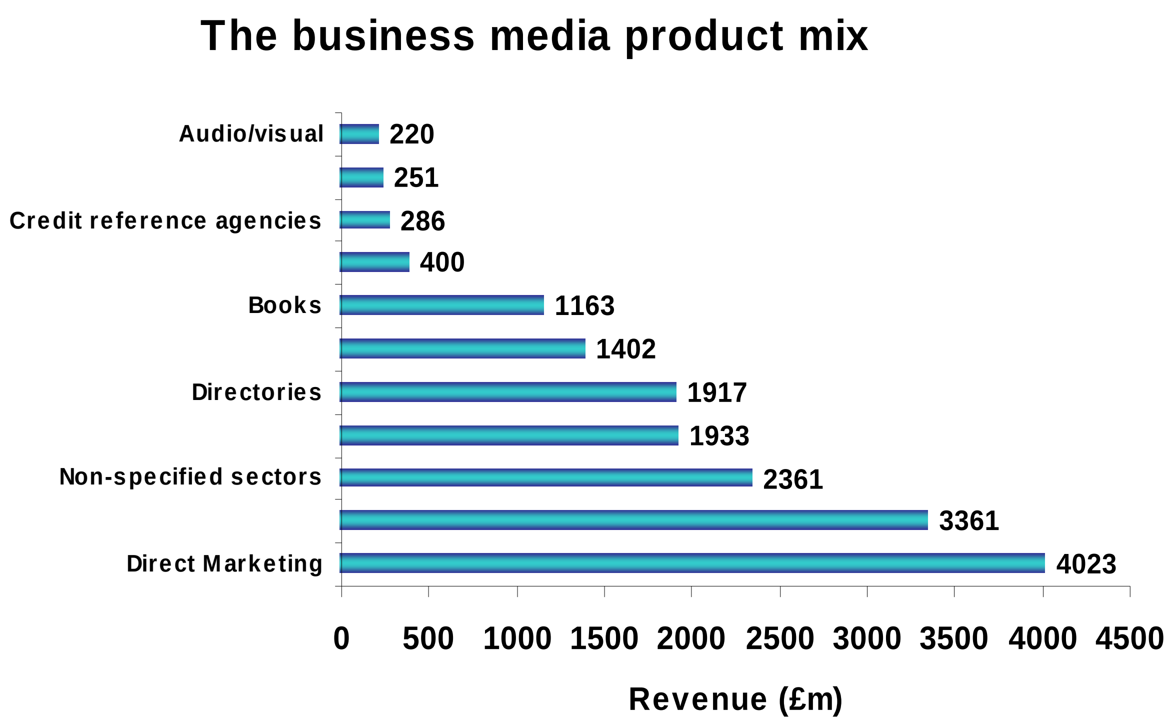
Annual consumer expenditure on magazines



Source: Advertising Association (current prices) 2006.

The business media expansion

The UK's business media industry is worth an estimated £17.32bn. The sector is dominated by print publications, with business magazines and journals constituting approximately one fifth (£3.3bn) of the entire business media market.



Source: Business + Professional Media, 2005, NOP, 2005.

The online expansion of traditional print publications, which remain at the heart of the business media communications mix, has allowed publishers to leverage their magazine brands across a variety of different platforms and develop even stronger relationships with the market.

Content is now, more then ever, viewed as the most important commodity, whether it is delivered via print, face to face engagement, or electronically. The internet has become a vital distribution channel for publisher products, as consumers increasingly demand more choice in how they receive content.

The business of expansion

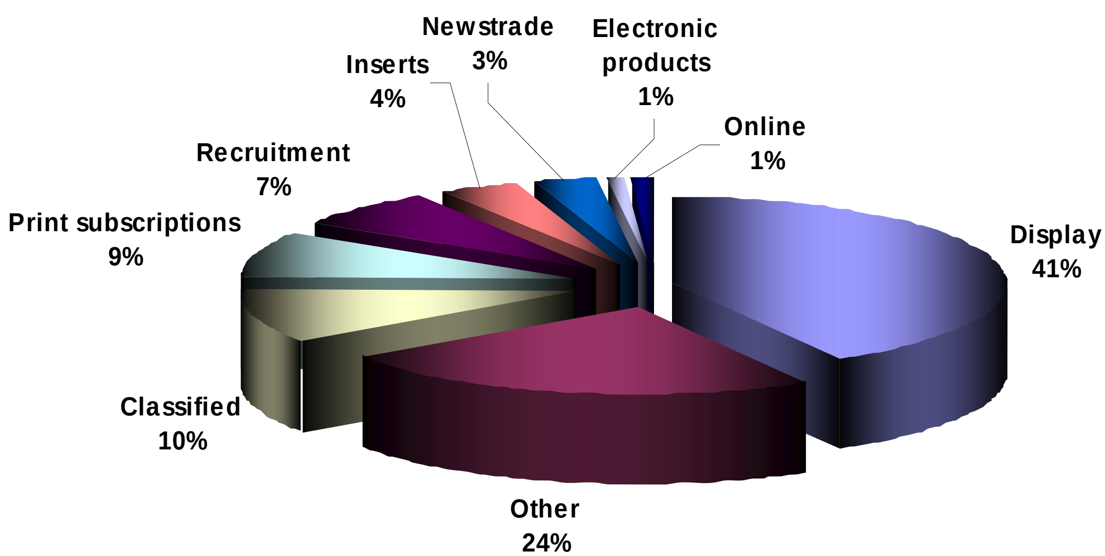
Business media sales revenue by type (%)

Display	42
Classified	10
Print subscriptions	9
Recruitment	7
Inserts	4
Newsstrade	3
Electronic Products	1
Online	1
Other	24
TOTAL	100

Source: Keynote Business Press Market Report, March 2007.

New media products and services account for more than £1bn of the business media sector's revenues. Display advertising is the largest revenue generator for business media publishers, representing 42 per cent of all sales.

Magazine sales by type (%)



Source: Keynote Business Press Market Report, March 2007.

Customer magazines

A Dynamic marketing tool

The Customer magazine sector is the fastest growing magazine sector in the UK, and is now worth an estimated £788 million. Turnover topps over £385 million, with a year on year growth of 10 per cent. Over the course of 2006, total ad spend increased by 16 per cent.

79 per cent of the population has seen a customer magazine, and 78 per cent of consumers prefer communication via a customer magazine than any other marketing media.

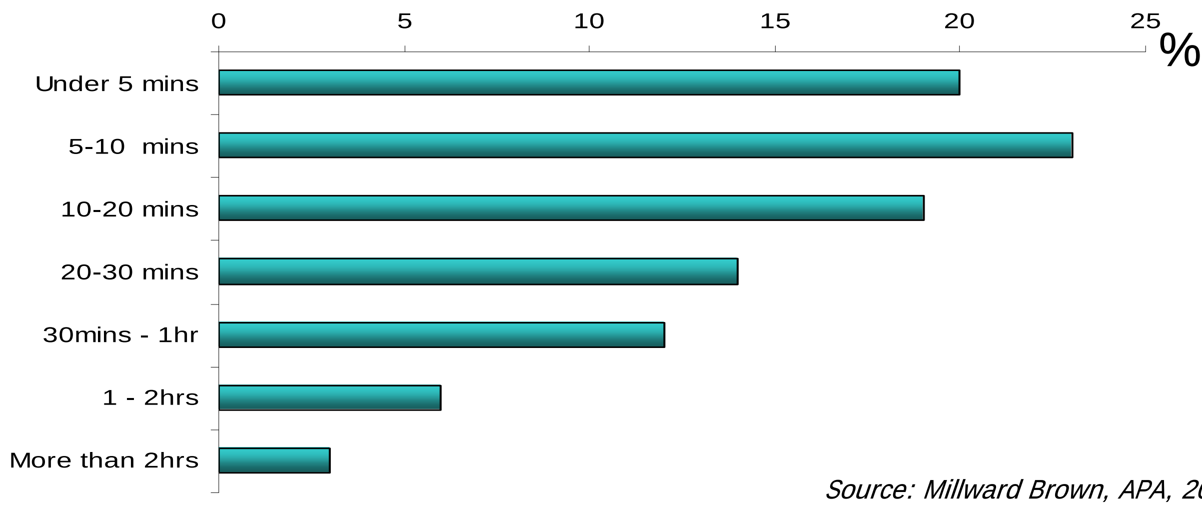
In many ways customer titles can be seen as a hybrid of the consumer and business media magazine, combining the look and feel of a newsstand title, with the primary goal of communicating business and product information to a specifically targeted, controlled readership.

The 25 minute medium

The advantages of engraining company products and messages into a magazine title means that companies can take advantage of the highly engaging and attractive magazine medium to build up trust and awareness with consumers.

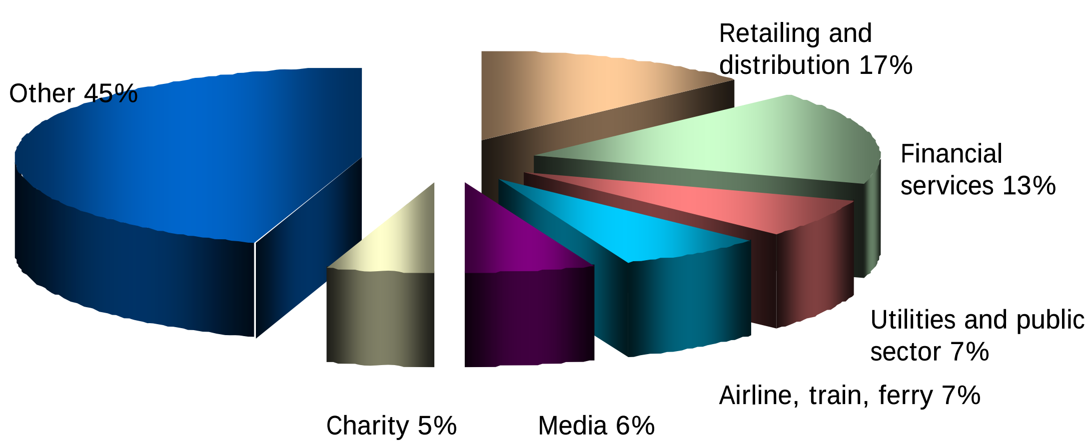
Research shows that consumers spend an average of 25 minutes reading customer titles, and that nearly a quarter hold onto their customer magazines for over a month.

Average time spent reading a customer title: 25 minutes



Source: Millward Brown, APA, 2006.

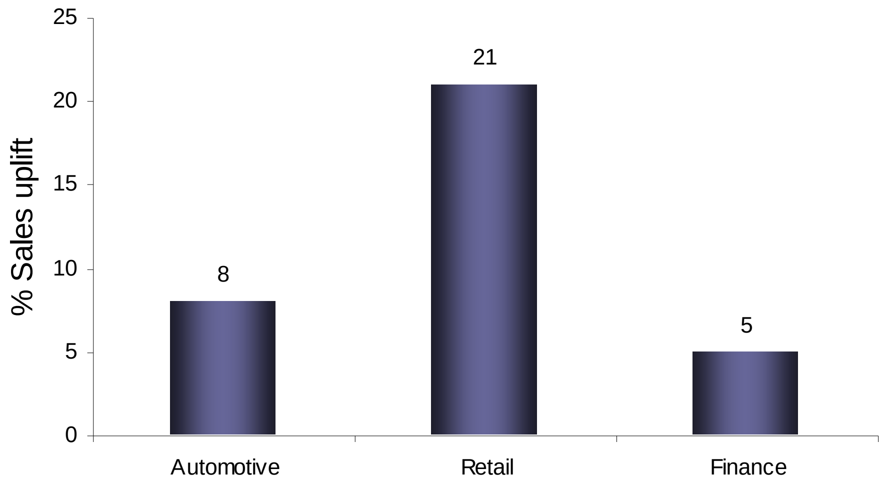
Key customer publishing sectors



Source: Millward Brown, APA, 2006.

Generating sales

Percentage sales increase delivered by customer magazines



Source: Millward Brown, APA, 2007.

	Automotive	Retail	Finance
Test	67	34	67
Control	64	28	62
% Uplift	8	21	5

Average sales uplift = 8%

Companies that have customer magazines as part of their marketing mix enjoy an average eight per cent sales uplift. Retail companies with customer titles, such as Asda, Debenhams, and Sainsbury's, enjoy a particularly fruitful return through the promotion of their products and in-store offers in their magazines.

Average balance sheet of a magazine publisher

	2005/06	2004/05	2003/04
	£000s	**£000s**	**£000s**
Sales & Profits			
Sales	133,010	121,655	119,160
Pre-tax Profit	12,058	10,666	7,700
Number of employees	940	890	875
Balance Sheet			
Tangible fixed assets	9,823	9,616	12,290
Intangible assets	146,363	122,104	105,131
Intermediate assets	22,067	19,672	11,207
Total fixed assets	178,253	151,392	128,627
Stocks	10,972	9,640	9,633
Trade debtors	24,276	21,121	18,790
Other current assets	33,024	29,003	28,424
Total current Assets	68,272	59,764	56,847
Total Assets	246,525	211,155	185,474
Trade Creditors	18,149	15,858	6,158
Short term loans	39,469	36,993	28,413
Other current liabilities	35,012	31,217	38,545
Total current liabilities	92,630	84,069	73,116
T/Assets - c/liabilities	153,895	127,087	112,358
Long term loans	115,031	95,399	98,497
Other long term liabilities	32,483	26,915	9,875
Total capital and reserve	6,381	4,773	3,986
Capital employed	153,895	127,087	112,358

Source: Keynote Business Ratio Report, edition 30, 2007.

Circulation and Subscriptions

Consumer magazine sectors

Number of magazine titles in each consumer sector

Sector	No. of titles
Buying & Selling	132
Computing	56
County, Town & Local Interest	305
Education & Careers	207
Entertainment & Leisure Guides	182
Ethnic & Expatriates	86
Food & Drink	53
General Interest	70
Health, Fitness & Beauty	87
Home Entertainment & Electronics	12
Home Interests	109
Leisure Interests	477
Men's Magazines	101
Motorcycling	40
Motoring	176
Music	98
News & Current Affairs	136
Outdoor Pursuits	96
Personal Finance	16
Sport	321
Travel and Tourism	211
Women's Magazines	239
Youth	217

The key strength of magazines lies in their ability to target, and in turn cater for, the needs of their audience.

There is a title for everyone, and no two titles are the same – a rich diversity reflected by the extensive range of categories to be found in both the consumer and business media sectors, and the number of different titles within them.

Leading Sector Groups

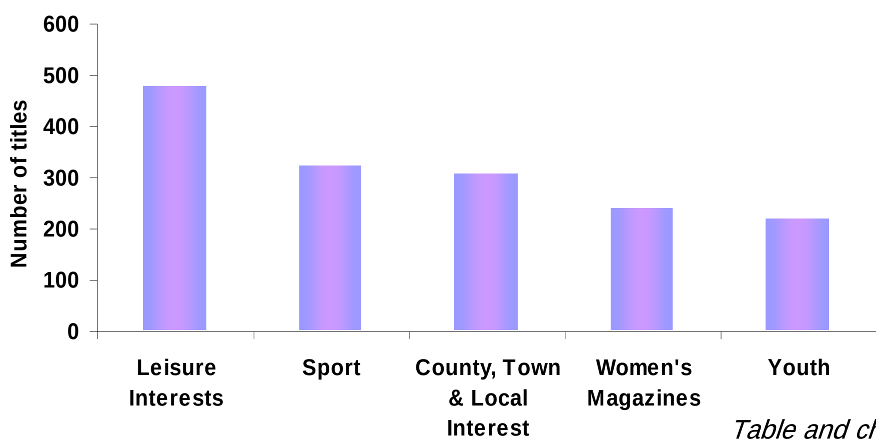


Table and chart Source: BRAD, Nov 2007

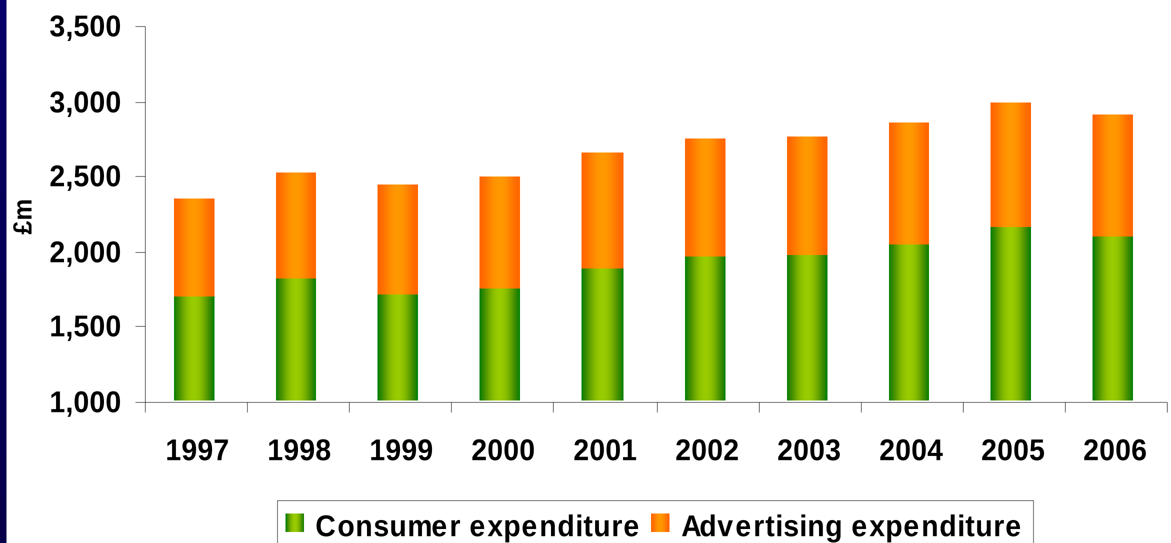
Consumer magazine circulation growth

2005 advertising/circulation revenue share

Source: Advertising Association, (constant prices) 2006.

Despite the increases in cover pricing and purchaser expenditure in recent years, advertising remains a key source of revenue for consumer magazine publishers. As the chart below highlights, the advertising/consumer spend share of magazine revenue has remained fairly constant over the last ten years.

Consumer magazine circulation and advertising revenue (1997-2006)



Source: Advertising Association, (current prices) 2007.

Top 100 actively purchased consumer magazines

Rank	Title	Publisher	Jan-Jun 2007	Prd on Prd % change	July-Dec 2006	Year on Year % change	Jan-Jun 2006
1	What's on TV	IPC Media	1,421,645	-1.1	1,436,873	-5.8	1,508,595
2	TV Choice	H Bauer Publishing	1,390,376	2.8	1,352,090	8.1	1,286,385
3	Radio Times	BBC Worldwide	1,024,563	-4.0	1,066,886	-2.9	1,055,667
4	Take a Break	H Bauer Publishing	1,009,795	-0.5	1,015,010	-5.9	1,073,145
5	Reader's Digest	Reader's Digest Association	648,938	-2.0	662,417	-4.7	681,143
6	Saga Magazine	Saga Publishing	639,316	8.0	592,075	17.8	542,860
7	Closer	Emap Consumer Media	561,869	-7.0	604,149	-3.7	583,524
8	Heat	EMAP Consumer Media	542,280	-7.5	586,081	-4.7	568,818
9	Chat	IPC Media	499,626	-4.6	523,630	-8.1	543,950
10	OK! Magazine	Northern & Shell	497,754	-8.6	544,430	1.0	493,013
11	Now	IPC Media	483,858	-6.5	517,383	-8.4	528,027
12	Glamour	Conde Nast Publications	475,675	-9.8	527,317	-7.8	515,867
13	That's Life	H Bauer Publishing	440,583	-4.1	459,281	-9.6	487,432
14	Pick Me Up	IPC Media	436,150	4.6	416,959	-0.2	437,185
15	New!	Northern & Shell Magazines	424,489	-0.7	427,686	-0.9	428,133
16	Good Housekeeping	?	416,200	-6.7	446,165	-1.6	422,905
17	Love It!	News Magazines	390,436	-1.5	396,185	-0.7	393,131
18	Cosmopolitan	The National Magazine Company	379,401	-1.9	386,864	1.6	373,360
19	Woman	IPC Media	358,957	-5.0	377,939	-11.6	405,956
20	TV Times	IPC Media	352,482	-6.5	377,038	-5.3	372,310
21	Sainsbury's: The Magazine	New Crane	346,916	-9.2	382,268	-1.2	351,251
22	Reveal	ACP Natmag	342,151	1.3	337,612	1.0	338,877
23	Yours	Emap Consumer Media	341,852	-10.2	380,489	-14.0	397,483
24	Woman's Own	IPC Media	336,317	-2.9	346,360	-5.6	356,413
25	National Geographic Magazine	National Geographic Society	334,594	0.0	334678	-0.7	336,851

Source: ABC Concurrent Release, August 2007.

Top 100 actively purchased consumer magazines

Rank	Title	Publisher	Jan-Jun 2007	Prd on Prd % change	July-Dec 2006	Year on Year % change	Jan-Jun 2006
26	Best	ACP Natmag	332,789	-5.4	351,798	-5.9	353,586
27	Woman's Weekly	IPC Media	332,337	-4.5	347,895	-5.6	352,051
28	BBC Good Food	BBC Worldwide	318,897	-6.1	339,634	3.2	308,995
29	Look	IPC Connect	317,343	N/A	N/A	N/A	N/A
30	Woman & Home	IPC Media	308,453	1.3	304,521	-0.8	311,068
31	Peoples Friend	D C Thomson & Co	307,167	-2.8	315,953	-5.0	323,445
32	Real People	ACP Natmag	304,211	-0.8	306,540	-3.8	316,066
33	Prima	The National Magazine Co	294,254	-4.8	309,204	-6.6	315,019
34	Hello!	Hello! Ltd	292,573	-1.1	295,796	-0.2	293,293
35	Candis	Newhall Publications	291,157	0.0	291,032	-1.1	294,318
36	FHM	Emap Consumer Media	285,256	-17.1	344,193	-26.1	386,062
37	TV Easy	IPC Media	284,867	-2.9	293,325	-5.5	301,576
38	BBC Gardeners' World	BBC Worldwide	282,993	21.6	232,701	2.3	276,562
39	Marie Claire	European Magazines	277,613	-1.9	283,116	-2.5	284,607
40	Nuts	IPC Media	273,681	-5.5	289,661	-9.2	301,576
41	Dare	River Publishing	271,263	N/A	N/A	N/A	N/A
42	More!	Emap Consumer Media	258,466	-3.4	267,682	-4.3	270,126
43	Company	The National Magazine Co	256,607	1.3	253,331	-3.7	266,347
44	Slimming World Magazine	Miles-Bramwell Exec. Services	255,058	1.4	251,492	1.4	251,660
45	Weight Watchers Magazine	River Publishing	250,258	2.7	243,780	0.1	250,015
46	Bella	H Bauer Publishing	245,048	-21.4	311,733	-25.4	328,334
47	Star	Northern & Shell	238,405	-1.6	242,290	-0.3	239,143
48	TV Quick	H Bauer Publishing	224,799	-8.7	246,181	-14.3	262,172
49	Ideal Home	IPC Media	220,929	2.3	215,874	-3.5	228,923
50	Healthy	River Publishing	220,023	-2.1	224,769	-0.5	221,099

Source: ABC Concurrent Release, August 2007.

Top 100 actively purchased consumer magazines

Rank	Title	Publisher	Jan-Jun 2007	Prd on Prd % change	July-Dec 2006	Year on Year % change	Jan-Jun 2006
51	Grazia	Emap Consumer Media	217,690	5.1	207,120	25.2	173,895
52	Red	Hachette Filipacchi	208,325	-1.8	212,112	1.2	205,878
53	Men's Health	Natmag Rodale	205,033	-1.5	208,190	2.4	200,164
54	TV & Satellite Week	IPC Media	201,077	-2.8	206,865	-4.7	211,070
55	Inside Soap	Hachette Filipacchi	198,142	5.1	188,466	8.4	182,730
56	Private Eye	Pressdram	197,952	-0.1	198,134	0.7	196,511
57	Puzzler Collection	Puzzler Media	186,365	-1.9	189,961	-1.8	189,727
58	Zoo	Emap Consumer Media	183,808	-8.3	200,416	-18.4	225,253
59	Sugar	Hachette Filipacchi	183,259	-6.8	196,684	-6.2	195,403
60	Easy Living	Conde Nast Publications	181,553	-2.0	185,206	-3.1	187,363
61	House Beautiful	The National Magazine Co	177,154	-2.2	181,080	-5.9	188,331
62	BBC Top Gear Magazine	BBC Worldwide	171,526	3.2	166,171	7.3	159,845
63	Elle (UK)	Hachette Filipacchi	165,610	-4.9	174,186	-2.8	170,391
64	Country Living	The National Magazine Co	164,901	-1.4	167,290	-0.6	165,860
65	Vogue	Conde Nast Publications	164,834	-1.0	166,493	2.9	160,252
66	My Weekly	D C Thomson & Co	163,709	-12.7	187,452	-13.9	190,040
67	Empire	Emap Consumer Media	162,680	2.0	159,534	3.3	157,495
68	She	The National Magazine Co	160,026	10.9	144,258	15.5	138,578
69	Full House	Hubert Burda Media UK	158,920	-11.7	179,893	-16.5	190,436
70	Doctor Who Adventures	BBC Worldwide	155,020	44.1	107,550	99.1	77,852
71	The Economist – UK Edition	The Economist Newspaper	145,105	4.5	138,894	9.7	132,250
72	Eve	Haymarket Publishing	134,051	-10.2	149,339	-12.5	153,253
73	Instyle UK	IPC Media	132,791	-1.6	134,932	-10.9	149,023
74	The Week	Dennis Publishing	129,733	6.0	122,411	23.1	105,347
75	NW (New Woman)	Emap Consumer Media	122,634	-43.6	217,249	-45.7	225,851

Source: ABC Concurrent Release, August 2007.

Top 100 actively purchased consumer magazines

Rank	Title	Publisher	Jan-Jun 2007	Prd on Prd % change	July-Dec 2006	Year on Year % change	Jan-Jun 2006
76	BBC Good Homes	BBC Worldwide	120,743	5.0	115,017	-5.4	127,591
77	The Simpsons Comics	Titan Magazines	119,720	-11.0	134,466	N/A	N/A
78	Bliss	Emap Consumer Media	118,091	-20.8	149,134	-42.9	206,651
79	Psychologies Magazine	Hachette Filipacchi	114,717	9.4	104,876	22.4	93,759
80	Your Home	Essential Publishing	113,740	15.0	98,943	-2.9	117,111
81	Total TV Guide	H Bauer Publishing	112,360	2.7	109,375	11.1	101,168
82	Soaplife	IPC Media	109,003	12.3	97,093	18.1	92,319
83	What Car?	Haymarket Motoring Publications	106,642	-1.5	108,216	-9.2	117,433
84	Time Magazine	Time Warner Publishing	106,471	1.3	105,078	0.7	105,761
85	Top Sante Health & Beauty	Emap Consumer Media	106,146	-6.2	113,168	-16.5	127,123
86	First	Emap Entertainment	105,949	6.6	99,369	N/A	N/A
87	25 Beautiful Homes	IPC Media	103,953	1.0	102,882	2.3	101,605
88	Q	Emap Consumer	102,812	-8.6	112,437	-17.0	123,924
89	Loaded	IPC Media	102,022	-27.9	141,526	-39.0	167,311
90	Top of the Pops	BBC Worldwide	100,881	0.1	100,826	-14.7	118,296
91	Zest	The National Magazine Co	100,679	10.1	91,472	4.4	96,467
92	Essentials	IPC Media	98,914	37.6	71,909	36.1	72,701
93	New Scientist	Reed Business Information	98,727	1.4	97,342	5.2	93,824
94	delicious	Seven Publishing	94,931	-2.9	97,809	15.4	82,290
95	Homes & Gardens	IPC Media	94,685	3.4	91,595	2.9	92,026
96	Toybox	BBC Worldwide	92,400	1.5	91,003	-22.3	118,974
97	Maxim	Dennis Publishing	91,314	-21.6	116,463	-28.3	127,378
98	GQ	Conde Nast Pubications	90,460	-2.7	92,998	3.0	87,784
99	Today's Golfer	Emap Consumer Media	89,165	5.7	84,369	-11.0	100,171
100	All About Soup	Hachette Filipacchi	86,938	12.2	77,463	17.0	74,284

Source: ABC Concurrent Release, August 2007.

Top 25 circulating consumer magazines

Rank	Title	Publisher	Jan-Jun 2007	Prd on Prd % change	July-Dec 2006	Year on Year % change	Jan-Jun 2006
1	Sky the magazine	News Magazines	7,034,310	0.5	7,002,232	3.5	6,798,495
2	Sky Sports Magazine (UK)	News Magazines	4,362,228	N/A	-	N/A	-
3	Sky Sports Magazine (UK edition)	News Magazines	3,767,906	N/A	-	N/A	-
4	Asda Magazine	Publicis Blueprint	2,805,052	2.3	2,743,005	-5.7	2,974,793
5	Tesco Magazine	Cedar Communications	1,943,767	-19.6	2,419,083	1.0	1,923,933
6	Sainsbury's Fresh Ideas	New Crane	1,507,766	2.3	1,473,800	6.0	1,422,102
7	What's on TV	IPC Media	1,422,486	-1.1	1,437,650	-5.8	1,509,519
8	TV Choice	H Bauer Publishing	1,391,774	2.8	1,353,436	8.1	1,287,773
9	The Somerfield Magazine	Rare Publishing	1,201,700	-3.5	1,244,715	10.0	1,092,936
10	Radio Times	BBC Worldwide	1,046,601	-3.3	1,082,338	-2.2	1,070,042
11	Take a Break	H Bauer Publishing	1,018,423	-0.8	1,027,013	-5.9	1,082,051
12	Debenhams Desire	Publicis Blueprint	747,251	0.0	747,251	0.3	745,126
13	Sky Kids	News Magazines	745,779	N/A	-	N/A	-
14	Reader's Digest	Reader's Digest Association	712,815	-0.6	717,285	-3.3	737,345
15	Saga Magazine	Saga Publishing	659,104	7.9	610,771	-40.4	1,105,140
16	Birds	RSPB	610,801	-0.9	616,066	-1.7	621,198
17	Closer	Emap Consumer Media	570,239	-7.1	614,141	-3.4	590,211
18	Heat	Emap Consumer Media	558,365	-6.7	598,623	-3.7	579,883
19	OK! Magazine	Northern & Shell	557,014	-10.7	624,091	1.7	547,714
20	Glamour	Conde Nast Publications	544,653	-7.5	588,539	-7.1	586,056
21	Chat	IPC Media	511,510	-4.8	537,464	-7.7	544,375
22	Unlimited	Bristol Magazine	500,700	-4.6	524,600	-7.7	542,250
23	Now	IPC Media	494,229	-8.5	540,132	-8.5	539,902
24	Ikea Family Live	August Media	487,815	N/A	-	N/A	-
25	Cosmopolitan	The National Magazine Co	450,952	-1.0	455,649	1.9	442,384

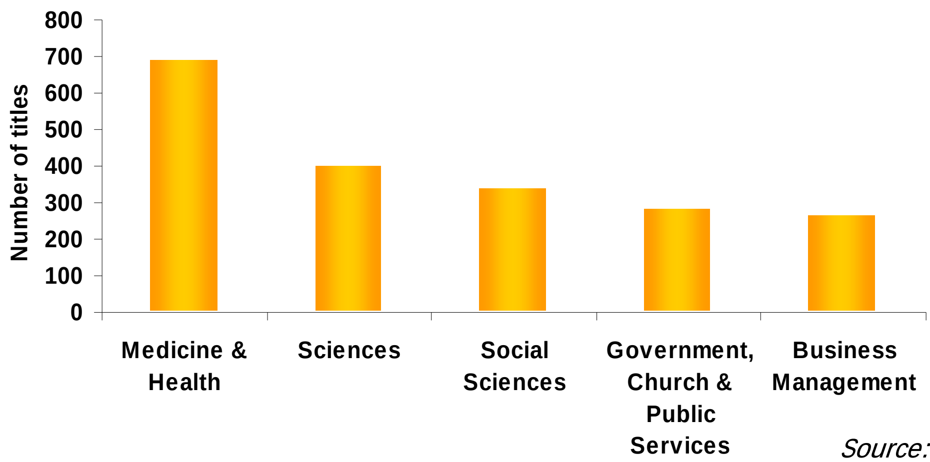
Source: ABC Concurrent Release, August 2007.

Business media sectors

Sector	No. of Titles	Sector	No. of Titles
Aeronautical	67	Government, Church & public services	278
Agricultural, Forestry & Fishing	136	Legal	107
Architecture	109	Leisure Industry	65
Arts, Antiques & Dealers	53	Manufacturing	137
Building	179	Materials	83
Business Management	262	Media, Marketing & Advertising	121
Business Services	82	Medicine & Health	685
Catering & Hospitality	60	Packaging	32
Chemical Industry	38	Printing	25
Computing	96	Property	47
Corporate & Organisation Journals	58	Rail Transport	15
Education & Training	219	Recruitment	8
Electrical Industry	24	Retailing & Wholesaling	178
Electronics	42	Road Transport	47
Energy	74	Sciences	397
Entertainment Industry & Technology	102	Security & Crime Prevention	17
Environment & conservation	85	Ships & Marine	79
Exporting & Importing	17	Social Sciences	336
Fashion, clothing, and textiles	70	Telecommunications	40
Finance & Financial Services	237	Transportation Industry	23
Food & Drink Processing	61	Travel Industry	65
Furnishings & Woodworking	23	Veterinary	28

Source: Brad, Nov 2007.

Leading Sector Groups



Source: Brad, Nov 2007.

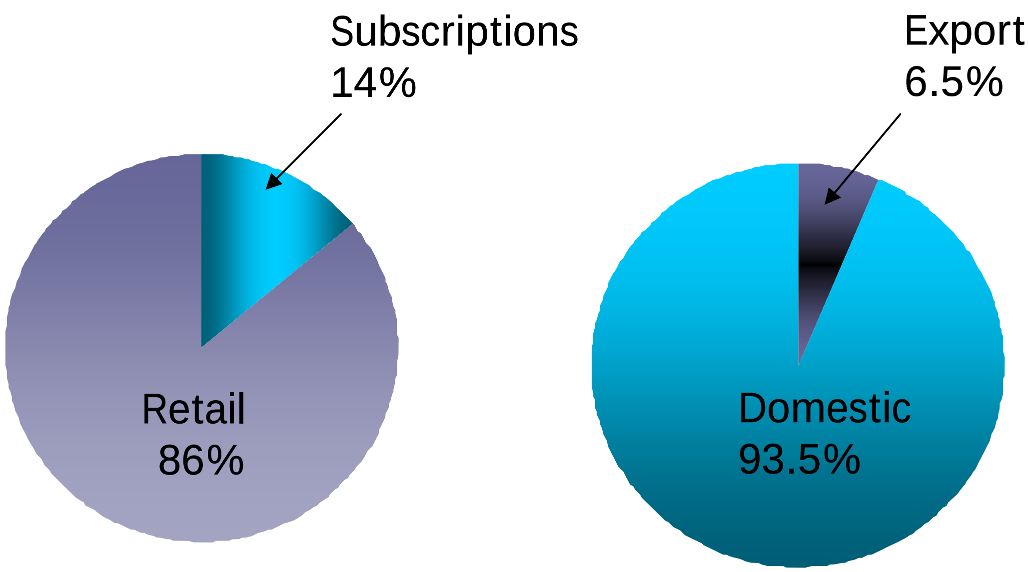
Top 25 circulating business media titles

Rank	Title	Publisher	Total avg. net circulation
1	RCN Bulletin	RCN Publishing Company	375,420
2	MQ	Grand Lodge Publications	239,157
3	First Voice	Cambridge Publishers	185,937
4	Financial Management	Caspian Publishing	155,665
5	Engineering & Technology	The Inst. Of Engineering and Technology	146,343
6	Computer Weekly	Reed Business Information	140,938
7	People Management	Personnel Publications	127,396
8	British Medical Journal (BMJ)	BMJ Publishing Group	123,792
9	Accounting & Business	Assoc. of Chartered Certified Accountants	121,953
10	The Law Society's Gazette	The Law Society	115,576
11	Computing	Incisive Media	115,431
12	Professional Builder	Hamerville Magazines	105,413
13	ProFILE	Prospect	101,633
14	Management Today	Haymarket Business Media	100,011
15	Accountancy	CCH	94,400
16	RICS Business	Atom Publishing	90,564
17	PC Pro	Dennis Publishing	90,407
18	Computer Shopper	Dennis Publishing	83,390
19	Auto Service and Repair	Ten Alps Publishing	79,100
20	NADFAS Review	NADFAS Enterprises	78,059
21	Professional Manager	Chartered Management Institute	77,152
22	Nursing Standard	RCN Publishing Company	73,268
23	Personal Computer World	Incisive Media	72,008
24	Farmers Weekly	Reed Business Information	70,315
25	The TES	TSL Education	69,153

Source: ABC, Nov 2007.

Subscriptions

Purchasing of consumer magazines



Source: Wessenden Marketing, 2007

Overall one in five people have a subscription, two per cent having received it as a gift.

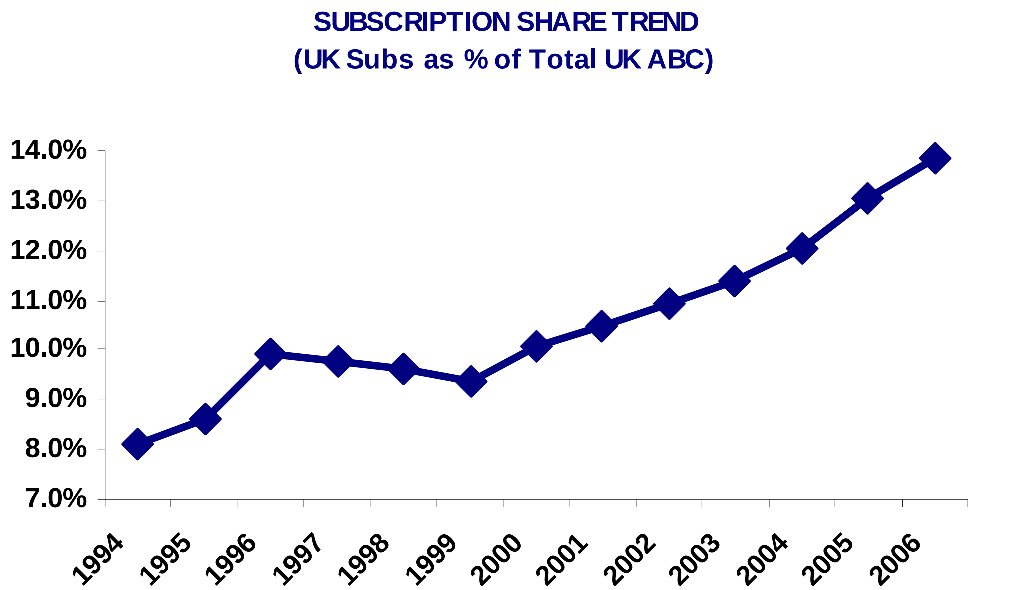
A third of subscribers subscribe to more than one magazine, and the average number of years current subscribers have been subscribing to a magazine is 3.7.

Although there is no discrepancy between male and female purchasing habits, men are more likely to spend more money on magazine related products.

Subscriptions

Steady growth

While subscriptions have traditionally offered a fairly low percentage of overall UK magazine sales, subscription rates have been increasing steadily in recent years. They now account for 14 per cent of total sales, and every seventh magazine sold in the UK.



Source: Wessenden Marketing, 2007

Rewards for readers

Subscriptions ensure that consumers remain loyal to specific magazine brands throughout the year. In turn, this subscribed readership enjoys a significant discount on the retail cover price.

In 2006, the average subscription was sold to the consumer at a 32 per cent discount below retail price. The average renewal rate also increased markedly over the course of the year - from 73 per cent to 79 per cent.

Growing subscription rates mean that publishers are able to secure an increasingly extensive insight into their readership groups, and are consequently able to deliver a more targeted and refined product to their audience.

Subscriptions increase sales

Around a quarter (23%) of those who have subscribed to a magazine have bought something else linked to the magazine.

This figure underlines the value of subscription sales to publishers, even at discounted copy price rates.

Advertisers place great importance upon a product that is not only bought into and delivered directly to consumers' homes, but also offers a high proportion of consumers who spend money on products based on advertising that they have seen in their favourite magazine.

% of magazine subscribers who spend money on products linked to a magazine

£ spent on products linked to magazine	% of Respondents
£1-£50	46%
£51-£100	19%
£101-£200	6%
£201-£300	7%
£301-£400	3%
£401-£500	5%
£501-£1000	2%
£1001-£2000	1%
More than £2000	6%
Don't know	6%

Source: Wessenden Marketing, 2007.

Over the counter...

The alternative to subscribing to magazines is to buy them at retail. Unlike in the US, where subscriptions make up 87 per cent of total magazine sales, the majority of UK magazines are sold over the counter at various retail outlets.

This is obviously an extremely important source of revenue not only to publishers but also to retailers, who thrive on the sale of fast moving consumer goods through brand recognition, which is a key strength of the magazine medium.

Top 20 titles by newsstand sales value (£m)

1	OK! Magazine	54.3
2	Radio Times	50.5
3	Heat	47.5
4	Take a Break	37.0
5	Closer	33.2
6	What's on TV	31.4
7	Hello!	27.7
8	Now	25.5
9	TV Choice	24.6
10	Nuts	20.8
11	Chat	19.6
12	TV Times	18.1
13	Grazia	17.5
14	Reveal	16.9
15	Woman	15.4
16	That's Life	15.0
17	Zoo	14.0
18	FHM	13.4
19	Cosmopolitan	13.3
20	Woman's Own	12.9

Outlet's share of magazine distribution (%)

Retail Channel	2006 % Share
Grocery	31.5
Independents	28.8
High street	12.3
Convenience	10.9
Travel	9
CTN	5.8
Forecourts	1.4
Other Multiples	0.3
TOTAL	100

Both tables source: Wessenden Marketing, 2007.

The magazine retailing map

Print product sales % share

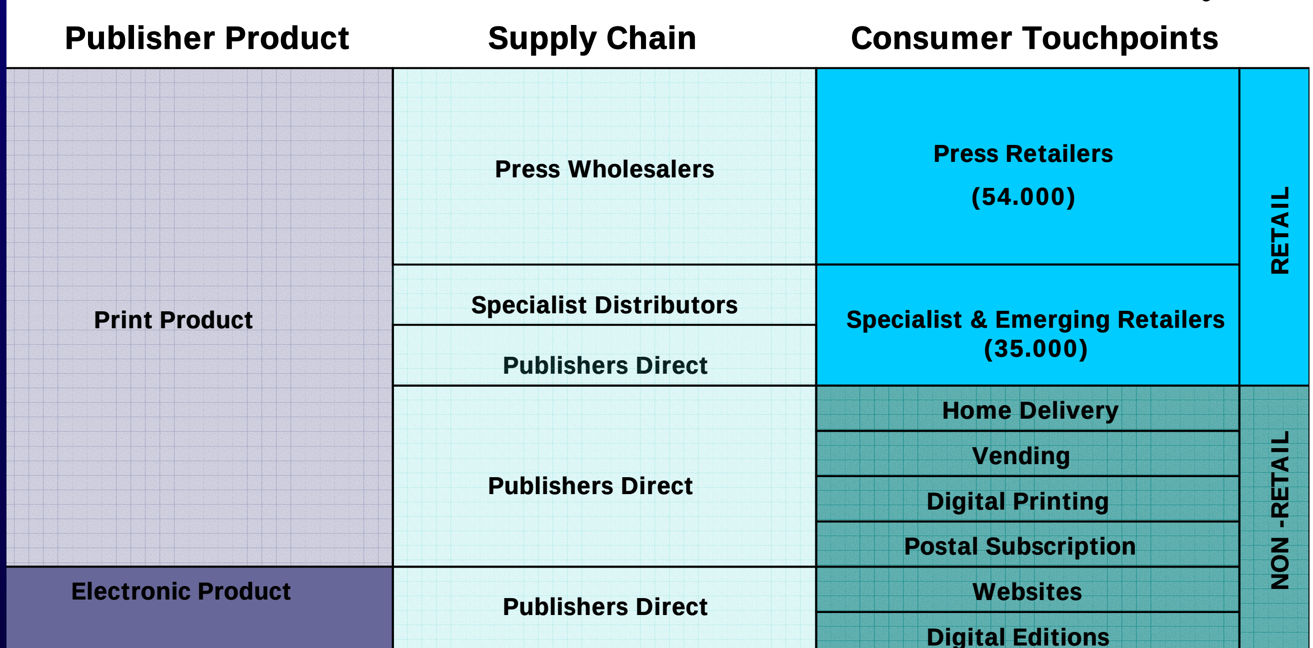
Press retailers: in-store sales	81
Press retailers: home delivery	5
Specialist & emerging retailers	1
Publishing direct home delivery	Nil
Vending	Minimal
Digital Printing	Minimal
Postal subscriptions	13
TOTAL	**100**

The bulk of magazines that are sold in the UK are distributed to major press retailers through press wholesalers.

While digital distribution continues to grow, especially in the business media sector, it remains a marginal source for consumers to obtain magazine products.

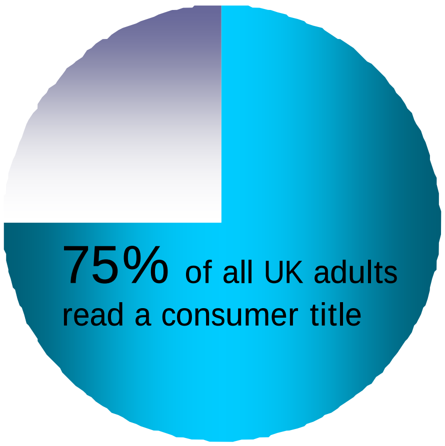
Table and Chart Source: Wessenden Marketing, 2007.

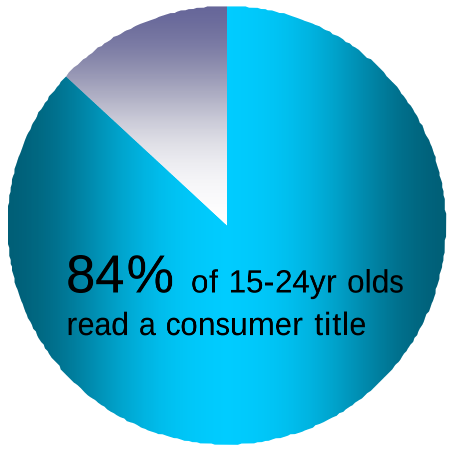
UK magazine sales: from publishing to purchase



Readership

Readership of consumer magazines





Source: NRS, 2007.

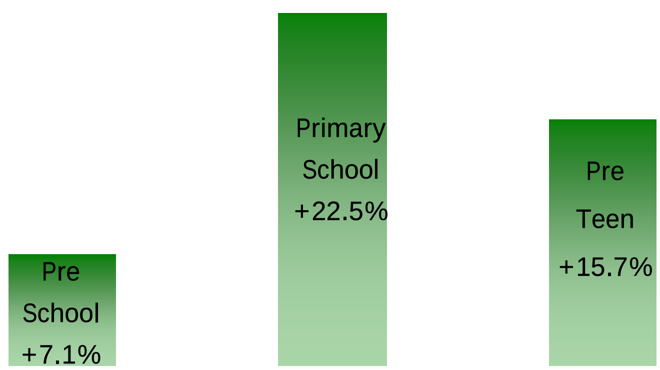
Almost everyone reads a magazine. 75 per cent of all UK adults read at least one of the 183 consumer titles listed on the National Readership Survey.

However, with a total of 8,558 recorded magazines currently in circulation – business and consumer – we can say with some certainty that almost every UK adult reads at least one magazine title.

Significantly, magazine readership is heaviest amongst key demographic groups, such as ABC1s and young adults.

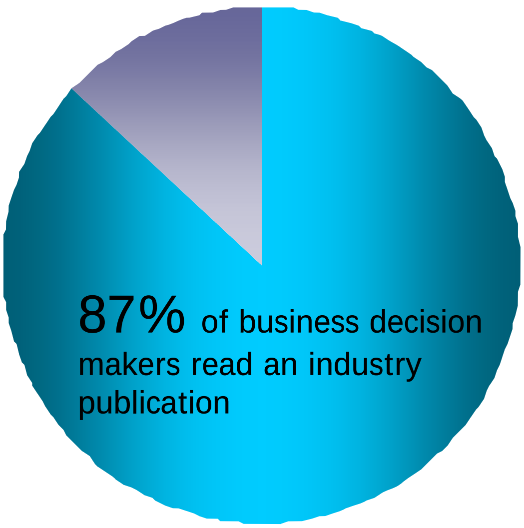
There has also been a substantial growth in the number of children's titles in recent years, and a further six high profile children's launches have been planned during 2007.

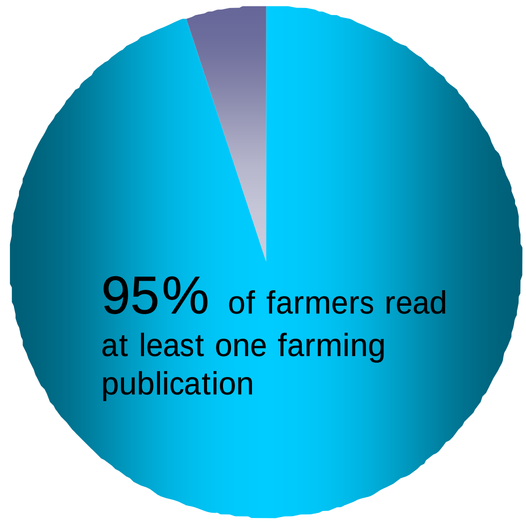
Growth in children's magazines 2006-07



Source: ABC, 2007.

Readership of business media magazines





Source: The Colouring Book, 2007.

Reading of business media titles is even higher than that of consumer magazines. 87 per cent of decision makers use business media publications regularly for work purposes – more than any other medium.

In turn, such publications proliferate the doctrines of their industries: 83 per cent of managers would recommend to people starting a career in their sector to read the business publications.

The targeted nature of magazines means that readership catchments in relevant groups is particularly high. For example, we know that 95 per cent of farmers read at least one farming publication, and that 92 per cent of hospital doctors read at least one medical journal.

Readership profiles

The National Readership Survey (NRS) provides estimates of the number and nature of the people who read Britain's newspapers and consumer magazines. From this information we are able to ascertain the number of readers of a publication and the type of people those readers are in terms of sex, age, regionality and many other demographic and lifestyle characteristics.

Every year, a total of some 36,000 randomly selected individuals are interviewed on a one-to-one basis for an average of just under 30 minutes.

% Share of sample who read an NRS listed title

	Any General Weekly	Any Women's Weekly	Any General Monthly	Any Women's Monthly	Population
SEX					
Male	48	16	59	27	49
Female	52	84	41	73	51
AGE					
15-24	20	22	19	15	16
25-34	15	18	18	17	16
35-44	20	18	20	21	19
45-54	16	14	15	16	16
55-64	13	11	14	15	14
65+	17	17	15	16	20
SOCIAL GRADE					
AB	26	19	31	30	26
C1	29	31	31	32	29
C2	21	21	20	18	21
DE	24	28	18	20	24
REGION					
London & SE	37	35	40	41	36
SW & Wales	14	13	13	13	14
Midlands	17	16	17	16	16
North West	11	11	9	11	11
NE & North	15	16	12	12	14
Scotland	6	9	8	8	9
Greater London	12	13	13	15	13
WEIGHT OF TV VIEWING					
Heavy	8	8	6	6	7
Medium/Heavy	23	22	21	22	22
Medium	22	23	22	23	22
Light/Medium	22	22	23	22	21
Light	15	13	16	14	15
Never View	10	10	12	12	12

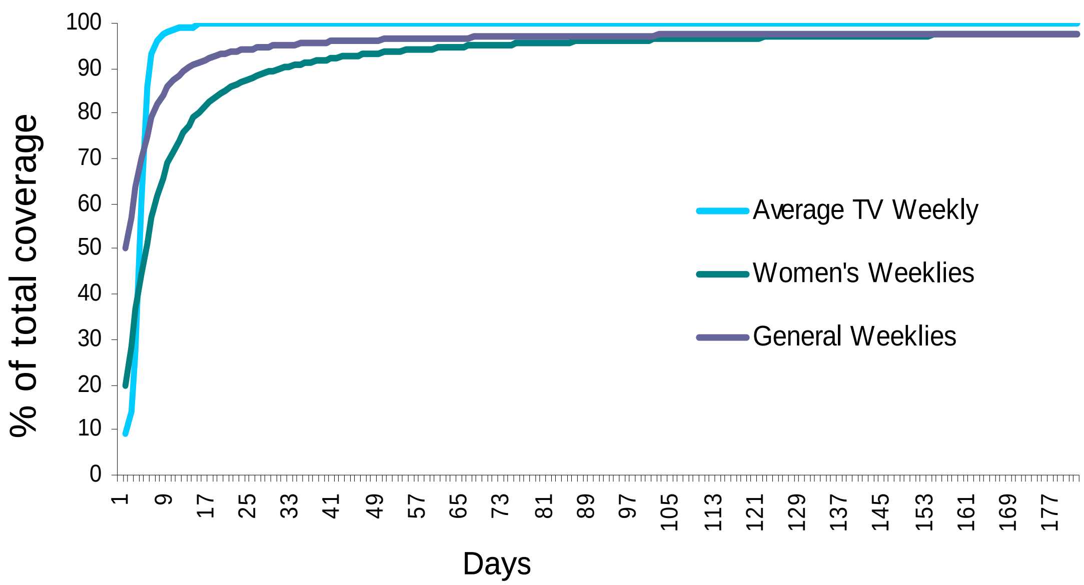
Source: NRS, 2007.

Readership accumulation data

In 2004, the NRS created the **Readership Accumulation Survey (RAS)**, to measure the different speeds at which individual magazine and newspaper titles build up their average issue readership. The data shows how soon after a given issue hits the newsstands the average issue reader actually reads it – and illustrates this information via an accumulation curve.

It is important for those planning advertising in magazines not only to know *how many* readers see an ad and *what* their profile is, but also *when* those readers are going to see it – so that simultaneous TV, radio, print and online campaigns can be coordinated.

Average readership accumulation curves for weekly magazines and television programmes

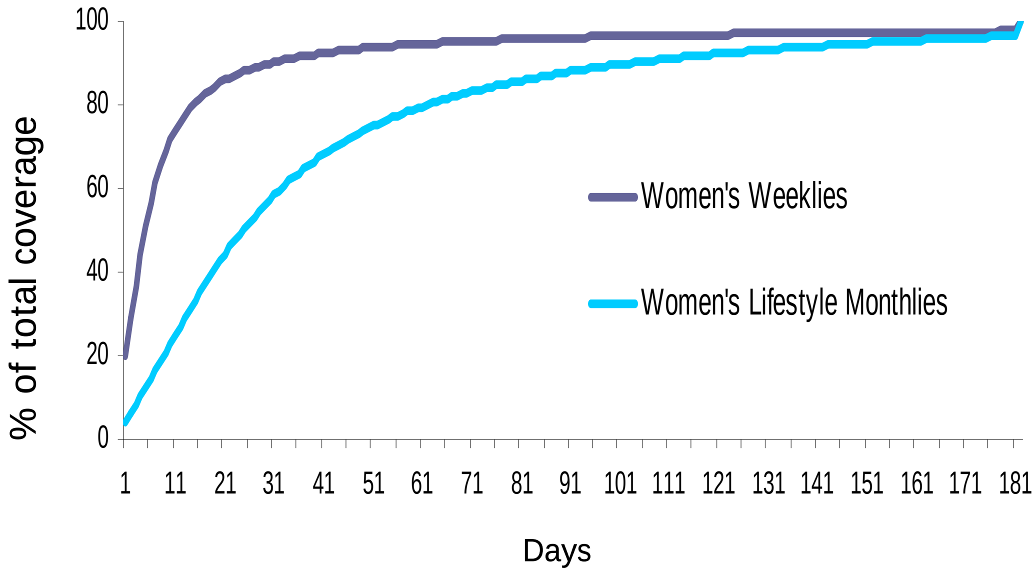


Source: NRS Readership Accumulation Survey, 2005.

The readership accumulation study and resultant pattern of build allow us to look at week-by-week reach in print, which in turn enables direct comparisons with TV schedules. Advertising agencies can now plan print the same way they plan TV: weekly rating points and weekly reach estimates.

Readership accumulation data

Average readership accumulation curves for women's weeklies and lifestyle monthlies



Source: NRS Readership Accumulation Survey, 2005.

The chart demonstrates the length of time it takes different sorts of publications to amass their coverage over time.

As one might expect, women's weeklies attain maximum coverage more quickly than women's lifestyle monthlies, which are sold over a longer period of time.

Within the first two weeks of its life, a women's weekly title will – on average – have amassed 80 per cent of its total coverage. For women's monthly lifestyle titles, it takes two months to build up 80 per cent coverage.

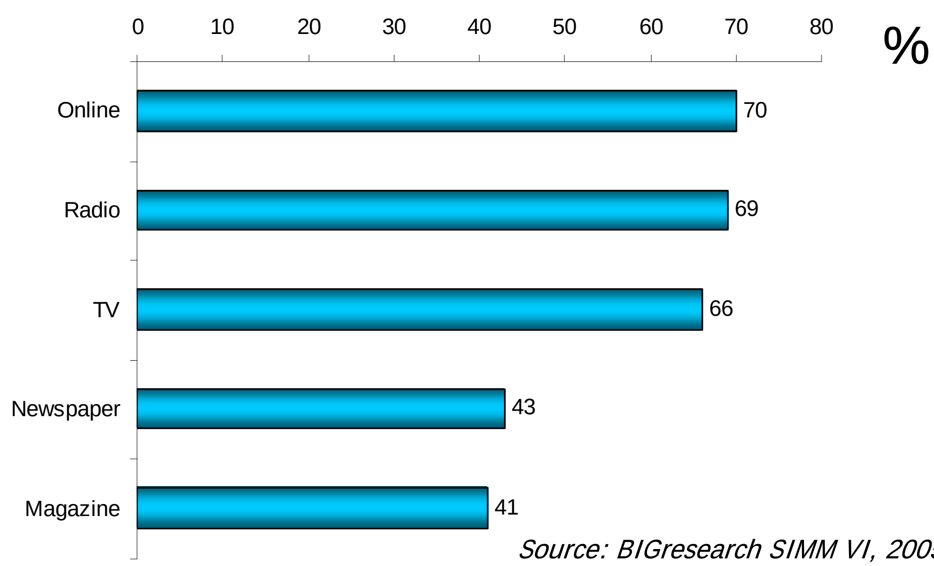
Quality of reading

Of course, reach and readership figures alone cannot give us an insight into the way in which consumers engage with a given medium. We know that magazines are highly targeted, and that magazine brands are recognised as a trusted source of information and entertainment. But how are these titles being read?

Consumer

Magazines require attention. The very acts of reading and turning pages mean that you are actively using your brain to scan what's in front of you and selecting what to read. Consequently magazine readers become completely immersed in their "magazine moment" and generally find distraction in very little else.

Per cent who say they multitask media use and life activities



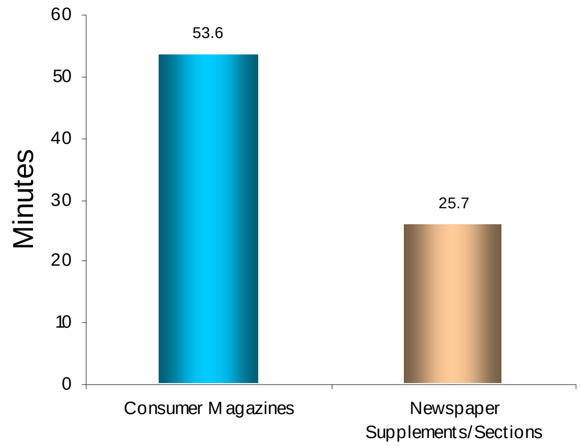
Source: BIGresearch SIMM VI, 2005.

Quality of reading

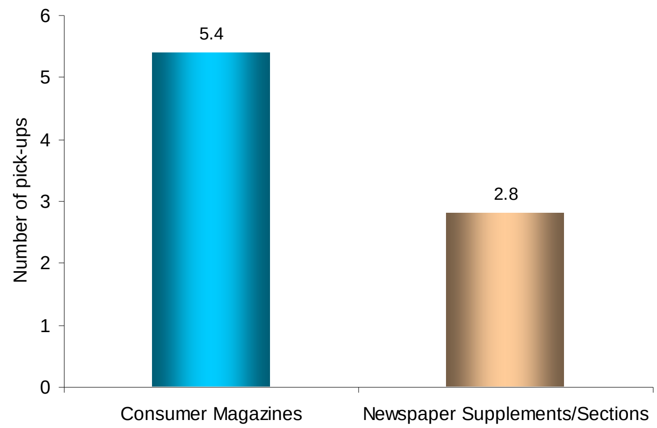
Time spent reading

The average consumer magazine is read for a healthy 54 minutes. By contrast, the average newspaper supplement/section is read for an average of 26 minutes. The average magazine is picked up 5.4 times. For newspaper supplements/sections the average is 2.8.

The number of times the average reader reads the average page is 2.5 times.



"How long do you usually spend in total reading or looking at an issue of...by the time you have finished with it?"



"How many times do you usually pick up an issue of... by the time you have finished with it?"

Source: Quality of Reading Survey, 2000.

Quality time

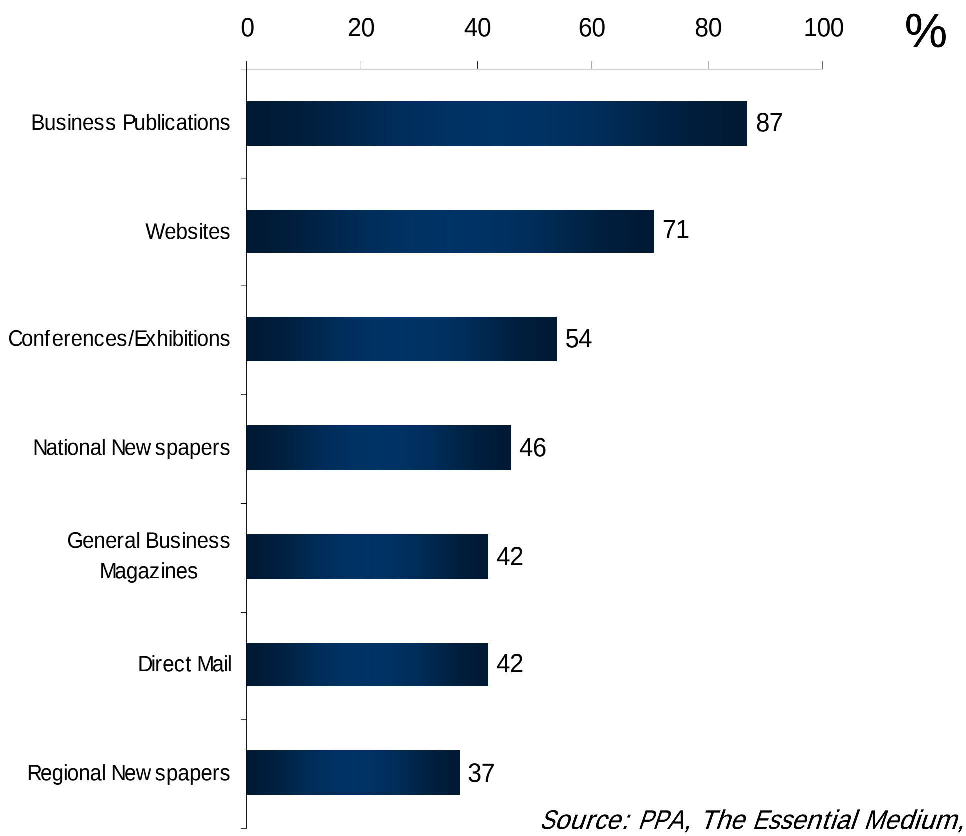
In addition to being read on numerous occasions for long periods of time, the reading of magazines is regarded as an extremely rewarding experience. 84 per cent of readers agree with the statement "you can believe what you read in it"; 81 per cent "I look forward to reading it"; and 87 per cent "I read it when I'm relaxing".

Business information

Like consumer magazines, readers regard business media publications as a principal source of interest and information.

They are the media information source most regularly used to gain information about the business sectors, and 80 per cent of decision makers find professional media an authoritative source of information.

Which media and information source do you use most regularly to gain information about your sector?



Source: PPA, The Essential Medium, 2002

At work but not at work

Despite being regarded as such an important source of business information, business media titles are also looked upon as a source of enjoyment. Sixty seven per cent of these readers read them within a few days, and 87 per cent look through the entire magazine. 80 per cent find business media magazines interesting and 66 per cent enjoy receiving them.

79%	55%	66%
Read business magazines at their desk	Read business magazines when they have a break at work	Enjoy receiving business magazines

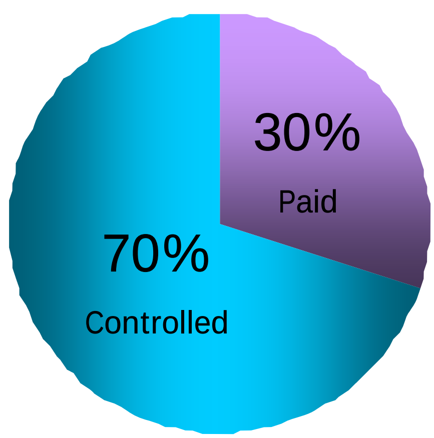
Source: The Colouring Book, 2007

The readership is also a very loyal one – approximately 95 per cent of readers who read a business media title do so on a regular basis.

The majority of business magazines are circulated free of charge, usually on a controlled circulation basis, which means that readers have to qualify under the publisher's terms of control.

The result is a highly targeted readership selected for its relevance to advertisers.

Business media UK circulation

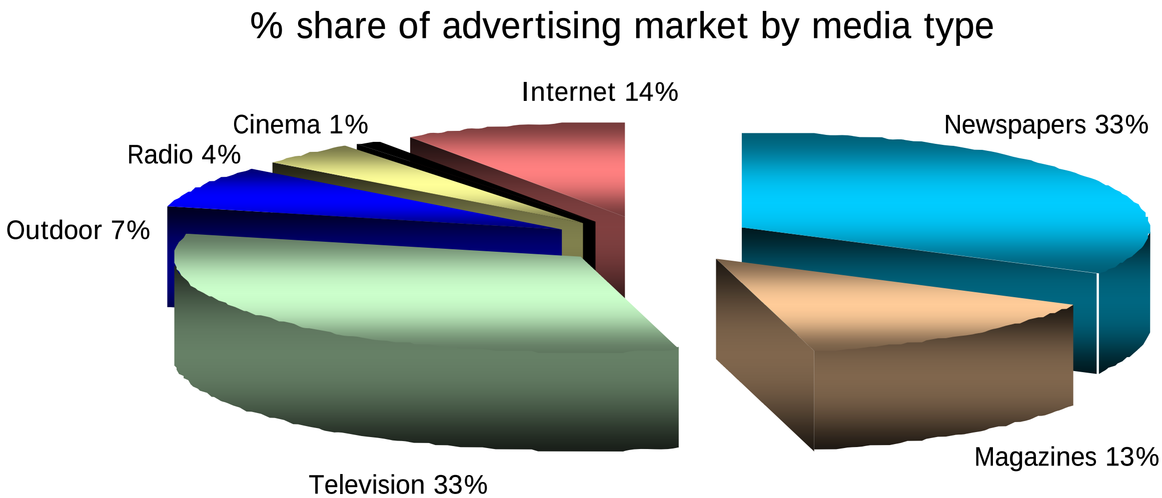


Source: PPA, 2007.

Advertising

Advertising

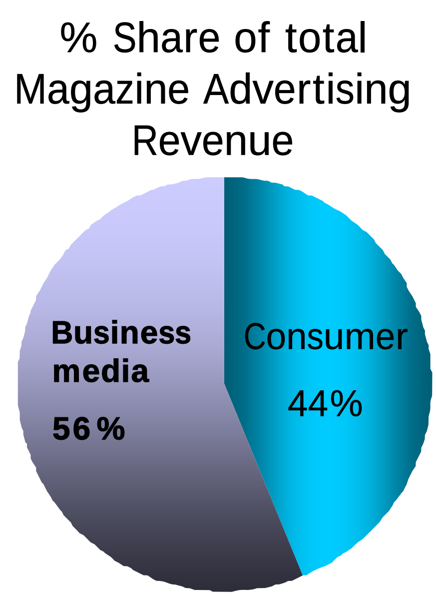
In an age of growing ad-avoidance, the magazine industry is now, more than ever, playing a crucial role in communicating the messages of advertisers.



Source: Advertising Association, Forecast 2007.

Almost £2bn was spent on magazine advertising during 2006 (consumer and
business media) - a 13.2 per cent share of the total UK main media advertising spend.

Consumer magazines' share was 5.8 per cent, with business media titles accounting for 7.3 per cent.



Source: Advertising Association, Forecast 2007.

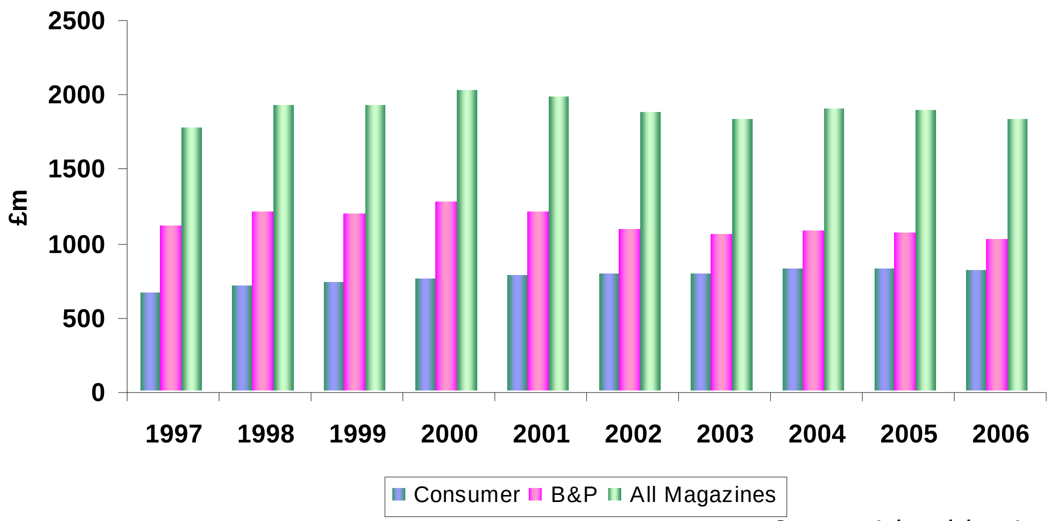
Advertising

Total media advertising expenditure at current prices (£m)

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
National newspapers	1,510	1,650	1,824	1,991	2,252	2,062	1,930	1,902	1,974	1,912	1,914
Regional newspapers	2,061	2,238	2,390	2,483	2,762	2,834	2,878	2,962	3,132	2,994	2,782
Consumer magazines	583	660	709	727	750	779	785	784	819	827	812
B2B magazines	1,018	1,106	1,209	1,195	1,270	1,202	1,088	1,048	1,082	1,064	1,016
Television	3,379	3,704	4,029	4,321	4,646	4,147	4,341	4,378	4,653	4,820	4,594
Outdoor	446	545	613	649	810	788	816	914	986	1,043	1,084
Radio	344	393	460	516	593	541	547	584	606	579	534
Cinema	73	88	97	123	128	164	180	180	192	188	188
Internet	-	8	19	51	153	166	197	465	825	1,366	2,016
Total	9,414	10,392	11,350	12,056	13,364	12,683	12,762	13,217	14,269	14,793	14,940

Source: Advertising Association, 2007.

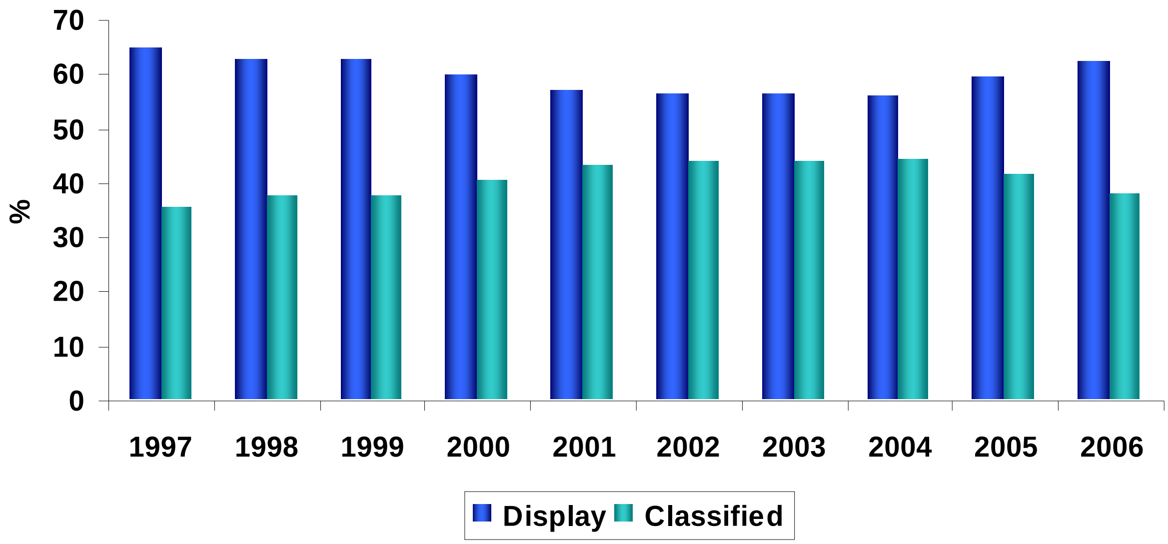
Magazine advertising expenditure 1997-2006



Source: Advertising Association, 2007.

Advertising

Business & Professional display/classified split, 1997-2006

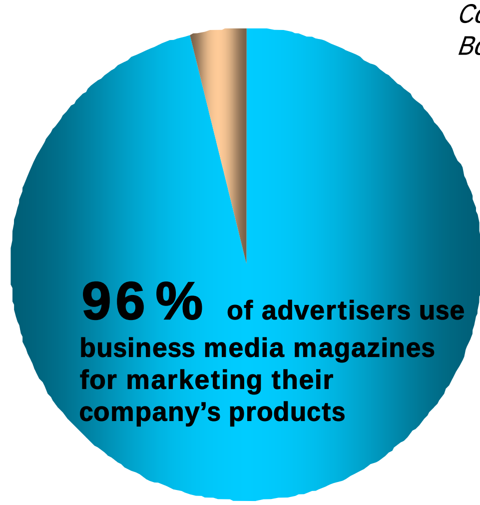


Source: Advertising Association, 2007.

In contrast to newspapers, a very high proportion (80 per cent) of consumer magazine advertising revenue is derived from display advertising, with a relatively small amount (20 per cent) coming from classified and recruitment.

Source: The Colouring Book, 2007

In the case of business media publications, whose focus is more geared towards providing information as opposed to entertainment, the split is more even. 58.5 per cent of advertising revenue derives from display, with classified accounting for the other 41.5 per cent.



Top spending advertisers in consumer magazines

Fast moving consumer goods advertisers are increasingly relying upon magazines to promote both new and established products and services.

This investment comes in the form of both traditional consumer magazine advertising, and by way of enlisting publishing houses to create their own customer magazines.

		Period Total Expenditure
1	PROCTER & GAMBLE LTD	30,894,457
2	LOREAL GOLDEN LTD	29,566,121
3	UNILEVER UK LTD	24,862,013
4	MASTERFOODS	11,009,789
5	BRITISH SKY BROADCASTING LTD	9,914,844
6	SHOP DIRECT LTD	9,082,005
7	NESTLE	9,040,417
8	COI COMMUNICATIONS	8,884,881
9	TESCO PLC	6,887,836
10	BEIERSDORF UK LTD	6,576,785
11	JD WILLIAMS & CO LTD	6,494,548
12	LOREAL LUXURY PRODUCTS LTD	5,791,547
13	BOOTS THE CHEMISTS LTD	5,610,110
14	JOHN LEWIS PARTNERSHIP	5,481,591
15	SAMSUNG (UK) LTD	4,872,163
16	COTY PRESTIGE UK LTD	4,626,256
17	CHANEL LTD	4,522,564
18	COTY UK LTD	4,481,867
19	ALBERTO CULVER CO UK LTD	4,345,264
20	KRAFT FOODS (UK) LTD	4,335,244
21	MARKS & SPENCER	4,248,507
22	RENAULT UK LTD	4,037,147
23	TMOBILE NETWORK	3,926,187
24	ESTEE LAUDER COSMETICS LTD	3,876,027
25	VODAFONE LTD	3,730,150

Source: Nielsen Media Research, 2007

The Advertising Association (AA) predicts a 15.6 per cent increase in consumer magazine ad-spend over the next 12 years, taking overall advertising investment in the industry from £750m in 2006 to £889m in 2018:

"In our view, the nature of magazines and their relationship with their readers means they have less to fear from the internet as a rival for display budgets than, say, national newspapers do. The steady proliferation of new titles, aimed at highly segmented interest groups, should stimulate interest from advertisers." (AA)

This is a view which is shared by the UK's leading advertiser, Procter & Gamble, who have increased their investment in print by 10.7 per cent over the last two years.

Major advertisers increasing overall media spend

In the UK advertising revenue has been growing ahead of inflation. On average. The top 25 UK advertisers increased spend by 4.4 per cent over the course of 2006.

	2005	2006	
	Expenditure	Expenditure	Exp. Yr on Yr Diff %
PROCTER & GAMBLE	187,763,211	181,319,828	-7.95%
UNILEVER UK	204,390,897	177,304,221	-4.61%
COI COMMUNICATIONS	172,158,974	141,153,203	-8.96%
LOREAL GOLDEN	106,044,011	120,161,752	11.07%
BRITISH SKY BROADCASTING	111,259,688	118,371,842	11.58%
DFS FURNITURE	87,094,316	98,715,084	14.53%
BT	80,736,110	92,332,239	-1.80%
ORANGE	99,340,424	89,073,661	0.57%
RECKITT BENCKISER (UK)	80,760,499	83,796,160	-0.77%
TESCO	61,761,239	76,142,000	16.10%
NESTLE	69,285,925	69,280,575	1.47%
MARKS & SPENCER	45,327,075	68,314,744	39.40%
VAUXHALL MOTORS	64,267,857	65,172,948	3.37%
KELLOGG COMPANY OF GB	59,115,108	63,917,265	6.51%
VODAFONE	50,387,143	63,607,514	19.91%
LLOYDS TSB	58,858,951	62,425,409	0.76%
MASTERFOODS	79,460,733	59,984,482	3.58%
SAINSBURYS SUPERMARKETS	53,597,215	58,968,624	3.04%
CAPITAL ONE	49,884,333	57,963,301	-5.05%
FORD MOTOR COMPANY	64,025,457	57,383,232	-11.86%
MBNA EUROPE BANK	38,574,062	53,666,352	7.81%
O2 UK	49,505,275	53,011,498	5.50%
VOLKSWAGEN UK	46,198,305	46,313,321	-1.93%
TMOBILE NETWORK	46,445,391	46,050,967	23.30%
RENAULT UK	61,584,339	42,769,826	-14.78%

Source: Nielsen Media Research, 2007.

Top 100 consumer magazines by display advertising revenue

		2006 (£)	2005 (£)
1	OK! WEEKLY	30,057,699	28,879,993
2	VOGUE	25,610,025	23,565,882
3	GLAMOUR	23,770,272	24,260,439
4	HEAT	23,728,224	21,936,973
5	WIRED USA	21,921,634	15,357,973
6	WHAT'S ON TV	20,238,647	20,274,044
7	MARIE CLAIRE	18,092,260	17,969,548
8	RADIO TIMES	17,476,822	18,240,533
9	POWER & MOTORYACHT	16,768,335	11,845,995
10	HELLO	16,658,126	16,202,398
11	ELLE	16,429,848	14,336,836
12	COSMOPOLITAN	15,779,977	16,769,039
13	NOW	14,853,972	13,368,082
14	ECONOMIST	14,454,451	12,909,713
15	TAKE A BREAK	14,189,119	14,679,008
16	GOOD HOUSEKEEPING	13,840,959	14,842,094
17	CLOSER	13,823,074	10,209,559
18	GRAZIA	12,815,490	5,788,566
19	COUNTRY LIFE	12,514,013	12,654,654
20	RED MAGAZINE	12,208,475	11,693,154
21	SKY CUSTOMER MAGAZINE	11,877,713	14,130,265
22	WOMAN'S OWN	11,702,316	12,485,777
23	GQ	11,684,569	11,517,631
24	HOUSE & GARDEN	11,320,157	9,833,203
25	SAGA MAGAZINE	10,827,255	9,768,361
26	FHM	10,446,558	12,611,760
27	TATLER	10,218,195	9,294,084
28	IN STYLE	10,054,025	9,966,536
29	BELLA	9,886,130	10,315,513
30	WOMAN	9,517,268	10,699,389
31	FORTUNE (INTL)	9,343,307	8,039,373
32	HARPERS BAZAAR	9,096,016	7,842,611
33	BEST	9,057,191	9,945,177

Source: Nielsen Media Research, 2007.

Top 100 consumer magazines by display advertising revenue

34	**TV CHOICE**	8,929,113	9,986,825
35	**BRIDES**	7,290,189	8,371,086
36	**READER'S DIGEST**	7,214,922	6,875,600
37	**REVEAL**	7,194,308	3,561,278
38	**EASY LIVING**	7,139,460	5,409,809
39	**TV TIMES**	7,098,425	7,902,061
40	**MORE!**	6,730,533	6,777,902
41	**NUTS**	6,603,091	6,379,137
42	**SAINSBURY'S MAGAZINE**	6,543,742	6,685,065
43	**PRIMA**	6,530,256	7,208,990
44	**CHAT**	6,477,043	5,630,649
45	**ASDA MAGAZINE**	6,468,289	6,837,279
46	**NEW!**	6,448,099	5,700,150
47	**WALLPAPER**	6,335,825	5,500,527
48	**MAX POWER**	6,315,437	4,465,421
49	**TIME OUT**	6,298,601	6,297,023
50	**WORLD OF INTERIORS**	5,910,865	5,158,877
51	**LONDON MAGAZINE**	5,871,491	5,438,588
52	**YOURS**	5,781,550	5,554,987
53	**WHAT CAR**	5,748,336	7,480,546
54	**ZOO WEEKLY**	5,737,839	5,888,693
55	**NEW WOMAN**	5,650,246	6,807,143
56	**TOP GEAR**	5,646,769	5,848,438
57	**COMPANY**	5,544,992	6,560,629
58	**VANITY FAIR**	5,467,541	4,778,102
59	**HOMES & GARDENS**	5,397,403	5,022,960
60	**AUTO EXPRESS**	5,250,491	5,205,684
61	**WOMAN & HOME**	5,233,365	4,688,234
62	**AUTOCAR**	5,210,856	7,340,486
63	**CONDE NAST TRAVELLER**	5,203,826	4,841,654
64	**WOMAN'S WEEKLY**	4,981,138	5,854,523
65	**NEW MUSICAL EXPRESS**	4,947,965	4,957,031
66	**EVE**	4,916,127	4,640,204

Source: Nielsen Media Research, 2007.

Top 100 consumer magazines by display advertising revenue

67	TIME	4,912,703	6,184,878
68	COUNTRY LIVING	4,887,925	4,020,815
69	IDEAL HOME	4,837,067	5,372,977
70	YOU & YOUR WEDDING	4,790,459	4,731,248
71	PEOPLE'S FRIEND	4,758,245	4,818,719
72	BBC GOOD FOOD	4,722,291	4,897,651
73	MEN'S HEALTH	4,654,076	4,134,964
74	BOAT INTERNATIONAL	4,538,181	3,997,045
75	ELLE DECORATION	4,311,113	3,971,644
76	HIGH LIFE	4,301,454	4,119,552
77	TV QUICK	4,147,273	5,342,501
78	SHOW BOATS INTERNATIONAL	4,126,004	3,087,746
79	BOOTS HEALTH & BEAUTY	3,983,870	4,746,392
80	ESQUIRE	3,946,368	4,410,830
81	STAR(A4)	3,874,182	3,875,012
82	SHE	3,851,574	5,205,156
83	WAITROSE FOOD ILLUSTRATE	3,717,709	2,702,402
84	MOTHER & BABY	3,645,643	3,267,920
85	WHAT HI FI SOUND & VISION	3,606,528	4,041,995
86	AMATEUR PHOTOGRAPHER	3,602,648	3,896,654
87	THAT'S LIFE	3,592,209	3,904,151
88	ARENA	3,589,096	3,885,800
89	JEWISH CHRONICLE	3,564,863	3,068,010
90	HOUSE BEAUTIFUL	3,469,922	3,733,671
91	M&S MAGAZINE	3,462,202	3,205,300
92	NATIONAL GEOGRAPHIC	3,402,587	2,776,441
93	HORSE & HOUND	3,362,358	3,098,619
94	TESCO MAGAZINE	3,333,731	2,653,088
95	EMPIRE	3,320,526	3,773,704
96	LOADED	3,292,508	4,042,487
97	CRN	3,288,822	3,013,987
98	CLASSIC & SPORTSCAR	3,258,416	2,940,548
99	Q	3,233,001	3,232,419
100	BBC GOOD HOMES	3,177,783	3,556,472

Source: Nielsen Media Research, 2007.

Top 100 B+P magazines by display advertising revenue

	Magazine	2006 (£m)	2005 (£m)
1	ECONOMIST	25,974,938	22,341,936
2	AVIATION WK & SPACE TECH	19,117,651	14,953,478
3	EE TIMES INTL	14,364,039	31,237,559
4	FINANCIAL ADVISER	12,859,316	10,626,229
5	ESTATES GAZETTE	11,923,797	10,257,606
6	TRAVEL TRADE GAZETTE	10,576,449	11,032,437
7	INVESTMENT WEEK	10,139,087	10,914,691
8	BUSINESS & COMM AVIATION	9,207,815	8,874,118
9	PROPERTY WEEK	9,201,053	8,775,301
10	TRAVEL WEEKLY	9,037,730	10,770,656
11	TIME	8,703,821	10,451,956
12	COMPUTING	7,847,120	7,537,858
13	CHEMICAL & ENGINEERING NEWS	7,840,618	7,383,544
14	MORTGAGE SOLUTIONS	7,136,412	6,097,890
15	MONEY MARKETING	7,036,925	7,220,819
16	FLEET NEWS	6,587,225	6,500,762
17	ELECTRONIC DESIGN	6,518,309	12,629,240
18	COMPUTER WEEKLY	6,446,931	6,373,391
19	GENERAL PRACTITIONER	6,125,909	6,940,900
20	PROFESSIONAL ADVISER	5,690,996	5,138,696
21	CRN	5,673,495	5,183,594
22	PUBLICAN	5,468,361	4,340,668
23	FARMERS WEEKLY	5,342,082	4,729,864
24	INVESTORS CHRONICLE	5,290,960	5,334,831
25	DEFENSE NEWS	5,248,503	4,754,052
26	FLIGHT INTERNATIONAL	5,070,570	5,197,554
27	BUILDING	4,875,371	4,032,936
28	MORTGAGE STRATEGY	4,843,084	4,007,541
29	AIR TRANSPORT WORLD	4,832,817	4,063,811
30	THE GROCER	4,830,735	4,731,428
31	FABRIC	4,819,325	4,847,750
32	MANAGEMENT TODAY	4,511,405	4,371,063
33	CONSTRUCTION NEWS	4,469,588	4,065,835

Source: Nielsen Media Research, 2007.

Top 100 B+P magazines by display advertising revenue

34	PULSE	4,463,788	5,893,890
35	BUILDING	4,324,581	3,802,611
36	MANAGEMENT TODAY	4,296,510	4,322,005
37	IT WEEK	4,262,320	4,206,846
38	MORNING ADVERTISER	3,985,519	3,107,776
39	CATERER & HOTEL KEEPER	3,946,785	3,896,515
40	CHEMICAL WEEK INTL	3,876,278	3,688,050
41	MICROSCOPE	3,774,999	2,912,781
42	ABTA MAGAZINE	3,749,925	3,593,820
43	ELECTRONICS WEEKLY	3,605,558	3,107,463
44	JANES DEFENCE WEEKLY	3,580,613	3,209,437
45	HAIRDRESSERS JOURNAL INTL	3,500,864	3,746,083
46	DIRECTOR	3,461,195	3,033,504
47	COST SECTOR CATERING	3,230,512	2,658,534
48	DOCTOR	3,184,671	2,214,551
49	PROFESSIONAL BUILDER	3,149,241	2,942,781
50	BMJ CLINICAL RESEARCH	3,127,323	2,659,795
51	PC PRO	3,115,746	3,789,206
52	CHEMIST & DRUGGIST	3,114,147	2,751,091
53	GLASS'S GUIDE	3,103,336	2,944,609
54	DIRECTOR	3,096,718	3,099,879
55	ACCOUNTANCY AGE	3,087,301	3,318,829
56	NEW MODEL ADVISER	3,085,917	468,775
57	DENTISTRY	2,938,216	2,614,076
58	COMPUTER ACTIVE	2,889,361	3,605,057
59	FLIGHT DAILY NEWS	2,846,309	2,401,248
60	CONTRACT JOURNAL	2,804,751	2,577,814
61	COMPUTER SHOPPER	2,798,411	3,432,316
62	INT DEFENSE REVIEW	2,733,545	2,078,940
63	FARMERS GUARDIAN	2,721,094	3,407,390
64	ROTOR & WING	2,680,720	2,593,995
65	MONEY WEEK	2,670,515	1,634,490
66	CONVENIENCE STORE	2,630,342	2,865,965

Top 100 B+P magazines by display advertising revenue

67	ICON	2,524,200	2,445,380
68	NEWSWEEK	2,476,752	2,148,396
69	BUSINESS LIFE	2,445,742	2,341,247
70	AIRLINE BUSINESS	2,434,408	2,856,120
71	OFFICIAL PLAYSTATION 2	2,423,318	3,692,931
72	EAT OUT	2,411,810	1,407,828
73	ELECTRONIC PRODUCT NEWS	2,393,510	4,189,186
74	THE ARCHITECTS' JOURNAL	2,384,754	2,468,239
75	RETAIL WEEK	2,381,502	2,325,956
76	BUILDING SERVICES JNL	2,381,340	2,335,185
77	MONEYWISE	2,348,117	2,311,413
78	BMJ (GENERAL PRACTICE)	2,339,652	2,621,862
79	MONEY MANAGEMENT	2,319,091	1,83,586
80	SHARES	2,318,416	2,238,117
81	YOUR MORTGAGE	2,308,016	2,379,526
82	BUILDING DESIGN	2,294,197	2,155,764
83	PC ADVISOR	2,250,107	2,661,431
84	MIMS	2,223,793	2,615,593
85	CFO EUROPE	2,163,075	2,003,517
86	BUILDING SERVICES JNL	2,147,831	1,984,955
87	HOSPITAL DOCTOR	2,113,999	1,983,815
88	PROFESSIONAL ENGINEERING	2,108,678	2,188,700
89	COMMERCIAL MOTOR	2,106,755	2,207,974
90	MOTOR TRADER	2,097,070	1,734,719
91	EDN	2,085,435	4,060,272
92	PEOPLE MANAGEMENT	2,058,700	2,198,750
93	EMPLOYEE BENEFITS	2,033,450	N/A
94	RETAIL NEWSAGENT	2,031,607	2,030,019
95	PERSONNEL TODAY	2,027,059	1,981,861
96	RESTAURANT	2,021,440	2,095,435
97	MACWORLD	2,018,584	2,223,755
98	PROF ELECTRICIAN/INSTALLER	1,964,116	1,917,133
99	EDN EUROPE	1,431,463	2,511,166
100	BLUEPRINT	1,418,930	1,390,247

Source: Nielsen Media Research, 2007.

Major B+P magazine advertisers in selected categories

Top 10 agricultural advertisers

	£
BAYER CROP PROTECTION	684,632
SYNGENTA CROP PROTECTION UK LTD	486,682
SCHERING-PLOUGH (MIDDLESEX)	473,595
CLAAS UK LTD	362,393
INTERVET UK LTD	361,556
NICKERSON BROTHERS LTD	338,446
AGCO	278,025
PFIZER LTD	249,497
MERIAL ANIMAL HEALTH LTD	246,951
BASF PLC	218,497

Top 10 building advertisers

	£
DELL	470,464
CORUS COLORCOAT	443,090
AUTODESK LTD	261,520
DORMA UK LTD	255,517
KINGSPAN BUILDING PRODUCTS LTD	245,553
BRITISH BOARD OF AGREMENT	242,722
MONODRAUGHT FLUES LTD	234,983
THRISLINGTON SALES LTD	228,657
ROCKWOOL LTD	213,998
DURAVIT UK	211,703

Top 10 catering advertisers

	£
SHOP EQUIP LTD	515,035
NESTLE COMPANY LTD	448,708
PROCTER & GAMBLE LTD	392,035
CHRISTIE & CO	381,381
UNILEVER BEST FOODS	307,988
HOTELYMPIA	234,879
BURCO MAXOL	211,097
ENODIS DISTRIBUTION UK	210,999
CALIFORNIA RAISIN CATERING ADV SVC	198,883
HEINZ FOOD SERVICE	174,979

Top 10 electronic advertisers

	£
DIGI-KEY CORPORATION	453,860
TEXAS INSTRUMENTS	425,155
ANALOG DEVICES	307,510
AGILENT TECHNOLOGIES INC	205,462
NATIONAL INSTRUMENTS UK CORP	195,922
MAXIM INTEGRATED PRODUCTS	194,293
RS COMPONENTS	190,548
POWERSOLVE ELECTRONICS LTD	178,520
LINEAR TECHNOLOGY (UK) LTD	176,144
NATIONAL SEMICONDUCTOR CORP	149,430

Top 10 property advertisers

	£
CLIVE EMSON (KENT) AUCTIONEERS	1,371,682
COLLIERS CRE (L W1)	362,900
KING STURGE & CO (L W1)	314,031
SAVILLS (L W1)	292,841
JONES LANG LASALLE (L W1)	292,212
SLOUGH (BER) ESTATES	277,632
CUSHMAN & WAKEFIELD (L W1)	274,556
ALLSOP & CO (L W1)	243,640
KNIGHT FRANK (L W1)	221,232
FAIRVIEW NEW HOMES (L W1) PLC	196,465

Top 10 general practitioner advertisers

	£
PFIZER GROUP	2,050,220
GSK GLAXO SMITHKLINE	1,653,485
ASTELLAS PHARMA LTD	1,122,024
ASTRAZENECA	1,110,358
BOEHRINGER/PFIZER	868,231
SERVIER LABORATORIES LTD	654,715
MERCK SHARPE DOHME/SCHERING PLOUGH	590,694
SCHERING PLOUGH LTD	588,941
BAYER UK LTD	553,726
BOEHRINGER INGELHEIM LTD	522,346

Source: Nielsen Media Research, 2007.

Major B+P magazine advertisers in selected categories

Top 10 grocery advertisers

	£
SHOP-EQUIP	1,172,843
G&M SUPPLIES LTD	840,768
HM REVENUE & CUSTOMS	791,419
MASTERFOODS	783,337
PROCTER & GAMBLE LTD	660,193
DIAGEO GREAT BRITAIN	645,004
COCA COLA SCHWEPPES BEVERAGES LTD	620,829
COORS BREWERS LTD	532,138
NESTLE ROWNTREE CONFECTIONERY	513,744
UNILEVER	499,474

Top 10 industrial advertisers

	£
IGUS (UK) LTD	327,445
AUTODESK LTD	222,039
WNT UK LTD	194,046
NATIONAL INSTRUMENTS UK CORP	178,591
BOSCH REXROTH LTD	170,354
ROCKWELL AUTOMATION	167,671
ADOBE SYSTEMS INC	159,078
SOLID WORKS UK	153,323
SEW EURODRIVE	152,806
MTA	150,786

Top 10 travel advertisers

	£
SANDALS RESORTS	813,648
KUONI	777,306
GOLD MEDAL TRAVEL GROUP PLC	758,062
TRAVEL 2 TOURS	675,707
AIR JAMAICA	403,075
EUROSTAR	364,201
ETIHAD AIRWAYS	322,227
JET AIRWAYS	301,630
AIR BERLIN	277,210
MANCHESTER AIRPORT	273,830

Top 10 computer advertisers

	£
IBM UK LTD	2,011,821
1&1 INTERNET LIMITED	1,640,944
MICROSOFT LTD	1,450,152
EVESHAM TECHNOLOGY	1,290,502
HEWLETT PACKARD LTD	1,266,325
COMPUTER WAREHOUSE	1,096,822
DELL COMPUTER CORPORATION LTD	1,069,189
MICRO ANVIKA COMPUTER SOLUTIONS	905,683
DABS COM	823,871
MESH COMPUTERS PLC	748,804

Top 10 financial advertisers

	£
FIDELITY INVESTMENT SERVICES LTD	1,777,611
NEW STAR ASSET MANAGEMENT	1,281,410
F&C MANAGEMENT LTD	1,082,680
GARTMORE INVESTMENT MANAGEMENT LTD	1,029,127
LEGAL & GENERAL GROUP PLC	835,048
LEXUS (GB) LTD	818,205
JUPITER UNIT TRUST MANAGERS LTD	804,469
THREADNEEDLE INVESTMENTS	717,950
HENDERSON PLC	640,922
ROLEX SA LTD	625,766

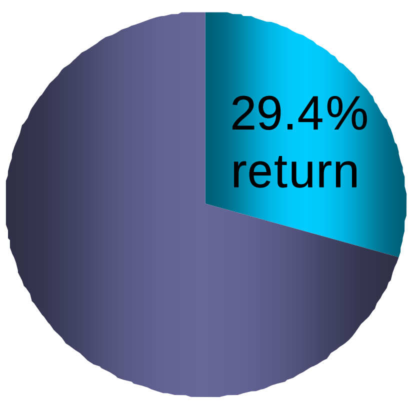
Source: Nielsen Media Research, 2007.

Ad Effectiveness

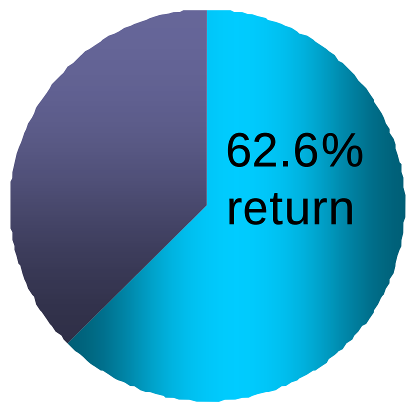
Targeting

Magazine advertising is undoubtedly the most efficient way to target specific demographics. The group most coveted of all by advertisers is the affluent ABC1 audience, who have the highest disposable income, and therefore offer the greatest return on advertising investment.

A recent PPA study highlights the exceptional ability of magazines to attract this audience.



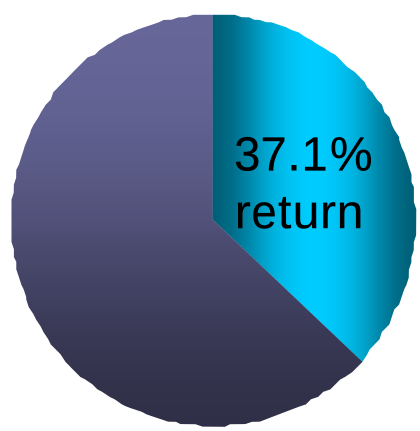
Highest ranking ABC1 television programme



ABC1 targeted magazines

Of all the television programmes in 2006 to be aimed at an audience of ABC1 women, the highest rating of the entire year received a return of 29.4 per cent.

But if we compare this figure to magazines targeted at ABC1 women, this figure is extremely low. And in actual fact, even titles at the other end of the market, whose target audience falls outside of the ABC1 demographic, deliver a higher average return on the ABC1 audience.



Non-ABC1 targeted magazines

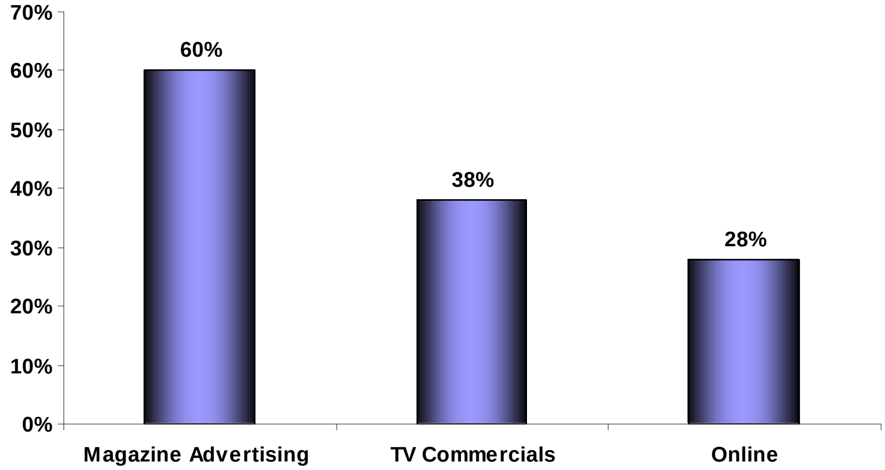
Source: PPA, March 2007.

Relevance

Contrary to the wider market place, where 59 per cent of consumers say that most marketing and advertising has very little relevance to them (*Yankelovich, 2004*) consumers have a strong expectation that magazine advertising will be relevant to them personally.

Hearst Magazines' *Engagement Factor Study* (2005), which looked at adults aged 18 to 54, found that the consumer feels the relevance of magazine advertising is more than double that of the internet and more than 50 per cent that of TV.

Per cent agree that "Most of the ads are geared toward the audience involved with the medium"



Source: Hearst Magazines' Engagement Factor Study, 2005.

Absorbing Media (PPA 2002) found much the same view that magazine advertising was felt to be the most relevant to the consumer. Again, 50% more consumers expressed this view about magazines than TV. The difference between magazines and the internet was even stronger.

Relevance

The time spent reading our favourite magazines is intensely personal, cocooned from external intrusion. Like a good friend, magazines offer a voice of trust and a moment of intimacy that is highly beneficial to advertisers.

Fourty two per cent of magazine readers claim to read their titles "cover-to-cover“, the average magazine reader spends at least 50 minutes reading their favourite title, and as we have seen from our analysis of subscriptions, brand loyalty makes magazine readers likely to spend money on magazine-related products.

And so, as the ultimate 'opt-in' medium, the magazine audience provides an unrivalled level of receptiveness to advertising. Consumers not only see magazines as the medium most likely to contain the *content* that they are most interested in, but also, the most relevant *advertising*.

"This medium has advertising that I find relevant"	**% agree that it applies**
Magazines	**34%**
Newspapers	**18%**
Newspaper Supplements	**9%**
Commercial TV	**23%**
Commercial Radio	**5%**
Websites	**10%**

Source: Absorbing Media, 2002.

"Magazines give the reader control, which makes advertising more welcome. And magazines target readers, which makes the advertising more relevant"

Erwin Ephron, Founder of Ephron Media

Trust

Magazine advertising also scores very well when consumers consider media that they use as a guide to purchase decisions.

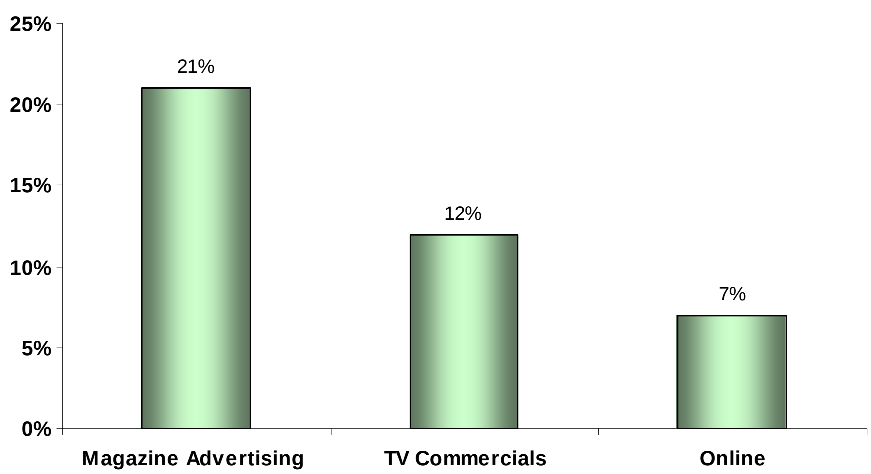
This is because the buying guide is at the heart of why consumers buy magazines and why editors create content that helps readers edit choice. People look to their magazines as a trusted agent, filtering and sorting reliable information, sources and offers. As the Henley Centre put it:

"titles fulfill an important role as an advocate and source of referral. These things are crucial to people in generating points of view ……. and personal recommendations in day-to-day conversations and are an important element of successful engagement."

This trust in the editorial content of magazines rubs off on consumer attitudes to advertising within their chosen title.

Recently Hearst Magazines' Engagement Study reinforced this view. Focusing on adults aged 18-54 they discovered that consumers are 75% more likely to trust magazine advertising than commercial TV ads and 3 times more likely when compared to Internet advertising.

Percentage of adults aged 18 – 54 who trust Ads in medium

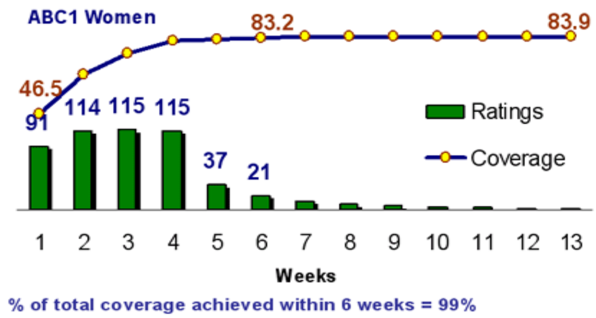


Source: Hearst Magazines' Engagement Factor Study, 2005.

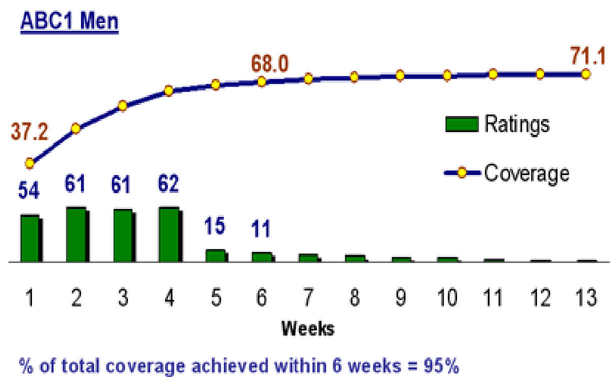
Scale

The combination of magazines' psychographic segmentation, active media consumption and scale delivers advertisers an opportunity to engage with massaudiences. Planned the correct way, (see PPA Planning Uncovered 2005) magazine are capable of delivering mass market reach or niche market reach.

Mixture of weekly and monthly magazines – no supplements



Mixture of weekly and monthly magazines – no supplements



Source: NRS/Telmar Timeplan, example schedule not optimised for efficiency.

In addition to this scale of delivery comes the ability to segment audiences into groups that have similar attitudes, interests and values to each other. The process of selection of magazines (reflecting the consumer's mood or needs) and subsequent payment means that the consumer expects the magazine consumption, will deliver something of value to them.

'Pay as you go' media like magazines and newspapers enjoy higher attention levels than more default media consumption, such as television, and as a consequence, are much more likely to be the sole focus of consumer attention.

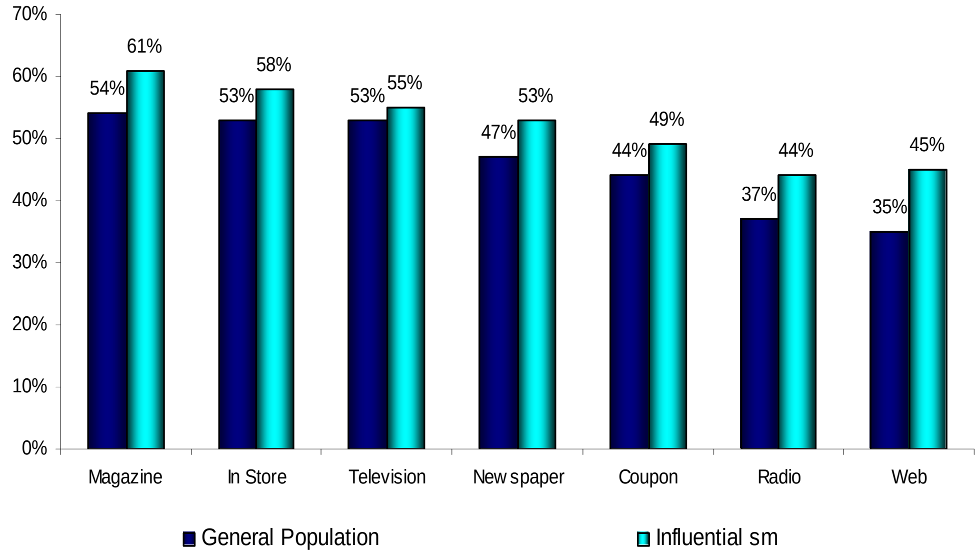
Word of Mouth

Magazines are consumed and absorbed in an order and at a pace which suits the individual. Respondents remark how magazines can be taken where and when the reader wishes, are easy to pick up and put down, and are available when there's time for reading. Research company NFO commented that the real meaning of this portability of magazines "was that the magazine really can be a friend, always on hand but never demanding, just like a good friend should be".

And this affects advertising too. One of the most significant advantages that magazines hold over other media is their ability to present advertiser messages. People are happy with advertisers material not just because of the trustworthiness that rubs off from the host title, but also because the marketing material is most usually surrounded by relevant and useful content.

This assertion has been supported by research from Roper Reports in the USA. Here a study showed that magazines are the marketing channel that has contributed most to the recommendations made by consumers over the past year.

% Saying which marketing elements contributed to recommendations of theirs in past year



Importantly, the 10% of the population that Roper identify as 'Influentials' (those that influence the rest of the population) are even more likely to have been effected by magazines.

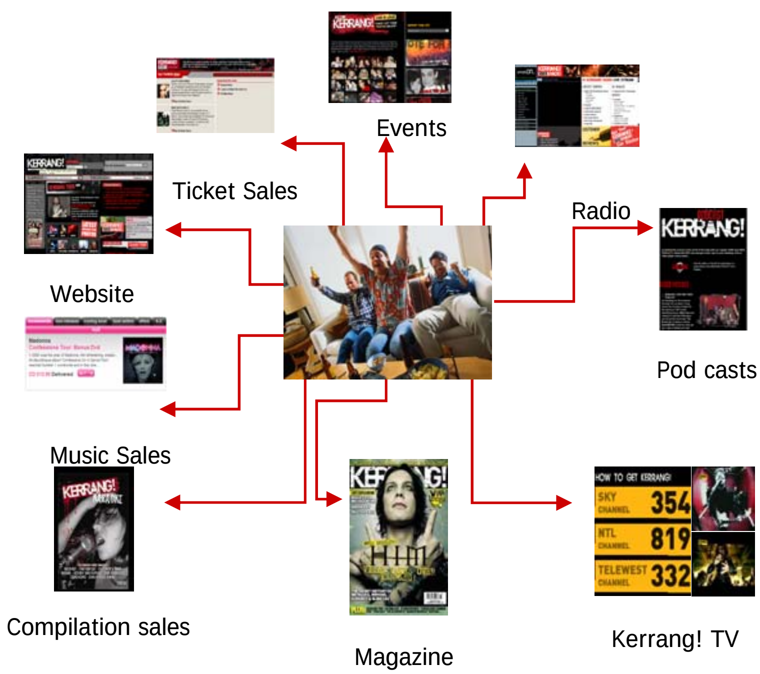
Source: Roper Reports, 2004.

Integration

There is an almost unlimited range of touch-points with consumers today requiring many different formats for content. The key to effective communication is a blend of the right message(s), in the right format(s), allowing the right consumers to be communicated with at the right time (for them).

One of the defining aspects of magazines is their ability to cross media boundaries in a way that other mediums struggle to match. Many magazines have become recognised brands in their own right, enjoying a relationship and meaning that goes beyond the paper product delivered on a weekly or monthly basis. This allows magazines to step into territories beyond print without stretching the credulity of consumers.

As a consequence, magazines can now offer advertisers multi-platform contact points Under the auspices of a single brand relationship with consumers.



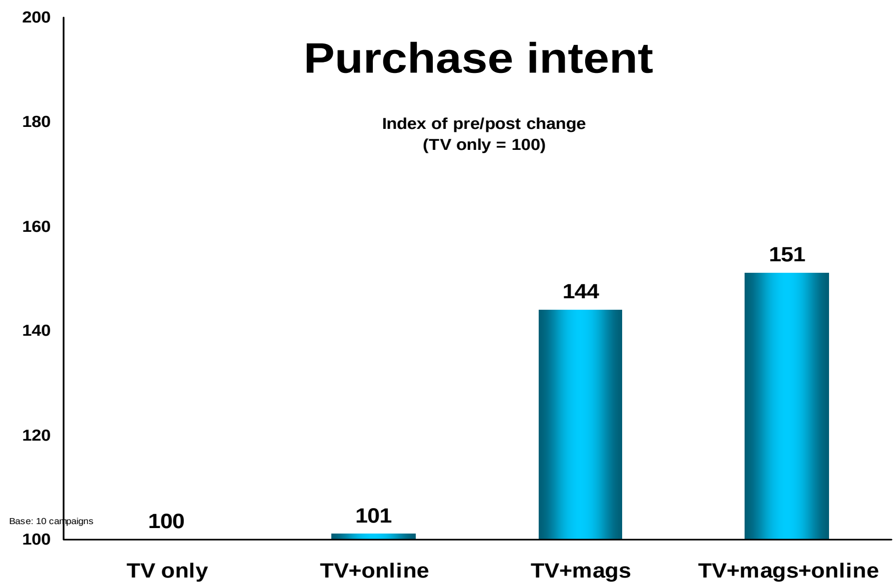
Source: PPA; White Lodge Media, 2007.

ROI

Research conducted by Marketing Evolution on behalf of the Magazine Publishers of America in 2006, found that magazines were the most effective medium to use in conjunction with television advertising.

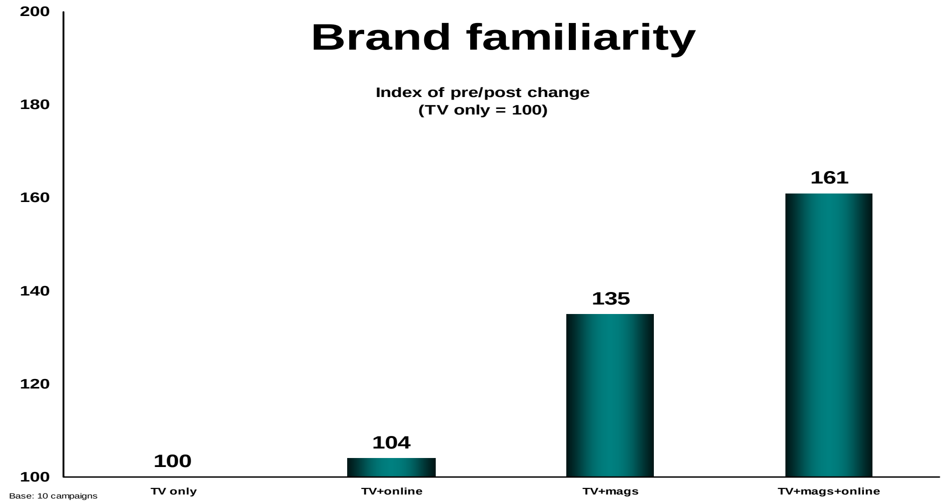
The study examined consumer habits across the purchase process, including brand awareness, brand familiarity, and purchase intent, and measured the effectiveness of advertising campaigns run on TV only, TV + online, TV + magazines, and all three mediums.

In every area magazines were shown to be the most effective way of increasing consumer response.



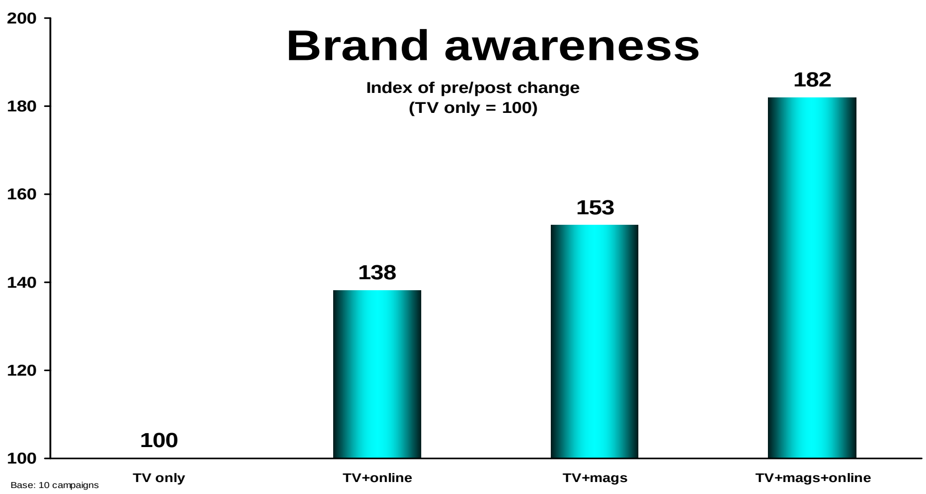
Source: MPA/Marketing Evolution Mixed Media Purchase Funnel Study, 2006.

ROI



The results showed that simply adding online advertising to an existing television campaign had very little effect on consumer response - with print advertising however response was greatly increased.

The results also emphasised the way in which the mediums of print and online complement one another, with the print medium driving traffic towards the online product.



Source: MPA/Marketing Evolution Mixed Media Purchase Funnel Study, 2006.

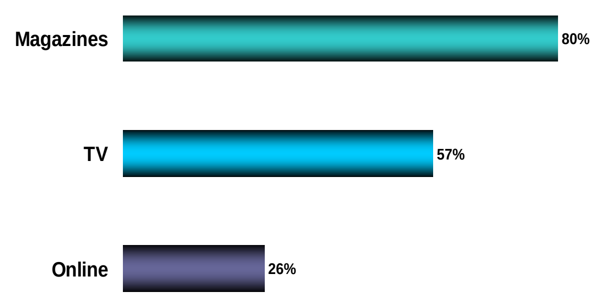
ROI

Dynamic Logic

A similar piece of research also commissioned by the Magazine Publishers of America and carried out by Dynamic Logic demonstrates the ability of magazines to increase ROI above any other media.

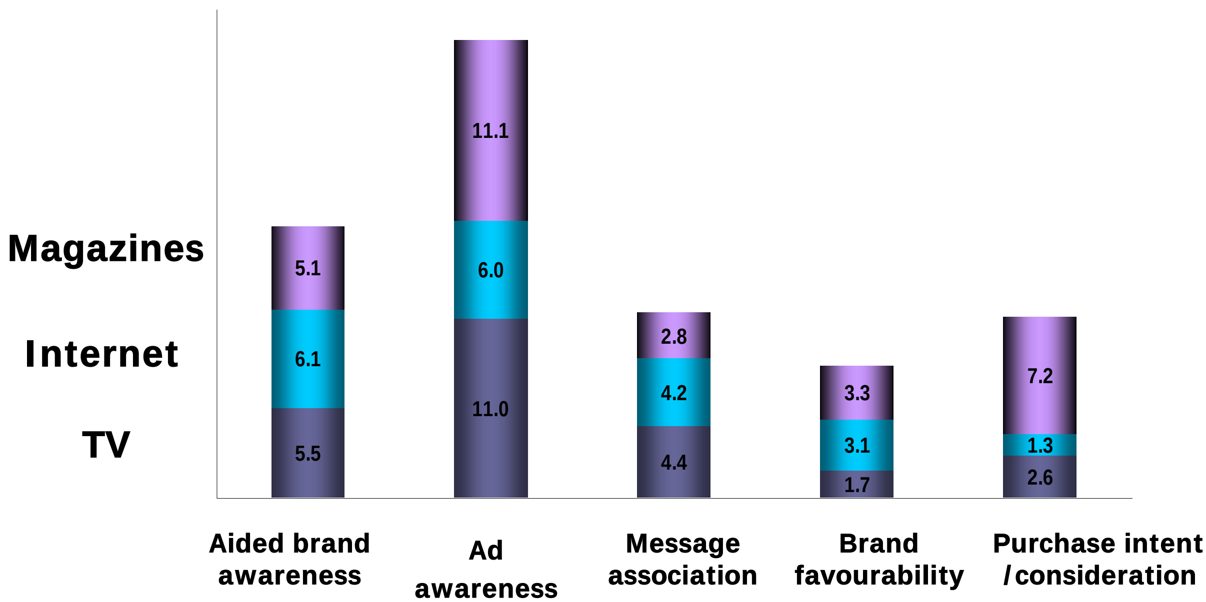
The study focussed on 8 campaigns using television, magazines, and online advertising, and analysed five measures of ad impact. It recorded the effect in all these areas on the 'exposed' group and calculated a percentage point increase from the non exposed group for each medium. In terms of generating advertising awareness and purchase intent magazines proved to be more effective than both television and online advertising.

% of cases in which purchase intent was boosted by medium



Source: MPA/Marketing Evolution Mixed Media Purchase Funnel Study, 2006.

Average percentage point increase over unexposed (control) baseline

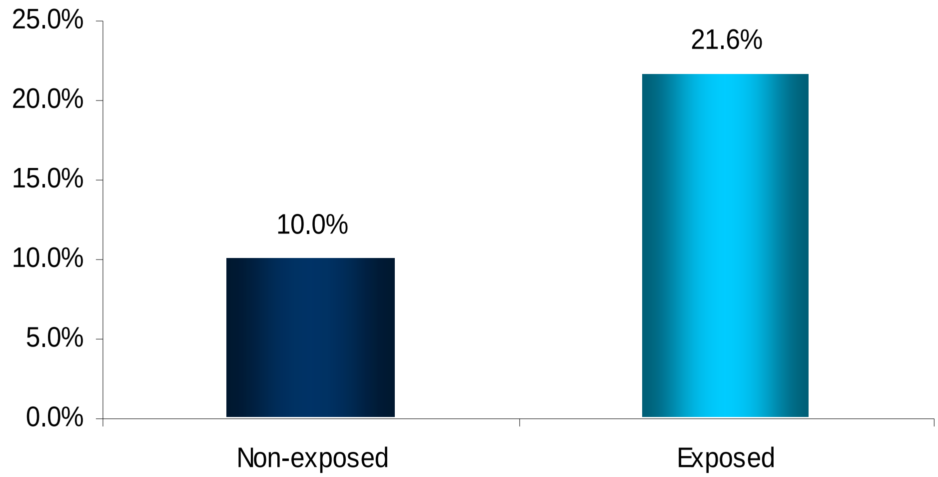


Source: MPA/ Dynamic Logic Cross Media Study, 2004.

Sales uncovered

The PPA's 2005 "Sales Uncovered" study analysed the sales uplift created by advertising in magazines. The study functioned by selecting brands which had used magazine advertising and whose sales had increased - and then establishing how far that sales uplift was associated with the use of magazines.

% Increase in sales (£)



Source: "Sales Uncovered", PPA, May 2005.

11.6 % increase in overall sales value created by magazine advertising

Aggregating the results of all 20 fmcg brand campaigns studied, the average increase in sales value during the campaign period, compared with the pre-campaign period, was for the exposed group twice that of the non-exposed. In other words, following the start of the campaign, purchases by individuals seeing the magazine advertising jumped by 21.6 per cent, while sales to those people not exposed rose by only 10.0
Per cent. Thus the magazine advertising generated an extra 11.6 per cent increase in sales overall.

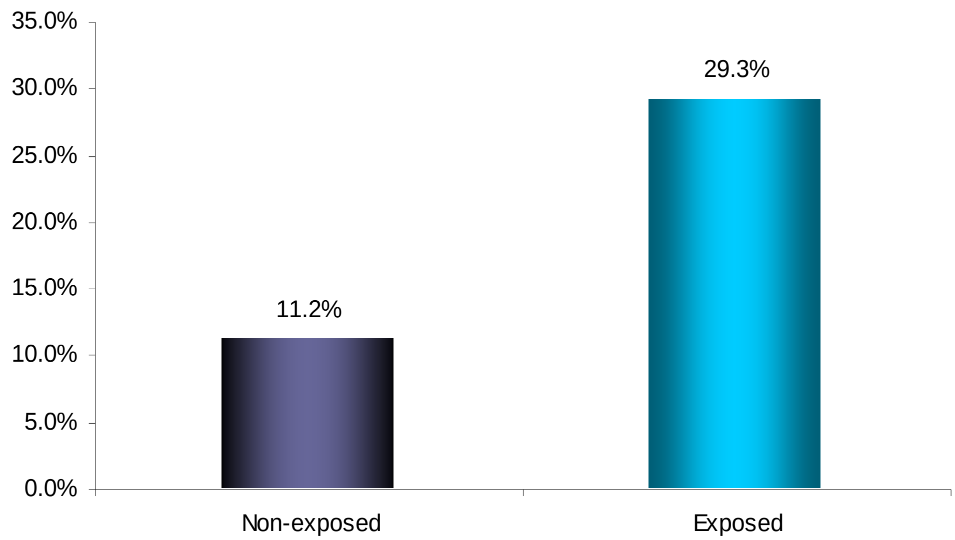
Sales uncovered

18.1% increase in overall sales volume created by magazine advertising

Sales value is not the only campaign success criterion employed by advertisers, of course. For many it is the number of extra sales generated by their ad campaign which counts. Analysis of all 20 fmcg campaigns using sales volumes, rather than sales values, uncovered a similar – but more marked – performance associated with magazine advertising.

On average, people exposed to the magazine advertising recorded a 29.3 per cent increase in the level of sales during the campaign, while for those without this exposure the increase in the volume of sales was only 11.2 per cent. The inference from this is that, overall, an additional 18.1 per cent of branded product sales are down to magazine advertising.

% Increase in sales volume

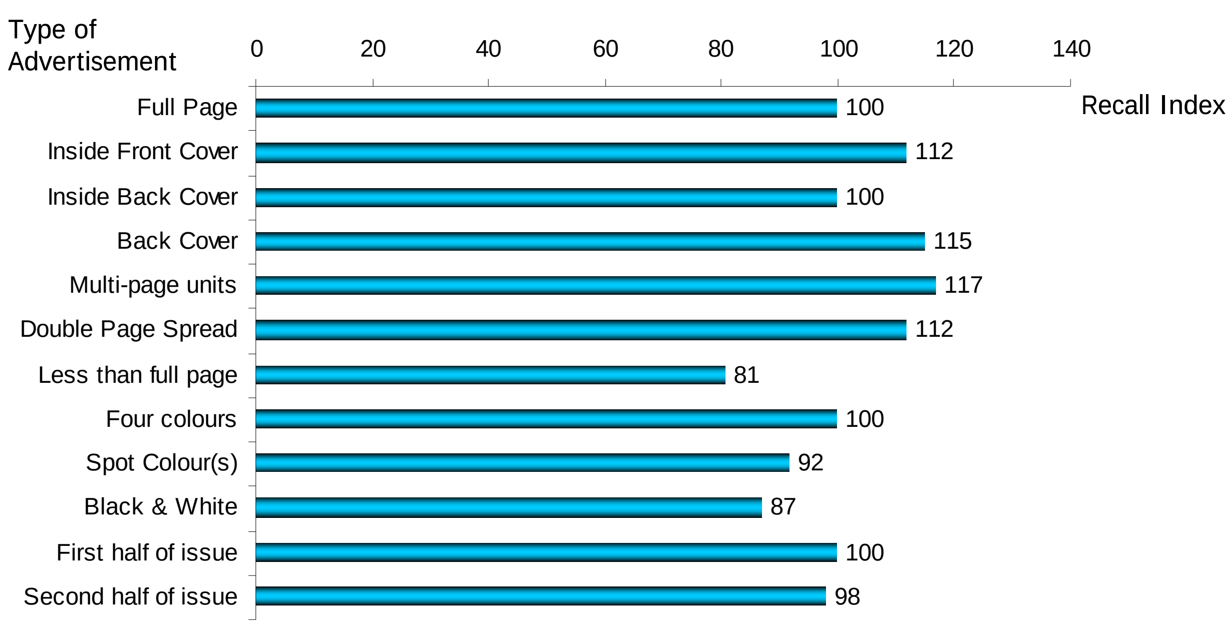


Source: "Sales Uncovered", PPA, May 2005.

Creative impact

Printed magazines offer advertisers a platform of unparalleled effectiveness on which to engage with – and influence – consumers. Eye contact is made with 90 per cent of all magazine advertisements, so in terms of both reach and engagement, the medium itself is strong.

But what makes an ‘effective magazine advertisement’? And what can marketers do to ensure that their advertisement achieves its full potential?



Source: Affinity Research Vista Print Rating Service, 2006; MPA 2007.

Positioning and size

Covers and double page spreads are significantly more effective than ordinary pages. Advertisements placed on left hand pages are just as effective as those placed on the right.

Advertisements placed at the beginning of magazines are slightly more effective than those placed towards the back. However, magazines do not suffer from “ad-clutter” (i.e. too many advertisements): A higher percentage of advertisements per magazine actually increases ad recognition.

Advertisement features

Recent years have seen a substantial growth in demand for special advertisement features, placed in and around editorial content.

In an age of growing ad avoidance, the personal, opted into relationship that magazines enjoy with their readers provides advertisers with the perfect vehicle through which to build up affinity and trust.

The advertising feature allows publishers to intertwine or juxtapose advertising messages with the editorial content of a trusted and familiar brand, threading these messages directly in and around the areas of interest and lending a voice of advocacy to them.

Creative Formulas

-These include everything from inserts, to samples, booklets, reply cards, gatefolds, etc.

-All and have proven to significantly increase ad-recognition:

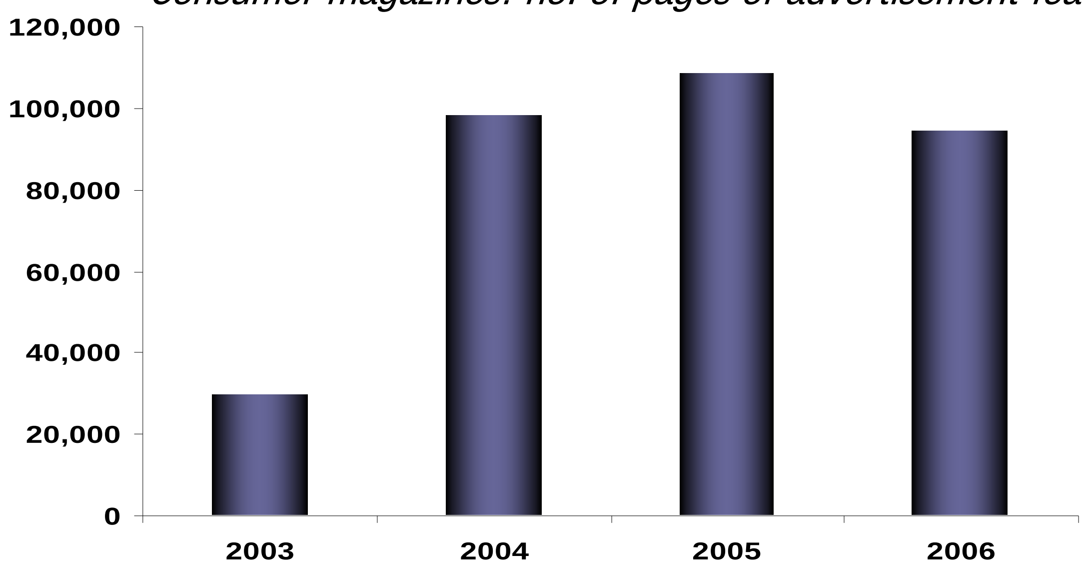
Creative Formulas = Premium Impact

-Successive ads (i.e. back to back or on successive right and left hand pages) work better, increasing engagement with advertiser messages and prolonging ad-engagement

-The insert is the most frequently used special formula. The advertiser prints his advertising material himself and then affixes it to the magazine (stapled, glued, or loose). It is a good way to attract attention.

Source: Stopwatch, 2005.

Consumer magazines: no. of pages of advertisement features



Source: Nielsen Media Research, 2007.

Multi-Platform Publishing

Online publishing

Leveraging magazine brands online

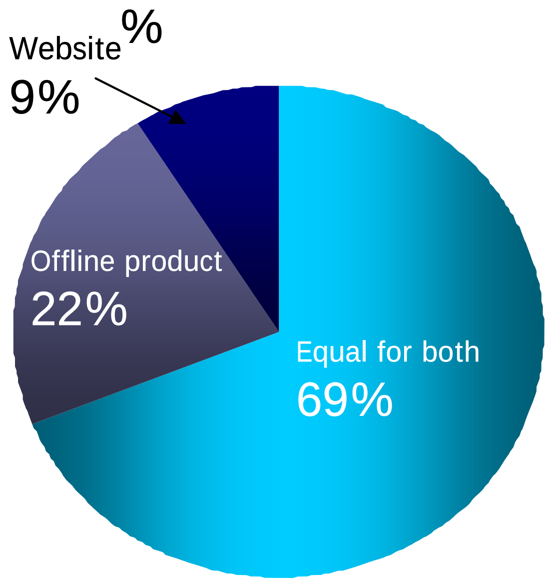
As we have already seen, magazine publishers are highly successful at leveraging their brands in additional revenue streams. A significant proportion of the revenue of both consumer and business media magazine publishers stems from online publishing.

The delivery channels of print and online compliment each other extremely well. Both bring an added dimension to the other, and together they combine to create a multi-platform community on which to engage a varied readership.

Growing industry

The UK Association of Online Publishers (AOP) represents approximately 160 online publishing companies that create original, branded, quality content. Their 2007 census shows that an average of 12 per cent of publisher’s revenues are derived from online sources. Total turnover for AOP members’ digital operations grew from £344m to £575m over the course of 2006 – a 67 per cent increase.

Levels of trustworthiness for print and online products



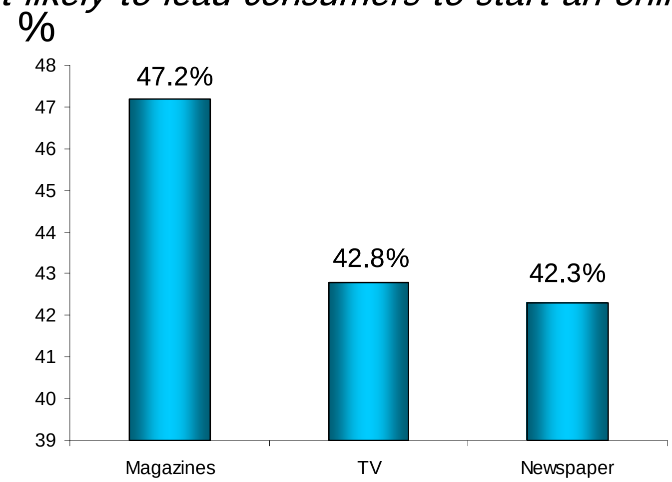
Source: AOP Dual Consumption Survey, April 2006.

Consumption of print and online products overlaps considerably. The AOP Dual Consumption Study found that 69 per cent of respondents consider the website and online product to be equally trustworthy.

Of those magazine website users who do not read the print equivalent, 41 per cent say that they have never read the magazine in the past, meaning that the website has attracted new readers to the brand.

Print driving online

Medium most likely to lead consumers to start an online search

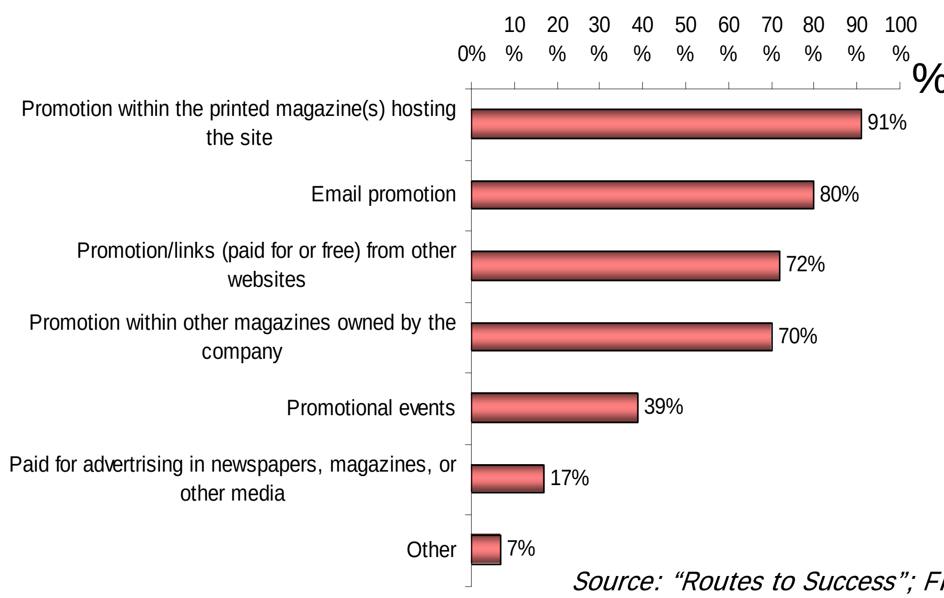


Source: Retail Advertising and Marketing Association, 2007.

Magazines are particularly effective at driving traffic online. Almost half of all consumers are most likely to start an online search after seeing a magazine advertisement.

This connection is supported by the methodology used by business media publishers to promote their own websites, with the most popular marketing tool being the printed magazine hosting the site.

How the website is marketed to customers

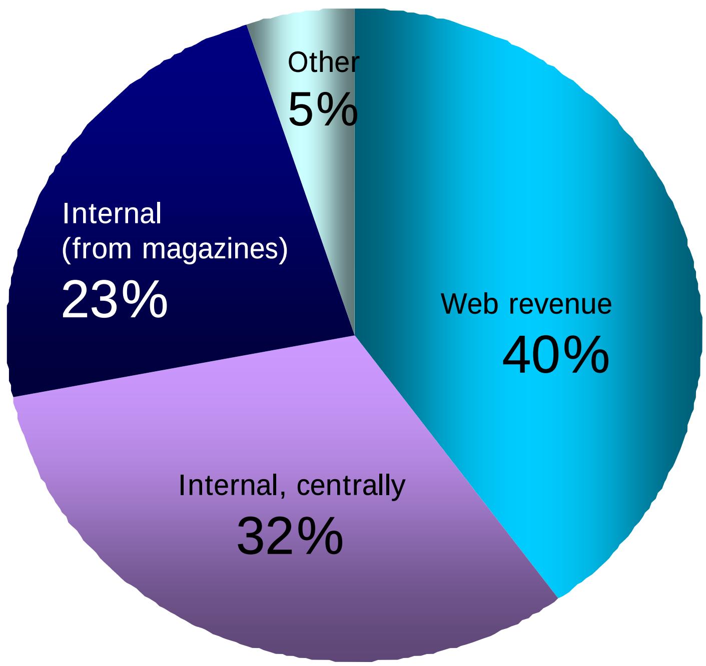


Source: "Routes to Success"; FIPP, May 2006.

Business media websites

The International Federation of the Periodical Press'(FIPP) 2006 "Routes to Success" study examined a total of 46 websites from most regions of the world, to learn about the ways in which publishers measured and achieved online success, and to better understand the way in which online and print publishing co-exists. Although a business media focussed survey, the metrics it considers gives us an insight into the online habits of consumer and business media publishers alike.

Funding of business media web operation



Text and Chart Source: "Routes to Success"; FIPP, May 2006

Approximately 40 per cent of the total funding for business and professional websites comes from web revenue, with almost a quarter of funding coming from the host magazine's own internal funds. Revenue earned from the web is dominated by advertising revenue, which accounts for more than 50 per cent. In turn, the majority of this advertising comes in the form of display, which is responsible for 30 per cent of all web revenue.

Business media websites

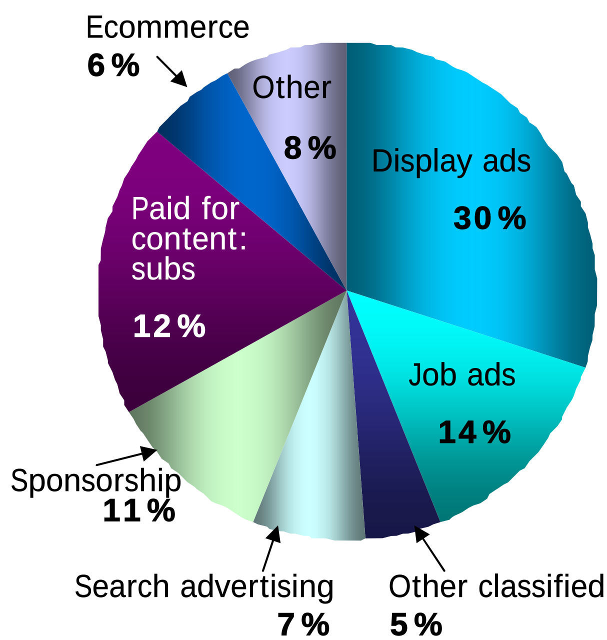
In terms of readership of online business media websites, the number of visitors per month varies enormously.
The average number of visitors to B+P websites is 30,000 unique users per month, with the average number of page impressions per month at 350,000. Thus the average site, with 30,000 unique users, generates an average of 12 page impressions a month per unique visitor.

Revenue

Revenue earned from the web is dominated by advertising revenue, which accounts for 56 per cent.

Most of this comes in the form of display advertising, which accounts for 30 per cent of the total web revenue of publishers.

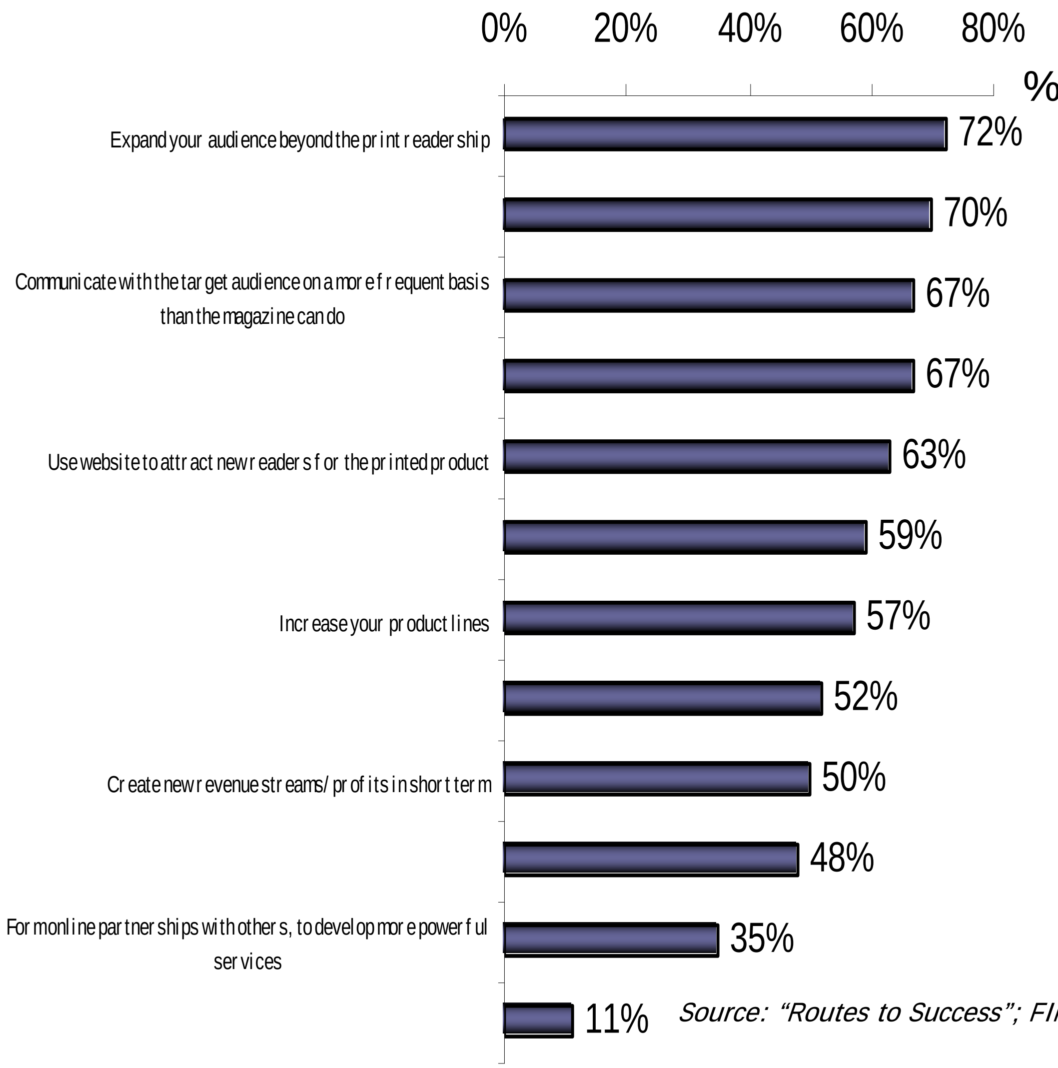
Sponsorship adds about a tenth of web revenue. When this is combined with the advertising income, it shows that two thirds of web revenue comes from offering marketers a range of opportunities to promote their products and services.



Source: "Routes to Success"; FIPP, May 2006

Business media websites

Major objectives for the website



Source: "Routes to Success"; FIPP, May 2006

As the above chart shows, the main objectives behind extending magazine brands into online publications are to increase revenue streams and attract additional readers.

However, online products often provide a very different offering to their print equivalent, and present another platform on which advertisers can reach consumers and a way of interacting more regularly with their readership.

Consumer websites

An increasing number of consumer publishers are extending their brands online.

Hachette Filipacchi's monthly women's lifestyle title, *Red*, has been extended into online form.

Using a combination of original content and resources taken from the printed publication, it has allowed the publisher to leverage their brand through electronic distribution.

Many readers of the printed publication will be attracted to the website, having built up an affinity with the brand, whilst its online status also opens up the magazine to an entirely new audience of web users.

Women's weekly website *Handbag.com* is published by the National Magazine Company, and exists entirely as an online offering.

It was the first women's website to be launched in the UK and attracts approximately 1.3 million ABCe certified unique users per month.

The site draws upon the National Magazine Company's existing expertise in the areas of women's fashion and lifestyle – with titles like *Cosmopolitan, Prima* and *She* - but does not use existing print magazine branding and relies solely on original content.

Monkey magazine

Weekly lad's magazine *Monkey* breaks down the boundaries between print and digital publications even further.

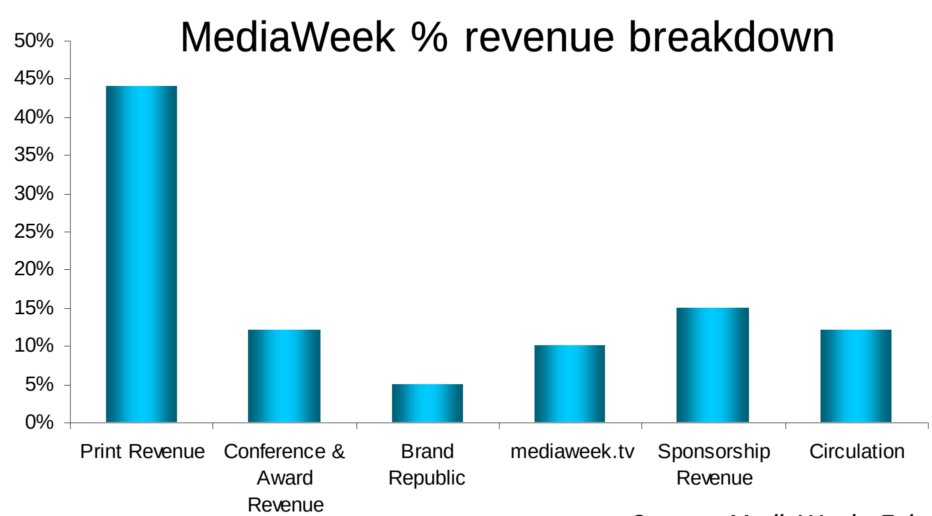
Marketing itself as **"the free magazine with exploding video and sound"** it offers digital output in the format of a printed magazine.

Readers are required to turn the pages in exactly the same way they would a paper magazine, but can also choose to engage with a range of multi-media features, streamed into the pages.

Beyond print

However, expansion does not end with accompanying websites. As the industry assimilates more and more technology, digital brand extension is becoming increasingly diverse. Take Emap as an example, who in recent years have developed some of their leading brands as television channels. Titles like *FHM*, *Kerrang!*, and *Q,* have capitalised on the ability of their brands to draw television audiences, and the subsequent interactive revenue that this can create.

MediaWeek is another case in point of successful multi-platform expansion. Whilst the publication still generates the bulk of its revenue from print advertising and copy sales (56 per cent), a variety of other sources now add to this income. These include conferences and awards, sponsorship, and online offerings, including *mediaweek.tv* - an online television station providing an on-screen offering of the magazine, presented by the publication's editor.



Source: MediaWeek, February 2007.

The future of magazines

As the UK magazine publishing industry evolves to assimilate new technologies, we see publishers leveraging their brands in all mediums and across all formats. But what of the future of the magazine itself?

The paper technology illustrated in the 2002 film *Minority Report* may hold some clues. Although obviously a work of fiction, director Steven Spielberg assembled a think tank of science and technology experts to create as realistic a look at the future as possible.

Within these predictions are paper products with electronic displays that are automatically updated as the latest news breaks, combing the immediacy of online distribution with the availability and popularity of a hand held printed publication.

As *Monkey Magazine* in particular demonstrates, it is no longer merely *content* and campaigns that are being fused across different formats, but the very technology of *media* itself is beginning to be thrown into flux. As the speed of change accelerates, both publishers and service providers are pioneering technological innovation in the magazine industry.

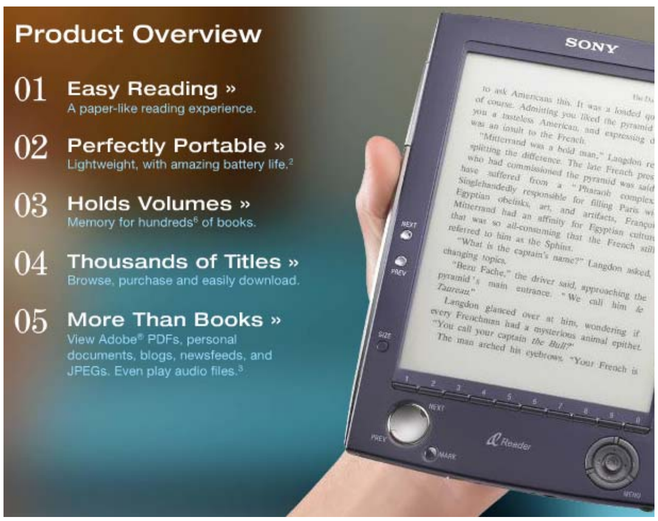
Ultra-thin, flexible battery

People will read whether they're reading on a piece of paper or a portable liquid screen that's yet to be invented. And I don't think it matters to publishers.

Andrew Swinand, president and chief client officer at Starcom USA

The future of magazines

The displays are controlled by a printed circuit and can be powered by a very thin printable battery or a photovoltaic cell. The goal is to be able to create the entire device using the same printing method, so that manufacturing costs would be as low as possible. Siemens expects to achieve this by 2007.



Sony is also developing media that delivers a paper-like reading experience with electronic capability.

The product shown on the left is already being produced. Significantly, it is lit through ambient lighting, rather than screen lighting, providing a more enjoyable reading experience closer to that of a magazine than a computer screen.

Plastic Logic is building the first commercial manufacturing facility to produce flexible active-matrix display modules for 'take anywhere, read anywhere' electronic reader products.

This will enable a digital reading experience that is much closer to paper than any other technology. The thinness, lightness and robustness enabled by the flexibility of Plastic Logic's displays will, at last, enable electronic reader products that are as comfortable and natural to read as paper…

International

World leader

A Shrinking world

The British economy has always been respected as a pioneer in the area of International commerce. As commercial barriers are eroded, English dominates as the world's international business language. Publishers have become substantial export earners for UK plc, capitalising increasingly upon new opportunities through launches, joint ventures, and acquisitions in other countries.

Take China as an example. Educating people to speak English is now such a high priority on the Government's agenda, that there are expected to be more English speakers in China than there are native English speakers throughout the rest of the world by the time the country hosts the Beijing Olympics in 2008.

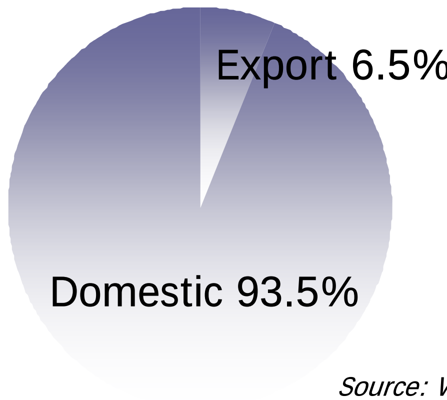
As a result, last year educational publisher Macmillan exported over 100 million copies of their English language primary school text book, *New Standard English*, to the country.

An Expanding medium

The UK magazine export market is growing swiftly, driven to a large degree by the UK publishing industry. The magazine industry makes a substantial contribution to the UK market, with business media titles continuing to increase their worldwide reach. UK magazine exports generate net revenue of £120m per year.

International publishing

Domestic vs. export share of consumer magazines



Source: Wessenden Marketing, 2007.

Many of the UK's leading consumer titles such as Haymarket's *Autocar* and the *Time Out Group's* flagship title, *Time* Out, now operate globally, producing regional editions appearing under a generic worldwide brand.

The Economist now sells over three times as many copies in America as in its native British market. Latest ABC figures show the title's year-on-year circulation growing by 4.34% in the UK, 4.73% across the rest of Europe, 7.51% in the Middle East, and 3.33% in Asia Pacific, where it now sells almost 120,000 copies per year.

Worldwide trends

Customer publishing

The rapid emergence of the customer sector over the past decade has been influential in the growth of cross border publishing. Huge multi-national companies that have traditionally cultivated a world marketplace are teaming up with international publishers, to deliver their message and seek out their target audience.

A case in point is Toyota's customer magazine *AYGO*, which was launched at the Geneva Motor Show in 2005. Here we have a Japanese corporation, enlisting UK publishing house Publicis-Blueprint, a subsidiary company of US owned Publicis Groupe, to create a pan European title that is published in 11 different languages.

Sales trends

In most countries consumer magazine publishers get more revenue from copy sales than from advertising, although this trend is not true of two of the biggest magazine markets – the US and Germany.

As is the case in China, sales in most developing markets continue to grow, fuelled by rising incomes and increasing literacy rates, but such growth is limited by inefficient or inadequate distribution systems.

Total advertising spend

Advertising remains a key contributor to magazine revenue the world over. Magazines represent about 11% of the total annual worldwide ad-spend – an investment that amounts to almost $56bn. Of course this figure is purely for printed publications, and does not take into account the growing number of online and digital ventures being launched by publishers every year.

Number of titles by country

Country	Total
Argentina	1,141
Australia	895
Austria	2,882
Belgium	430
Brazil	3,975
Canada	1,160
Chile	326
China	6,000
Columbia	78
Cyprus	8
Czech Republic	2,680
Denmark	441
Estonia	85
Finland	2,263
France	6,015
Germany	6,087
Greece	2,508
Hong Kong	710
Hungary	304
Indonesia	150
Ireland	428
Israel	441
Italy	3,315
Japan	4,370
Latvia	131

Country	Total
Lithuania	484
Mexico	1,180
Myanmar	830
Netherlands	268
New Zealand	670
Norway	235
Phillippines	50
Poland	1,746
Portugal	153
Quatar	1
Romania	154
Russia	18,188
Singapore	24
Slovenia	1,075
South Africa	838
South Korea	2,043
Spain	417
Sweden	544
Switzerland	1,188
Taiwan	1,840
Thailand	1,390
Turkey	218
United Arab Emirates	223
UK	8,474
USA	6,234

Source: FIPP "World Magazine Trends", 2006/2007.

Total number of copies sold (million) (2005) by country

Country	Total
Argentina	87.5
Australia	370
Belgium	178.1
Brazil	445
Canada	750.7
Czech Republic	633
Denmark	98
Estonia	18.5
Finland	392.1
France	2043
Germany	3476
Greece	300.3
Hungary	200
Ireland	19.41
Israel	2.3

Country	Total
Italy	1491
Japan	4207
Latvia	8.5
Lithuania	47.7
Mexico	512.8
Netherlands	25.4
Poland	793.2
Portugal	51.7
Spain	372.3
Sweden	33.5
Taiwan	130.125
Thailand	20
Turkey	29.2
UK	1438
USA	2719.5

Source: FIPP "World Magazine Trends", 2006/2007.

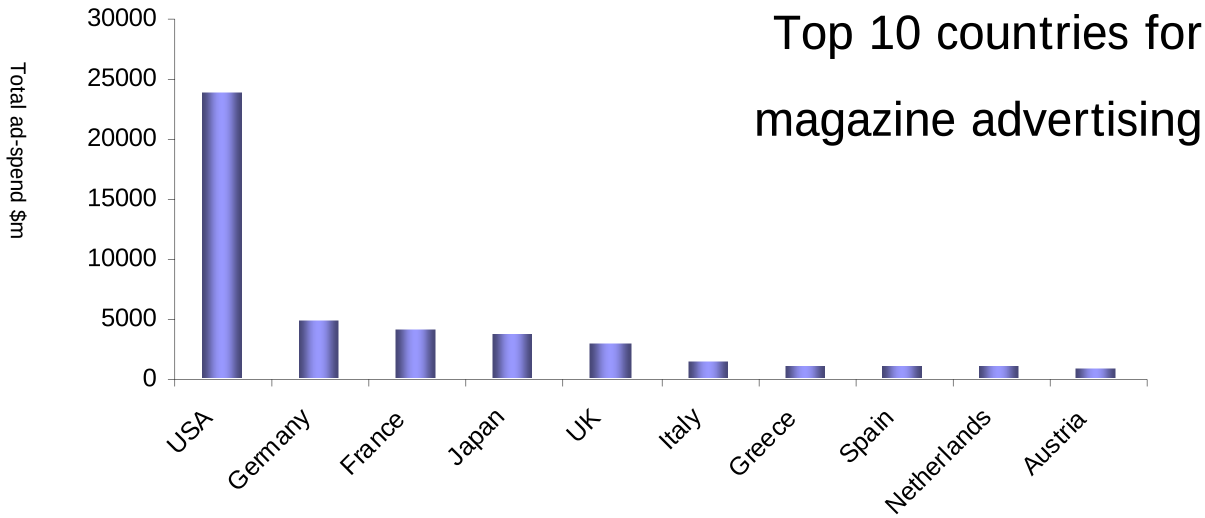
Total ad-spend by country (US$ million, current prices)

Country	Total Ad-Spend
Argentina	66
Australia	581
Austria	803
Belgium	358
Brazil	651
Bulgaria	39
Canada	564
Chile	26
China	375
Columbia	382
Czech Republic	400
Denmark	63
Egypt	46
Estonia	12
Finland	246
France	4,036
Germany	4,891
Greece	1,073
Hong Kong	376
Hungary	287
India	274
Indonesia	141
Ireland	52
Israel	58
Italy	1,479
Japan	3,590

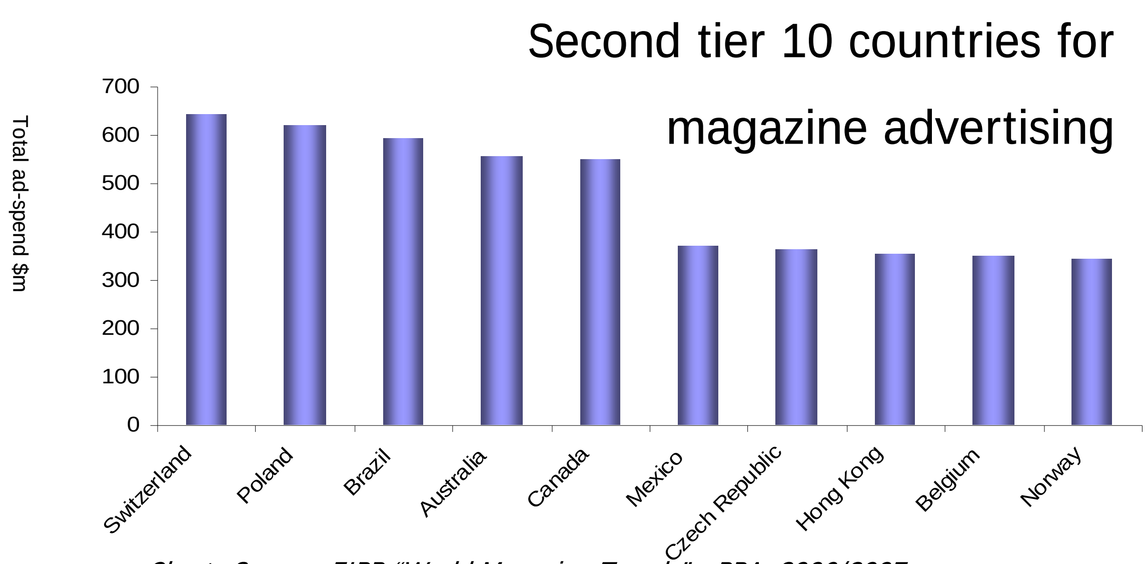
Country	Total Ad-Spend
Kuwait	48
Latvia	16
Lithuania	18
Malaysia	43
Mexico	454
Netherlands	986
New Zealand	186
Norway	354
Philippines	86
Poland	661
Portugal	195
Puerto Rico	53
Romania	33
Russia	
Singapore	60
South Africa	307
South Korea	336
Spain	996
Sweden	335
Switzerland	662
Taiwan	214
Thailand	211
Turkey	66
United Arab Emirates	166
UK	2,962
USA	25,228
TOTAL	55,545

Source: FIPP "World Magazine Trends", 2006/2007.

Geographic breakdown



The total ad-spend for the US is much higher than that of the rest of the world, some $23,902bn. Notice that the top four largest spenders after the US are significantly greater than those that follow. Between them the UK & Ireland produce around two thirds of the number of titles produced by the rest of Europe, and receive around one third of the ad-spend.



Charts Source: FIPP "World Magazine Trends"; PPA, 2006/2007.

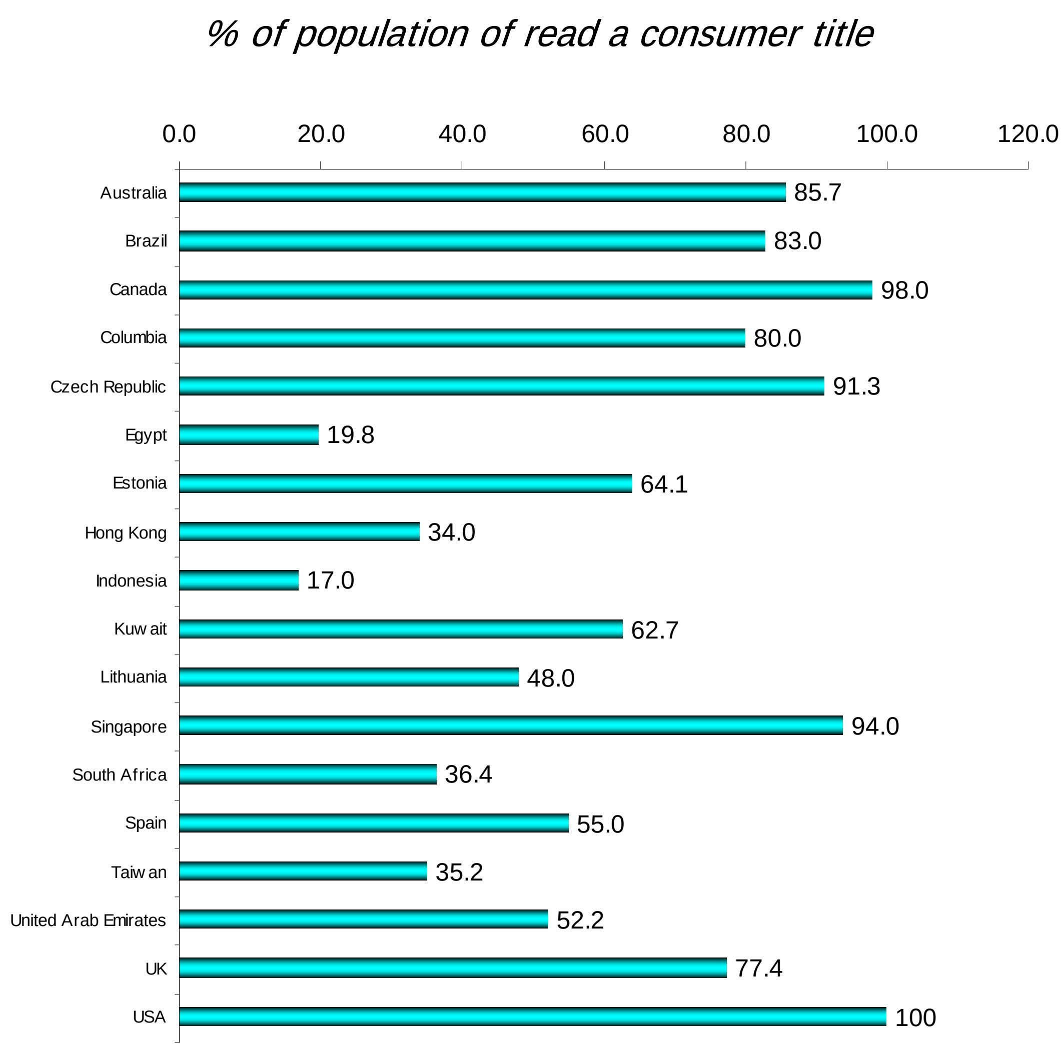
Worldwide readership

Like the UK market, most of the magazine markets across the globe are served by a wide variety of indigenous magazines. And just like in the UK, readership of women's titles and TV guides tends to be amongst the highest.

	Total Consumer	Women's Titles	TV Guides	General Interest	Special Interest
Australia	85.7	39.9	18.2	33.8	
Brazil	83.0	77.0	75.0	88.0	75.0
Canada	98.0	23.0	7.0	23.0	20.0
Columbia	80.0	88.0	77.0	84.0	78.0
Czech Republic	91.3	34.6	77.8	37.4	38.8
Denmark		19.0	39.0	33.0	
Egypt	19.8	5.1	24.0	16.0	50.0
Estonia	64.1	21.0	45.8	16.0	39.5
Finland	96.5	56.8	25.5	68.0	41.1
Hong Kong	34.0				
Hungary		36.0	40.0	44.0	26.0
Indonesia	17.0	5.0		1.0	13.0
Ireland		19.0	13.0		1.0
Italy	68.1				
Kuwait	62.7	30.6	7.2	35.9	20.6
Lebanon	28.8	19.7	0.6	3.0	3.6
Lithuania	48.0	27.9	18.8	19.8	21.6
Netherlands	96.4	48.4	70.1	59.8	87.2
Poland	77.3	51.7	37.9	74.8	19.5
Russia		21.3	10.9	5.9	
Singapore	94.0	20.0	14.0	13.3	2.5
South Africa	36.4				
Spain	55.0	33.4	2.6	9.3	29.1
Sweden	42.0			30.0	19.0
Switzerland	93.7	29.6	49.4	66.9	67.0
Taiwan	35.2	9.0		21.8	10.5
United Arab Emirates	52.2	38.7		11.1	11.7
UK	77.4				
USA	100	100	100	100	100

Charts Source: FIPP "World Magazine Trends"; PPA, 2006/2007.

Average issue readership of consumer magazines by country



Charts Source: FIPP "World Magazine Trends"; PPA, 2006/2007.

The UK's average issue readership rate of consumer magazine is amongst the highest in the world.

Further reading

The **Passion and Power** booklet forms part of PPA's Revolution initiative – to give new help to planners faced with the challenges of getting brand messages across effectively in an era of growing advertising dilution.

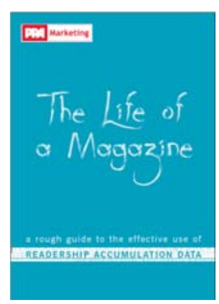
PPA Magazines Uncovered provides a series of insights into the way in which magazines function.

Sales Uncovered shows how magazines can be used to contribute to a variety of sales-related campaign objectives.

Planning Uncovered explains how media planning targets can be optimised through the use of magazines

Communication Uncovered sets out how magazines can boost campaign effectiveness.

The Life of a Magazine provides a rough guide to the effective use of readership accumulation data, which allows planners to measure how quickly one issue will take to build its total average issue readership.



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