Bells Toll and Bellweathers: BusinessWeek Sale; Ziff Davis Enterprise+IDG

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The business news weekly format creaks toward a transformation, after major organizational maneuvers by two iconic brands in the hard-hit financial new sector and a gritty tactical move by two of the IT giants. All mark Darwinian and seismic evolutions in the B2B trade information segment.

Important Details: Four B2B trade publishing industry leaders have just bridged dramatic chasms. McGraw-Hill is looking for a BusinessWeek buyer; Forbes.com CEO Jim Spanfeller is stepping down; and arch-rivals Ziff Davis Enterprise and IDG are partnering.

McGraw-Hill has begun "exploring strategic options for BusinessWeek," a brand that debuted in 1929. Print ad pages at BusinessWeek and competitors Forbes and Fortune began plummeting after the dot-com bust. In 2000, BusinessWeek sold 6,005 print ad pages; in 2008 it was down to 1,882, only 31% of that number, and down 37% again this year over the same period last year. Print ad revenue collapsed alongside ad pages count; 2008 revenue is estimated reach only 41% of 2000 revenue, and observers estimate losses will reach $75 million in 2008 and $20 million already this year. The print ad page decline at BusinessWeek is similar to the plunge at its longtime competitors, Forbes and Fortune. Forbes' pages dropped 30.2% in the first half of this year, while Fortune's fell 38.2%.

On the digital side of Forbes, Jim Spanfeller spent this same decade building Forbes.com to an audience of 18 million monthly users and rallying the industry as an innovator and advocate for the power of online media. He will stay on until Labor Day and then pursue what he calls "a huge opportunity to have my own media management business that will help other traditional media companies make the most of their enormous prospects in digital venues."

The third tectonic plate to shift was the detente between two arch rivals, Ziff Davis Enterprise (ZDE) and IDG, who announced a partnership "designed to help technology marketers and agencies reach a larger audience with their branding, product launch and lead generation programs." ZDE's Developer Shed Network of 16 online properties (8 million UVs) will join with the IDG TechNetwork of more than 200 small non-IDG publishers (75 million UVs). Peter Longo, CEO of IDG Syndication and Networks, says that the typical CPM range on the network is between $14 and $35. The press release says this "is the first of several collaborations planned between the two companies."

Implications: Some weeks industry news is just a ho-hum drumbeat of Google-watching, Twitter-watching, and Facebook-watching. But four Mount Rushmore-stature industry faces rumbled, shifted and rearranged the landscape of the $26.1 billion B2B trade publishing business which, by the way, is still larger than Google, Twitter and Facebook combined. The first two changes are backward-looking last chapters - the outward evidence of the cumulative effects of slow-moving seismic shifts. The third is a portent of the future.

First, no one can be surprised that McGraw-Hill is no longer willing to subsidize any more $75 million losses. This is the tangible sign of the withering away of the "news weekly" as a product: it is a broken pairing, a mis-match of medium (print and online "digest of the week that passed") with today's users'expectation of news (instant, not a week old).

Second, although Spanfeller came from a traditional media background, including one of the other news weeklies, Newsweek, he never wore print blinders at Forbes.com. He approached the digital medium as a clean slate with wonderful upside, not as a terrifying cyber-alligator hell bent on eating its print children. Ironically, the very latest stats from Compete.com show Businessweek.com slightly closing the 2:1 Forbes.com lead in audience: Forbes yearly change -15%, BW up 16%, a fact that McGraw-Hill will certainly highlight in its offering memorandum. Given Forbes' sole focus on financial services, Spanfeller's success at Forbes.com was essential to the brand's survival, in contrast to McGraw-Hill, where the wounded but substantial Standard and Poors business had already far eclipsed BusinessWeek and made it expendable.

Finally, we published the Web 2.0 Health Test for B2B Publishers two years ago (12 July 2007), and even then a key measure of health was the extent to which a publisher was dramtatically accelerating its partnerships to expand its reach into the total potential audience. "With users hopping from source to source and using many of them simultaneously, publishers can no longer strive to capture most of a user's share of mind. As a result, the number of partnerships is up dramatically."

The ZDE/IDG announcement is a dramatic example of the extreme forms partnerships can take in this new era of many-tendrilled, criss-crossed, frenemy-rich link-ups. Ziff Davis Enterprise CEO Steve Weitzner says, "For marketers trying to reach the developer community, this partnership offers an efficient and reliable way to reach a larger audience, realize better target market penetration, increase their message relevancy and maximize their online performance." Substitute "Ziff Davis Enterprise" for "marketers" in this quote, and it says even more about why this happened. As fascinating as this prickly embrace already seems, we are even more pumped up about the last sentence of the third paragraph in the joint press release, stating that this is the first of several collaborations planned between the two companies. You can hear the ZDE and IDG phones ringing off the hook with calls from the investment bankers!

Whatever the equivalent of the San Andreas fault in the B2B trade publishing world is, this trio of news was it, with one brand falling into the crack, another landmark jumping to a new set of coordinates, and two big plates crashing into each other to form what will possibly be a new continent.