

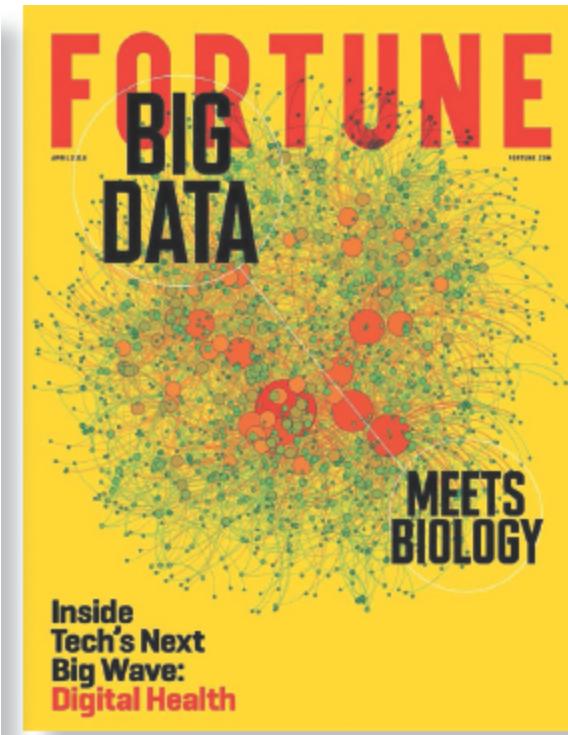
# 12 Evaluation of Media: Magazines and Newspapers



Source: Meredith Corporation



Source: Authentic Brands Group LLC



Source: Fortune Media IP Limited

## Learning Objectives

- LO 12-1** | Compare magazines and newspapers in terms of their value as advertising media.
- LO 12-2** | Discuss magazine circulation and readership as well as audience information and research for magazines.
- LO 12-3** | Describe how advertising space is purchased for magazines.
- LO 12-4** | Discuss future trends and developments for magazines and how they will influence their use as advertising media.

**LO 12-5** | Describe the newspaper audience and audience information and research for newspapers.

**LO 12-6** | Discuss how advertising space is purchased for newspapers and rates are determined.

**LO 12-7** | Discuss future trends and developments for newspapers and how they will influence their use as an advertising media.

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## “Print Is Dead”—Or Is It?

Many media experts have been writing the obituary for print magazines for the past several years—and for good reason. Most magazines have experienced declines in circulation, fewer ad pages, and lower advertising revenue for their print editions. Advertising revenue for print magazines declined from nearly \$25 billion in 2008 to a little over \$16 billion in 2018, while the number of ad pages has not shown an increase since 2005. One of the major problems facing magazines is that more people are going online to get their news, information, and entertainment, as well as to read the magazines and newspapers they are no longer willing to purchase. The monopoly magazines and newspapers once had on readers has been erased by Facebook, Google, and the myriad apps now available for smartphones and tablets.

The changes occurring in the media industry are having a major impact on many iconic magazines. Revenue at Time Inc. declined for eight consecutive years from 2011 to 2017, prior to the company being acquired by publishing house Meredith Corporation for \$1.8 billion in early 2018. However, just eight months after Meredith completed its purchase of Time Inc., the publisher sold *Time* magazine for \$190 million to Marc Benioff, cofounder of [Salesforce.com](#), and his wife Lynne. In a statement regarding the acquisition of *Time*, which was first published in 1923, Benioff noted: “We are honored to be the caretakers of one of the world’s most important media companies and iconic brands. *Time* has always been a trusted reflection of the state of the world, and reminds us that business is one of the greatest platforms for change.”

A few months after selling *Time*, Meredith sold the venerable business magazine *Fortune* for \$150 million to a company owned by a businessperson from Thailand. The print edition of *Fortune* had been a cash cow for Time Inc. for decades and was widely recognized for its annual *Fortune 500* and “World’s Most Admired Companies” special editions. In 2019, Meredith sold the other major title it had acquired from Time Inc.: it sold *Sports Illustrated* to licensing company Authentic Brands, which also owns brands such as Nautica, Juicy Couture, and Nine West. Time Inc. published the first issue of *Sports Illustrated* in 1954, and the magazine became the dominant sports publication for generations of sports fans, with its annual swimsuit issue becoming a cultural phenomenon.

Meredith Corp. is not the only major publisher that has trimmed its portfolio of magazines. Conde Nast sold off *Golf Digest* in 2019 to Discovery Inc. and has been seeking buyers for several other publications, including *Brides* and the fashion magazine *W*. Over the past several years, the company has shuttered *Details* magazine as well as the print editions of *Teen Vogue* and *Self*, making them online publications only.

One of the problems facing publishers is that magazine ad spending by many of the largest advertisers has been declining in recent years. The top 50 magazine advertisers spent 6 percent less in print in 2017 and reduced spending in 2018 as well. Major advertisers such as Pfizer, Johnson & Johnson, Amazon, Estee Lauder, and Chanel have all been reducing the print portion of their media budgets and moving more of their ad spending online. And it is not only the advertisers who are leaving some magazines behind—many publications are struggling to attract readers. The combined print and digital audience for all magazines has remained flat while the audience for men’s and women’s lifestyle magazines has been declining, as has the number of readers of pop culture and entertainment publications.

There is little doubt that the glory days of the magazine publishing business with celebrity editors, elaborate parties for advertisers, and limitless budgets for photo shoots—best epitomized in the movie *The Devil Wears Prada*—are long gone. However, a number of publishers are making changes to make up lost revenue from advertising, including lowering the frequency of publication, increasing the quality of their print magazines, and catering to niche audiences willing to pay more for a higher-grade product. A number of magazines have reduced the number of magazines they publish each year. For example, *Sports Illustrated* became a biweekly publication in 2018, with the 27 issues per year having more long-form stories, which the magazine sees as its strength, and more photos displayed on higher-quality paper stock. A number of other magazines have reduced frequency, including *Fortune*, which is now a monthly publication, and men’s fashion publication *Esquire*, which publishes six times a year.

One of the reasons for reducing frequency is that most magazines now have other websites or apps where readers can stay up on the latest developments in news, sports, fashion, and entertainment. Moreover, investing more in the quality of their print publications can enhance the profile of digital extensions such as websites and other

online platforms. While most magazines have digital versions as well as websites, print advertising still accounts for more than 60 percent of overall advertising revenue; circulation accounts for about 30 percent of total revenue. Many people are reluctant to spend money for subscriptions to digital magazines, and most marketers are willing to pay higher rates for print versus digital ads.

While print advertising is declining, for the near future it will remain the lifeblood of magazines as well as an effective way for marketers to spend their media dollars. Many of the advantages of print advertising remain, including consumer trust, higher levels of recall, more permanence, and high levels of engagement. It may only be a matter of time until we no longer have print magazines sitting on our coffee tables or stuffed into a briefcase to read on an airplane. However, for now, most publishers recognize that to survive and grow, their strategy must be about print *and* digital rather than print *or* digital.

Sources: Marc Tracy, "Conde Nast Sell Golf Digest to Discovery Inc.," *The New York Times*, [www.nytimes.com/2019/05/13/business/media/conde-nast-golf-digest-discovery-communications.html](http://www.nytimes.com/2019/05/13/business/media/conde-nast-golf-digest-discovery-communications.html); Sara Jerde, "Print Is Dead. Long Live Print." *Adweek*, May 6, 2019, p. 7; Beth Braverman, "How to Future-Proof Your Print Magazines," *Folio*, January 8, 2019, [www.foliomag.com/future-proof-print-magazines/](http://www.foliomag.com/future-proof-print-magazines/); Jeffrey A. Trachtenberg, "Time Magazine Sold to Salesforce Founder Marc Benioff for \$190 Million." *The Wall Street Journal*, September 17, 2018, [www.wsj.com/articles/time-magazine-sold-to-salesforce-founder-marc-benioff-for-190-million-1537137165](http://www.wsj.com/articles/time-magazine-sold-to-salesforce-founder-marc-benioff-for-190-million-1537137165). Jerde, Sara. "Meredith Sells Time Magazine to Salesforce Founder Marc Benioff," *ADWEEK*, September 16, 2018.

Magazines and newspapers have been advertising media for more than two centuries; for many years, they were the only major media available to advertisers. With the growth of the broadcast media, particularly television, reading habits declined. More consumers turned to TV viewing not only as their primary source of entertainment but also for news and information. But despite the competition from the broadcast media, newspapers and magazines remained important media vehicles to both consumers and advertisers.

Thousands of magazines are published in the United States and throughout the world. They appeal to nearly every specific consumer interest and lifestyle, as well as to thousands of businesses and occupations. By becoming a highly specialized medium that reaches specific target audiences, the magazine industry has prospered. Newspapers are still one of the primary advertising media in terms of both ad revenue and number of advertisers. They are particularly important as a local advertising medium for hundreds

of thousands of retail businesses and are often used by large national advertisers as well.

Magazines and newspapers are an important part of our lives. For many consumers, newspapers are their primary source of product information. They would not think of going shopping without checking to see who is having a sale or clipping coupons from the weekly food section or Sunday inserts. Many people read a number of different magazines each week or month to become better informed or simply entertained. Individuals employed in various occupations rely on business magazines to keep them current about trends and developments in their markets and industries as well as in business in general.

While most of us are very involved with the print media, it is important to keep in mind that few newspapers or magazines could survive without the support of advertising revenue. Consumer magazines generate an average of around 50 percent of their revenues from advertising; business publications receive nearly 73 percent. Newspapers generate about 60 percent of their total revenue from advertising. In many cities, the number of daily newspapers has declined because they could not attract enough advertising revenue to support their operations. The print media must be able to attract large numbers of readers or a very specialized audience to be of interest to advertisers.

Both magazines and newspapers are facing significant challenges from digital media, which is impacting the number of people who read the traditional print version of each medium and is also attracting page 401 an increasingly larger amount of marketers' advertising budgets each year. Many magazines and newspapers are struggling to get consumers to pay for their online editions and continue to look for ways to monetize them. Although they can sell banners and other forms of online advertising to marketers, the ad rates they can charge on the Web cannot match those in print and generate enough revenue to make up for the losses they are incurring from the decline in the sale of print ads. Thus, in the short term magazines and newspapers have to continue to search for ways to attract and retain readers as well as the advertising pages and revenue that accompanies them. Despite the challenges they face, magazines and newspapers are still important media vehicles for most advertisers.<sup>1</sup>

# THE ROLE AND VALUE OF MAGAZINES AND NEWSPAPERS

LO 12-1

The role of magazines and newspapers in the advertiser's media plan differs from that of the broadcast media because they allow the presentation of detailed information that can be processed at the reader's own pace. The print media (including digital versions) are not intrusive like radio and TV, and they generally require some effort on the part of the reader for the advertising message to have an impact. For this reason, newspapers and magazines are often referred to as *high-involvement media*.<sup>2</sup> Magazine readership has remained strong despite the growth of new media options; over 90 percent of adults 18+ read print and digital editions of magazines, and they read an average of seven issues per month.<sup>3</sup>

The vast majority of U.S. adults read a newspaper each week across a variety of technology platforms. In a typical week nearly 70 percent of adults read newspapers in print or online, whereas 59 percent of young adults aged 18 to 24 read newspaper content. Major newspapers still reach a very broad target audience; specialized papers reach narrower or more specialized markets. Magazines are different from newspapers because the majority of them reach a selective audience and can be valuable in reaching specific types of consumers and market segments. Magazines and newspapers are the major forms of print media (although digital editions of most publications are now available), but the two are quite different, as are the types of advertising each attracts. This chapter focuses on these two major forms of print media (including their online versions) and examines the specific advantages and limitations of each, along with factors that are important in determining their role in the media plan, as well as the overall IMC program.

## MAGAZINES

Over the past several decades, magazines have grown rapidly to serve the educational, informational, and entertainment needs of a wide range of readers in both the consumer and business markets. Magazines are the most specialized of all advertising media. While some magazines—such as *People* and *Reader's Digest*—are general mass-appeal publications, most are targeted to a very specific audience. There is a magazine designed to appeal to nearly every type of consumer in terms of demographics, lifestyle, activities, interests, or fascination. Numerous magazines are targeted toward specific businesses and industries as well as toward individuals engaged in various professions (Exhibit 12–1).

## XHIBIT 12–1

Magazines can be targeted to a specific industry or profession.

Source (left to right): ALM Media, LLC; Coyne & Blanchard, Inc.; Dentistry Today; EnsembleIQ



The wide variety makes magazines an appealing medium to a vast number of advertisers. Although TV accounts for the largest dollar amount of advertising expenditures among national advertisers, more companies advertise in magazines than in any other medium. Users of magazine ads range from large consumer-product companies such as Procter & Gamble and L'Oréal, which spend over \$500 million a year on magazine advertising, to a small company advertising scuba equipment in the *Skin-Diver*, which is an online magazine.

## Classifications of Magazines

To gain some perspective on the various types of magazines available and the advertisers that use them, consider the way magazines are generally classified. The media research company Kantar Media SRDS, the primary reference source on periodicals for media planners, divides magazines into three broad categories based on the audience to which they are directed: consumer (which includes farm), business, and health care publications. Each category is then further classified according to the magazine's editorial content and audience appeal.

**Consumer Magazines** Consumer magazines are bought by the general public for information and/or entertainment. The Kantar Media SRDS Consumer Media Advertising Source™ provides comprehensive planning data on U.S. print magazines and websites that reach consumer audiences. Kantar Media SRDS divides 2,800 domestic consumer magazines into 80 classifications, among them news, men's, sports, lifestyle, fitness, travel, and women's. Another way of classifying consumer magazines is by distribution: They can be sold through subscription or circulation, store distribution, or both. For example, whereas magazines such as *Time*, *People*, and *Sports Illustrated* are sold both through subscription and in stores, magazines such as *Woman's World* are sold primarily through stores. Magazines can also be classified by frequency; weekly, monthly, and bimonthly are the most common.

Consumer magazines represent the major portion of the magazine industry, accounting for nearly two-thirds of all advertising dollars spent in magazines. Consumer magazines are best suited to marketers interested in reaching general consumers of products and services as well as to companies trying to reach a specific target market. The most frequently advertised categories in consumer magazines are toiletries and cosmetics; drugs and remedies; food and food products; apparel and accessories; retail; and automotive.<sup>4</sup> Marketers of tobacco products spend most of their media budget

in magazines, since they are prohibited from advertising in the broadcast media.

While large national advertisers tend to dominate consumer magazine advertising in terms of expenditures, the 2,800 consumer magazines are also important to smaller companies selling products that appeal to specialized markets. Special-interest magazines assemble consumers with similar lifestyles or interests and offer marketers an efficient way to reach these people with little wasted coverage or circulation. For example, companies marketing women's apparel, such as J.Crew, Anthropologie, H&M, and Forever 21, that target young adult females might find magazines such as *Seventeen*, *Elle*, *Allure*, or *Cosmopolitan* effective media vehicles for advertising to them.

Not only are these specialty magazines of value to firms interested in reaching a specific market segment, but their editorial content often creates a very favorable advertising environment for relevant products and services. For instance, avid skiers and snowboarders cannot wait for the first snowfall after reading the season's first issues of *Snowboarder* or *Ski* magazine and may be quite receptive to the ads they carry for skiing and snowboarding equipment and destination ski resorts (Exhibit 12–2).

## XHIBIT 12–2

*Ski* magazine is an excellent medium for reaching skiers.

Source: Active Interest Media



## Farm Publications

The consumer SRDS category also consists of all the magazines directed to farmers and their families. About 300 publications are tailored to nearly every possible type of farming or agricultural interest. SRDS breaks farm publications into nine classifications, ranging from general-interest magazines aimed at all types of farmers (e.g., *Farm Journal*, *Successful Farming*, *Progressive Farmer*) to those in specialized agricultural areas such as poultry (*Gobbles*), hog farming (*National Hog Farmer*), or cattle raising (*Beef*—see Exhibit 12–3). A number of farm publications <sup>page 403</sup> are directed at farmers in specific states or regions, such as *Nebraska Farmer* or *Montana Farmer Stockman*. Farm publications are not classified with business publications because historically farms were not perceived as businesses.

## XHIBIT 12–3

*Beef* magazine is read by many cattle ranchers.

Source: *BEEF Magazine*



**Business and Health Care Publications** Business publications are those magazines or trade journals published for specific businesses, industries, or occupations. Kantar Media SRDS breaks down nearly 5,000 print and 4,800 digital U.S. magazines and trade journals into nearly 200 market classifications. There are also approximately 2,700 publications in the health care category, of which 1,225 are digital. The major classifications include:

1. Magazines directed at specific professional groups, such as *National Law Review* for lawyers and *Architectural Forum* for architects.
2. Industrial magazines directed at businesspeople in various manufacturing and production industries—for example, *Automotive News*, *Chemical Week*, and *Industrial Engineer*.
3. Trade magazines targeted to wholesalers, dealers, distributors, and retailers, among them *Progressive Grocer*, *Drug Store News*, *Women's Wear Daily*, and *Restaurant Business*.
4. General business magazines aimed at executives in all areas of business, such as *Forbes*, *Fortune*, and *Bloomberg Businessweek*. (General

business publications are also included in SRDS's consumer publications edition.)

5. Health care publications targeted to various areas including dental, medical and surgical, nursing, biotechnological sciences, hospital administration, veterinary medicine, and dentistry. Examples include *Modern Healthcare*, *Veterinary Practice News*, and *Dentistry Today*.

The numerous business publications reach specific types of professional people with particular interests and give them important information relevant to their industry, occupation, and/or careers. Business and health care publications are important to advertisers because they provide an efficient way of reaching the specific types of individuals who constitute their target market. Much marketing occurs at the trade and business-to-business level, where one company sells its products or services directly to another.

## Advantages of Magazines

Magazines have a number of characteristics that make them attractive as an advertising medium. Strengths of magazines include their selectivity, excellent reproduction quality, creative flexibility, permanence, prestige, readers' high receptivity and involvement, and services they offer to advertisers.

**Selectivity** One of the main advantages of using magazines as an advertising medium is their **selectivity**, or ability to reach a specific target audience. Magazines are the most selective of all media except direct mail. Most magazines are published for special-interest groups. The thousands of magazines published in the United States reach all types of consumers and businesses and allow advertisers to target their advertising to segments of the population who buy their products. For example, *Shape* is a fitness magazine targeted toward active, professional women, *Rolling Stone* reaches those with an avid interest in music, and *Ebony* focuses on the upscale African American market. Many new magazines are introduced each year targeting new interests and trends. According to Dr. Samir Husni, who has been tracking magazine launches since 1985, 191 new magazines were launched in

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2018 (Exhibit 12–4). Publishers also launched another 600 special editions and *bookazines*, which contain the features of magazines such as glossy pages, photos, and easy-to-read layouts but are sold at higher price points. *U.S. News & World Report* has a number of bookazine products, including annual guidebooks based on its popular rankings such as “Best Colleges,” “Best Graduate Schools,” and “Best Hospitals.” Many of these publications are sold at newsstands, in stores, or online. Many magazine publishers are launching bookazines and special editions to generate revenue as the number of subscribers to their publications decline. New consumer magazines are continually being introduced to meet the changing needs, interests, and passions of the public in areas such as sports/recreation, gaming, entertainment/celebrity, travel, fashion/apparel, and beauty/grooming.<sup>5</sup> New business publications are also frequently launched to respond to developments in business and industry.

#### XHIBIT 12–4

Magazine expert Samir Husni tracks the launch of new magazines each month.

Source: Dr. Samir “Mr. Magazine” Husni

01  
Friday  
FEB 2019

## Goodbye January 2019 — And Hello 15 New Magazine Titles!

POSTED BY SAMIR "MR. MAGAZINE™" HUSNI, PH.D. IN NEW MAGAZINES

≈ LEAVE A COMMENT

Welcome 2019 & welcome to a new crop of fantastic new magazines! Mr. Magazine™ had a hard time deciding which ones to highlight with this very first Launch Monitor of the New Year! But as usual, when it comes to magazines, he rolled his sleeves up and got to the task of choosing. But just remember all 15 of these new titles are worth picking up, so go get them one and all!



First up, we have another offering from the field of green, **Cannabis & Tech Today**. The magazine is a quarterly publication specializing in technological advancements, business innovations, and popular culture pertaining to the marijuana industry. And since its headquarters are in Denver, the magazine will surely have its finger on the pulse of the cannabis world. So, Mr. Magazine™ says welcome to the fold, Cannabis & Tech Today!

In addition to providing selectivity based on interests, magazines can provide advertisers with high demographic and geographic selectivity. *Demographic selectivity*, or the ability to reach specific demographic groups, is available in two ways. First, as a result of editorial content, most magazines are aimed at fairly well-defined demographic segments. *Ladies' Home Journal*, *Elle*, and *Cosmopolitan* are read predominantly by women; *Esquire*, *Maxim*, *ESPN The Magazine*, and *Sports Illustrated* are read mostly by men. Older consumers can be reached through publications like *AARP The Magazine*. Celebrity-focused magazines, which are read primarily by women, have become extremely popular in recent years.

A second way magazines offer demographic selectivity is through special editions. Even magazines that appeal to broader audiences, such as *Reader's Digest*, *Time*, and *Good Housekeeping*, can provide a high degree of demographic selectivity through their special demographic editions. Most of the top consumer magazines publish different editions targeted at different demographic markets.

*Geographic selectivity* lets an advertiser focus ads in certain cities or regions. One way to achieve geographic selectivity is by using a magazine that is targeted toward a particular area. Magazines devoted to regional interests include *Yankee* (New England), *Southern Living* (South), *Sunset* (West), and *Texas Monthly* (guess where), among many others. One of the more successful media developments of recent years has been the growth of city magazines in most major American cities. *Los Angeles Magazine*, *Philadelphia*, and *Boston*, to name a few, provide residents of these areas with articles concerning lifestyle, events, and the like, in these cities and their surrounding metropolitan areas. City and regional magazines make it possible for advertisers to focus on specific local markets that may be of interest to them. They also have a readership profile that appeals to marketers of upscale brands: high income, college educated, loyal, and influential in their communities. Most of these publications belong to the City and Regional Magazine Association, which represents magazines in 64 different markets (Exhibit 12–5). An advertiser can run an ad in all of the magazines that belong to the association with one media buy.

## XHIBIT 12–5

City and regional magazines offer advertisers high geographic selectivity.

Source: *City and Regional Magazine Association*



WHERE ADVERTISERS AND CONSUMERS CONNECT

Another way to achieve geographic selectivity in magazines is through purchasing ad space in specific geographic editions of national or regional magazines. A number of publications divide their circulation into groupings based on regions or major metropolitan areas and offer advertisers the option of concentrating their ads in these editions. A magazine may break the United States into geographic areas and offer regional editions for each and/or offer advertisers their choice of editions directed to specific states or metropolitan areas. Many magazines allow advertisers to combine regional or metropolitan editions to best match the geographic market of interest to them.

Kantar Media SRDS lists more than 350 consumer magazines offering geographic and/or demographic editions. Regional advertisers can purchase space in editions that reach only areas where they have distribution, yet still enjoy the prestige of advertising in a major national magazine. National

advertisers can use the geographic editions to focus their advertising on areas with the greatest potential or those needing more promotional support. They can also use regional editions to test-market products or alternative promotional campaigns in various regions of the country.

Ads in regional editions can also list the names of retailers or distributors in various markets, thus encouraging greater local support from the trade. The trend toward regional marketing is increasing the importance of having regional media available to marketers. The availability of regional and demographic editions can also reduce the cost per thousand for reaching desired audiences.

**Reproduction Quality** One of the most valued attributes of magazine advertising is the reproduction quality of the ads. Magazines are generally printed on high-quality paper stock and use printing processes that provide excellent reproduction in black and white or color. Since magazines are a visual medium where illustrations are often a dominant part of an ad, this is a very important property. The reproduction quality of most magazines is far superior to that offered by the other major print medium of newspapers, particularly when color is needed. The use of color has become a virtual necessity in most product categories, and more than two-thirds of all magazine ads now use color. The excellent reproduction quality of magazines provides the opportunity for innovative creative work by agencies. Many marketers are also integrating digital technology with print advertising.

**Creative Flexibility** In addition to their excellent reproduction capabilities, magazines also offer advertisers a great deal of flexibility in terms of the type, size, and placement of the advertising material. Some magazines offer (often at extra charge) a variety of special options that can enhance the creative appeal of the ad and increase attention and <sup>page 406</sup> readership. Examples include gatefolds, bleed pages, inserts, and creative space buys.

**Gatefolds** enable an advertiser to make a striking presentation by using a third page that folds out and gives the ad an extra-large spread. Gatefolds are often found at the inside cover of large consumer magazines or on some inside pages. Advertisers use gatefolds to make a very strong impression, especially on special occasions such as the introduction of a new product or

brand. For example, automobile advertisers often use gatefolds to introduce new versions of their cars each model year. Not all magazines offer gatefolds, however, and they must be reserved well in advance and are sold at a premium.

**Bleed pages** are those where the advertisement extends all the way to the end of the page, with no margin of white space around the ad. Bleeds give the ad an impression of being larger and make a more dramatic impact. Many magazines charge an extra 10 percent to 20 percent for bleeds.

In addition to gatefolds and bleed pages, creative options available through magazines include unusual page sizes and shapes. Some advertisers have grabbed readers' attention by developing three-dimensional pop-up ads that jump off the page. Various other *inserts* are used in many magazines. These include return cards, recipe booklets, coupons, records, and even product samples. Cosmetic companies use scratch-and-sniff inserts to introduce new fragrances, and some companies use them to promote deodorants, laundry detergents, or other products whose scent is important. Inserts are also used in conjunction with direct-response ads and as part of sales promotion strategies.

Scented ads, pop-ups, heavy card stock, stickers, and digital devices are among the types of inserts used by advertisers in magazines. Advertisers sometimes use special inserts to break through the clutter in magazines and to capture readers' attention. Marketers are becoming very strategic with regard to the type of inserts they are using in magazines and also continue to take advantage of technological advances in developing them. For example, the advertising agency for Audi of America developed a very creative insert that appeared in an issue of *Departures*, a magazine that focuses on travel, fashion arts, and culture and reaches a very upscale audience. The insert featured 49 LEDs firing in the same sequence as the lights on the Audi A8. Readers of the magazine received a faux luxury key fob with functioning lock and unlock buttons and, by clicking the key lock fob, could experience the lighting system that greets Audi A8 owners when they approach their cars (Exhibit 12–6). The insert was a unique way to capture the attention of *Departures* readers, many of whom are in the audience Audi is targeting, and to highlight the innovative and elegant lighting feature of the A8.<sup>6</sup>

## XHIBIT 12–6

Audi of America used a very creative magazine insert to promote the lighting features of the Audi A8.

Source: Audi of America



Many magazine publishers are willing to work with advertisers who want to use creative inserts, because they are eager to show that magazines can compete with new media as a way to showcase products. While the inserts pose challenges to production staff and printers, these costs along with any extra postage fees are generally passed on to the advertisers. The total cost of manufacturing inserts varies depending on the complexity, weight, assembly requirements, and other factors. Some of the very elaborate inserts can cost advertisers as much as several million dollars.<sup>7</sup>

*Creative space buys* are another option of magazines. Some magazines let advertisers purchase space units in certain combinations to increase the impact of their media budget. For example, WD-40, an all-purpose lubrication product, has used half- or quarter-page ads on consecutive pages of several magazines, mentioning a different use for the product on each page, as shown in Exhibit 12–7. This strategy gives the company greater impact for its media dollars and is helpful in promoting the product's variety of uses.

## XHIBIT 12-7

WD-40 uses quarter-page ads to get greater impact from its media budget.

source: WD-40 Company

### USE #437



Painter takes artistic license with WD-40. Van Fobet, an art teacher in North Carolina, says a shot of WD-40 and a little elbow grease are all he needs to clean his palette. It's great at removing crayon and scuff marks from walls and floors, too. Just spray, wait and wipe.

WD-40. THERE'S ALWAYS ANOTHER USE.

### USE #973



Some fish story. Several letters from avid fishermen across the country praise the benefits of WD-40. And not just for cleaning their rods and reels and protecting fish hooks from rust and corrosion. They swear it actually attracts fish when sprayed on lures.

WD-40. THERE'S ALWAYS ANOTHER USE.

### USE #519



Cycling fanatic finally loses his grip. After struggling to renew his old handlebar grips, Greg Upshaw of Seattle found that a squirt of WD-40 was all he needed. It's great for cleaning and lubricating chains and protecting metal parts from corrosion, too.

WD-40. THERE'S ALWAYS ANOTHER USE.

### USE #722



WD-40 gets kid out of sticky situation. A mischievous (and snot) from Athens, Georgia discovered that WD-40 is as good on stuck fingers as it is on stuck drawers. It's great for lubricating sliding glass doors, drawers and anything else that sticks or squeaks.

WD-40. THERE'S ALWAYS ANOTHER USE.

**Permanence** Another distinctive advantage offered by magazines is their long life span. TV and radio are characterized by fleeting messages that have a very short life span; newspapers are generally discarded soon after being read. Magazines, however, are generally read over several days and are often kept for reference. They are retained in the home longer than any other

medium and are generally referred to on several occasions. A study of magazine audiences found that readers spend an average of 51 minutes reading the print edition of a magazine and 48 minutes with a digital edition.<sup>8</sup> Studies have also found that nearly 75 percent of consumers retain magazines for future reference. One benefit of the longer life of magazines is that reading occurs at a less hurried pace and there is more opportunity to examine ads in considerable detail. This means ads can use longer and more detailed copy, which can be very important for high-involvement and complex products or services. The permanence of magazines also means readers can be exposed to ads on multiple occasions and can pass magazines along to other readers.

**Prestige** Another positive feature of magazine advertising is the prestige the product or service may gain from advertising in publications with a favorable image. Companies whose products rely heavily on perceived quality, reputation, and/or image often buy space in prestigious publications with high-quality editorial content whose consumers have a high level of interest in the advertising pages. For example, *Esquire* and *GQ* cover men's fashions in a very favorable environment, and a clothing manufacturer may advertise its products in these magazines to enhance the prestige of its lines. *Architectural Digest* provides an impressive editorial environment that includes high-quality photography and artwork. The magazine's upscale readers are likely to have a favorable image of the publication that may transfer to the products advertised on its pages. *Good Housekeeping* has a unique consumer policy that states that if a product bearing its famous seal proves to be defective within two years of purchase, the magazine page 408 will replace the product or refund the purchase price. The research division of the company, now known as the Good Housekeeping Research Institute, has been evaluating products for more than a century. The seal may be used only by products whose ads have been reviewed and accepted for publication in *Good Housekeeping*. The seal can increase consumer confidence in a particular brand and reduce the amount of perceived risk associated with a purchase since it really is a money-back guarantee (Exhibit 12–8).<sup>9</sup>

## XHIBIT 12–8

The Good Housekeeping seal gives consumers confidence in products advertised in the magazine. What are the benefits to including the Good Housekeeping Seal on advertisements?

*Source: Hearst Communications, Inc.*



While brands may enhance their prestige by advertising in magazines with a favorable image and high-quality editorial content, the type of ads that appear in a magazine may also influence readers' perceptions of a publication. The results of a study by Sara Rosengren and Micael Dahlén found that advertising content influences the perceptions of a magazine. Advertising for high-reputation brands or ads that were high in execution quality was beneficial to the evaluations of a magazine, while ads for brands with a poor reputation or that were low in execution quality were detrimental to the image of the publication.<sup>10</sup> These findings suggest that it is important for publishers to manage the advertising content of their magazines in both print and online editions. Some publishers have design guidelines stating that advertising should be treated as content and note that relevant, attractive advertising is an important part of the magazine experience as editorial content for readers.

While most media planners recognize that the environment created by a magazine is important, it can be difficult to identify it. Subjective estimates based on media planners' experience are often used to assess a magazine's prestige, as are objective measures such as reader opinion surveys.<sup>11</sup>

**Consumer Receptivity and Engagement** With the exception of newspapers, consumers are more receptive to advertising in magazines than in any other medium. Magazines are generally purchased because the information they contain interests the reader, and ads provide additional information that may be of value in making a purchase decision. Studies have shown that magazines are consumers' primary source of information for a variety of products and services, including automobiles, beauty and grooming, clothing and fashion, financial planning, and personal and business travel.<sup>12</sup> One of the reasons consumers are more receptive to advertising in magazines is trust. As was noted in Chapter 11, a survey by Marketing Sherpa found that print ads were the most trusted of all media, as 82 percent of respondents indicated they trust magazine and newspaper ads when making a purchase decision. Several other studies have also shown that consumers have a high level of trust in magazine ads.<sup>13</sup>

Media planners recognize that one of the major advantages of advertising in magazines is the ability of the medium to engage readers and hold their attention. Numerous studies have shown that consumers become involved with magazines when they read them and are also more likely to find ads acceptable, enjoyable, and even a valuable part of a publication. Intrusive media such as television, radio, and the Internet struggle with page 409 problems such as inattention and consumers trying to avoid advertising messages. And as advertisers try harder to get their commercials seen and heard in these media, the harder consumers search for ways to tune them out. However, magazine readers recognize that they control the rate and duration of their exposure to editorial content as well as advertisements and view ads as less disruptive to their media consumption experience.

Research has shown that engagement with an advertising medium is important because it is directly related to increased advertising recall and specific actions taken, such as searching for additional information about an advertiser's brand, visiting its website, saving an ad for future reference, purchasing a product or service, and recommending it to others. Exhibit 12–9 shows the various actions magazine readers take or plan as a result of exposure to specific magazine ads based on research by GfK MRI Starch, which is the leading producer of media and consumer research in the United States.

## XHIBIT 12–9

Actions taken by consumers after exposure to magazine advertising.

Source: *The Association of Magazine Media*

# Print magazine advertising inspires action

## Advertising effectiveness by position

	noted	action taken
first quarter of book	55%	61%
second quarter of book	50	61
third quarter of book	49	62
fourth quarter of book	50	62

Note: Includes all ads, size/color and cover positions.  
Source: GfK MRI Starch, July 2013–June 2014.

## Action taken includes:

- have a more favorable opinion about the advertiser
- consider purchasing the advertised product or service
- gather more information about the advertised product or service
- recommend the product or service
- visit the advertiser's website
- purchase the product or service
- clip or save the ad
- visit or plan to visit a dealership

Source: GfK MRI Starch.

Ad Environment



**Services** A final advantage of magazines is the special services some publications offer advertisers. Some magazines have merchandising staffs that call on trade intermediaries like retailers to let them know a product is being advertised in their publication and to encourage them to display or promote the item. Another service offered by magazines (usually the larger ones) is research studies that they conduct on consumers. These studies may deal with general consumer trends, changing purchase patterns, and media usage or may be relevant to a specific product or industry.

An important service offered by some magazines is **split runs**, where two or more versions of an ad are printed in alternate copies of a particular issue of a magazine. This service is used to conduct an A/B or split-run test, which allows the advertiser to determine which ad generates the most responses or inquiries, providing some evidence of their effectiveness. Technological developments have also made it possible for magazines to

offer advertisers the opportunity to deliver personalized messages to tightly targeted audiences

## Disadvantages of Magazines

Although the advantages offered by magazines are considerable, they have certain drawbacks too. These include the costs of advertising, their limited reach and frequency, the long lead time required in placing an ad, [page 410](#) and the problem of clutter and heavy advertising competition.

**Costs** The costs of advertising in magazines vary according to the size of the audience they reach and their selectivity. Advertising in large mass-circulation magazines like *Sports Illustrated*, *Reader's Digest*, and *Better Homes and Gardens* can be very expensive. For example, a full-page, four-color ad in *Sports Illustrated*'s national edition (circulation rate base of 2.8 million) cost \$453,000 in 2019. Popular positions such as the back cover cost nearly \$600,000. These are one-time rates and would be lower for advertisers running ads multiple times during a defined time period.

Like any medium, magazines must be considered not only from an absolute cost perspective but also in terms of relative costs. Most magazines emphasize their effectiveness in reaching specific target audiences at a low cost per thousand. Also, as discussed, an increasing number of magazines offer demographic and geographic editions, which helps lower their costs. Media planners generally focus on the relative costs of a publication in reaching their target audience. However, they may recommend a magazine with a high cost per thousand because of its ability to reach a small, specialized market segment. Of course, advertisers with limited budgets will be interested in the absolute costs of space in a magazine and the costs of producing quality ads for these publications.

**Limited Reach and Frequency** Magazines are generally not as effective as other media in offering reach and frequency. While nearly 90 percent of adults in the United States read one or more consumer magazines each month, the percentage of adults reading any individual publication tends to be much smaller, so magazines have a thin penetration of households. For

example, *Better Homes and Gardens* has the third-highest circulation of any magazine, at 7.6 million, but this represents only 6 percent of the 124.6 million households in the United States. The magazine does have 4.4 readers per copy, which increases its reach.

Even the most popular consumer magazines have a circulation of under 5 million, which means that they reach only about 2 to 4 percent of the households in the United States. While total readership of these magazines may be higher since there will be multiple readers of the publication, marketers seeking broad reach must run ads in a number of different magazines, which adds to the complexity of the media buying process. Marketers whose media plan calls for broad reach will often use magazines in conjunction with other media such as television as well the Internet and social media. Since most magazines are monthly or at best weekly publications, the opportunity for building frequency through the use of the same publication is limited. Using multiple ads in the same issue of a publication is an inefficient way to build frequency. Most advertisers try to achieve frequency by adding other magazines with similar audiences to the media schedule.

**Long Lead Time** Another drawback of magazines is the long lead time needed to place an ad. Most major publications have a 30- to 60-day lead time, which means space must be purchased and the ad must be prepared well in advance of the actual publication date. No changes in the art or copy of the ad can be made after the closing date. This long lead time means magazine ads cannot be as timely as other media, such as radio or newspapers, in responding to current events or changing market conditions. However, as magazines face declines in ad pages and advertising revenue, many are shortening the lead times required to run ads in their publications. Advances in digital publishing and the use of computer-based production methods are also reducing the amount of lead time required to run an ad in a publication.

**Clutter and Competition** While the problem of advertising clutter is generally discussed in reference to the broadcast media, magazines also have this drawback. The clutter problem for magazines is something of a paradox: The more successful a magazine becomes, the more advertising pages it

attracts, and this leads to greater clutter. In fact, magazines generally gauge their success in terms of the number of advertising pages they sell.

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page 411

Magazine publishers do attempt to control the clutter problem by maintaining a reasonable balance of editorial pages to advertising. The average consumer magazine is around 38 percent ad pages and 62 percent editorial.<sup>14</sup> However, many, such as fashion magazines, contain ads on much more than half of their pages. This clutter makes it difficult for an advertiser to gain readers' attention and draw them into the ad. Thus, many print ads use strong visual images, catchy headlines, or some of the creative techniques discussed earlier to grab the interest of magazine readers. Some advertisers create their own custom magazines to sidestep the advertising clutter problem as well as to have control over editorial content. A number of companies also publish their own magazines to build relationships with their customers. For example, Procter & Gamble began publishing *Home Made Simple* several years ago, and the custom publication branched into a television program on the OWN Network and shopper marketing programs. The online publication is now called P&G *everyday* (Exhibit 12–10). Kraft Foods also publishes an online magazine called *My Food & Family*, and the success of the online version led the company to begin offering a print version, which is sent to more than 3 million consumers. A number of companies and brands have introduced magazines recently, including Dollar Shave Club, which publishes a lifestyle and culture magazine titled *MEL*. Airbnb launched *airbnb magazine* in 2019, which is a travel and lifestyle publication targeted to travelers who use the service as well as local hosts (Exhibit 12–11).

## XHIBIT 12–10

P&G *everyday* is an online custom magazine published by Procter & Gamble.

source: Procter & Gamble



## XHIBIT 12-11

Airbnb publishes its own travel and lifestyle magazine to connect with those who use its service.

Source: Airbnb, Inc.



Clutter is not as serious an issue for the print media as for radio or TV, since consumers tend to be more receptive and tolerant of print advertising. They can also control their exposure to a magazine ad simply by turning the page.

# Magazine Circulation and Readership

LO 12-2

Two of the most important considerations in deciding whether to use a magazine in the advertising media plan are the size and characteristics of the audience it reaches. Media buyers evaluate magazines on the basis of their ability to deliver the advertiser's message to as many people as possible in the target audience. To do this, they must consider the circulation of the publication as well as its total readership and match these figures against the audience they are attempting to reach.

**Circulation** Circulation figures represent the number of individuals who receive a publication through either subscription or store purchase. The number of copies distributed to these original subscribers or purchasers is known as *primary circulation* and is the basis for the magazine's rate structure. Circulation fluctuates from issue to issue, particularly for magazines that rely heavily on retail or newsstand sales. Many publications base their rates on *guaranteed circulation* and give advertisers a rebate if the number of delivered magazines falls below the guarantee. To minimize rebating, most guaranteed circulation figures are conservative; that is, they are set safely below the average actual delivered circulation. Advertisers are not charged for any excess circulation.

Many publishers became unhappy with the guaranteed circulation concept, since it requires them to provide refunds if guarantees are not met but results in a bonus for advertisers when circulation exceeds the guarantee. Thus, many publications have gone to a circulation rate-based system. Rates are based on a set average circulation that is nearly always below the actual circulation delivered by a given issue but carries no guarantee. However, circulation is unlikely to fall below the rate base, since this would reflect negatively on the publication and make it difficult to attract advertisers at prevailing rates.

**Circulation Verification** Given that circulation figures are the basis for a magazine's advertising rates and one of the primary considerations in selecting a publication, the credibility of circulation figures is [page 412](#) important. Most major publications are audited by one of the circulation verification services. Consumer magazines and farm publications are audited by the Alliance for Audited Media (AAM, formerly known as Audit Bureau of Circulations, or ABC), which is a membership organization consisting of North America's leading advertisers, advertising agencies, and content providers. AAM provides independently verified data and information critical to evaluating and purchasing media including consumer magazines and has also begun auditing digital replica editions of magazines that are available for tablets such as the iPad. A digital replica edition must include the print edition's full editorial content, including photography. In addition, any advertiser appearing in the print edition must have the opportunity to appear in the digital replica edition.

AAM collects and evaluates information regarding the subscriptions and sales of magazines and newspapers to verify their circulation figures. Only publications with 70 percent or more paid circulation are eligible for verification audits by AAM. In 2002 the former ABC approved new guidelines for counting magazine circulation and sales. The changes did away with the long-standing "50 percent rule," in which copies that sold for less than half the basic price of a magazine could not be counted as paid circulation. Under the new rules copies sold at any price may be counted, but the magazine must disclose sales and prices in its circulation statements.<sup>15</sup> More than 2,000 business publications are audited by the Business Publications Audit (BPA) of Circulation. Many of these are published on a **controlled-circulation basis**, meaning copies are sent (usually free) to individuals the publisher believes can influence the company's purchases.

Circulation verification services provide media planners with reliable figures regarding the size and distribution of a magazine's circulation that help them evaluate its worth as a media vehicle. The AAM statement also provides other important information. It shows how a magazine is distributed by state and size, as well as percentage of the circulation sold at less than full value and percentage arrears (how many subscriptions are being given

away). Many advertisers believe that subscribers who pay for a magazine are more likely to read it than are those who get it at a discount or for free.

Media buyers are generally skeptical about publications whose circulation figures are not audited by one of the verification services, and some companies will not advertise in unaudited publications. Circulation data, along with the auditing source, are available from SRDS or from the publication itself. Exhibit 12–12 shows two pages of a sample publisher's statement from the Alliance for Audited Media for both print and digital editions. The publisher's statement includes information such as number of print and digital subscriptions as well as single-copy sales; circulation by issues, regions, and demographic editions; a trend analysis; and subscriptions and sales by state and county size.

## XHIBIT 12–12

Example of an Alliance for Audited Media publisher's statement.

Source: Alliance for Audited Media

(2) Paid and Verified with Digital



### Publisher's Statement

6 months ended December 31, 2015, Subject to Audit

#### EXECUTIVE SUMMARY: TOTAL AVERAGE CIRCULATION

Total Paid & Verified Subscriptions	Single Copy Sales	Total Circulation	Rate Base	Variance to Rate Base
758,987	49,699	808,686	806,250	2,436

#### TOTAL CIRCULATION BY ISSUE

Issue	Paid Subscriptions		Verified Subscriptions		Total Paid & Verified Subscriptions	Single Copy Sales			Total Paid & Verified Circulation - Print	Total Paid & Verified Circulation - Digital Issue	Total Paid & Verified Circulation
	Print	Digital Issue	Total Paid Subscriptions	Print	Digital Issue	Print	Digital Issue				
July	620,040	20,000	750,040	59,000	1,000	60,000	700,040	52,565	2,000	54,385	742,183
Aug.	651,648	20,000	771,648	57,000	1,000	58,000	759,948	44,496	2,000	41,081	735,469
Sep.	629,100	20,000	699,100	57,000	1,000	57,000	696,100	40,436	2,000	41,036	712,536
Oct.	626,200	20,000	696,200	57,000	1,000	56,000	754,800	40,602	2,000	42,520	732,520
Nov./Dec.	632,241	20,000	762,241	57,000	1,000	58,000	746,471	44,228	2,000	46,228	733,609
Average	636,487	20,000	789,487	57,600	1,000	58,400	784,887	47,499	2,000	56,699	736,886

#### SUPPLEMENTAL ANALYSIS OF AVERAGE CIRCULATION

	Print	Digital Issue	Total	% of Circulation
<b>Paid Subscriptions</b>				
Individual Subscriptions	561,072	49,000	600,072	74.8
Associate Subscriptions	2,001	1,000	2,001	0.3
Association Membership	1,003	1,000	1,003	0.1
CJL Membership - Paid Only	10,116	—	10,116	1.3
CJL Membership - Nondues	1,001	1,000	1,001	0.1
Deferred	1,200	—	1,200	0.1
Partnership/Deductible Subscriptions	40,210	1,000	49,210	6.1
School	1,000	—	1,000	0.1
Sponsored Subscriptions	15,385	10,000	29,385	3.7
Spouse Paid Subscriptions	636,487	70,000	706,487	86.6
<b>Verified Subscriptions</b>				
Public Press	50,550	—	50,550	6.2
Individual Use	7,000	1,000	8,000	1
Total Verified Subscriptions	57,550	1,000	58,550	7.2
Total Paid & Verified Subscriptions	691,987	71,000	758,987	93.8
<b>Single Copy Sales</b>				
Single Issues	40,001	2,000	42,001	6.0
Single Copy Backs to Single Issue	—	—	—	—
Sponsored Single Issue	1,000	—	1,000	0.2
Total Single Copy Sales	42,599	2,000	44,599	5.8
Total Paid & Verified Circulation	736,886	73,000	809,886	100.0

## Prototype Magazine

Annual Frequency: 10

Field Served: Consumers interested in healthy living.

Published by Magazine Inc.

#### VARIANCE OF LAST THREE RELEASED AUDIT REPORTS

Audit Period Ended	Rate Base	Audit Report	Publisher's Statements	Difference	Percentage of Difference
12/31/2014	803,000	807,32	809,32	1,024	0.1
12/31/2015	792,000	715,84	742,82	26,982	3.5
12/31/2017	703,000	716,25	745,22	475	0.0

Visit [www.auditedmedia.com](http://www.auditedmedia.com) Mode Intelligence Center for audit reports.

#### PRICES

	Average Price (2)	
	Suggested Retail Prices (1)	Cost (Optional)
Average Single Copy	\$3.95	
Subscription	\$24.95	
Average Subscription Price Annualized (3)	\$158.80	\$71.00
Average Subscription Price per Copy	\$15.58	\$2.50

(1) For statement period

(2) Represents subscriptions for the 12 month period ended June 30, 2015.

(3) Based on the following issue per year frequency: 10

04-0000-0

**Readership and Total Audience** Advertisers are often interested in the number of people a publication reaches as a result of secondary, or pass-along, readership. **Pass-along readership** can occur when the primary subscriber or purchaser gives a magazine to another person or when the publication is read in doctors' waiting rooms or beauty salons, on airplanes, and so forth.

Advertisers generally attach greater value to the primary in-home reader than to the pass-along reader or out-of-home reader, as the former generally spends more time with the publication, picks it up more often, and receives greater satisfaction from it. Thus, this reader is more likely to be attentive and responsive to ads. However, the value of pass-along readers should not be discounted. They can greatly expand a magazine's readership. *People* magazine commissioned a media research study to determine that its out-of-home audience spends as much time reading the publication as do its primary in-home readers.

You can calculate the **total audience/readership** of a magazine by multiplying the readers per copy (the total number of primary and pass-along readers) by the circulation of an average issue. For example, a magazine such as *People* may have a circulation base of 3.4 million but an audience of over 34 million readers since it has a high pass-along rate that yields over 10 readers per copy. However, rate structures are generally based page 413 on the more verifiable primary circulation figures, and many media planners devalue pass-along readers by as much as 50 percent. Total readership estimates are reported by major syndicated magazine research services (discussed next), but media buyers view these numbers with suspicion.

## Audience Information and Research for Magazines

A very valuable source for information on magazines is Kantar Media SRDS, whose print and online service provides complete planning information on domestic and international consumer magazines as well as business and health care trade publications. The SRDS Consumer Media Advertising

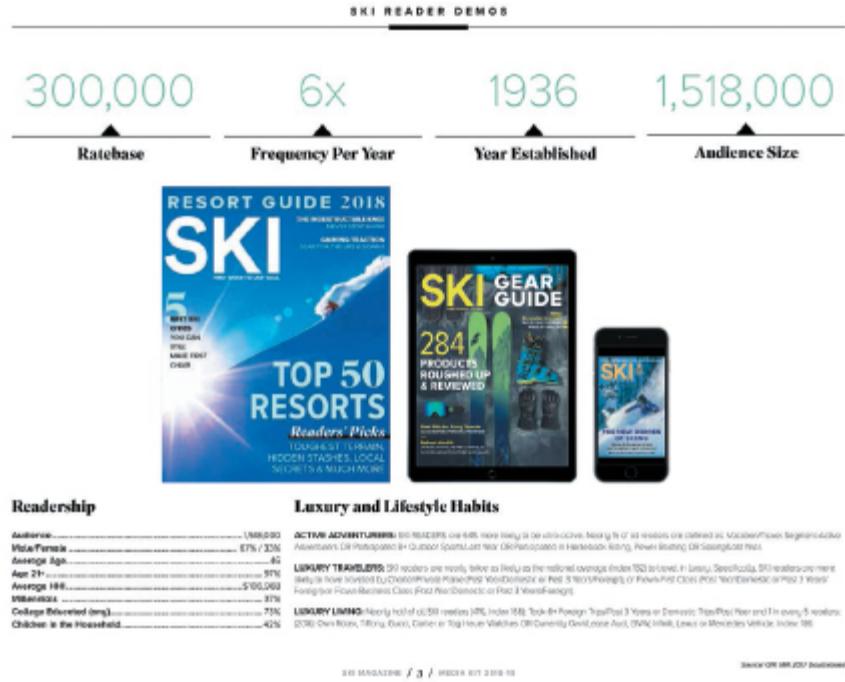
Source™ provides comprehensive planning data on U.S. print magazines and websites that reach consumer audiences, including standardized ad rates, circulation figures, dates, general requirements, contact information, and links to online media kits, websites, and audit statements that provide additional information on readership and positioning. The SRDS Business Media Advertising Source™ database provides this information for trade media, including print journals and websites that reach business-to-business audiences.

While circulation and total audience size are important in selecting a media vehicle, the media planner is also interested in the match between the magazine's readers and the advertiser's target audience. Information on readers is available from several sources, including the publication's own research and syndicated studies. Most magazines now have online media kits that provide basic information such as reader demographics, circulation, editorial calendars, rates, specifications, contact information, and other valuable data for advertisers. Exhibit 12–13 shows a page from the online media kit for *Ski* magazine that provides a profile of readers for page 414 its print and digital edition. Magazines generally provide media planners with even more detail than is available in online media kits. SRDS compiles these detailed media kits from most magazines and makes them available to advertisers and their agencies. Most magazines provide media planners with reports detailing readers' demographics, financial profile, lifestyle, and product usage characteristics. The larger the publication, the more detailed and comprehensive the information it usually can supply about its readers.

## XHIBIT 12–13

*Ski* magazine's online media kit contains useful information for advertisers.

ource: Active Interest Media



Syndicated research studies are also available. For consumer magazines, primary sources of information are Experian Simmons and the studies of GfK MRI, which was discussed in Chapter 10. These studies provide a broad range of information on the audiences of major national and regional magazines, including demographics, lifestyle characteristics, and product purchase and usage data. Most large ad agencies and media buying services also conduct ongoing research on the media habits of consumers. All this information helps determine the value of various magazines in reaching particular types of product users.

Audience information is generally more limited for business publications than for consumer magazines. The widely dispersed readership and nature of business publication readers make audience research more difficult. Media planners generally rely on information provided by the publication or by sources such as Business Publication Audits, which provide the titles of individuals who receive the publication and the type of industry in which they work. This information can be of value in understanding the audiences reached by various business magazines.

## Purchasing Magazine Advertising Space

**Cost Elements** Magazine rates are primarily a function of circulation. Other variables include the size of the ad, its position in the publication, the particular editions (geographic, demographic) chosen, any special mechanical or production requirements, and the number and frequency of insertions.

An important consideration for advertisers when buying space in a magazine is whether they want some type of preferred placement or pay for a run-of-book ad that can appear anywhere in the magazine, at the discretion of the publisher. Most of the various preferred positions that magazines make available to advertisers are **first cover** (outside front), **second cover** (inside front), **third cover** (inside back), and **fourth cover** (outside back). These are considered to be very desirable positions in the magazine—particularly the fourth or back cover, for which there is often a waiting list. Because a cover ad position is a preferred position, it is almost always sold at a higher rate than any position inside the magazine. Very few publishers sell advertising space on the front cover of their magazines because the American Society of Magazine Editors guidelines discourage the practice. The front cover has always been considered editorial space and off limits to advertisers.<sup>16</sup>

Advertising space is generally sold on the basis of space units such as full page, half page, and quarter page, although some publications quote rates on the basis of column inches. The larger the ad, the greater the cost. However, many advertisers use full-page ads since they result in more attention and readership. Studies have found that full-page ads generated 30 percent more readership than did half-page ads.<sup>17</sup>

Ads can be produced or run using black and white, black and white plus one color, or four colors. The more color used in the ad, the greater the expense, because of the increased printing costs. On average, a four-color ad costs 30 percent more than a black-and-white ad. Advertisers generally prefer color ads because they have greater visual impact and are superior for attracting and holding attention.<sup>18</sup> Roper Starch Worldwide analyzed the effect of various factors on the readership of magazine ads. The \_\_\_\_\_ page 415

“noted” scores (the percentage of readers who remember seeing the ad in a publication they read) are anywhere from 6 to 59 percent higher for a four-color full-page ad than for a black-and-white ad, depending on the product category. “Read-most” scores (the percentage who say they read more than half of the copy of an ad) are also higher for four-color versus black-and-white ads, by about 25 percent on average.<sup>19</sup> Other studies have examined the impact of size and color and found that a four-color spread (two facing pages) outperforms a one-page color ad by 30 percent and a black-and-white spread by 35 percent in terms of ad recall.<sup>20</sup> Ads requiring special mechanical production such as bleed pages or inserts may also cost extra.

Rates for magazine ad space can also vary according to the number of times an ad runs and the amount of money spent during a specific period. The more often an advertiser contracts to run an ad, the lower are the space charges. Volume discounts are based on the total space purchased within a contract year, measured in dollars. Advertisers can also save money by purchasing advertising in magazine combinations, or networks.

**Magazine networks** offer the advertiser the opportunity to buy space in a group of publications as a package deal. The publisher usually has a variety of magazines that reach audiences with similar characteristics. Networks can also be publishers of a group of magazines with diversified audiences or independent networks that sell space in groups of magazines published by different companies. For example, the Ivy League Magazine Network is a consortium of alumni magazines of Ivy League schools and two non-Ivies—Stanford University and the University of Chicago. Advertisers can purchase ad space and reach the well-educated, affluent alumni of all nine schools with one media purchase through the network (Exhibit 12–14).

## XHIBIT 12–14

Advertisers can reach alumni of Ivy League schools through the Ivy League Magazine Network.

*Source: Ivy League*



## The Future for Magazines

LO 12-4

The past few years have been very difficult for the magazine industry; many publications are experiencing reductions in revenue as advertisers shift more of their spending to digital media and other IMC tools and have been slow to increase their ad spending following the recession. Many publications have seen their number of advertising pages decline and have found it difficult to raise rates to offset the reduction in ad pages.<sup>21</sup> And while advertising revenue has been decreasing, publishers' other major revenue stream, circulation, has also been declining for most magazines. Many magazines have gone out of business in recent years, including some that were published for decades, such as *Transworld Snowboarding*, *The Weekly Standard*, and *Gourmet*. A number of other well-known magazines, such as *Cooking Light*, *Seventeen*, and *Glamour*, have moved online and publish special print editions only a few times a year.<sup>22</sup> Digital and Social Media Perspective 12–1 discusses how a number of magazines have ceased publishing their print editions and are now available only online.

There are a number of challenges facing the magazine industry. The costs of paper and ink continue to rise, and the industry has had to weather several significant increases in postal rates, which have had a major impact on their cost structure.<sup>23</sup> Magazines are also facing strong competition from other media such as television, the Internet, social media, and direct mail. Publishers are looking at a number of ways to improve their position—including stronger editorial platforms, better circulation management, cross-magazine and media deals, database marketing, technological advances, and electronic delivery methods—to make advertising in magazines more appealing to marketers as well as to survive.

**Stronger Editorial Platforms** Magazines with strong editorial platforms that appeal to the interests, lifestyles, and changing demographics of consumers as well as business and market trends are in the best position to attract readers and advertisers. However, lifestyle magazines targeted to women—such as *Martha Stewart Living*; *O, The Oprah Magazine*; and *Parents*—have done well, as have magazines targeting specific interests, such as *Paws*, a magazine centered on pet care, and *Country Living*. Several publications with strong editorial platforms that appeal to younger male readers have also done very well, including *Men's Journal* and *Men's Health* (Exhibit 12–15). page 416

## XHIBIT 12–15

*Men's Journal* and *Men's Health* magazines have been very successful in attracting the male audience.

Source: (left to right) American Media, Inc.; Hearst Magazine Media, Inc.



## Digital and Social Media Perspective 12–1 >>>

### Magazines Shutter Print Editions and Go Digital

In 2011, Jan Wenner, the founder of the publishing company that owned popular magazines such as *Rolling Stone*, *Us Weekly*, and *Men's Journal* argued that there is still a place for traditional print magazines. Wenner noted that just as television did not kill magazines, the Internet is a threat only to publications that have lost focus on what makes magazines unique. He noted the enduring value magazines have for readers and how they were being neglected in the era of instant buzz and chatter that takes place online. Wenner predicted that it would take a decade or more before there is a decisive shift from print magazines to reading them on mobile devices and called the rush to digital editions of magazines the result of “sheer insanity, insecurity and fear.”

Nearly a decade has now passed since Wenner challenged magazine publishers’ rush to digital, and it appears that the insecure and fearful are prevailing as more publications shutter their print editions in favor of digital editions only. Over the past several years, the three major magazine publishers—Hearst, Conde Nast, and Meredith Corp.—have ceased publishing the print versions of some of their magazines and are making them available only online. Among the magazines that Hearst is turning into digital-only publications are *Redbook* and *Seventeen*. In 2018, Conde Nast dropped its regular monthly print issue of *Glamour* as part of a “digital first” strategy that now includes an online version along with special print editions published a few times a year. The magazine joins *Teen Vogue* as a digital-only publication since Conde Nast closed the print edition of the 80-year-old title, which had been publishing five times a year. Meredith Corp. has also moved several of its high-profile magazines to digital-only brands, including *Money* magazine, which was acquired from Time Inc. in 2017, as well as *Cooking Light* and *Coastal Living*.

There are a number of reasons magazine publisher are moving to a digital-first or only strategy. Closing print editions helps cut costs and copes with the loss of advertising revenue that most magazines are facing as marketers shift more of their media budgets from traditional to digital media. Another reason for the shift is that a number of magazines are facing competition from digital platforms that are continually updated and provide timely coverage of various topics, issues, and events as well as “breaking news.” For example, in 2019 The Walt Disney Co. ceased publishing regular monthly editions of *ESPN The Magazine*, which is part of the EPSN sports properties owned by the company, including the ESPN cable sports networks. In announcing the

change to digital only for the magazine, which published its first issue in 1998, ESPN stated that its research shows the vast majority of the magazine's readers already consume its print journalism on digital platforms, and the shift will allow it to maximize its reach and impact. The company also noted that sports magazines are facing increased competition from other digital sports-focused platforms such as Bleacher Report, SB Nation, Deadspin, and The Ringer. Many of the publications targeting teens and young women, such as *Teen Vogue* and *Glamour*, face similar problems because social media provides them with regular doses of information and stories on pop culture and entertainment that do not require a subscription or going to another source.



Source: ESPN, Inc.

Another reason publishers are going online is that digital editions of their magazines can help them better understand their readers and provide content that meets their needs and interests. They can detect clicks and time spent reading articles, which provides valuable insight into the topics, stories, or issues that attract the attention of readers and hold their interest. Many magazines are turning to sophisticated artificial intelligence–driven solutions to conduct deep analyses of their audiences. This

information is also very valuable for getting marketers to advertise in their digital publications because it can provide them with detailed information regarding readers and how best to engage them. Advertising in the digital editions of magazines also provides marketers with the same advantages they have with other forms of digital media, including targeting and retargeting of advertising messages and detailed analytics that can be used to understand how well their ads are working.

Many in the magazine publishing industry hoped that Jann Wenner was correct when he argued there was still a place for print magazines. However, many publishers appear to be hedging their bets and embracing the digital future. Wenner also may have seen the future and did not like what he saw. In 2017, Wenner Media sold just over half of its flagship magazine *Rolling Stone* to Penske Media Corporation. A few months later, it also sold celebrity-focused *Us Weekly* along with *Men's Journal* to American Media Inc. Two years later, Wenner sold the remaining 49 percent of *Rolling Stone* to Penske Media. After taking over *Rolling Stone*, the magazine redesigned its print edition and website and began running as a monthly publication rather than biweekly. One can only wonder how long it will be before the magazine goes fully online.

Sources: "ESPN The Magazine to Abandon Print, Go Web-Only," *Advertising Age*, April, 20, 2019, <https://adage.com/article/media/espn-magazine-abandon-print-go-web-only/2167836>; Joe Pompeo, "Jay Penske Gobbles Up the Remaining 49 Percent of Rolling Stone," *Vanity Fair*, January 31, 2019, [www.vanityfair.com/news/2019/01/media-mogul-jay-penske-purchased-the-rest-of-rolling-stone](http://www.vanityfair.com/news/2019/01/media-mogul-jay-penske-purchased-the-rest-of-rolling-stone); Sara Jerde, "All the Magazine Brands That Moved Away from Print This Year," *Adweek*, December 27, 2018, [www.adweek.com/digital/all-the-magazine-brands-that-moved-away-from-print-this-year/](http://www.adweek.com/digital/all-the-magazine-brands-that-moved-away-from-print-this-year/). Nat Ives, "Jann Wenner: Magazines' Rush to iPad Is 'Sheer Insanity and Insecurity and Fear,'" *Advertising Age*, May 29, 2011, [adage.com/article/media/jann-wenner-magazines-tablet-migration-decades/227827](http://adage.com/article/media/jann-wenner-magazines-tablet-migration-decades/227827).

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**Circulation Management** One of the major challenges facing magazine publishers is trying to increase or even maintain their circulation bases. Circulation is the second major source of revenue for most publications, and publishers must carefully manage the costs of attracting and maintaining additional readers or subscribers. The cost of acquiring subscribers has increased dramatically over the past decade. However, publishers have not been able to pass on these increased costs because the prices consumers pay for subscriptions as well as single copies of magazines have increased only slightly. Thus, publishers have to pay more to maintain their rate bases (the circulation level guaranteed to advertisers), but they make less money on each subscription sold.

Some publications have begun selling magazine subscriptions on Facebook by allowing users of the social media site to expand blurbs of magazine content that are common in news feeds into full articles that contain ads as well as options to subscribe.<sup>24</sup> Publishers have also been turning to daily-deal sites such as Groupon and Living Social as magazines such as *Esquire*, *Us Weekly*, *Reader's Digest*, *Allure*, *Men's Health*, and others have found them useful for attracting new subscribers. However, a major challenge publishers will face is getting subscribers to renew at higher rates once the discounted deals expire.<sup>25</sup>

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**Digital Magazines** Many magazines are keeping pace with the digital revolution by making their publications available online.<sup>26</sup> The number of consumer and business magazine websites has nearly doubled over the past five years. Online versions of magazines offer the many advantages of the Internet to publishers as well as to advertisers. They provide advertisers with the opportunity for sponsorships as well as running video and banner ads and promotions on the online versions of the magazines. More and more people are becoming comfortable with reading magazines online rather than in traditional print form, which is leading many publications to expand beyond their basic print publications. A number of publishers are extending their magazine brands to include online, social networking, mobile, and user-generated content, which provides increasing readership as well as advertising reach opportunities.

Marketers are also recognizing that there are opportunities to integrate their advertising in online publications with the environment and editorial content by using **native advertising**. As discussed in Chapter 9, a native online ad takes on the look and feel of the surrounding content and its visual design and user experience are native or specific to the online site. A number of magazine and newspaper brands have been working with marketers to create native ads for their online publications, including *Forbes*, the *Washington Post*, and *The Atlantic*. *Forbes* has been at the forefront in the use of native advertising an approach called BrandVoice that allows marketers to connect directly with its readers by enabling them to create

content on the *Forbes* digital platforms. All content on the \_\_\_\_\_ page 418 platforms is clearly labeled and transparent so readers know who is talking and the perspective from which they speak. Exhibit 12–16 shows how *Forbes* promotes its BrandVoice content marketing platform.

## XHIBIT 12–16

Forbes BrandVoice is a form of native advertising.

Source: Forbes Media LLC

**ForbesBrandVoice®**  
**A Content Marketing Platform**

Brand content is just as relevant, engaging and informative as other kinds of content.

Publish it—with transparent labeling—to the same streams as Forbes editorial content.

**70,593,266** All-Time BrandVoice Page Views

Another form of online delivery is digital editions of magazines developed specifically for tablets such as the iPad and devices using the Android operating system. There are several thousand apps for magazines available in the United States. The number of digital app editions of magazines will continue to grow as more consumers become comfortable with reading them on their tablets and advances in technology make the reading experience similar to that of a print publication. Digital editions of many magazines are now able to offer ads that can deliver the impact of full-page magazine ads, include video and TV commercials, and link directly to an advertiser's website. Although consumers who opt to read magazines on a mobile device enjoy the experience, magazine apps still account for a small share of total magazine readership. However, it is likely that readership of

digital magazines will increase as magazine publishers collaborate with technology companies to make digital versions of their publications more available. For example, in early 2019 Apple launched its Apple News+ subscription service, which includes digital access to more than 300 popular magazines and leading newspapers. The digital versions of the magazines contain the same stories and photos as the print edition as well as the ads.<sup>27</sup>

The magazine industry recognizes that it must continue to respond to the changes in media consumption patterns and the challenges it faces as more marketers shift their advertising monies to digital. However, publishers still feel there are inherent advantages of traditional print magazines to advertisers and have gone on the offensive to promote them. For example, the MPA—Association for Magazine Media published a white paper titled “What Can Neuroscience Tell Us About Why Print Advertising Works?” that summarized the findings of numerous research papers, books, and reports regarding how consumers’ brains process paper-based information.<sup>28</sup> The report concludes that print advertising is superior to online ads with regard to its ability to deliver a reading experience that supports comprehension of and connection with an advertiser’s message. Exhibit 12–17 shows a summary of the key findings from the study regarding the value of print advertising. Magazine publishers are hoping they can get advertisers to recognize that the digital editions of their magazines are rooted in print publications that are still valuable advertising platforms.

## XHIBIT 12–17

Key findings from a study on the value of print advertising.

### What neuroscience says about why print magazine ads work

Paper readers remember more.

Paper-based reading	More focused attention, less distraction	Higher comprehension and recall	Stimulates emotions and desires
	Preferred by majority (even millennials)	Drives sensory involvement which contributes to reader impact	Slower reading speeds

# NEWSPAPERS

Newspapers, the second major form of print media after magazines, are increasingly being read online through digital formats. In 2018, nearly \$16 billion was spent on newspaper advertising, including print and digital, which was about 8 percent of the total advertising expenditures in the United States. Newspapers are an especially important advertising medium to local advertisers, particularly retailers. However, newspapers are also valuable to national advertisers. Many of the advertising dollars spent by local retailers are actually provided by national advertisers through cooperative advertising programs (discussed in Chapter 16). Newspapers vary in terms of their characteristics and their role as an advertising medium.

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## Types of Newspapers

LO 12-5

The traditional role of newspapers has been to deliver prompt, detailed coverage of news as well as to supply other information and features that appeal to readers. The vast majority of newspapers are daily publications serving local communities. However, weekly, national, and special-audience newspapers have special characteristics that can be valuable to advertisers.

**Daily Newspapers** Daily newspapers, which are published each weekday, are found in cities and larger towns across the country. Many areas have more than one daily paper. Readership of daily newspapers varies by age: 40 percent or more of older adults (55+) read a newspaper every day but only around 20 percent of younger adults (18 to 34) do so.<sup>29</sup> Newspapers provide detailed coverage of news, events, and issues concerning the local area as well as business, sports, and other relevant information and entertainment. Daily newspapers can further be classified as morning,

evening, or Sunday publications. In 2019 there were just under 1,300 daily newspapers in the United States; of these, 30 percent were evening papers and 70 percent morning. There were also approximately 900 Sunday newspapers, most of which were published by daily newspapers.

**Weekly Newspapers** Most weekly newspapers originate in small towns or suburbs where the volume of news and advertising cannot support a daily newspaper. These papers focus primarily on news, sports, and events relevant to the local area and usually ignore national and world news, sports, and financial and business news. There are approximately 6,700 weekly newspapers published in the United States, and they have an average circulation of close to 7,500. Weeklies appeal primarily to local advertisers because of their geographic focus and lower absolute cost. Most national advertisers avoid weekly newspapers because of their duplicate circulation with daily or Sunday papers in the large metropolitan areas and problems in contracting for and placing ads in these publications. However, the contracting and scheduling problems associated with these papers have been reduced by the emergence of syndicates that publish them in a number of areas and sell ad space in all of their local newspapers through one office.

**National Newspapers** Newspapers in the United States with national circulation include *USA Today*, *The Wall Street Journal*, and *The New York Times*. All three are daily publications and have editorial content with a nationwide appeal. *The Wall Street Journal* has the largest circulation of any newspaper in the country, with just over 1 million subscribers to its print edition and another 1.5 million to its digital edition. *The Wall Street Journal* is an excellent media vehicle for reaching businesspeople and also has a very affluent readership base, as shown in the ad in Exhibit 12–18. Another popular national newspaper is *USA Today*, which positions itself as “the nation’s newspaper.” *USA Today* is popular particularly among business and leisure travelers, with its coverage of national news as well as its money, sports, lifestyle, and entertainment sections. National newspapers appeal primarily to large national advertisers and to regional advertisers that use specific geographic editions of these publications. For example, *The Wall Street Journal* has three geographic editions covering 21 regions in which

ads can be placed; *USA Today* offers advertisers the opportunity to run ads in its national edition or any of 25 regional markets.

## XHIBIT 12–18

As seen in this ad, *The Wall Street Journal* is the leading national newspaper and reaches an affluent and educated audience who make time to read *The Wall Street Journal*.

Source: Dow Jones & Company, Inc.



Sir Martin Sorrell, CEO of WPP and Wall Street Journal reader.

Photography by Craig Barritt

PEOPLE WHO DON'T HAVE TIME  
MAKE TIME TO READ  
THE WALL STREET JOURNAL.

See what Sir Martin Sorrell makes time to read at WSJ.com/SirMartin

THE WALL STREET JOURNAL.  
Read ambitiously

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**Special-Audience Newspapers** A variety of papers offer specialized editorial content and are published for particular groups, including labor unions, professional organizations, industries, and hobbyists. Many people

working in advertising read *Advertising Age*, while those in the marketing area read *Marketing News*. Specialized newspapers are also published in areas with large foreign-language-speaking ethnic groups, among [page 420](#) them Polish, Chinese, Hispanics, Vietnamese, and Filipinos. In the United States, there are newspapers printed in more than 40 languages.

Newspapers targeted at various religious groups compose another large class of special-interest papers. For example, more than 140 Catholic newspapers are published across the United States. Another type of special-audience newspaper is one most of you probably read regularly during the school year, the college newspaper. Nearly 1,300 colleges and universities publish newspapers and offer advertisers an excellent medium for reaching college students, who are a difficult target audience for marketers to reach. Many college newspapers are now being published online and either eliminating or reducing the number of print editions they publish each week. Some are facing major financial problems, and many have had to cease publication or become affiliated with their universities, which endangers independent coverage. Many are looking to alumni donations and have launched fundraising campaigns on social media to continue operating. Recently, many college papers have joined forces in the “Save Student Newspapers” campaign started by the editors at *The Independent Florida Alligator* at the University of Florida (Exhibit 12–19). The goal of the campaign is to make people aware of the importance of student journalism and support college news organizations that are fighting for independence and financial stability.<sup>30</sup>

## XHIBIT 12–19

The “Save Student Newspapers” campaign is addressing the challenges facing many college newspapers.

Source: Save Student Newsrooms



**Newspaper Supplements** Although not a category of newspapers per se, many papers include magazine-type supplements, primarily in their Sunday editions. Sunday supplements have been part of most newspapers for many years and come in various forms. One type is the nationally syndicated Sunday magazine, such as *Parade*, which is distributed through nearly 500 newspapers and reaches over 40 million readers in markets across the country. These publications are similar to national magazines and carry both national and regional advertising. *Parade* is the only remaining nationally syndicated Sunday magazine since *USA Weekend* suspended publication in 2014.

Some large newspapers publish local Sunday supplements distributed by the parent paper. These supplements contain stories of local interest, and both local and national advertisers buy ad space. *The New York Times Sunday Magazine* is the best-known local supplement. *The Washington Post*, *San Francisco Examiner*, and *Los Angeles Times* have their own Sunday magazines. In some areas, papers have begun carrying regional supplements as well as specialized weekday supplements that cover specific topics such as food, sports, or entertainment. Supplements are valuable to advertisers that want to use the newspaper yet get four-color reproduction quality in their ads.

## Types of Newspaper Advertising

The ads appearing in print editions of newspapers can also be divided into different categories. The major types of newspaper advertising are display

and classified. Other special types of ads and preprinted inserts also appear in newspapers.

**Display Advertising** **Display advertising** is found throughout the newspaper and generally uses illustrations, headlines, white space, and other visual devices in addition to the copy text. The two types of display advertising in newspapers are local and national (general).

*Local advertising* refers to ads placed by local organizations, businesses, and individuals who want to communicate with consumers in the market area served by the newspaper. Supermarkets and department stores are among the leading local display advertisers, along with numerous other retailers and service operations such as banks and travel agents. Local advertising is sometimes referred to as retail advertising because retailers account for 85 percent of local display ads.

*National or general advertising* refers to newspaper display advertising done by marketers of branded products or services that are sold on a national or regional level. These ads are designed to create and maintain page 421demand for a company's product or service and to complement the efforts of local retailers that stock and promote the advertiser's products. Major retail chains, automakers, and airlines are heavy users of newspaper advertising.

**Classified Advertising** **Classified advertising** also provides newspapers with a substantial amount of revenue. These ads are arranged under subheads according to the product, service, or offering being advertised. Employment, real estate, and automotive are the three major categories of classified advertising. While most classified ads are just text set in small type, some newspapers also accept classified display advertising. These ads are run in the classified section of the paper but use illustrations, larger type sizes, white space, borders, and even color to stand out. Many newspapers have moved classified ads online and do not publish them in their print editions or do so on a limited number of days.

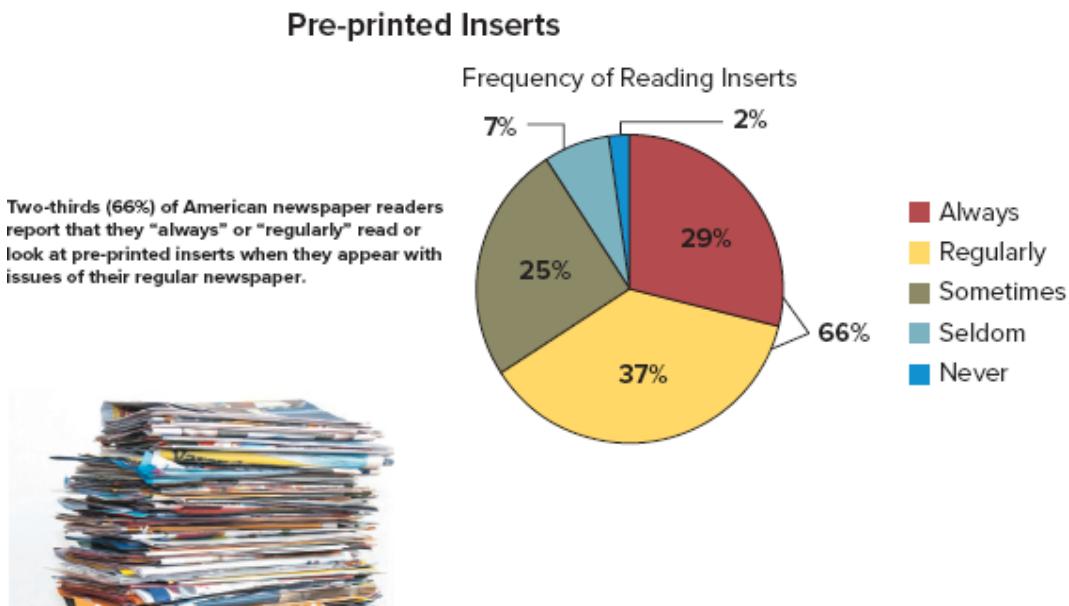
**Special Ads and Inserts** Special advertisements in newspapers include a variety of government and financial reports and notices and public notices of changes in business and personal relationships. **Preprinted inserts** are

another type of advertising distributed through newspapers. These ads do not appear in the paper itself; they are printed by the advertiser and then taken to the newspaper to be inserted before delivery. Many retailers use inserts such as circulars, catalogs, or brochures in specific circulation zones to reach shoppers in their particular trade areas. Inserts are used most often in Sunday editions of major newspapers since consumers spend more time with the Sunday paper and often look for inserts from retailers on weekends. Exhibit 12–20 shows how the News Media Alliance promotes the value of preprinted inserts in newspapers.

## XHIBIT 12–20

Newspaper inserts are an effective way to reach consumers.

source: RistoH/Shutterstock



## Advantages of Newspapers

Newspapers have a number of characteristics that make them popular among both local and national advertisers. These include their extensive penetration of local markets, flexibility, geographic selectivity, reader involvement, and special services.

**Market Penetration** One of the advantages of newspapers is the high market coverage or penetration they offer advertisers, particularly for older adult households. In most areas, 40 percent or more of these households read a daily newspaper, and the reach figure may reach 50 percent among households with higher incomes and education levels. The penetration of newspapers provides advertisers with an opportunity for reaching various segments of the population with their message. Also, since many newspapers are published and read daily, the advertiser can build a high level of frequency into the media schedule.

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**Flexibility** Another advantage of newspapers is the flexibility they offer advertisers. First, they are flexible in terms of requirements for producing and running the ads. Newspaper ads can be written, laid out, and prepared in a matter of hours. For most dailies, the closing time by which the ad must be received is usually only 24 hours before publication (although closing dates for special ads, such as those using color, and Sunday supplements are longer). The short production time and closing dates make newspapers an excellent medium for responding to current events or presenting timely information to readers. For example, the Callaway Golf Company ran a newspaper ad congratulating professional golfer Phil Mickelson for winning the British Open golf tournament the day following the final round of the prestigious event. Mickelson is a member of the Callaway Golf team, and the ad was a very timely way to acknowledge his accomplishment and promote his use of Callaway golf equipment (Exhibit 12–21).

## XHIBIT 12–21

Callaway Golf used a newspaper ad for a timely ad congratulating golfer Phil Mickelson.

Source: Callaway Golf

Callaway

## CONGRATULATIONS



San Diego's Own Callaway Golf Company  
Congratulates San Diego's Own Phil Mickelson.

**Champion Golfer of the Year.**

#BRINGIT

©2012 Callaway Golf Company. Callaway, the Dawson Driver and J. H. are trademarks and/or registered trademarks of Callaway Golf Company.  
Phil Mickelson plays a prototype Titleist Driver and uses Bridgestone GOLFIRIS tires.

A second dimension of newspapers' flexibility stems from the creative options they make available to advertisers. Newspaper ads can be produced and run in various sizes, shapes, and formats; they can use color or special inserts to gain the interest of readers. Ads can be run in Sunday magazines or other supplements, and a variety of scheduling options are possible, depending on the advertiser's purpose.

**Geographic Selectivity** Newspapers generally offer advertisers more geographic or territorial selectivity than does any other medium except direct mail. Advertisers can vary their coverage by choosing a paper—or combination of papers—that reaches the areas with the greatest sales potential. National advertisers take advantage of the geographic selectivity of newspapers to concentrate their advertising in specific areas they can't reach with other media or to take advantage of strong sales potential in a particular area. For example, BMW, Mercedes, and Land Rover often run newspaper ads in major metropolitan markets such as major cities in California and the New York/New Jersey area to capitalize on the high sales potential for luxury import cars in these markets. A number of companies use newspapers in their regional marketing strategies. Newspaper advertising lets them feature products on a market-by-market basis, respond and adapt campaigns to local market conditions, and tie into more retailer promotions, fostering more support from the trade.

Local advertisers like retailers are interested in geographic selectivity or flexibility within a specific market or trade area. Their media goal is to concentrate their advertising on the areas where most of their customers are. Some major metropolitan newspapers offer advertisers various geographic areas or zones in which they can advertise. A number of media companies have also purchased community newspapers in their metropolitan areas and offer companies such as retailers the opportunity to run ads in these local markets. Exhibit 12–22 shows how the Houston Chronicle Media Group promotes community newspapers owned by the company.

## XHIBIT 12–22

The *Houston Chronicle* offers the opportunity to advertise in community newspapers.

Source: Hearst Newspapers, LLC



PRINT



MOBILE



ONLINE

## Everything Local

Our unique and powerful geo-targeted community print sections drive customers to your business. Integrate your brand with news and stories that

Integrate your brand with news and stories that matter most to your neighborhood – extensive local coverage of high school sports, upcoming events, local businesses, neighborhood utility and more.

[VISIT NEIGHBORHOOD](#)

**Reader involvement and Acceptance** Another important feature of newspapers is consumers' level of acceptance and involvement with papers and the ads they contain. The typical daily newspaper reader spends time each day reading the weekday newspaper and even more time reading the Sunday paper. Recent studies have shown that around 56 percent of newspaper readers consume newspapers only in their printed form and are news enthusiasts. However, these print-only readers are older than those who read newspapers online and are less likely to have gone to college.<sup>31</sup> These consumers rely heavily on newspapers not only for news, information, and entertainment but also for assistance with consumption decisions.

Many consumers actually purchase a newspaper *because* of the advertising it contains. Consumers use retail ads to determine product prices and availability and to see who is having a sale. One aspect of newspapers that is helpful to advertisers is readers' knowledge about particular sections of the paper. Most of us know that ads for automotive products and sporting goods are generally found in the sports section, while ads for financial services are found in the business section. The weekly food section in many newspapers is popular for recipe and menu ideas as well as for the grocery store ads and coupons offered by many stores and companies.

The value of newspaper advertising as a source of information has been shown in several studies. One study found that consumers look forward to ads in newspapers more than in other media. In another study, 80 percent of consumers said newspaper ads were most helpful to them in doing their weekly shopping. Newspaper advertising has also been rated the most trusted form of advertising in numerous studies, along with magazines.

**Services Offered** The special services newspapers offer can be valuable to advertisers. For example, many newspapers offer merchandising services and programs to manufacturers that make the trade aware of ads being run for the company's product and help convince local retailers they should stock, display, and promote the item.

Many newspapers are also excellent sources of local market information through their knowledge of market conditions and research like readership studies, consumer surveys and various reports and market studies.

Newspapers can also assist small companies through free copywriting and art services. Small advertisers without an agency or advertising department often rely on the newspaper to help them write and produce their ads. Exhibit 12–23 shows how the *San Diego Union Tribune* promotes the services of its advertising creative department to companies that advertise in the newspaper.

## XHIBIT 12–23

The *San Diego Union Tribune* promotes the services of its advertising creative department to advertisers.

Source: *The San Diego Union-Tribune*

# designing for response & revenue

When you step into The San Diego Union-Tribune's Advertising Creative Department, you'll find an award-winning team of creative thinkers, designers and artists.

This in-house ad agency is responsible for creating exceptional visual content that galvanizes our clients' efforts and helps them connect with their audience. In a world where impressions matter, our highly experienced designers come together as a team to create a completely new type of advertising that creatively addresses how to bridge the gap between strategy and delivery. We produce work that inspires, mobilizes and delivers measurable results across multiple platforms.

In San Diego, our mission is to advance our clients' goals because, let's face it — we all want to make a splash.



## Limitations of Newspapers

While newspapers have many advantages, like all media they also have disadvantages that media planners must consider. The limitations of newspapers include their reproduction problems, short life span, lack of selectivity, and clutter.

**Poor Reproduction** One of the greatest limitations of newspapers as an advertising medium is their poor reproduction quality. The coarse paper stock used for newspapers, the absence of color, and the lack of time papers have available to achieve high-quality reproduction limit the quality of most newspaper ads. Newspapers have improved their reproduction quality in recent years, and color reproduction has become more available. [page 424](#) Also, advertisers desiring high-quality color in newspaper ads can turn to such alternatives as freestanding inserts or Sunday supplements. However, these are more costly and may not be desirable to many advertisers. As a general rule, if the visual appearance of the product is

important, the advertiser will not rely on newspaper ads. Ads for food products and fashions generally use magazines to capitalize on their superior reproduction quality and color.

**Short Life Span** Unlike magazines, which may be retained around the house for several weeks, a daily newspaper is generally kept less than a day. So an ad is unlikely to have any impact beyond the day of publication, and repeat exposure is very unlikely. Compounding this problem is the short amount of time many consumers spend with the newspaper and the possibility they may not even open certain sections of the paper. Media planners can offset these problems somewhat by using high frequency in the newspaper schedule and advertising in a section where consumers who are in the market for a particular product or service are likely to look.

**Lack of Selectivity** While newspapers can offer advertisers geographic selectivity, they are not a selective medium in terms of demographics or lifestyle characteristics. Most newspapers reach broad and very diverse groups of consumers, which makes it difficult for marketers to focus on narrowly defined market segments. For example, manufacturers of fishing rods and reels will find newspapers very inefficient because of the wasted coverage that results from reaching all the newspaper readers who don't fish. Thus, they are more likely to use special-interest magazines such as *Field & Stream* and *Fishing World*. Any newspaper ads for their products will be done through cooperative plans whereby retailers share the costs or spread them over a number of sporting goods featured in the ad.

**Clutter** Newspapers, like most other advertising media, suffer from clutter because the advertiser's message must compete with other ads for consumers' attention and interest. Moreover, the creative options in newspapers are limited by the fact that most ads are black and white. Thus, it can be difficult for a newspaper advertiser to break through the clutter without using costly measures such as large space buys or color. However, clutter has become less of a problem as the number of ads appearing in many newspapers declines.

Many newspapers are now offering advertisers the opportunity to use innovative shape-based ads that utilize unconventional sizes and formats such

as stairsteps, bookends, U-shapes, island ads, spadea ads, and half-page spreads. Many newspapers are also now accepting ads on the front page of their publications as well as on the first page of various sections of the paper. The use of these innovative formats makes it possible for advertisers to more easily attract the attention of readers and increase recall of their advertising message. Exhibit 12–24 shows a page from the media kit for the *Los Angeles Times* promoting several of the innovative ad forms that the paper now offers advertisers.

## XHIBIT 12–24

The *Los Angeles Times* promotes the innovative advertising shapes it now offers.

Source: *Los Angeles Times*

### Innovative Advertising



14

• Los Angeles Times | MEDIA GROUP

## The Newspaper Audience

As with any medium, the media planner must understand the nature and size of the audience reached by a newspaper in considering its value in the media plan. Since newspapers as a class of media do an excellent job of penetrating their market, the typical daily newspaper gives advertisers the opportunity to reach most of the households in a market. But, while local advertisers aim to

cover a particular market or trade area, national advertisers want to reach broad regions or even the entire country. They must purchase space [page 425](#) in a number of papers to achieve the desired level of coverage.

The basic sources of information concerning the audience size of newspapers come from the circulation figures available through rate cards, publishers' statements, or Kantar Media SRDS's *Newspaper Advertising Source*. Circulation figures for many newspapers are verified by the Alliance for Audited Media (AAM), which was discussed earlier. Advertisers that use a number of papers in their media plan generally find SRDS the most convenient source.

Newspaper circulation figures are generally broken down into three categories: the city zone, the retail trading zone, and all other areas. The **city zone** is a market area composed of the city where the paper is published and contiguous areas similar in character to the city. The **retail trading zone** is the market outside the city zone whose residents regularly trade with merchants within the city zone. The "all other" category covers all circulation not included in the city or retail trade zone.

Sometimes circulation figures are provided only for the primary market, which is the city and retail trade zones combined, and the other areas. Local as well as national advertisers consider the circulation patterns across the various categories in evaluating and selecting newspapers.

National advertisers often buy newspaper space on the basis of the size of the market area they cover. For example, an advertiser might decide to purchase advertising in the top 10 markets, the top 50 markets, the top 100 markets, and so on. A national advertiser gets different levels of market coverage depending on the number of market areas purchased.

**Audience Information** Circulation figures provide the media planner with the basic data for assessing the value of newspapers and their ability to cover various market areas. However, the media planner also wants to match the characteristics of a newspaper's readers with those of the advertiser's target audience. Data on newspaper audience size and characteristics are available from studies conducted by the papers as well as from commercial research services. As with magazines, a valuable source for information on newspapers is Kantar Media SRDS, whose print and online service provides

complete planning information on daily papers, newspaper groups, ethnic newspapers, college newspapers, comics, and newspaper-distributed magazines. The SRDS *Newspaper Advertising Source* data contain standardized ad rates, circulation figures, dates, general requirements, contact information, and other valuable information for media (Exhibit 12–25).

## XHIBIT 12–25

SRDS *Newspaper Advertising Source* provides advertisers with valuable information on newspapers.

Source: Kantar Media

## Find, consider and understand newspaper media.

The SRDS.com Newspaper Advertising Source\* gives you comprehensive planning data on daily U.S. papers, newspaper groups, community papers, alternatives, shoppers, classifieds and their websites.

- 6,000+ national and local newspapers
- 3,400+ digital media listings
- 90+ media brands with iPad and tablet apps at the SRDS Tablet Media Library

### Media research, your way

Search for media and advertising opportunities any way that makes sense to you. Get in, find your options and apply powerful filters and sorting capabilities to help you evaluate huge lists of media quickly.

- Media types (newspapers, digital media)
- Keywords and titles
- Geography (national papers or in 210 DMAs)
- Newspaper types
- Reps and press associations



See it in action.  
[next.srds.com/videos/newspaper](http://next.srds.com/videos/newspaper)

### Actionable data in one place

SRDS listings include all the data points you need to compile a plan.

- Rates and contact information
- Audience metrics and circulation
- Many media include audience profile links, publisher's positioning statements, featured marketing opportunities, logos, front-page and website images.

### Make your media planning more efficient.

Learn more at [srds.com](http://srds.com) or call 800.232.0772 x8002.

[srds.com](http://srds.com)

Companies such as Experian Simmons and GfK MRI provide syndicated research studies on lifestyles, media behavior, and product/brand preferences that include information on newspapers. These studies can be valuable for comparing newspapers with other media vehicles.

Many newspapers commission their own audience studies to provide current and potential advertisers with information on readership and characteristics of readers such as demographics, shopping habits, and lifestyles. These studies are often designed to promote the effectiveness of

the newspaper in reaching various types of consumers. Since \_\_\_\_\_ page 426 they are sponsored by the paper itself, many advertisers are skeptical of their results. Careful attention must be given to the research methods used and conclusions drawn by these studies.

## Purchasing Newspaper Space

LO 12-6

Advertisers are faced with a number of options and pricing structures when purchasing newspaper space. The cost of advertising space depends not only on the newspaper's circulation but also on factors such as premium charges for color or special sections as well as discounts available. The purchase process and the rates paid for newspaper space differ for general and local advertisers.

**General versus Local Rates** Newspapers have different rate structures for general or national advertisers and local or retail advertisers. **General advertising rates** apply to display advertisers outside the newspaper's designated market area (DMA) and to any classification deemed by the publisher to be "general" in nature. This includes ads run by national advertisers such as automotive, tobacco, packaged-goods, and pharmaceutical companies. **Retail or local advertising rates** apply to advertisers that conduct business or sell goods or services within the DMA. The rates paid by general advertisers are, on average, 75 percent higher than those paid by local advertisers. Newspaper publishers claim the rate differential is justified for several reasons. First, they argue it costs more to handle general advertising since ad agencies get a 15 percent commission and commissions must also be paid to the independent sales reps who solicit nonlocal advertising. Second, they note that general advertising is less dependable than local advertising; general advertisers usually don't use newspapers on a continual basis the way local advertisers do. Finally, newspaper publishers contend that demand for general advertising is

inelastic—it will not increase if rates are lowered or decrease if rates are raised. This means there is no incentive to lower the national advertisers' rates.

National advertisers do not view these arguments as valid justification for the rate differential. They argue that the costs are not greater for handling national advertising than for local business and that many national advertisers use newspapers on a regular basis. Since they use an agency to prepare their ads, national advertisers are less likely to request special services. The large and costly staff maintained by many newspapers to assist in the design and preparation of advertising is used mostly by local advertisers. Many marketers sidestep the national advertiser label and the higher rates by channeling their newspaper ads through special category plans, cooperative advertising deals with retailers, and local dealers and distributors that pay local rates. However, the rate differential does keep many national advertisers from making newspapers a larger part of their media mix.

**Rate Structures** While the column inch and **standard advertising unit (SAU)** are used to determine basic newspaper advertising rates, the media planner must consider other options and factors. Many newspapers charge **flat rates**, which means they offer no discount for quantity or repeated space buys. Others have an **open-rate structure**, which means various discounts are available. These discounts are generally based on frequency or bulk purchases of space and depend on the number of column inches purchased in a year.

Newspaper space rates also vary with an advertiser's special requests, such as preferred position or color. The basic rates quoted by a newspaper are **run of paper (ROP)**, which means the paper can place the ad on any page or in any position it desires. While most newspapers try to place an ad in a requested position, the advertiser can ensure a specific section and/or position on a page by paying a higher **preferred position rate**. Color advertising is also available in many newspapers on an ROP basis or through preprinted inserts or Sunday supplements.

Advertisers can also buy newspaper space based on **combination rates**, where they get a discount for using several newspapers as a group. Typically, a combination rate occurs when a publisher owns both a morning and an evening newspaper in a market and offers a reduced single rate for running the same ad in both newspapers, generally within a 24-hour period. Combination discounts are also available when the advertiser buys space in several newspapers owned by the publisher in a number of markets or in multiple newspapers affiliated in a syndicate or newspaper group.

## The Future for Newspapers

LO 12-7

Newspapers remain an important advertising medium; however, advertising revenue for traditional print papers has declined dramatically over the past several years. They generate most of their advertising revenue from local advertisers, particularly retailers who use display ads to advertise their products and services and inform consumers of sales and other types of promotions. Newspapers account for less than 5 percent of advertising expenditures for national advertisers, so they are very dependent on regional and local marketers for their advertising revenue.

Newspapers' major strength lies in their role as a medium that can be used effectively by local advertisers on a continual basis. However, there are a number of problems and issues newspapers must address to maintain their strong position as a dominant local advertising medium and to gain more national advertising: competition from other advertising media, maintenance and management of circulation, and declining readership.

**Competition from Other Media** The newspaper industry's battle to increase its share of advertising revenue has been difficult. In addition to the problems of reproduction quality and rate differentials, newspapers face competition from other media for national and local advertisers' budgets.

The intermedia battle that newspapers find themselves involved in is no longer limited to other forms of traditional media. Many companies are using the Internet as a marketing tool and a place to invest advertising dollars that might otherwise go to newspapers. Local radio and TV stations (particularly cable stations), as well as the expanding number of Yellow Pages publishers, are aggressively pursuing local advertisers. Newspapers will have to fight harder to retain those advertisers.

Newspapers are also facing strong competition from various online sites for classified and employment advertising, which have long been important major profit centers. Classified advertising revenue for U.S. newspapers has dropped steadily over the past decade, declining from \$10 billion in 2008 to just \$3 billion in 2018. Reductions in classified advertising have occurred across all three of the major categories, including automotive, real estate, and recruitment ads. Newspapers must now compete against online employment sites such as [Indeed.com](#), [Careerbuilder.com](#), [Glassdoor.com](#), and [Monster.com](#) for job listings, as well as social media sites such as LinkedIn. Websites such as eBay and Craigslist have become popular ways for selling a variety of merchandise that traditionally was sold through classified ads in local newspapers. Craigslist, which began as a type of counterculture message board for young people in the San Francisco area, has now expanded to most major cities and has become popular among people of all ages. The online site includes sections for selling merchandise, apartment rentals, services, personals, and job listings. Some newspapers are recognizing that it is very difficult to compete against online sites for classified ads and are responding by offering free classified ads for merchandise under certain price points as a way to grow readership.

Newspapers are doing a number of other things to respond to the challenges from other media. Many papers have expanded their marketing capabilities and are making efforts to develop and sustain relationships with their advertisers. Some have created sophisticated databases and direct-mail capabilities, which they offer as value-added services. Others are increasing their marketing research departments, preparing comprehensive market studies for major customers, and, in some cases, serving as media advisors and marketing partners. Digital and Social Media Perspective 

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12–2 discusses the challenges facing the newspaper industry,

and now the News Media Alliance has responded by promoting the value of newspapers and the audience they reach.

## Digital and Social Media Perspective 12–2 >>>

### The News Media Alliance Promotes the Value of Newspapers

These are difficult times for the newspaper industry. Total advertising revenue for newspapers (including print and digital) in the United States was just under \$16 billion in 2018, compared to \$20 billion in 2015, and is forecast to decline by nearly 10 percent annually over the next five years. Circulation revenue was just over \$11 billion in 2018; newspaper's circulation has been declining for years, particularly for print editions. And although digital subscriptions have been growing, particularly for major newspapers such as *The New York Times* and *The Wall Street Journal*, the increase has not been large enough to offset the losses in revenue from print advertising. As with magazines, many question whether the newspaper industry can continue to survive and are concerned the once-unimaginable scenario of no more newspapers is moving closer to becoming a reality each year. The number of newspapers continues to decline, and even major publications serving large markets have struggled to survive. *The Washington Post* was in financial trouble until Amazon founder Jeff Bezos, the richest person in the world, stepped in to buy it in 2013. The *Los Angeles Times*, the *San Diego Union Tribune*, and several other smaller newspapers in California were purchased in 2018 by billionaire scientist and entrepreneur Dr. Patrick Soon-Shiong. Each of these papers had been struggling with cutbacks, layoffs, and declining circulation and ad revenue.

A number of factors contribute to the problems facing the newspaper industry. The increasing use of mobile devices such as tablets and smartphones to access content has had a major impact on newspapers as a source for news and information, as well as on their value as an advertising medium. Aggregation sites such as the Huffington Post, Google News, Digg, Reddit, and Apple News consolidate news and information from myriad websites and are constantly updated, which means the news delivered by newspaper is "old news" when delivered in print a day later. There are also aggregation sites for specific topics such as sports, business, entertainment, and most other areas of interest to readers. Some blame the decline on younger generations such as millennials and gen Z who do not read newspapers, particularly print editions. Previous

generations such as gen Xers and baby boomers would not read newspapers when they were in their teens but started to when they got into their 20s and 30s. However, most young people today do not read newspapers, and it is very unlikely they ever will because they have been accustomed to getting their news and information from other sources.

The newspaper industry has taken many steps to respond to the digital disruption; many publishers are now offering online versions of their papers and working to attract digital display and video advertising from marketers. Digital advertising accounted for nearly a third of newspaper ad revenue in 2018, up from 17 percent in 2011, and is expected to grow to a 45 percent share by 2022. A number of newspapers have implemented paywalls that require readers to pay for a digital subscription or be denied access. These digital pay plans may allow a certain number of free articles each month; however, readers must pay for full access to the newspaper and/or an unlimited number of articles. Digital editions of newspapers also help stabilize print circulation because access is offered for free or at a reduced rate to print subscribers. Newspapers are responding in other ways to the digital disruption they have faced over the past decade and will continue to face in the future. Many newspaper publishers are transforming their business models to generate revenue from a variety of areas, including providing digital marketing services, helping businesses connect directly with consumers through e-commerce transactions, and expanding their integrated marketing capabilities to include event marketing and promotional services.

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Source: News Media Alliance

The newspaper industry is also taking steps to promote the importance of newspapers as a valuable medium for advertisers. The industry's trade association, the News Media Alliance (NMA), is changing the narrative around the value of news media

and the audience that consumes their content. The NMA notes that newspapers have long been a quality and trusted source of information, and consumers have a very high level of trust in the advertisements they find in them. Rebecca Frank, the Alliance's vice president for research and insights, notes: "When looking at the relationship between the news media industry and advertising, one often thinks of the monetary side of the partnership. But there's more to it than that. The most valuable asset to an advertiser is a respected and reliable partner that their audience trusts. With news media, you get that respected partner."

Among the NMA's efforts to promote the value of newspapers is a book titled the *News Advertising Panorama* that includes research, statistics, and other information from a wide range of sources, including Nielsen Scarbough, comScore, Kantar Media, GfK MRI, and the alliance's own research. The objective of the *Panorama* is to provide advertisers with useful information on the news media audience that will encourage them to prioritize advertising in print and digital newspapers as part of their overall marketing strategy. The book shows how print and digital news media are uniquely positioned to provide marketers with effective advertising solutions through their ability to engage audiences, reach shoppers, and deliver results. The NMA promotes the fact that local newspapers are multifaceted businesses that offer advertisers a variety of innovative and effective customer-focused solutions. The value proposition for newspaper advertising includes the opportunity to run standard print and digital advertising in a brand-safe environment where advertisers can be confident their ads will not appear alongside inappropriate content; accesses to affluent, educated, and engaged readers and subscribers; the ability to reach mass as well as targeted audiences, including more than 136 million adult consumers, and 49 percent of those in the 18-to-49 age group. The association is also working to bring together newspaper publishers and advertisers to help establish and maintain relationships.

The challenges facing newspapers from the digital disruption will continue. However, one thing that will not change is the important role they play in a democracy in gathering and delivering information. Hopefully, marketers will see the value they can offer as well.

Sources: "News Advertising Panorama Showcases Value of News Media Audience for Advertisers," News Media Alliance, November 7, 2018, [www.newsmediaalliance.org/release-news-advertising-panorama/](http://www.newsmediaalliance.org/release-news-advertising-panorama/); Newspaper Fact Sheet, Pew Research Center, June 13, 2018; [www.journalism.org/fact-sheet/newspapers/](http://www.journalism.org/fact-sheet/newspapers/); Jeffrey Cole, "Five Years Later: On the Prediction of the End of Printed Newspapers," Center for the Digital Future, March 7, 2018, [www.jdigitalcenter.org/columns/prediction-printed-newspapers/](http://www.jdigitalcenter.org/columns/prediction-printed-newspapers/); Edmonds, Rick. "News Media Alliance Tries to Pump Some Life Into the Case For Advertising With Its Members," Poynter, November 7, 2018.

**Circulation** The newspaper industry has been struggling for years to reverse declining circulation.<sup>32</sup> Most of the major newspapers in the United States have been experiencing a decline in circulation and are seeking ways to respond to the problem, such as by emphasizing readership measures and

developing online versions of their papers. Like magazines, many newspapers are taking a closer look at their circulation and analyzing whether the cost of getting additional circulation is justified by the advertising revenue it generates. Many papers are raising newsstand and home delivery rates, and circulation revenue is accounting for more of their total revenue.

Circulation revenue for newspapers has held steady over the past few years, as many publishers are pursuing a “subscription-first model” by growing the number of subscribers rather than focusing on advertising revenue. They also have found that it is more cost-effective to focus on retaining subscribers than spending large sums of money to acquire new ones. The cancellation rate for newspaper subscribers has leveled off as many newspapers offer programs such as discounts for automatic renewal payment plans. However, gains in circulation revenue have not been nearly enough to make up for losses in advertising revenue—a pattern that holds true even at the large newspapers and major chains.

**Attracting and Retaining Readers** The problems with newspapers as an advertising medium stem from the reduced popularity of the medium itself. Newspaper readership has been on a steady decline over the past decade.<sup>33</sup> The decline in newspaper readership can be attributed to several factors, including the fast-paced, time-poor lifestyle of the modern dual-income household and the increase in viewing options of TV and, of course, competition from the Internet, as many of those who do read newspapers now read them digitally.<sup>34</sup> Of particular concern to publishers is the decline in newspaper readership among important market segments such as women and young adults. Surveys show that the percentage of women who read page 430a newspaper on a typical day declined from 67 percent in 1981 to 39 percent recently.<sup>35</sup> Newspapers and advertisers are concerned because women are far more likely than men to make buying decisions. Many newspapers are introducing new women’s sections and revising old ones to make them more appealing to modern women. This means including articles on such issues as health, parenting, and careers—for example, how women with children and jobs manage their time.

Newspapers are also concerned about where their future readers will come from, since many young people are heavy TV viewers and also spend more and more time surfing the Internet and on social media. A number of newspapers have been redesigned to be more interesting and easier and faster to read. Changes include the increased use of color and graphics as well as expanded coverage of sports and entertainment. Some papers have begun providing short summaries of articles in each section of the paper so readers can skim them and decide what they want to read.

## Online Delivery and Multiple Platforms

As discussed in Digital and Social Media Perspective 12–2, the digital transformation of media has hit the newspaper industry particularly hard and resulted in newspaper publishers broadening their portfolios well beyond the traditional print editions. Nearly every major newspaper now has a website, and most make their papers available online and through apps for mobile devices. The number of daily and weekly U.S. newspapers available online increased from less than 100 in 1995 to more than 3,200 in 2019. Over the past decade, the digital newspaper audience has increased to just over 200 million unique users per month, with half of the newspaper digital audience composed of those using mobile devices (smartphones and tablets) to access newspaper content.<sup>36</sup> Publishers recognize that they must offer online versions of their newspapers as this has become the preferred mode of reading for many people, particularly younger consumers. Studies have shown that people who use online newspapers are highly engaged and are an upscale audience—they spend more time online, are better educated, and have higher incomes than do online audiences in general. They are also more likely to make purchases online and to use the Internet to help them decide what to buy.<sup>37</sup>

Many newspapers are working to attract advertising dollars from local as well as national advertisers. Networks are also forming to help local newspapers sell online ads on their websites to national advertisers. These networks provide national advertisers with access to newspaper websites across the country and facilitates the purchase of online ads in the same way it does with traditional print ads. While newspaper publishers are focusing

more attention on the sale of online advertising, they are also facing strong competition from the major Internet search players such as Google, Yahoo!, Bing, and [Local.com](#) because these companies have made it inexpensive and easy for local companies to run ads with them. Many newspapers are forming alliances with these Internet search competitors whereby they can use their technology to sell more sophisticated ad offerings, such as behaviorally targeted ads.<sup>38</sup>

Most newspaper publishers are transforming themselves into *media* companies with products that include print and online newspapers, apps for those who read newspapers on mobile devices, and websites that include multiple products and services. By creating a variety of products and engaging consumers across multiple platforms, these companies can capitalize on new revenue opportunities that will undoubtedly present themselves in the future.

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## Summary —————

Magazines and newspapers, the two major forms of print media, play an important role in the media plans and strategy of many advertisers. Magazines are a very selective medium and are valuable for reaching specific types of customers and market segments. The three broad categories of magazines are consumer (which includes farm), business, and health care publications. Each of these categories can be further classified according to the publication's editorial content and audience appeal.

In addition to their selectivity, the advantages of magazines include their excellent reproduction quality, creative flexibility, long life, prestige, and readers' high receptivity to magazine advertising, as well as the services they offer to advertisers. Disadvantages of magazines include their high cost, limited reach and frequency, long lead time, and the advertising clutter in most publications.

Advertising space rates in magazines vary according to a number of factors, among them the size of the ad, position in the publication, particular editions purchased, use of color, and number and frequency of insertions. Rates for magazines are compared on the basis of the cost per thousand, although other factors such as the editorial content of the publication and its ability to reach specific target audiences must also be considered.

Newspapers are a very important medium to local advertisers, especially retailers. They are also used by national advertisers, although the differential rate structure for national versus local advertisers is a source of controversy. Newspapers are a broad-based medium that reaches a large percentage of households in a particular area. Newspapers' other advantages include flexibility, geographic selectivity, reader involvement, and special services. Drawbacks of newspapers include their lack of high-quality ad reproduction, short life span, lack of audience selectivity, and clutter.

Trends toward market segmentation and regional marketing are prompting many advertisers to make more use of newspapers and magazines. However, both magazines and newspapers face increasing competition and disruption from digital media. Both are working to improve the quality of their circulation bases, offer database marketing services, and initiate cross-media deals. Declining readership and advertising revenue are problems for many magazines and newspapers. The growth of digital and social media along with the increasing use of mobile devices, such as tablets and smartphones, to access content has had a dramatic impact on traditional magazines and newspapers. This digital disruption has changed the nature of both forms of print media as a vehicle for information as well as their value as advertising media.

## Key Terms

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**selectivity** 403

**gatefolds** 406

**bleed pages** 406

**split runs** 409

**controlled-circulation basis** 412

**pass-along readership** 412  
**total audience/readership** 412  
**first cover** 414  
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**open-rate structure** 426  
**run of paper (ROP)** 426  
**preferred position rate** 426  
**combination rates** 426

## Discussion Questions

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1. The chapter opener discusses the challenges facing the magazine industry and how they have affected iconic publications such as *Time*, *Fortune*, and *Sports Illustrated*. Discuss the challenges facing the magazine industry. Do you think magazines can survive the changes occurring in the media industry? (LO 12-1, 12-4)
2. Discuss the role of magazines as part of an advertiser's media strategy. What are the advantages and limitations of magazines? (LO 12-1, 12-2)
3. Find an example of a business or health care magazine and analyze the market that reads this publication. Discuss the types of companies that might advertise in this magazine. (LO 12-1, 12-2)

**4.** If you were purchasing magazine advertising space for a marketer of running shoes, such as Nike, ASICS, or New Balance, what factors would you consider? Would your media plan be limited to running magazines or would you run ads in other types of publications? Explain. (LO 12-3, 12-5)

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**5.** What are the different factors advertisers must consider in purchasing advertising space in magazines and newspapers? (LO 12-03, 12-06)

**6.** The Association for Magazine Media promotes the value of advertising in traditional print magazines by citing research showing that print advertising is superior to online ads with regard to its ability to deliver a reading experience that supports comprehension of and connection with an advertiser's message. Discuss some of the reasons why print ads may be superior to online ads. (LO 12-4)

**7.** Discuss the digital disruption that is impacting the traditional print media of newspapers and magazines. Do you think magazine and newspaper publications can respond to these changes and attract and retain readers and in turn advertisers? (LO 12-1, 12-7)

**8.** Discuss some of the reasons why marketers advertise in college newspapers. Analyze the types of companies that advertise in the newspaper published by your university. (LO 12-1, 12-3)

**9.** What are the major challenges facing the newspaper industry and the use of newspapers as an advertising medium? How can newspapers respond to these challenges? (LO 12-05, 12-7)

**10.** What are the advantages online magazines and newspapers offer for advertisers? Find the online media kit of a magazine or newspaper and analyze how the publisher is promoting the digital edition to prospective advertisers. (LO 12-04, 12-7)



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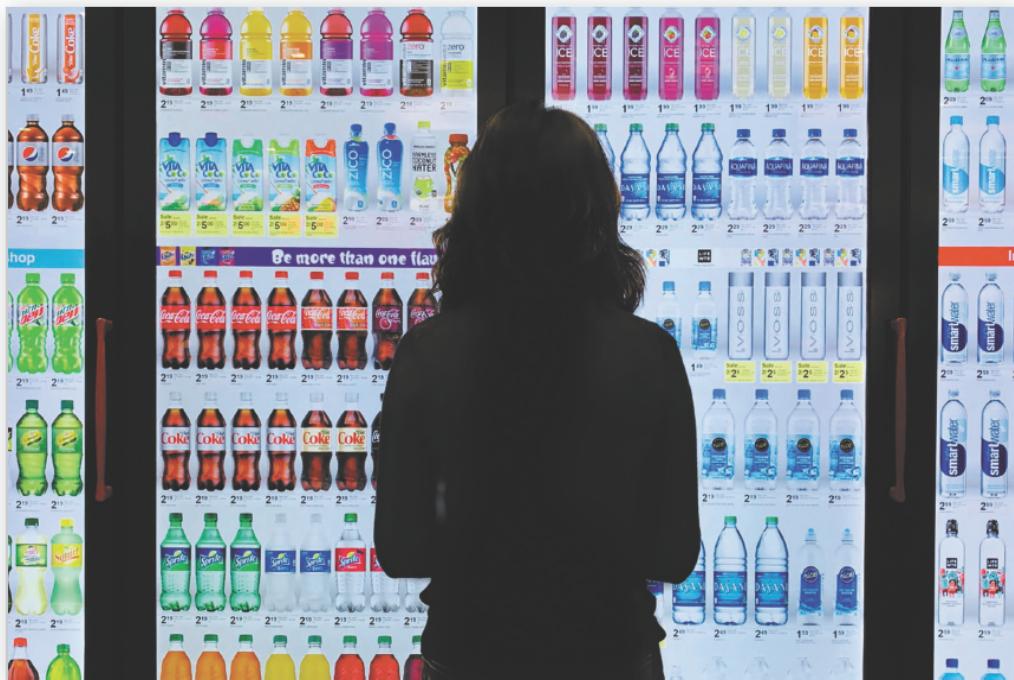
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## 13 Support Media



Source: Cooler Screens Inc.

## Learning Objectives

- LO 13-1** | Describe the role of support media in an IMC program.