

The Magazine About Magazines

# Masthead

## Q&A

HYPN

Senior Vice-President  
Rob Young



**Q** You recently moderated a panel discussion on how ad agencies are reinventing themselves. With the explosion of media choices in this consumer-controlled environment, the heat must be on agencies to keep up with consumer behavior. What keeps you up at night in this regard?

**A** I sleep pretty well at night but the escalation of choice does keep me busy during the day.

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Greg Keilty (*SkyNews, The Walrus*),  
Alexandra Cooper (*Canadian House & Home*)  
and Terri DeRose (*Transcontinental Media*)

## CIRC WATCH 2006

### A roundtable discussion with three circ pros on the state of the industry

**W**ithout circulation, a magazine is lost. You might get by with questionable editorial; what's trash to you may be treasure to the next person. There's an element of subjectivity involved. But circulation...now there's where you get to the cold, hard truth of the matter—especially paid circ. You're either getting it, or losing it. It's a never-ending concern. To discuss the circulation challenges and opportunities facing small, medium and large magazines these days, we invited a representative from each camp to a luncheon gabfest: Greg Keilty (publisher/owner of *SkyNews* and circulator for *The Walrus*); Alexandra Cooper (vice-president, circulation and strategic development with House & Home Media); and Terri DeRose (vice-president of circulation, Transcontinental Media). Read on for a take on matters as they see them.

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## PEOPLE IN PRINT

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Choice cuts through all fields of consumerism, not just media. We have more car models, more brands of shampoo, more magazine titles at our disposal.

Brand and media fragmentation does not tend to increase total consumption. Consumers own the same number of cars today as they did five years ago. Per capita weekly time spent with TV and magazines is constant.

That's because media consumption ceilings exist, driven by limited hours in the day. Media behaviour exhibited by any one individual isn't so very complex. There is time for newspaper/magazine, radio/CD/MP3, TV/PVR/TiVo, computer/Internet/e-mailing with a bit of cell phoning and out-of-home exposure thrown in for good measure. What has increased dramatically over the past few years, however, is the growing number of mutually exclusive, pods of homogeneous media behaviour with each pod getting smaller and smaller. That one big Bonanza-watching, *Maclean's*-reading, CFRB-listening pod from 20 years ago has long since splintered into dozens of "mediagraphic" subsections.

The challenge facing media planners today is dealing with the fact that there are fewer and fewer individual consumers behaving like other consumers. Keeping track of the number and size of these mutually exclusive media pods or segments and understanding the extent to which these pods of consumers have a propensity to consume a client's products and services is, I believe, the best way to describe the task at hand. Only by understanding which "pods" contain the key brand prospects, and by clearly understanding the media makeup of these pods, can today's complexities be managed.

**Online advertising in Canada is growing by great leaps, jumping from \$237 million in 2003 to \$364 million last year, a jump of 54%. Online adspend this year is expected to exceed \$500 million, says the Interactive Advertising Bureau of Canada. Should magazine publishers be nervous?**

Nervous? No! Magazine ad revenues continue to grow. And the \$500 million probably isn't all ad revenue. But I think magazines should rejoice! The print media is particularly well poised to re-engineer traditional print content to serve online customers. Many magazine publishers are IAB members. They're riding the wave.

**What can magazine publishers do to stand out in this new, chaotic environment?**

Eschew chaos. Provide readers with long-term editorial order. Be constant. Magazine customers have long attention spans. Be firm. Resist the pressures from above and below to change. Be cynical. Wait for proof that the magazine's editorial keel needs modification or replacement.

**What sort of client or product makes you think that magazines are the best medium with which to deliver the ad message? Any classic examples?**

There isn't a "magic" list of brands that belong in the magazine medium. It is the nature of the brand message that should, in large part, drive the maga-

zine decision. The magazine medium is most appropriately used to house ad messages that stimulate the parietal cortex region of the brain. This is the section of the brain that processes longer, more complicated types of messages requiring focused attention.

Magazines Canada recently issued results of a NFO Worldgroup 2002 study of reports on consumer attitudes towards ads and commercials in the five main media: magazines, television, newspapers, websites and radio. It is clear from this study that consumers consider magazine ads, more than the other media, to be a helpful extension of magazine editorial focus, not a distraction or annoyance.

When you look through the pages of *Canadian Living*, *Chatelaine*, *Flare* and *Elle*, you'll find hundreds of examples of good ads, designed for and dependent upon long attention spans. Very few magazine ads stand head and shoulder above the crowd and this is a testament to the overall stature of the crowd.

**Agencies are under pressure to demonstrate return on investment to their clients. Are you finding that tools (800 numbers, special URLs, coupons) used to measure a magazine ad's effectiveness are becoming more popular these days?**

I believe most advertisers recognize that media investment produce sales return. The central issue has shifted to the quantification of that return, understanding how different patterns of media weight impact on sales return and determining a ranking of media channels according to sales impact efficiency. In order to obtain these kinds of insights, a powerful analytical approach must be applied consistently across all media channels. So 1-800 numbers and coupons, which have value when judging the response of one magazine title versus another, have little or no value when comparing the sales responsiveness of magazines vs. any other channel. In my estimation, Econometric Analyses are a must for those advertisers who have accurate and timely sales data. There are other approaches. The IAB's CMOST studies have quantified magazine impact (usually a pretty good story) for many campaigns relative to TV, radio, Internet and outdoor.

**Remember when scent strips were the latest "new thing" in magazine advertising? What sorts of "new things" do you see magazine advertisers deploying in the near or distant future?**

I believe the biggest "new thing" on the horizon will be advertisers learning how to take advantage of the intimate relationships magazines have developed with their readers through multiple, publisher-controlled channels, other than the traditional magazine ad page. These new channels have yet to fully develop.

Magazines know their consumers on a first name basis. This intimacy extends to phone number, postal code and e-mail address. Multiply this database by additional magazine titles, mix in new interactive technology and *voilà*...an incredibly robust and valuable grid work of customer contact

and feedback emerges.

Marketers have spent millions creating their own in-house consumer channels. But consumers of soap or dresses can be very fickle, which drives up the cost to keep lists current and timely. The best magazines in this country have, by definition, loyal consumers and constant lists and list-management expertise. I can see the day when many major consumer marketers will have a unique partnership with a major Canadian publisher, facilitated by their media agent, in an attempt to devise multiple channels of back-and-forth communication with their customers.

I am convinced that this emerging facility will become an extremely important, future revenue stream for magazine publishers.

**The wall between editorial and advertising has a few drill holes in it (*Flare* putting Mazda on the cover a couple of years ago; *Maclean's* running Cadillac-sponsored editorial features by Peter Newman.) Purists are alarmed. Modernists (or perhaps we can call them pragmatists) are not. Where do you stand on the matter? Just because TV offers product placement, ought magazines, too?**

There's a big difference between cinematic/TV product placement and imbedding logos within print editorial. I have no problem observing a Honda Element in a snowboarding movie. But the broadcast equivalent of putting Mazda on the cover of *Flare*, or a can of Campbell's soup in a *Canadian Living* recipe is comparable to watching Peter Mansbridge anchor *The National* while wearing a Nike T-shirt. It makes me think less of both Peter and Nike. The brand benefit is not enhanced; the magazine's credibility is diminished.

**Media planning and buying is widely regarded as one of the most hectic and fast-paced environments going. Why is that?**

Media people deal with several advertiser clients. Advertisers deal within ever more hectic and fast-paced environments. So that makes us hectic/fast-paced squared.

**In your experience, what's the biggest mistake a publisher can make?**

It is difficult to become a successful publisher. The best magazines have strong ad revenue streams because they have gradually built strong reader and subscriber demand. And that demand is the result of identifying a consumer field of interest and attracting the consumer's attention span. The biggest mistake a publisher can make is to underestimate their readers' attention span and appreciation of detail and take editorial short cuts, reduce editorial resources and diminish the magazine's ability to be the number one editorial expert.

**What is your media diet?**

Breakfast: all national and local daily newspapers; TV: Canada AM (CTV); Radio: CBC Radio One, CFTR, 590 Sports. Mid-morning snack: [www.salon.com/index.html](http://www.salon.com/index.html); [www.scripting.com](http://www.scripting.com); <http://media.guardian.co.uk/>. Lunch: magazines, magazines, magazines. Dinner: televised baseball games and any *CSI* going. Weekend: all of the above. **M**