

The Future of Consumer Magazines

It's clearly been a difficult year for the consumer magazine sector, but there's still a lot of innovation and new ideas in this category, especially among publishers who have strong health-focused editorial and advertising content. In this issue, we surveyed several of the publishing firms that carry the highest share of DTC print advertising to get their thoughts on the future of consumer magazines. (See feature article, "The Evolution of Consumer Magazines," beginning on page 37, and reported by associate editors Amanda Ehrlich and Jennifer Haug.)

One thing seemed clear from this informal survey – publishers are an optimistic lot. They seem committed to developing the type of content and features that engage readers even in a media-gone-wild world. As *Reader's Digest* vice president and group publisher Tracey Altman told *DTC Perspectives*, "In this ever-changing media landscape, companies that produce valuable, original content, regardless of medium, will thrive."

The management of Reader's Digest Association (RDA), which publishes *Reader's Digest*, knows first-hand that traditional print companies can't stand still and need to look at their market from a broader perspective. RDA announced its intention to file for Chapter 11 bankruptcy protection in August, but expects to emerge a stronger company with debt service cut almost in half. Management of the venerable company acknowledge that the old business model for print is doomed as readers demand "information and entertainment and service from different platforms and channels."

The positive for "health" publishers, however, is that the DTC audience continues to grow as consumers become more health conscious. And by capitalizing on targeting opportunities, those titles with a strong connection to healthy living have a chance to stand out. As Amgen's Joe Hoholick says in this article, "If I'm looking for high reach numbers in a specific demographic audience, I cannot get it any better than with print. A lot of drugs are demographically targeted, so I think print offers an advertiser really great reach and efficiency."

What to make of the upfront

We reported in our *DTC INSIGHTS* newsletter a few weeks ago that pharmaceutical marketers were more cautious in the television upfront market than they had been in previous years (August 2009 issue). This is really no surprise, since most marketers spent less freely in the upfront that just concluded and the experts forecast that the overall network upfront market was off by roughly 10 percent to 15 percent – with some of this due to broadcasters holding back advertising inventory to sell later.

With opportunities to purchase advertising time in the scatter market later this year, it seems likely that DTC marketers will still be among one of the most active television advertising sectors. Almost 40 percent of DTC budgets were allocated to network television in 2008, and the needle just doesn't seem to be moving much even as new-media options grow increasingly popular with marketers in other sectors.



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