

# The 10 Most Important Trends in the Magazine Media Industry

Chris Llewellyn

President & CEO FIPP@ Locarno 8.6.16

FIPP.com | @FIPPworld



The logo for FIPPP, featuring the letters 'F', 'I', 'P', and 'P' in a stylized, red, double-lined font. The 'F' is on the left, followed by a vertical 'I', and two 'P's on the right. The letters are interconnected and have a modern, rounded appearance.

**FIPPP**

the network for global media

A large, solid red downward-pointing triangle.

**Events**

A large, solid blue downward-pointing triangle.

**Insight**

A large, solid green downward-pointing triangle.

**Training**


[FIPP.com](http://FIPP.com) | [@FIPPworld](https://twitter.com/FIPPworld)

The FIPPP logo, consisting of the letters 'F', 'I', 'P', and 'P' in a stylized, red, double-lined font, identical to the one at the top of the page.

# 1 Drivers of transformation



# Embrace chaos

A high-angle photograph of a surfer riding a large, curling wave. The water is a vibrant teal color, and the wave is breaking over the surfer, creating a tunnel-like effect. The surfer is wearing a dark wetsuit and is positioned in the center of the wave's barrel. The background shows the ocean and a clear sky.

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Our strategic framework recognizes that media companies now reside in an unpredictable world of continuous turbulence, disruption and change. And, that there is no silver bullet.

# Culture = the most important factor in change

**Research Focus:** How are you changing the culture of your organization to compete effectively in the Digital-First era?"

16 Interviews • 14 Companies • 7 Countries

HEARST  
magazines

IDG

Time Inc.

meredith

IMMEDIATE  
MEDIA<sup>CB</sup>

axel springer

INEXA  
TODAY

NATIONAL  
GEOGRAPHIC

EMAP

Hubert Burda Media

A-lehret

MONDADORI

GJ

RBA

KREISKY

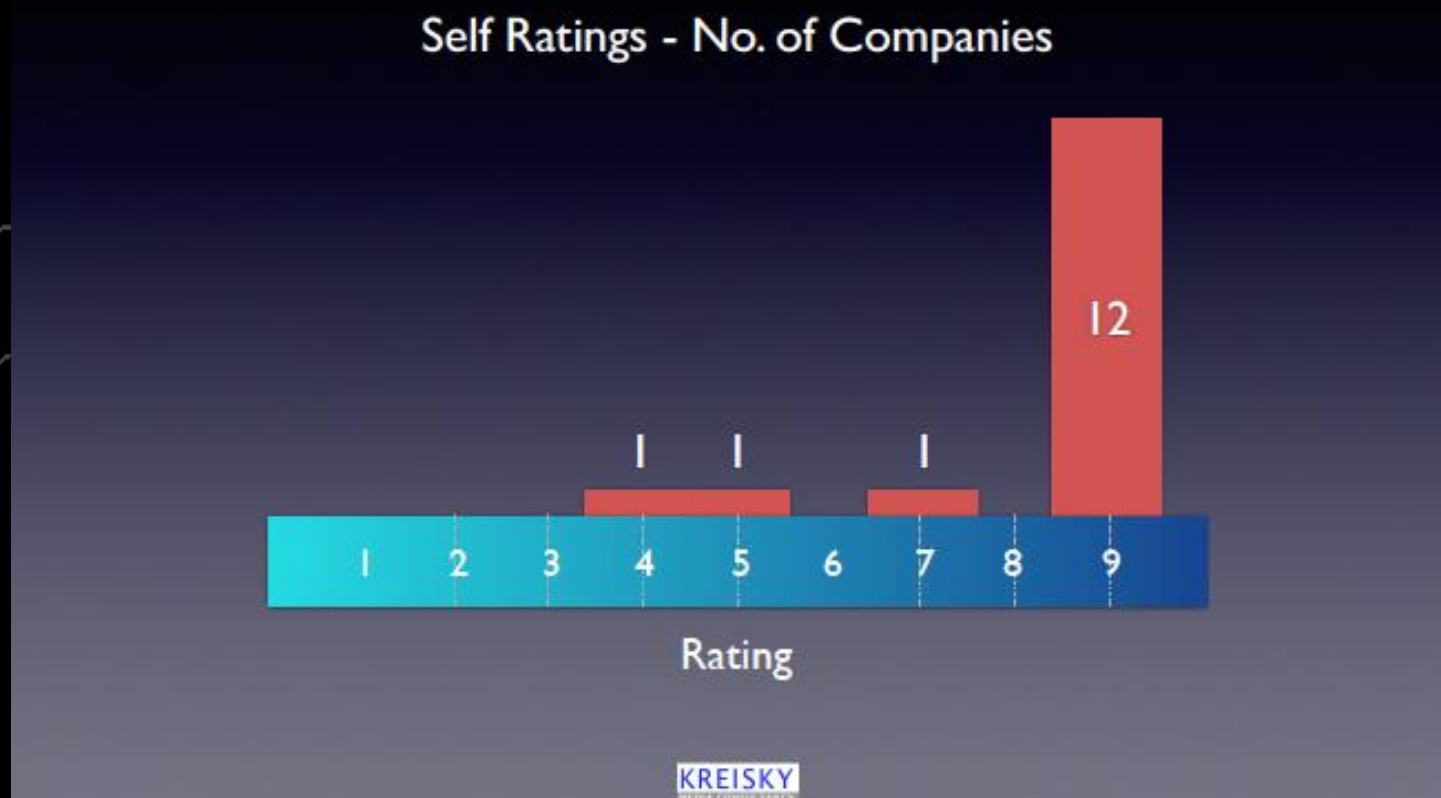
Peter Kreisky (from interviews with 15 CEOs)

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# Culture = the most important factor in change

## How Important is Culture Change?




# Within this, 4 broad themes

1. Disrupt strategically
2. Bring the audience inside
3. No silos, foster collaboration & empower teams
4. Communicated with purpose, effectively

# Disrupt strategically

## Reinforcing Game Change

axel springer 

Management Summit 2013 

- 2 days in Silicon Valley for 70 top management executives
- Exchange ideas with major Internet players, innovators, incubators, investors
- Send clear signal of change

### Move Outside the Comfort Zone



Economy Flights



3-Star Hotel  
in SF Tenderloin District  
[KREISKY](#)



Shared rooms and beds



# Bring the audience inside

## The Audience Inside

Time Inc.



**MEDIA**  
**Upstarts**  
@Time Inc.



**Alastair Lewis** @AlastairLewis75 · Oct 14

Love the @TimeInc media upstarts initiative @Haymarket\_Media  
#FIPPCongress



We have to trust the digital natives to help open the doors to the future  
#FIPPCongress

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# No silos, foster collaboration & empower teams

Break down walls, literally (move into high-energy work spaces)

IMMEDIATE  
MEDIA<sup>CO</sup>



KREISKY

INDIA  
TODAY



KREISKY

EMAP



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# Communicate clear purpose, effectively

## “What We Are”

HEARST

- Edwards: An Entertainment Company, focused on what we're good at: content creation and audience engagement

IMMEDIATE  
MEDIA<sup>CO</sup>

- Bureau: *The Special Interest and Platform Company*

Hubert Burda Media

- D'Angelo: A Consumer Media and Technology Company

IDG

- Friedenberg: A Media, Data and Services Company

axel springer

- Wiele: The leading digital publishing company

KREISKY

## 2 Technology is a strategic media resource





**Tom Gierasimczuk** @Gierasimczuk · Oct 14

Whoa! @JoeRipp1 just compared the #magazine industry's bungling of the iPad (PDFs of print) to attaching a horse to a car. #FIPPCongress



5



10



# Now

(Tech is a highlighted in presentation after presentation)

FIPP

FIPP @FIPPWorld · Oct 15

Fabrizio D'Angelo, Burda International: "Many of the solutions we need are tech-based. We need to address this further." #FIPPCongress



PPA @PPA\_Live · Oct 15

Tom Bureau at #FIPPCongress: It's about great content but we also think you have to be a world class platform and tech company



Dominik Grau @dominikgrau · Oct 15

Lesser known fact about @Allrecipes success? 'We're a tech company, not primarily #content driven, #data comes first'. #FIPPCongress



Dominik Grau @dominikgrau · Oct 15

@HearstCorp sees complexity as enemy of strategy & technology. Centralized platforms scale massively. #FIPPCongress



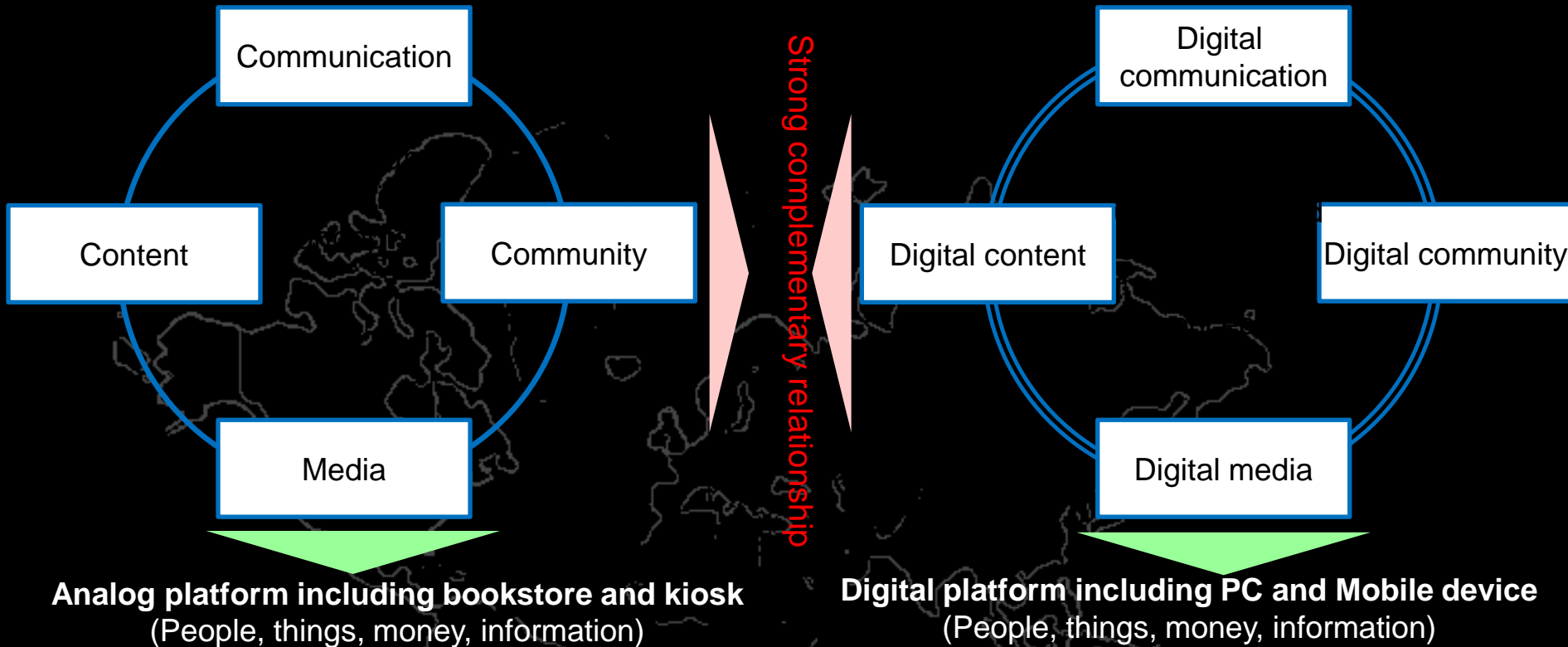
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# Aims and complementary relationship resulted from the business merger of KADOKAWA and Dwango

Kadokawa's content creation ecosystem

Dwango's content creation ecosystem (Nico Nico Douga)



Emergence of a social community through co-ownership and sharing

Now KADOKAWA has become a publisher with 400 in-house IT engineers

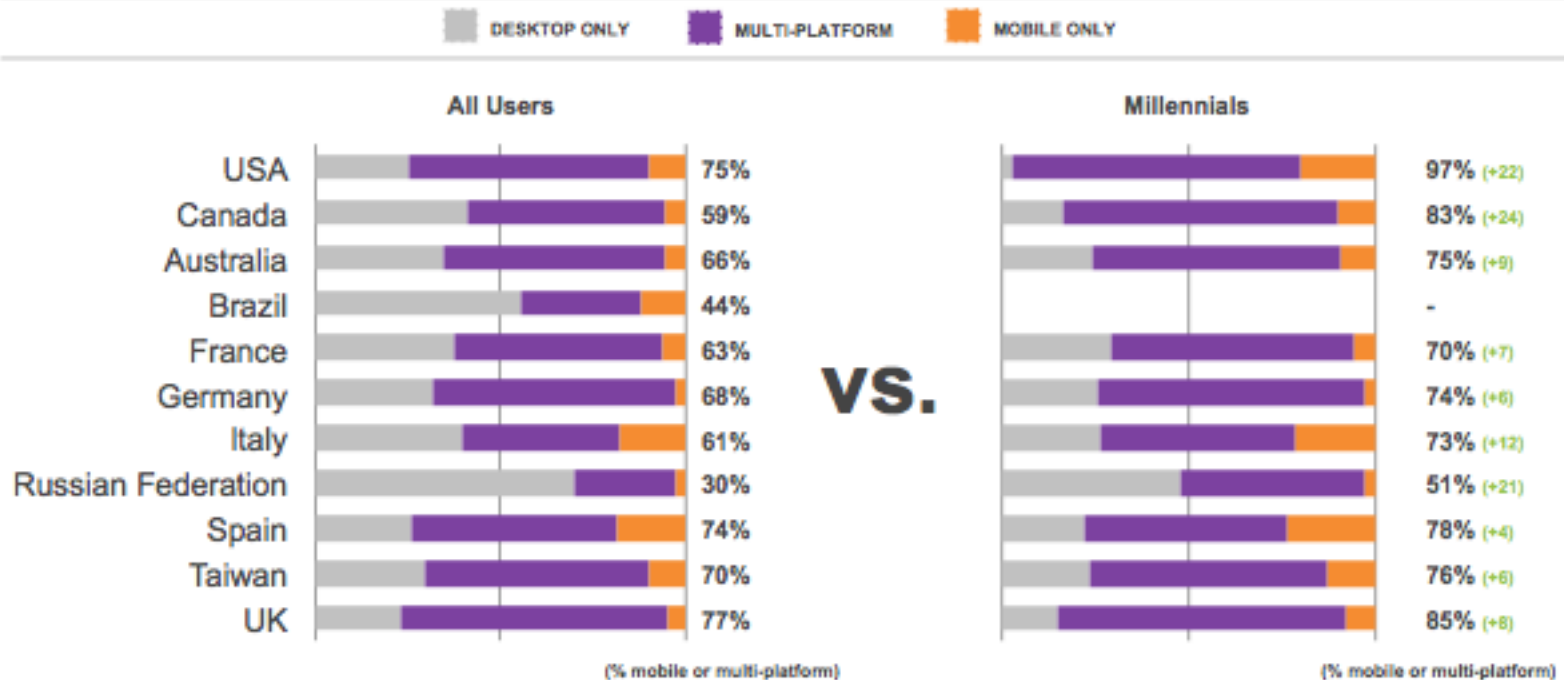


# 3 Follow the constantly changing consumer



# Changing consumption

## The global rise of the 'multi-platform majority'



COMSCORE

© comScore, Inc. Proprietary.

Ben Martin, comScore

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# 3 broad themes

1. **We are mobile**
2. **Rise of social platforms**
3. **Play is in a visual world**

# We are mobile



“7.2 billion people on the planet;  
6.1 billion have cell phones (4.5  
billion have running water) ... And  
the average mobile phone user  
checks their phone 100 x a day.”  
– Joe Ripp, Time Inc.

# And you have seconds to engage

**Average Attention Span Has Dropped  
From 12 Seconds in 2000 to  
8 SECONDS in 2013**

(this is 1 second less than a goldfish)



- Joe Ripp, Time Inc.

# Rise of social platforms

National Geographic's incredible brand equity and premier content makes brands look to us when launching new products



Instagram



Facebook



Twitter



Snapchat



apple news

Yulia Boyle, National Geographic

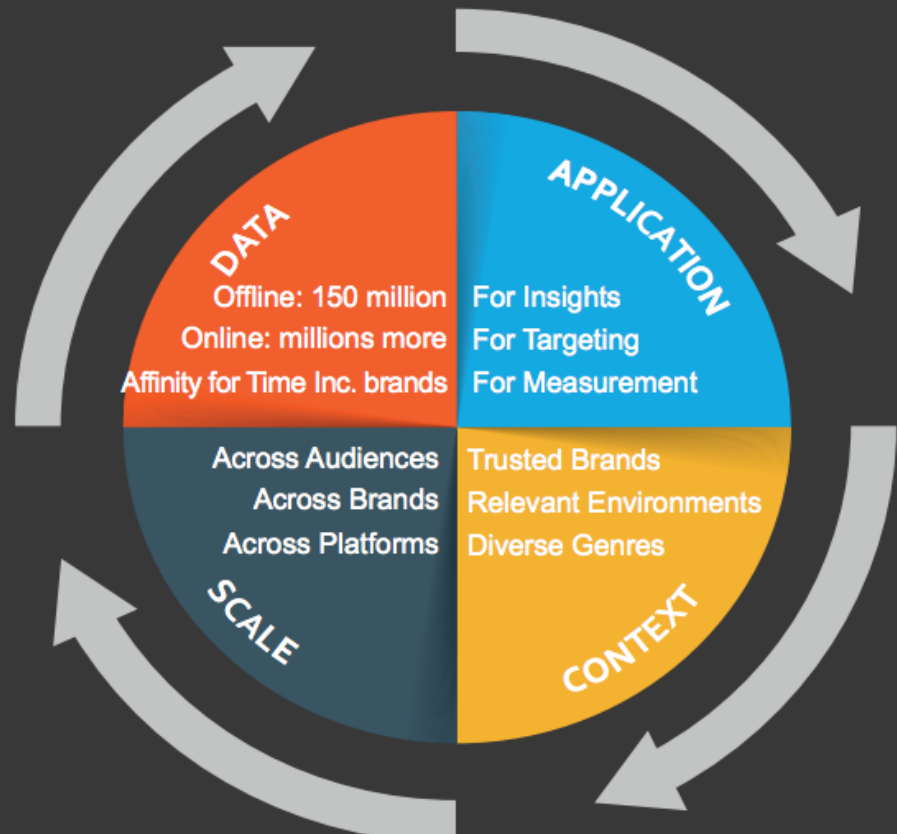
# 4 Data capabilities and CRM opportunities



# Enhance your data capabilities

Time Inc. is aggressively investing in data targeting capabilities.

We have enormous data assets which reach and target the vast majority of U.S. adults.



FIPP @FIPPWorld · Oct 14



.@TimeInc's Joe Ripp: "We have a database of 150m, and data will be an important component of how we operate in the future" #FIPPCongress

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# CRM-driven monetisation

E.g.



**ELLE**  
**CREDIT**  
**CARD**



CRM

## Most Valuable Female Database

**2.2M** Gold Card Holders

**40+** Events every year

**90%** aged 20-40

yearly consumption > **60 billion** RMB



Lena Yang, Hearst China

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# 5 Content matters



# A most exciting time



“This is perhaps the most exciting time ever to be in content” – Duncan Edwards, Hearst Magazines International



Amy Duffin @duffinamy · Oct 14

Joe Ripp: “We are in the most exciting time for content”

[fipp.com/news/fippnews/...](https://fipp.com/news/fippnews/) by @Ashley\_Norris at #FIPPCongress



[View summary](#)

# Take a look at National Geographic

730 million  
people per  
month  
through all  
platforms

**why** we  
captivate so  
many?



Yulia Boyle, National Geographic

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# Drivers of great content UX

## 1. Real Time



## 2. Frequency



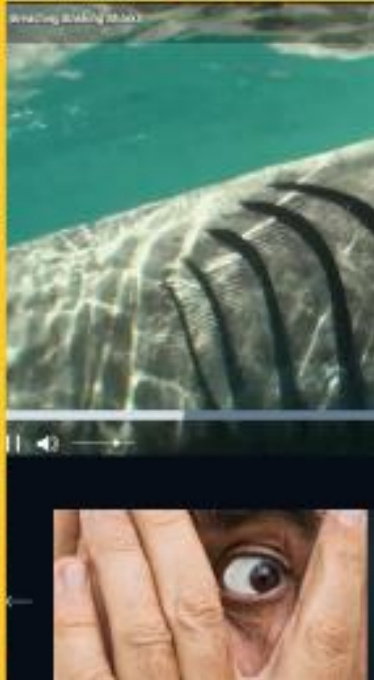
## 3. Personalities



## 4. Local



## 5. Visual



Yulia Boyle, National Geographic

# But the game has changed



**In the past the role of an editor was like that of the cox, calling the shots. Today it's very different. It's more like spinning a number of plates. And sometimes, some of those plates break...**

- Olivier Royant, Paris Match

# 6 Creative storytelling creates impact



# Creativity as a business asset



Rob Dembitz, Cannes Lions

“The value of creativity, now, is the highest it has ever been. **When you’re more creative you get more share of voice, you get more share of funnel and that follows through to more sales.** These companies (Cannes Lions winners), they want to be ground breaking, they want to be shareable. It creates competition internally, and we’ve found this is infectious. Winning is infectious.”





# 7 Cross-border business has changed. Or has it?



# The changing cross-border model

## Old model

- Brand-led
- Print-based
- Driven by licensor

## New model

- 'Easiest way in'
- Content & business model driven
- Digital first
- Driven by licensee
- Multiple revenue streams

John Cabell, Cue Ball LLC

# 8 Verticals: exploit the full market opportunity



# Working the full ecosystem

## Weddings economy

280,000 weddings in 2015

**£10 billion** total spend

**£30m**  
spend in media

**£6bn**  
spend by guests

**£4bn**  
spend by couples

Tom Bureau, Immediate Media Co

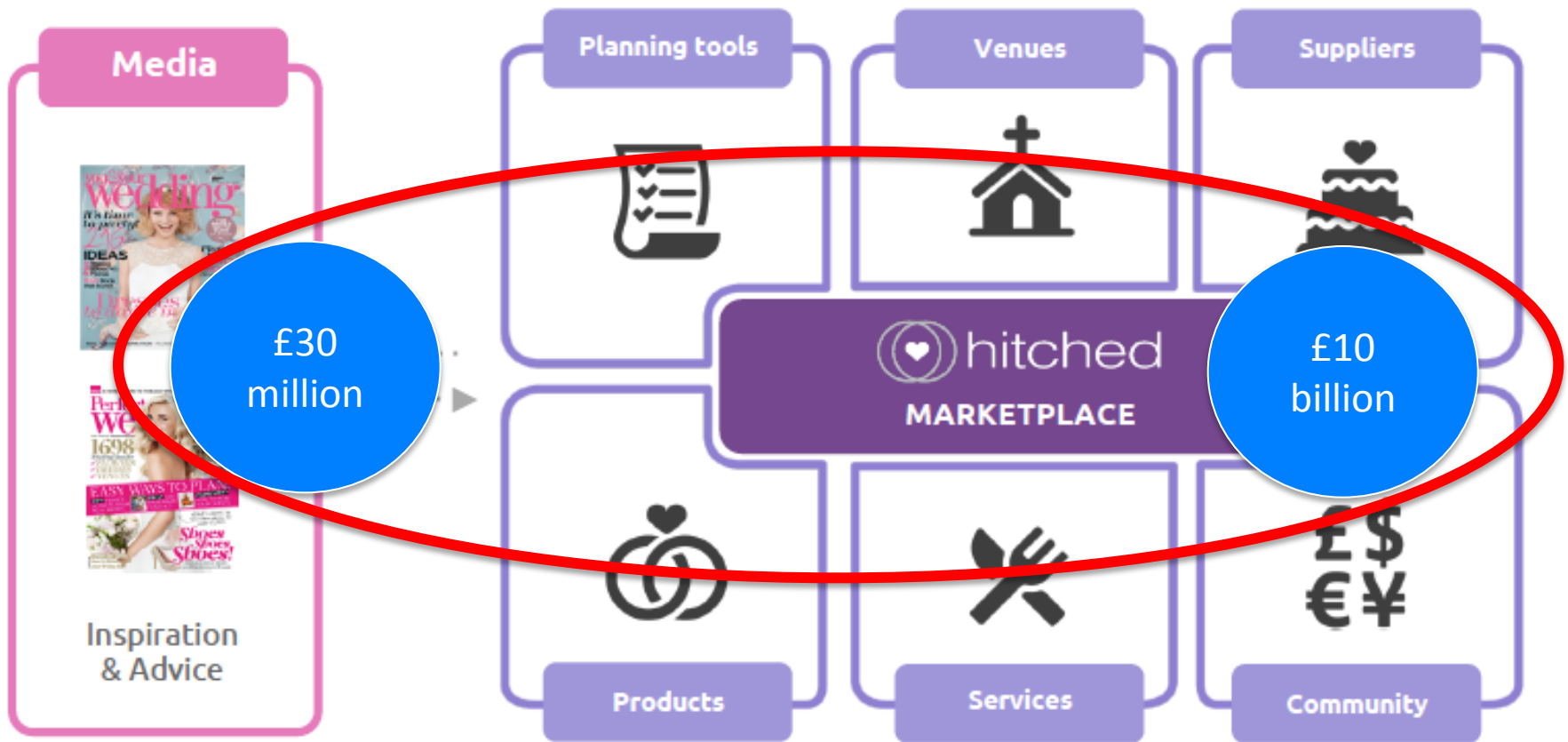
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# Working the full ecosystem

E.g.

## Owning the bridal journey



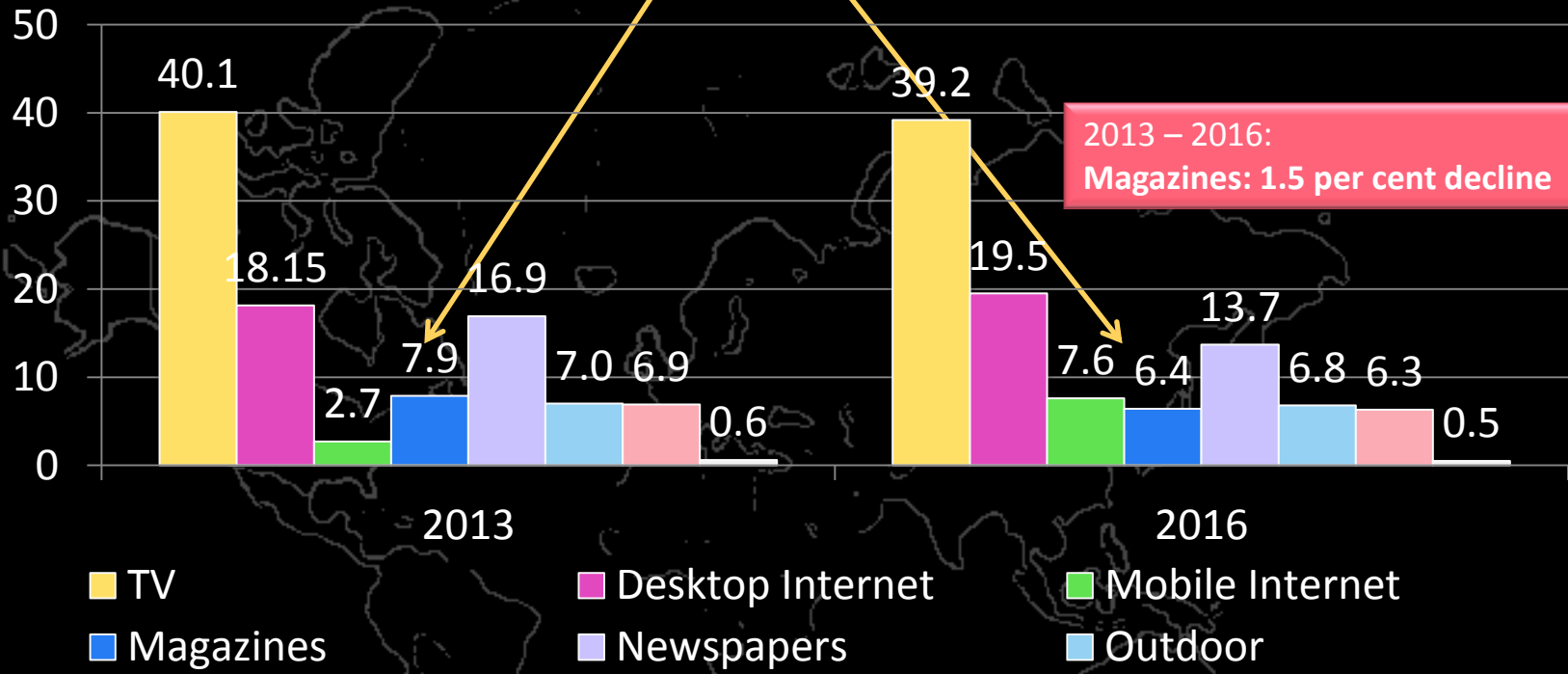
## 9 A word about print



# According to global research

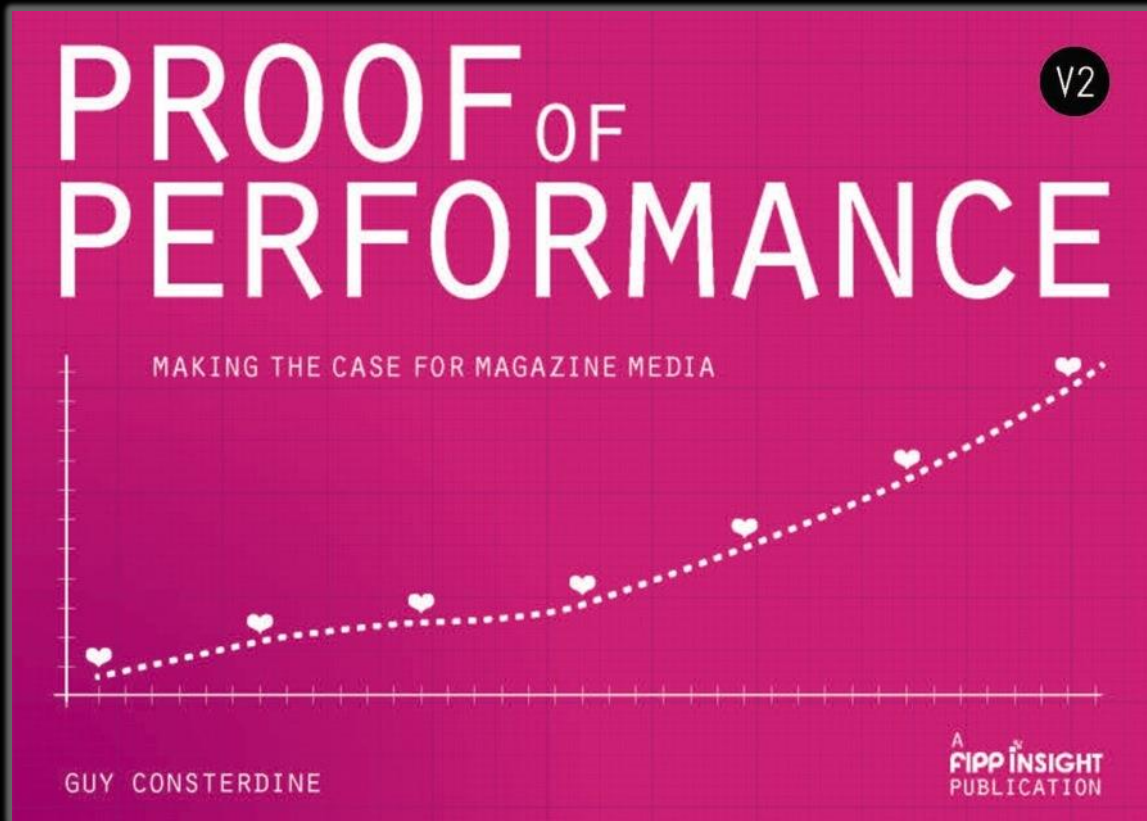
Magazines are losing ground

Global share (%) of ad spend, by medium



Zenith Optimedia

# Evidence to support a different reality



Drawn from 150+ studies around the world

Presented, analysed, discussed at FIPP IF&A



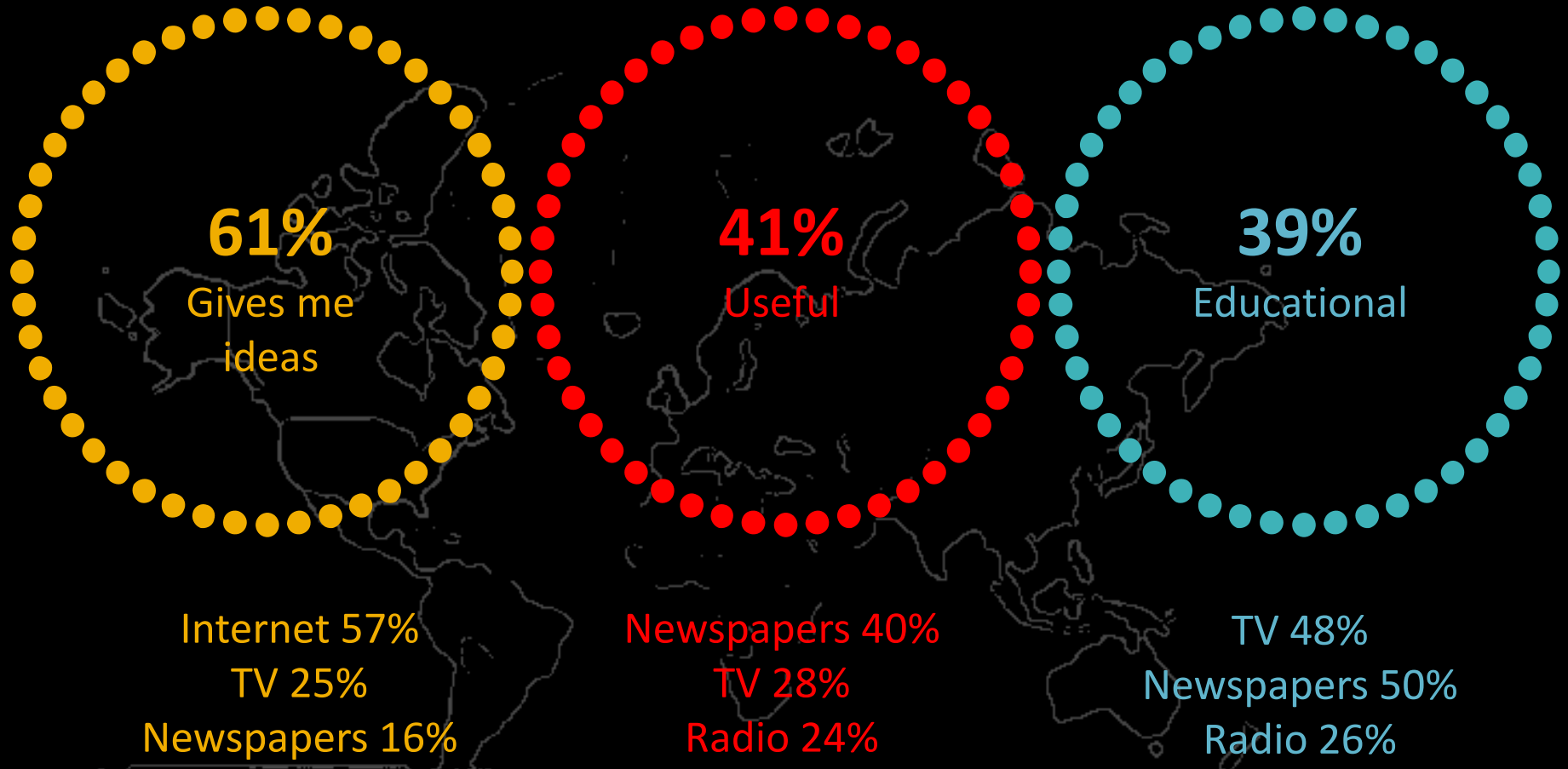
RF&A = FIPP's annual Research Forum and Awards

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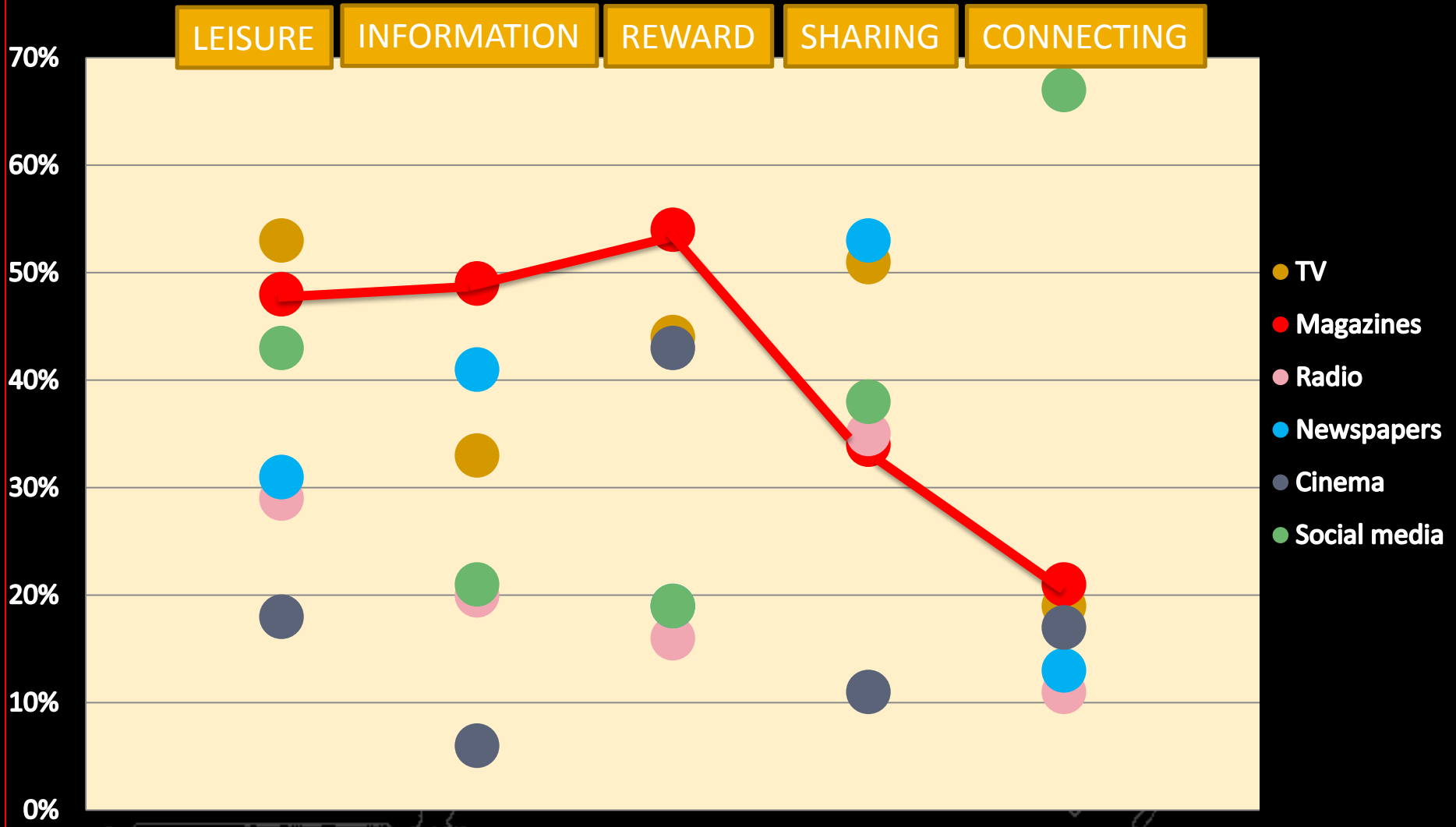
**FIPP**



# CONSUMERS TURN TO MAGAZINE MEDIA FOR IDEAS



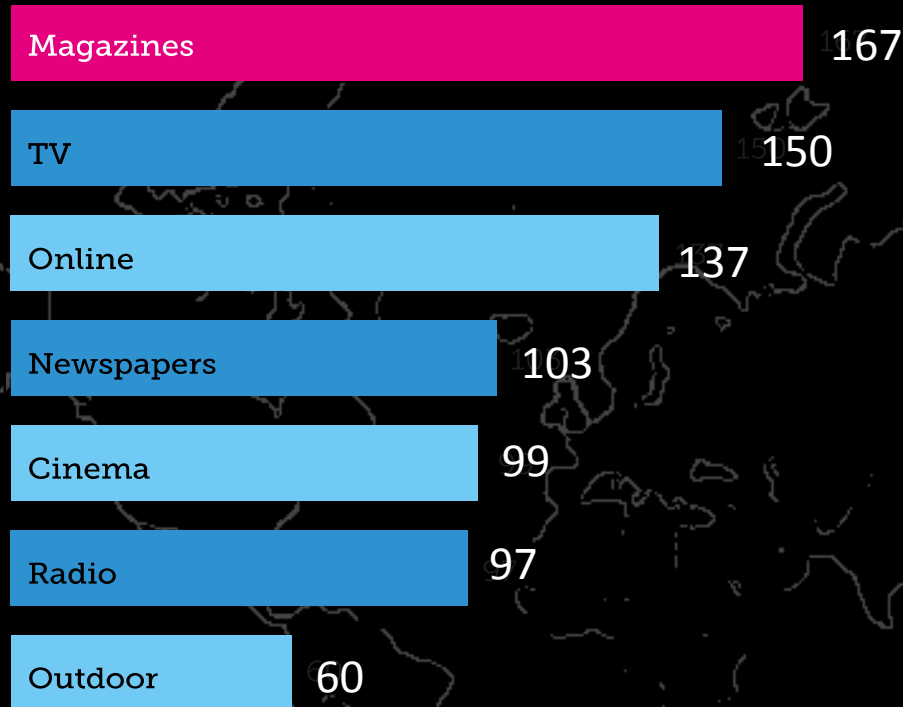
# MAGAZINE MEDIA IS PARTICULARLY POTENT AT DRIVING PURPOSE (INFORMATION) AND PLEASURE (REWARD)



# SALES

## Magazines had highest ROI in a 2012 UK Study

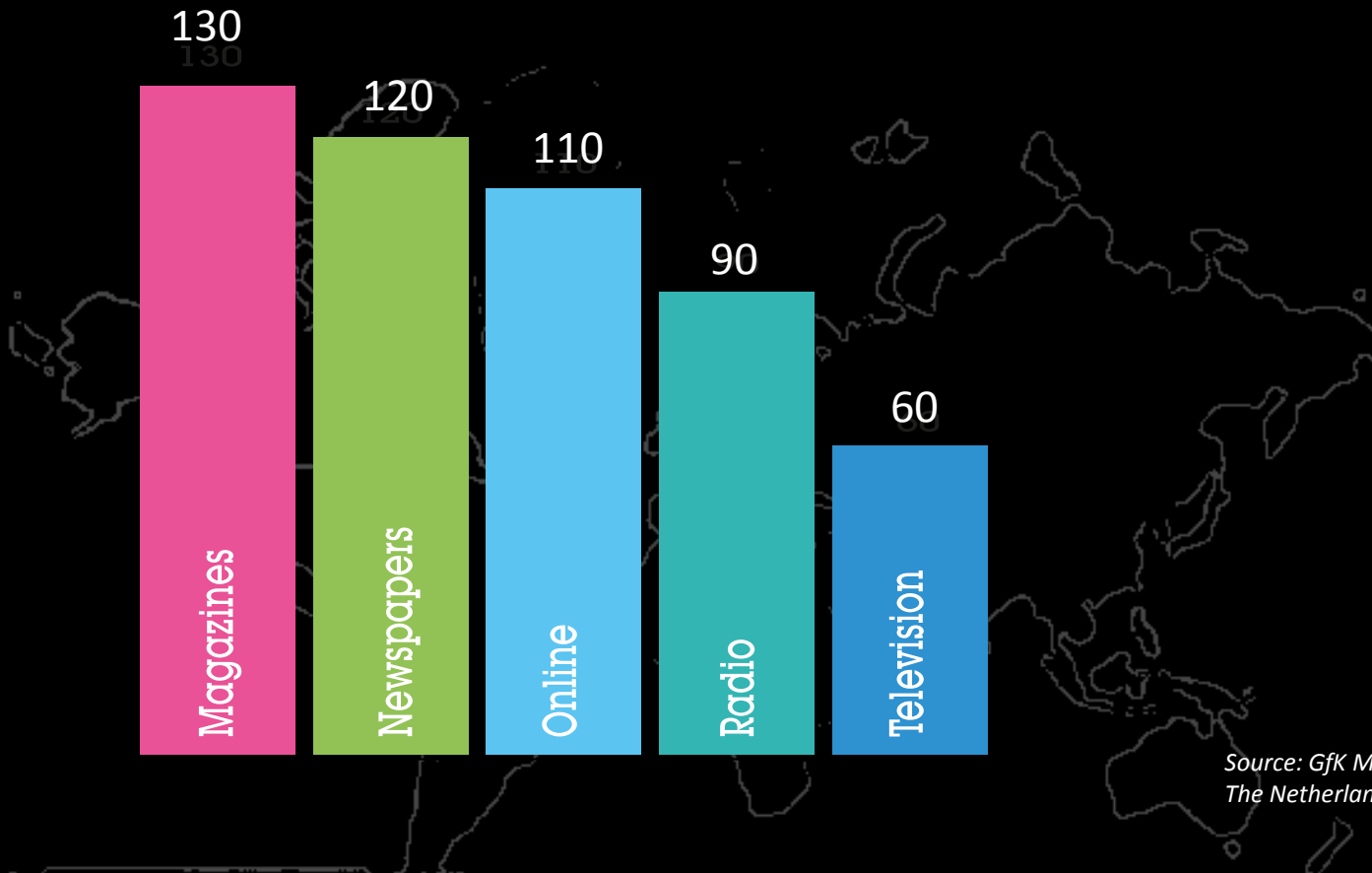
ROI index by medium, aggregated from 77 FMCG campaigns



Source: Mindshare/Ohal, Magonomics, UK, 2012

# SALES

And in 2014 a Dutch Study showed magazines had the best ROI's



Source: GfK Meta study, Magazines.nl, The Netherlands, 2014

# A few final thoughts

## Martin Sorrell: Magazines, Newspapers Deserve More Credit for Effectiveness

By [Michael Sebastian](#). Published on March 27, 2015.

↗ 570

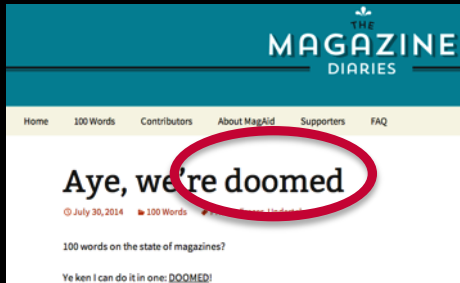


# 10 Follow the money



# We need to change the conversation

Fewer of these headlines

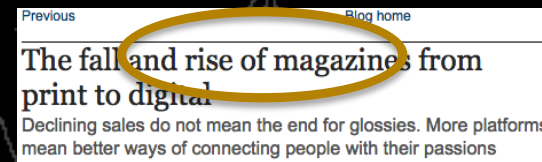
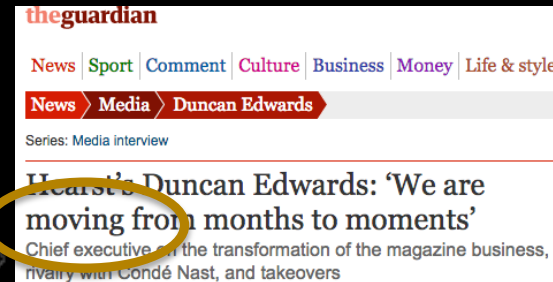


Business Week - Debate

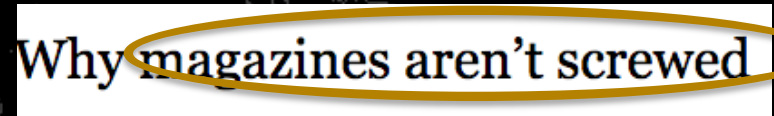


Nymag.com

More of these headlines



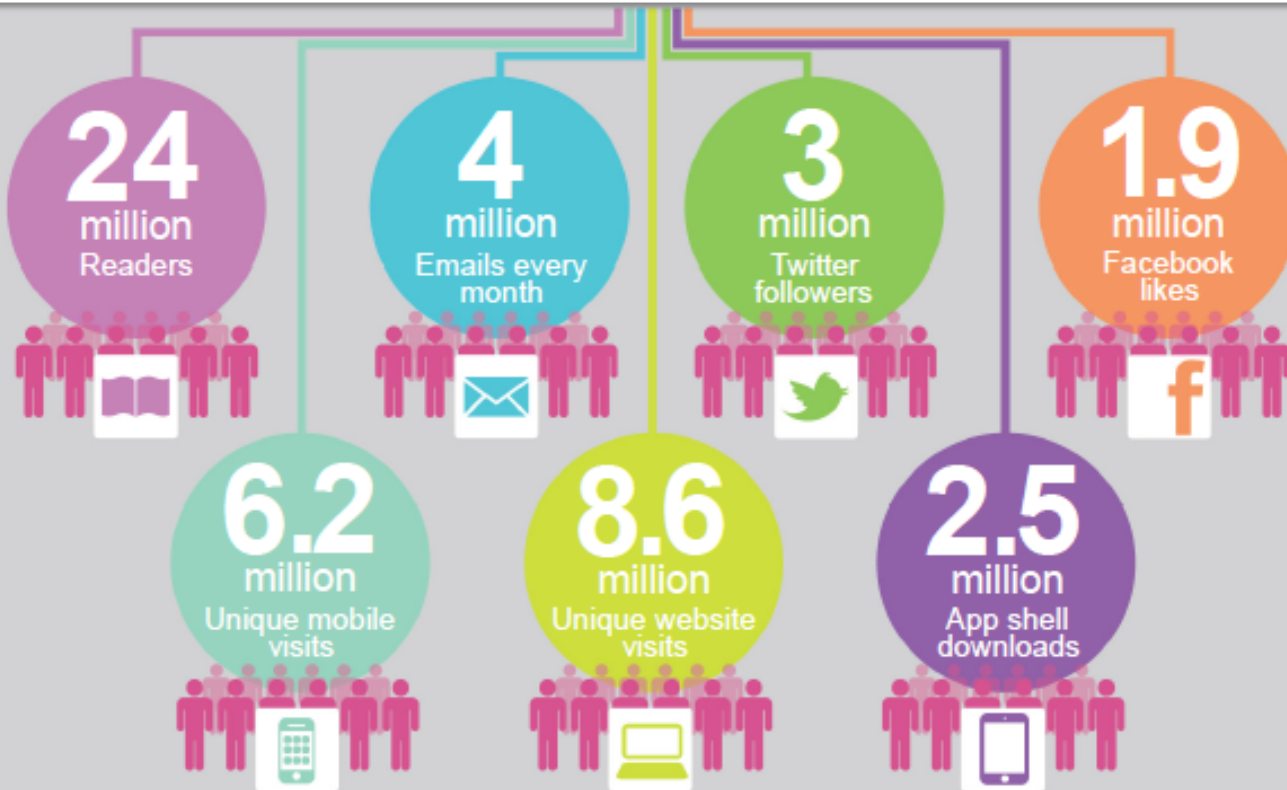
Guardian



Digiday

# How engagement with 'readers' has changed

Time Inc. (UK) ... now connecting with consumers in more places than ever



SOURCE: NRS Jul 12-13, IPC Digital Analytics, comScore Sept 13

# of interactions  
across 60 brands per  
year

250  
million

# of interactions per  
second

8 - 10



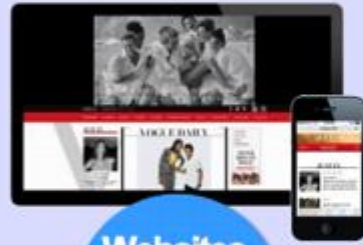
# Change the conversation

We will need to adopt measurement tools that truly reflect our scale

MAGAZINE MEDIA 360°  
Brand Audience Report



Print +  
Digital  
Editions



Websites  
(Desktop/  
laptop/  
mobile)



Video



Social  
Media

HEARST  
magazines international

Duncan Edwards, Hearst

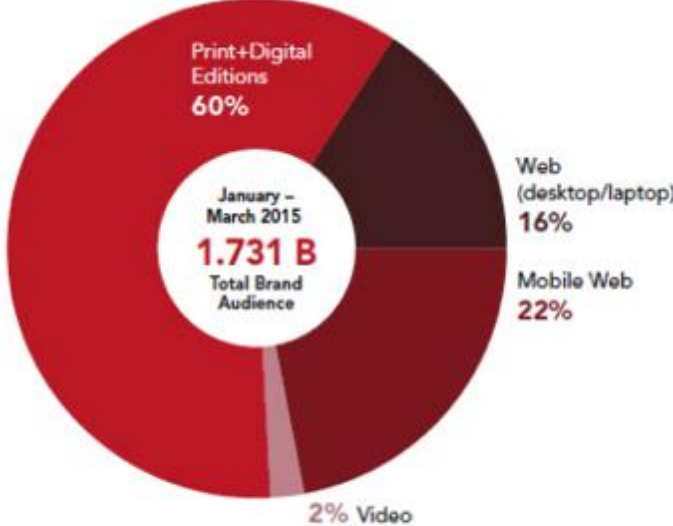
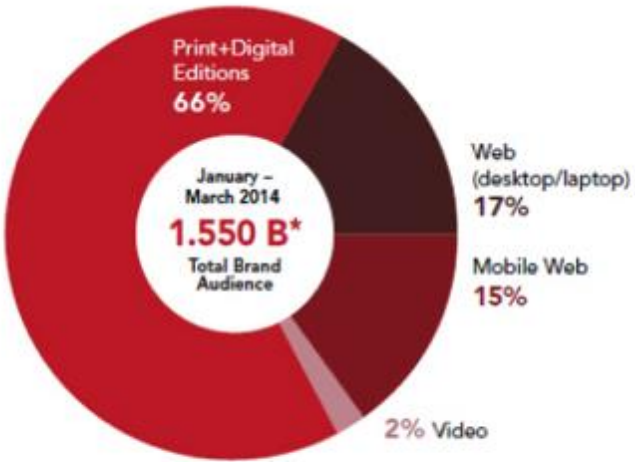
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# Consumer demand is the only common and comparable currency.

## First Quarter 2015

### Magazine Media 360° Audience Mix Average Monthly Performance



**Audience Growth\* +10.2%**



Director of Insight – Group M

Head of Research – IPG

Head of Intelligence – Havas

Research Director – Starcom

## What they said

**“Quality independent audits are still essential.”**

**“We want reliability and consistency.”**

**Definitions are always a dispute - we want to see more collaboration**

**“Still need standard measurement tools to trade on – even if it’s apples and pears.”**

**“Circulation is still important but is no longer used as a single source.”**

**The pre-occupation is a cross-platform solution that demonstrates reach & frequency from a single source.**



AUDIENCE MEASUREMENT FOR THE 21<sup>ST</sup> CENTURY



## Research timeline

Qtr. 1 & 2  
2016

New questionnaire piloted  
Pilot Analysis

Qtr. 3 2016  
Q2 2017

AMP fieldwork starts  
Blended data NRS/AMP

Qtr. 3 2017

August 2017: Launch of complete AMP print and digital

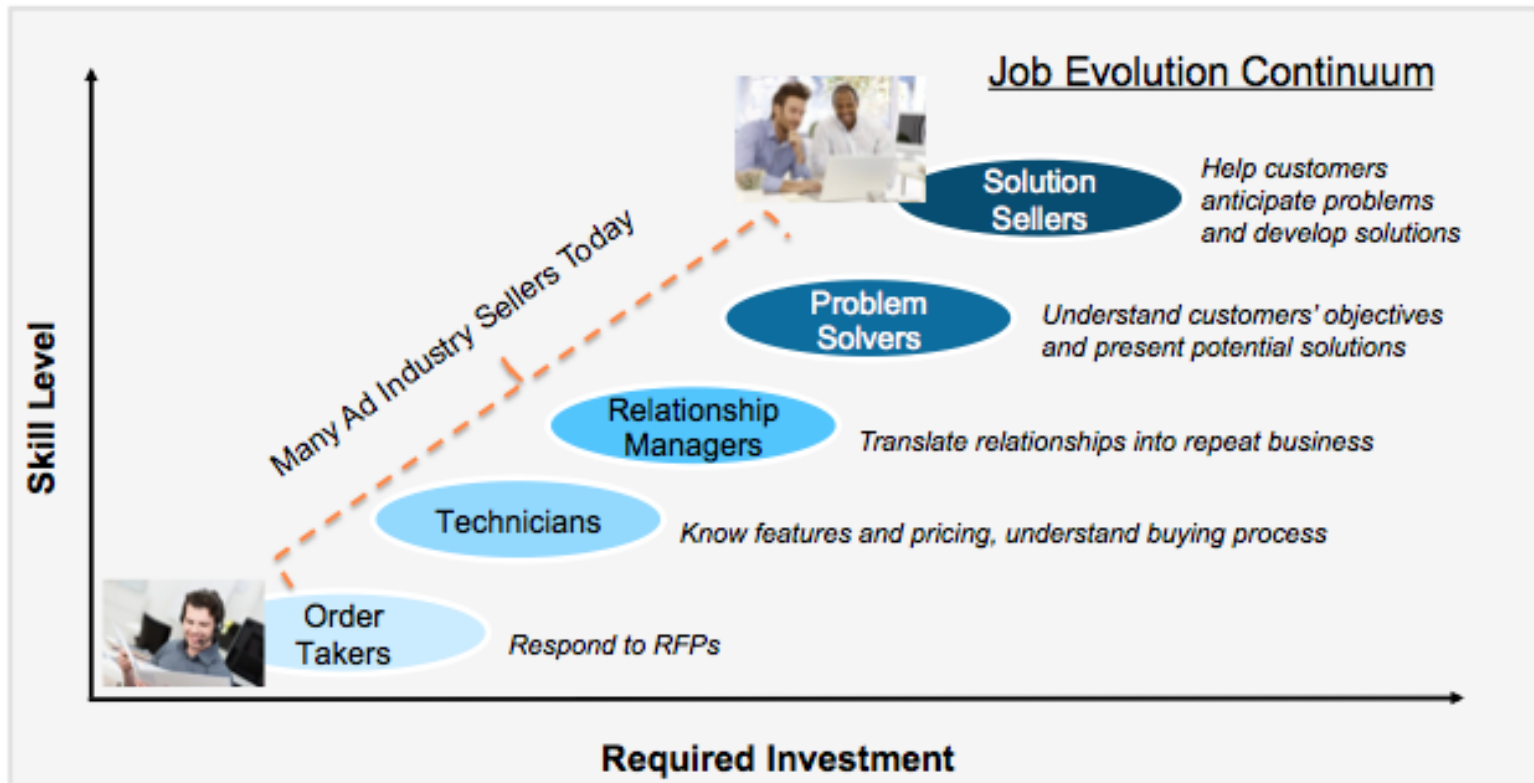
In the UK, the **Publishers Audience Measurement Company**, a JIC that replaces NRS, is in fieldwork with a launch Due in August 2017

The Netherlands, Switzerland and France are trialling projects too.

Spain has adopted Magazines 360° - others are in the pipeline

# Ad operations have to change

## Sales roles must evolve for solution selling



Source: Alexander Group

# Ad blocking: A battle is on



**Shaul Olmert** @shaulmert · Oct 18

With ads getting blocked, will paywalls get higher? [plbz.biz/1KhF230](http://plbz.biz/1KhF230) by @Ashley\_Norris via @malyarov @alexandernl #FIPPCongress

Technology | Tue Oct 13, 2015 4:43am EDT

## Axel Springer bans adblock users from Bild online

FRANKFURT | BY HARRO TEN WOLDE



## AdBlock Plus accuses Axel Springer of censorship after ad-block move

Jessica Davies | @jessdaviesmk | October 26, 2015



# SEVEN STEPS TO SURVIVE THE ADBLOCALYPSE

CREATING NATIVE EXPERIENCES ACROSS THE MOBILE WEB

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# Paid content: micro-payments

## Blendle:

- 500,000 signed up users
- Average price/article = €0.20
- Average refund request = 10%
  
- 1 in 5 top up accounts to read more
- Some 5,000 new users/month sign up

## Paid content: Quality matters



Alexander Klöpping, Blendle

“Clickbait gets widely read on the Blendle platform, but it is the type of content where people ask for refunds.

**What works best are beautiful journalistic pieces, that are well researched. Vivid, good journalism.”**



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**FOR YOUR DIARY.....**

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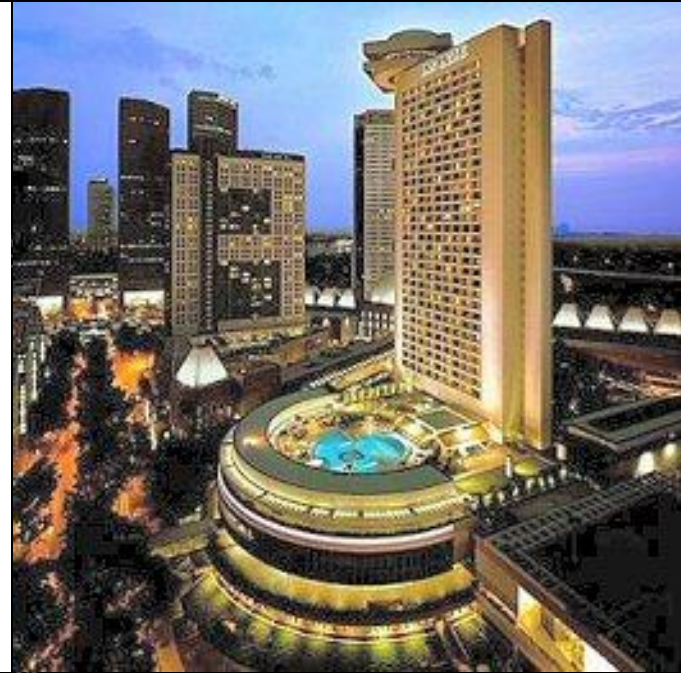




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12-14 October



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- thought leaders and senior management that are shaping tomorrow's media trends.

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9<sup>th</sup>-11<sup>th</sup> October , 2017

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President & CEO FIPP@ Locarno 8.6.16

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