

MEDIA Matters

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PRINT MEDIA MUST GO ELECTRONIC BEFORE IT'S TOO LATE

Print media has not been particularly skillful in adapting to the reality of the Internet, which is both a looming threat and a beckoning opportunity. Let's face it, both magazines and newspapers are in trouble. People are less and less inclined to pay for subscriptions (or single copies) for "hard copy" reading matter when they can get much the same information online for free. At this point, newspapers are in more imminent danger, because of their focus on news, which is available almost instantly on TV (especially cable) and the Internet. It's no surprise that daily newspapers are recording a seemingly endless succession of circulation declines, and it doesn't help that even though their websites generate a reasonable amount of ad revenue, they have yet to charge for the editorial content they post. Result: more and more subscribers are defecting to the paper's free websites, as well as to other media.

It's not that it hasn't dawned on newspaper publishers that they should invite website visitors to pay for access to their editorial matter, or at least selected portions of it. They hesitate because if most visitors won't pay, the papers will suffer from dramatically reduced website traffic and diminished ad support. Obviously, some careful strategizing and testing are needed, but the question remains, is it too late for the dailies?

Magazines are also feeling the circulation squeeze for much the same reasons. Unlike newspapers, which run a day late in their reporting, magazines can't compete with TV or the Internet in terms of timely coverage or

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content. This poses new challenges in today's "instant gratification" media climate. Yet few magazines have created the kind of original content on their websites that might amass large numbers of daily or weekly visitors, which would, in turn, enable publishers to garner substantial online ad revenues. And yes, it might be possible to charge fees for access to archival content from the magazine's own editorial product or some of its original online offerings, but we know of no magazines that are testing this.

Currently the larger circulation magazines, especially newsweeklies and women's service, are experiencing the most difficulty; however it is easy to foresee a point in the not too distant future when even the fashion, health, sports and celebrity/entertainment news categories are impacted, to say nothing of the more selective genres.

It is incredible to us that newspapers and magazine publishers are failing to create new and unique editorial formats for the Internet, designed to achieve *mass* reach. For example, why not offer sponsored contests featuring really enticing prizes? Or daily blogs that allow visitors to communicate with well-known celebrities or experts? Or sponsor videos emulating shows like *American Idol*, *Dancing with the Stars*, *Top Chef*, etc., that are thematically linked to a magazine's editorial expertise but have real drawing power? If such opportunities go untapped, be certain that other entities will eventually step forward and steal the play from magazines. And then what? □

MAGAZINE WEBSITE VISITS ARE UP, BUT IT'S NOT ENOUGH

It's encouraging to hear that magazine websites are attracting larger audiences. A recent compilation of Nielsen online data by the MPA noted that 75 million people visited one or more of 476 magazine websites during an average month in the fourth quarter of 2008, up from 68 million for the same period in 2007. On average, a typical visitor spent 32 minutes on one or more of these websites per month, up roughly 20% from the average consumption rate a year earlier.

Certainly, this is good news for the magazine industry, particularly if such visits can be converted into ad dollars. But 32 minutes per month is hardly an imposing figure when one realizes that conventional magazine hard copy editions generate almost 700 minutes of monthly exposure against the entire population, which means that the average magazine's website visits account for just over 1.5% of the magazine's total contact time with consumers.

Even if magazine website ad sellers are commanding CPM premiums, their ability to maximize advertising revenues is limited by the number of "impressions" they can offer. Despite the gains noted by the MPA, many publishers are failing to create the kinds of online editorial product that will draw more visitors to their websites and keep them. What's worse, in response to trying economic times, some of the deepest cutbacks in staffing and editorial support at publishing companies have come at the expense of their website sales divisions. It's no time to rest on your laurels, or even worse, shoot yourself in the foot. □

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ALTERNATE FORMS OF TV ARE A MERE DROP IN THE BUCKET SO FAR

With all the talk about alternative forms of television set to replace the traditional TV set as primary vehicles for watching programs, some recent data from Nielsen may be instructive. According to Nielsen, 285 million people aged 2+ watched one or more shows at home on their TV sets in February 2009. On average they devoted 151 hours doing so. In contrast, 123 million people watched one or more videos on the Internet and spent almost 3 hours engaged in this activity, and 11 million viewers saw videos on their mobile phones and allocated over 3½ hours to this form of media exposure.

Projecting these statistics against the *total population*, not just those who used the Internet or cell phones to watch videos, the alternative forms combined did not even amount to *one percent* of the total measured monthly viewing activity during the fourth quarter of 2008.

This does not necessarily mean that the Internet and cell phones do not pose a threat to conventional TV set exposure. In order for these alternative forms of video consumption to reach anything approaching critical mass, they will need to come up with a much greater supply of attractive program

content, rather than a relative handful of digitally-sponsored episodes of broadcast network primetime series or the amateur-made offerings seen on YouTube. The most likely scenerio would be a key player stepping forward to produce (content and money) such programming. □

MONTHLY REACH OF TRADITIONAL TV AND INTERNET/MOBILE PHONE VIDEOS FOR PERSONS 2+

	Total Aud. ¹	Avg. Hrs:Min Per Month ²	All TV/Video Viewing Time ³
Watching TV At Home	285,313	151:03	99.1%
Watching Video On Internet	123,125	2:53	.8
Watching Video On Mobile Phone	11,198	3:42	.1

¹As of February 2009; in thousands.

²4th Quarter 2008.

³Editor's calculations based on Nielsen data.

Source: Nielsen Online.

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CPMTrack: Multi-media CPM Trending **National TV, Radio & Magazine CPM Trends: 1960-2008**

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