

Publisher Tested the Waters Online, Then Dove In

Steve Lohr

It may be a niche publisher, but the International Data Group has been working out the answers to some big mainstream questions. The biggest one: Can print media survive the transition to the Internet?

The question has taken on new urgency lately. A faltering economy is heightening the pressure on newspapers and magazines to find a sustaining future online, as the flight of readers and advertisers to the Web accelerates.

Just last week, The Capital Times, a 90-year-old daily newspaper in Madison, Wis., ended its print version and began publishing only online.

The journey beyond print is uncertain and perilous, but the experience of I.D.G., the world's largest publisher of technology newspapers and magazines, suggests that it can be done. A privately held company, whose magazines include Computerworld, InfoWorld, PC World, Macworld and CIO, it appears to have made a profitable migration to the Internet, with revenue from online ads now surpassing print revenue.

Advertisers and readers of high-tech publications have moved online more swiftly than other audiences, so I.D.G. may offer a glimpse of the future of publishing. Yet the transition at I.D.G. came only after years of investment, upheaval and changes in its practice of journalism.

"The excellent thing, and good news, for publishers is that there is life after print — in fact, a better life after print," said Patrick J. McGovern, the founder and chairman of I.D.G.

The biggest single step in the company's online shift came on April 2, 2007, when the last print edition of InfoWorld appeared and it became a Web-only publication. InfoWorld, a weekly, started out as Intelligent Machines Journal in 1978; I.D.G. bought it a year later, and it has long been one of the company's flagship magazines.

There were nervous months after the switch as the company awaited the reaction from advertisers and readers, but before long InfoWorld's Web audience was growing and its business improved. Today, I.D.G. says, the InfoWorld Web site is generating ad revenue of \$1.6 million a month with operating profit margins of 37 percent. A year earlier, when it had both print and online versions, InfoWorld had a slight operating loss on monthly revenue of \$1.5 million.

Across the company, the remaining print publications still typically play a vital role, but a lesser one — physically smaller and financially diminished. In 2002, 86 percent of the revenue from I.D.G.'s publications came from print and 14 percent online. These days, 52 percent of the revenue is from online ads, while 48 percent is from the print side.

Last year, print and online publications accounted for 70 percent of I.D.G.'s \$3 billion in revenue, with the rest coming from its conference business and its technology research firm, I.D.C.

The giant technology publisher has not just stabilized its business, Mr. McGovern said, but is also now growing at about 10 percent a year — though a severe recession would surely dim its growth prospects this year.

Throughout its far-flung network of 300 print publications and 450 Web sites in 85 countries, I.D.G. has converted smaller magazines to online only, but InfoWorld was the big one. More will come, company executives say, as print magazines slip into the red and are left behind. But they emphasize that the print versions of some publications like CIO, a glossy twice-monthly magazine, are likely to be around for many years.

CIO (for chief information officer) is distributed free to senior technology managers. It is solidly profitable and runs long articles that detail the use of technology in corporations and government institutions. A recent issue included a nine-page article on the effort to use computerized records to improve health care in California's prison system, under a court-ordered program.

Yet even CIO has adopted what its managers call an "online first" business model. Three years ago, the editorial staff was divided into three people who worked on the Web site only and the rest only on print. Today, there are no print and Web barriers. The total staff size, at 23, is one fewer than in 2005, but now most of them spend 80 percent of their time on the Web, while a handful of writers spend 80 percent of their time on the long centerpiece articles in the print magazine.

But everyone writes for the Web these days. "It's only fair to people for their career development," said Michael Friedenber, the president of CIO. "How can you say to anyone, in this environment, that they can only write in print and not online?"

The most striking change, though, has occurred at more news-oriented publications like InfoWorld, the former weekly, given the Internet's ability to deliver news instantly to readers and deliver narrowly defined audiences to advertisers.

When Robert Carrigan, the executive in charge of I.D.G. media properties, met with the senior business managers of InfoWorld in February last year, the only thing left to decide was the death date for the print edition. With a controlled circulation of 180,000 copies, the print edition was losing money, while investment and resources had shifted to the InfoWorld Web site. "We were eager to evolve the business and prove what we felt deep down, that we could move beyond print," Mr. Carrigan said.

There was little surprise in the editorial ranks either. By then, the editorial staff was down to its current level of 17 people, about half the number in 2002, and way below the peak of nearly 100 during the technology spending boom of the late 1990s. The separation of the print and online staffs had ended long before.

Steve Fox, the editor in chief of InfoWorld at the time, said that the most fundamental difference between print and online was the ability to measure precisely how many readers view a particular article on the Web — and how those results influence editorial decisions on what to write about.

The link to the business is direct. When a person views a Web page, ads are automatically presented on the page and the publisher collects a payment.

"It's wonderful to have the feedback that you get online, but you need enlightened ownership so that you are not a slave to page views," said Mr. Fox, who left amicably last October to join a social networking start-up.

At InfoWorld, page views are important, said Eric Knorr, the current editor in chief, but as a guide rather than a substitute for editorial judgment. Predictably, he added, certain topics that stir strong opinions among technology readers produce spikes in traffic. "If we were chasing page views, all we'd ever write about is H1-B visas for tech workers, Macs and how bad Microsoft is," Mr. Knorr said.

Yet as a Web-only publication, InfoWorld is very different from the bygone print edition. Gone, Mr. Knorr says, are the long pieces of more than 3,000 words, with anecdotes and narrative, examining how technology had transformed some company or industry. Instead, he said, the key online is packaging information into "digestible chunks," typically of no more than a page of text or so, sometimes in lists of "10 things to do" to solve some technology problem in companies.

The Web, Mr. Knorr said, also opens the door to offerings that are impossible in print. He pointed to short animations that explain complex technologies, and an online petition urging Microsoft to keep selling the aging Windows XP operating system beyond its June cutoff date, which has collected 160,000 names.

Without the physical limitations of print, Mr. Knorr said, it becomes easier to explore topics more deeply. InfoWorld presents a stable of bloggers, including 19 freelance writers, who are authorities in niches including data protection, green technology, open source software and cloud computing.

The goal, with reporting and blogging, Mr. Knorr said, is to create "thought leadership and depth" in several subject areas online, and also set up InfoWorld conferences around those topics.

The approach, it seems, resonates with the advertising industry. "Print brands are going to continue to live, but the distribution channels are certainly changing and so is the content," said Latha Sundaram, a senior vice president at Starcom Worldwide, an advertising buyer. "InfoWorld has focused on the depth of information in technology that is best presented in an online format."

Stewart Alsop, a journalist turned venture capitalist, was the editor in chief of InfoWorld in the 1990s, when it was thick with ads and its editorial staff was at its peak. "Technology publishing just happens to be at the point of this whole transformation of media," Mr. Alsop said. "What's happening at I.D.G. is a fairly accurate map for every other publishing organization. Get over it, it's going to happen."

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