

Loving touch

Media companies try to breathe new life into physical products.

ANYBODY who picks up an American magazine next week is likely to find advertisements for the very thing they are holding. "We surf the internet. We swim in magazines" reads one ad, which will soon appear in glossy publications. Another compares the internet to instant coffee, and print to the real thing. "We're not ready to walk away from the printed product," explains Ann Moore, the boss of Time Inc.

Far from it: even as media outfits develop digital products—Time magazine was one of the first to launch an iPad application—they are striving to improve the look and feel of their old-fashioned physical products. Fortune, another Time Inc magazine, began printing on thicker paper in March. Hearst Corporation supersized Good Housekeeping earlier this year, and will do the same for Country Living in September. But the most striking efforts to jazz up physical products are being made in the troubled music business.

Visitors to music shops (there are a few left) are confronted with packages of wildly varying prices. How much, for example, would you like to pay for "Plastic Beach", the new album by Gorillaz? The basic CD costs £7.99 (\$12.13) at HMV in London's Oxford Street. For £17.99 you can buy the more elegantly packaged "experience" edition, which comes with a DVD and access to online content. Or you could pay £19.99 for a box containing the CD and a T-shirt.

In the past few years sales of CDs have been hammered by illegal file-sharing and digital downloading services such as Apple's iTunes. Yet the silver disc still dominates. Consumers in Britain, for example, bought 113m physical albums last year and only 16m digital ones, according to the British Phonographic Industry, a trade group. (Although they also downloaded almost 150m individual digital tracks, that works out to only about 15m albums' worth of music.) Any music label that dumped the CD would be giving up most of its sales.

File-sharing and iTunes are fine for people who want to investigate a band (and free music-streaming services like Spotify and We7 are even better). They are not so good for devoted fans who want to pore over everything a group puts out. And they are even less good for people who are looking for a present.

Yet the CD in the plastic case is not what it was, either. Now that music is available free online, a mere physical album is thought to have little value. "It's perceived as a rather stingy gift," says Max Hole, who runs Universal Music Group's businesses outside America. Hence the deluxification of the CD. Labels have long put out boxed sets of music by veteran acts. Now they are releasing deluxe editions of new and recent albums, too. Deluxe CDs accounted for 27% of Universal's sales from its biggest new releases in 2009—up from 20% in the previous year. It reckons that the proportion will keep growing.

For magazines, the campaign to push print is an admission that online advertising is never going to be worth as much as the paper kind. The internet simply provides too many alternative opportunities to tout products. And it would be desirable to rely less on advertising anyway. Print and online ads alike plunged sickeningly during the recession. In America the number of advertising pages in magazines dropped by 26% between 2008 and 2009, according to the Publishers Information Bureau. Firms must persuade people to pay for their products, and to stump up more for them. Hearst's size increases have been accompanied by price rises.

Oddly, honing their old-fashioned physical products may help media firms adapt to technological change. Ideally, says Peter Kreisky, a media consultant, the magazine on the

news-stand would become a gateway to a brand that exists profitably on many different platforms, from the iPad to the web. If that seems impossibly idealistic, consider one tech-savvy company that lavishes attention on the look and feel of its physical products, and the places where they are sold. Its name is Apple.

Fonte: The Economist, Apr.8th 2010. Disponível em: <www.economist.com>. Acesso em: 13 abr. 2010.

A utilização deste artigo é exclusiva para fins educacionais