

Non-news is good news

The threat of the internet has forced magazines to get smarter

"PRINT is dead" was a common refrain a couple of years ago. The costly print advertisements that kept magazines and newspapers alive were migrating to the web, where they earned only pennies on the dollar. To publishers, it felt as if a hurricane was flattening their business.

But as the storm has cleared, a new publishing landscape has emerged. What was once a fairly uniform business—identify a group of people united by some shared identity or passion, write stories for them to read and sell advertising next to the stories—has split into several different kinds.

Hard news is perhaps the hardest to make profitable. It is increasingly instant, constant and commoditised (as with oil or rice, consumers do not care where it came from). With rare exceptions, making money in news means publishing either the cheap kind that attracts a very large audience, and making money from ads, or the expensive kind that is critical to a small audience, and making money from subscriptions. Both are cut-throat businesses; in rich countries, many papers are closing.

But among magazines there is a new sense of optimism. In North America, where the recession bit deepest (see chart), more new magazines were launched than closed in 2011 for the second year in a row. The Association of Magazine Media (MPA) reports that magazine audiences are growing faster than those for TV or newspapers, especially among the young.

Unlike newspapers, most magazines didn't have large classified-ad sections to lose to the internet, and their material has a longer shelf-life. Above all, says David Carey, the boss of Hearst Magazines, a big American publisher, they represent aspirations: "they do a very good job of inspiring your dreams." People identify closely with the magazines they read, and advertisers therefore love them: magazines, says Paul-Bernhard Kallen, the chairman of Hubert Burda Media, a large German publisher, remain essential for brand-building.

Which is why luxury magazines are doing particularly well, as are those in emerging markets, where a fast-growing middle class is coming into those advertisers' sights. In Brazil, for example, the Abril Group has made *Minha Casa*, a home-improvement magazine, the leader of its kind in two years thanks to a careful focus on new homeowners.

Back in the United States, the number of ad pages in magazines has dropped for three quarters in a row, according to the Publishers' Information Bureau. But that is partly cyclical, says Nina Link, the MPA's head, and it doesn't account for the growing number of ads in digital form.

Once, digital ads would have been scant comfort. On the web they are typically worth a small fraction of what they were in print. But tablets, such as Apple's iPad, could change this.

They have been around for only two years and most magazine subscriptions on them for less than a year; the MPA suggested measurement standards for advertising on tablets only in April. Yet already there are signs that advertisers are accepting higher rates on tablets than on the web, because magazines on tablets are more like magazines in print: engrossing, well-designed experiences instead of forests of text and links.

Publishers are still experimenting with formats: some are little different from their print versions, while others are more interactive, perhaps too much so. Hearst's *Cosmopolitan* launched the digital-only *Cosmo for Guys*, which purports to shed light on feminine psychology for baffled males; an early issue included 3-D models of sexual positions that you could rotate to view from every possible angle. Who says glossy mags aren't educational?

But the wiser publishers are finding ways to rely less on advertising. They are looking to make more not only from subscriptions but also from other sources. Today, "you need five or six

revenue streams to make the business really successful," says Mr Carey. Spurred by necessity and enabled by technology, magazines "innovate in ways they never dreamed of a few years ago," says Ms Link.

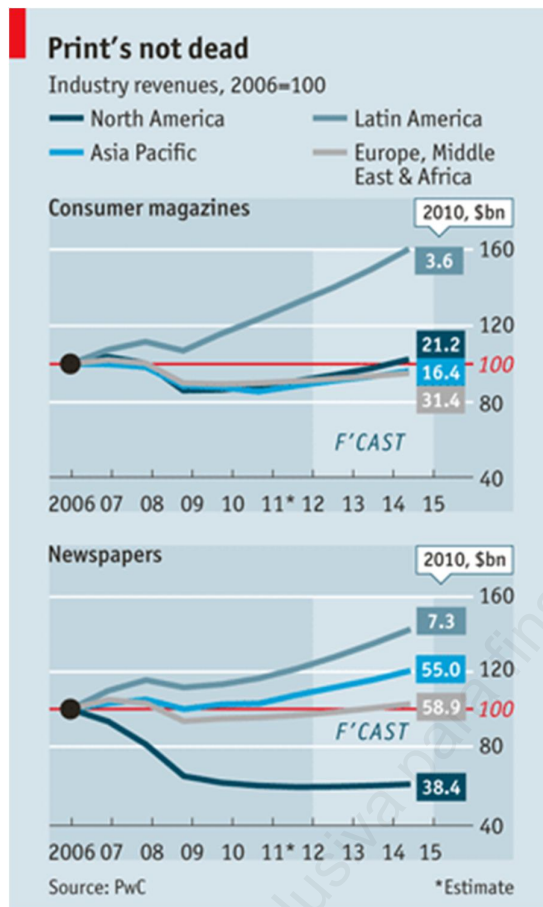
What else a magazine can do besides sell copies depends on its audience and subject matter. Many are turning themselves from mere carriers of ads into marketing-services companies, giving their advertisers a range of new ways to reach readers. Travel magazines' websites can track if their readers end up buying the holiday packages they write about, and take a cut. "I count that as advertising," says Mr Kallen. "What many people call advertising...is definitely declining, but advertising in the broader sense isn't."

Other commercial branchings-out include a growing range of conferences or celebrity events, the licensing of magazines' names to products such as cosmetics, and tie-ups with deal and coupon websites such as Groupon. Successful new magazines have been launched on the back of TV programmes, such as Hearst's "Food Network" and "HGTV" (a home-improvement show) and the BBC's "Top Gear" (a show about macho cars). With so many countries now boasting a big middle class, international franchises often work well; Hearst's Cosmopolitan now has 66 different country editions.

There are also more esoteric business models. Monocle, a global magazine for the insufferably stylish, claims that the online radio channel it launched last autumn has been profitable from the start, since normal commercial radio stations never deliver the kinds of listeners its high-end advertisers want. The Atavist, an American iPad magazine that publishes one long piece of narrative journalism each month, says it makes money largely because it licenses its iPad publishing software to other people.

Loyalty is lucrative

The ability of magazines to inspire fierce loyalty among readers means there are also lots of small-time, quirky successes. XXI, a French quarterly of long-form reportage, is profitable despite carrying no ads, not putting its text online and being sold only in bookshops; it seems to capitalise on French intellectual traditions and the concentration in Paris of voracious readers. Germany's Landlust, which extols the virtues of living at a relaxed pace and in close contact with nature, is another print-only holdout, with a circulation of 1m after seven years. As long as there are coffee tables, people will want things to put on them.



Fonte: The Economist, London, v. 403, n. 8788, p. 74, 9-15 Jun. 2012.