

Summary of Findings: AudienceLab™ Study of Public Place Engagement

September 3, 2008

Who We Are

- Since 1997, McPheters & Company has provided both strategic planning and research to the publishing community
- Much of our work is concentrated in areas related to audience and circulation metrics
 - Audience management
 - Audience measurement and prototypes
 - Advertising effectiveness
 - Quality of circulation sources

AudienceLab™ Study of Public Place Engagement

- Second syndicated study we have conducted to help document and assess the quality of public place distribution
- The first, conducted late last year, looked at the quality of public place distribution
 - Whether copies were going into appropriate venues
 - Whether they were actually put out for customers to read
 - The extent to which presence in public place outlets was consistent with verified distribution
 - Allowed us to improve our understanding of how public place copies generate audience

The Engagement Study

- Was fielded by mail among a nationally representative sample of 10,000 adults in April, 2008
- Oversampled those in households with incomes over \$50,000 at a rate twice that of other households
- Incentives
 - \$2 for those in top 10 markets with HHI > \$50K
 - \$1 for everybody else

Methodology

- Pre-Alert
- Follow-up postcards
- Second survey mailing to non-responders
- 2741 in-tab respondents
- Response rate of 32%
- Sample balanced to key demographic and geographic variables

The survey collected information on:

■ Public place reading

- Time spent
- Attitudes

■ Public place venues

■ Title specific information on 50 major magazines with substantial public place distribution

- Readership
- Public place reading
- Attitudes

Today I will share with you an overview of the findings.

- For study sponsors, the study also provided detailed information on:
 - Characteristics of various public place venues
 - Demographics
 - Engagement
 - Incidence of reading
 - Whether they bring their own reading material
 - Which public places are potentially most productive for readers of individual titles
 - The characteristics of readers in different public place venues
 - Documentation of engagement for individual titles

Overview of Findings

- The overwhelming majority of adults (80%) and an even higher proportion of magazine readers (86%) have read magazines in public places in the last month
- Public place reading accounts for about 45% of all magazine reading
- Time spent reading in total and in public places increases with affluence
- Time spent reading is highest among those
 - 35-44 (6.5 hours)
 - HHI > \$100K (6.5 hours)
 - In HH with Children (6.1 hours)
 - Employed Full-Time (6.1 hours)

Public place reading accounts for a disproportionate share of reading for several key target groups:

- HHI \$75-99K (48%)
- Adults with children (49%)
- Full-time students (49%)
- Women (47% vs. 42% for Men)
- 35-44 year-olds (51%)

Public place readers are highly engaged*

- 84% say they appreciate it when there is a good selection of titles from which to choose
- More than two-thirds (68%) look for their favorite magazines when visiting public places
- Slightly more than half (52%) say they use the opportunity to try magazines they don't ordinarily read

*Top 2 box agreement

Public place readers are highly engaged*

- More than a third (35%) say they enjoy reading in public places more than at home
- 60% look forward to reading in public places
- 87% say reading magazines makes the time spent waiting go faster

*Top 2 box agreement

For the average title measured...

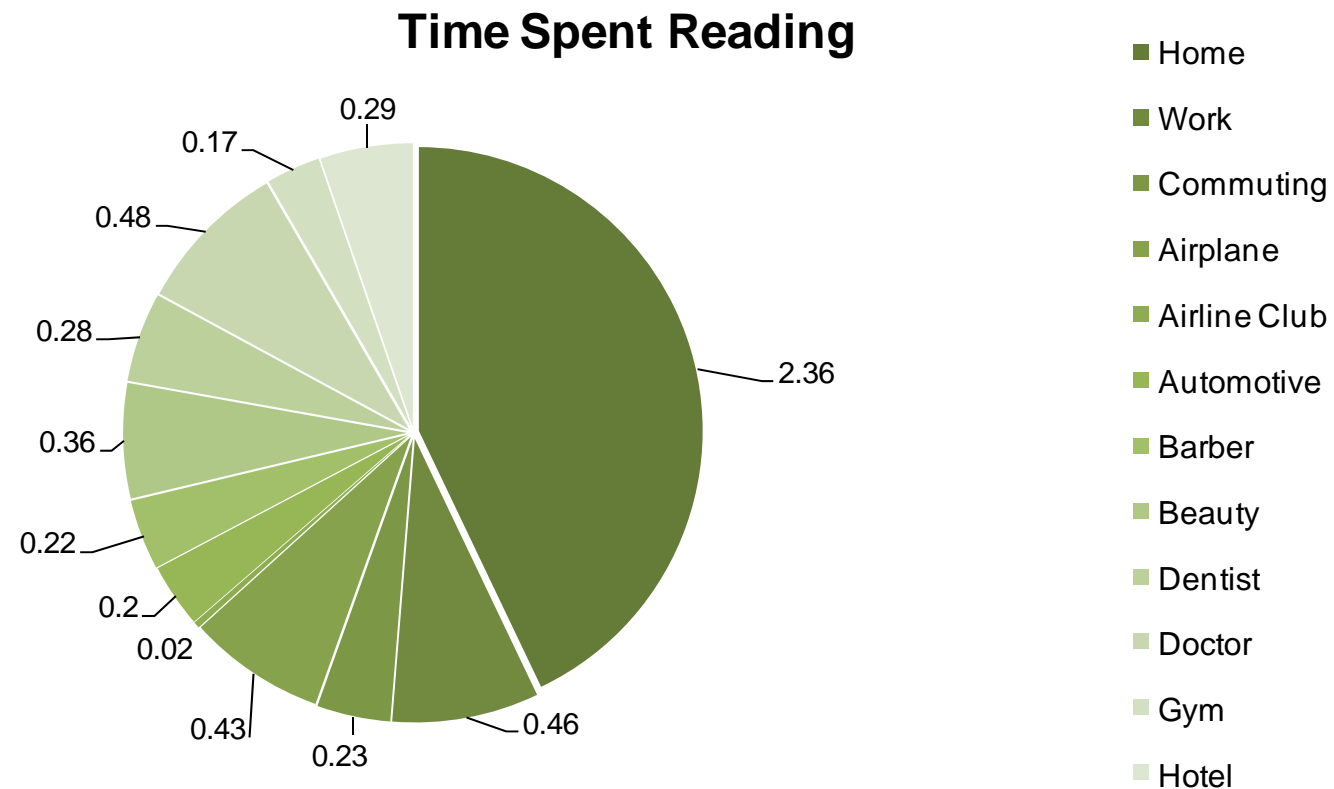
- More than half (55%) of public place readers say they look for that specific title in public places
- More than a quarter (28%) say the magazine is one of their favorites
- More than a quarter (26%) sometimes purchase this magazine
- About a quarter (22%) say they try to read most issues

More than 95% of public place readers read magazines on their last visit that were available in waiting areas in most major outlet types.

- Beauty salons
- Barber shops
- Dentists' offices
- Doctors' offices
- Automotive outlets

The majority of those who read while traveling or in gyms also read magazines that were already there.

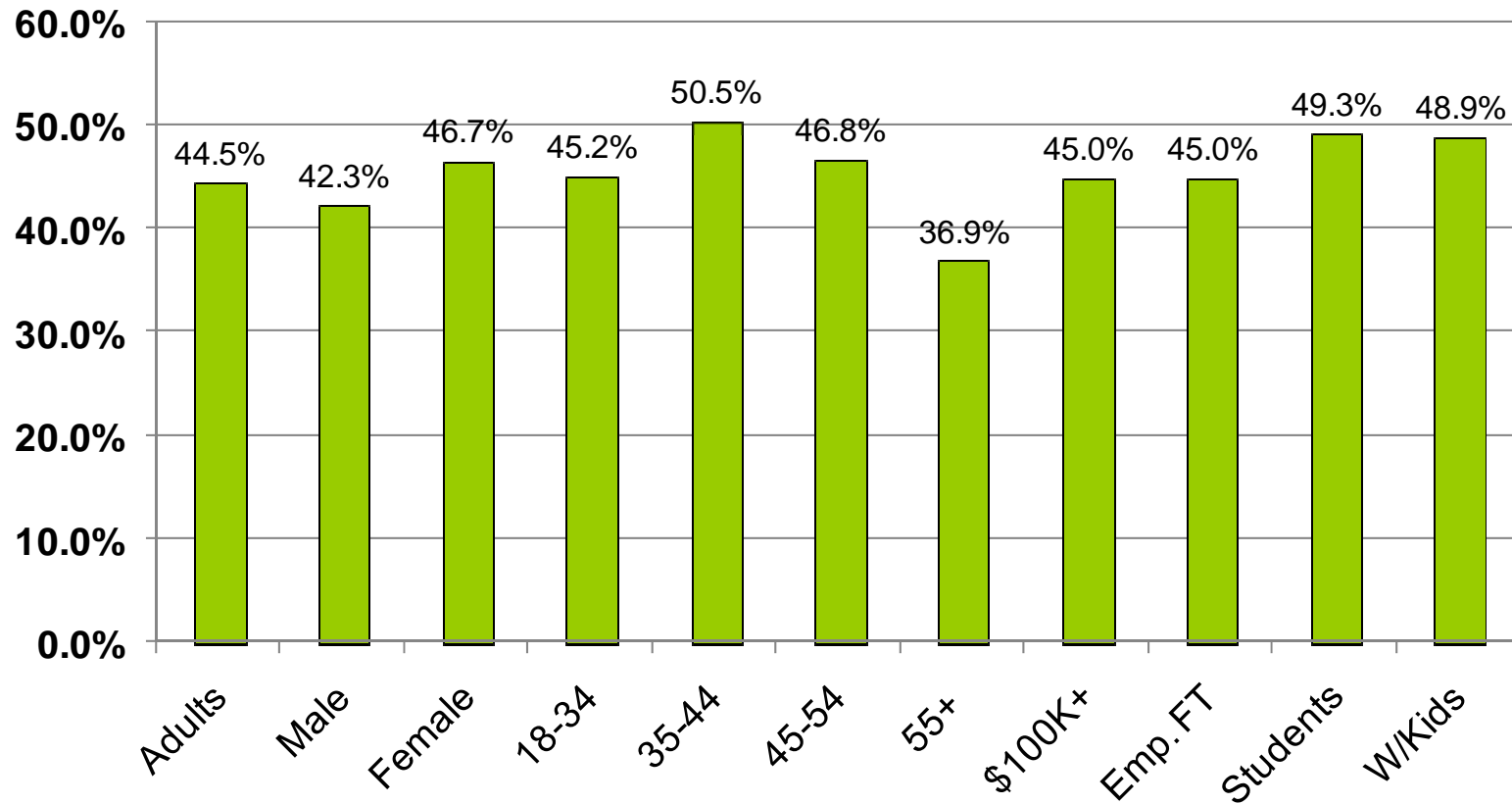
About 57% of all magazine reading takes place outside the home and 45% takes place in waiting areas and on airplanes.



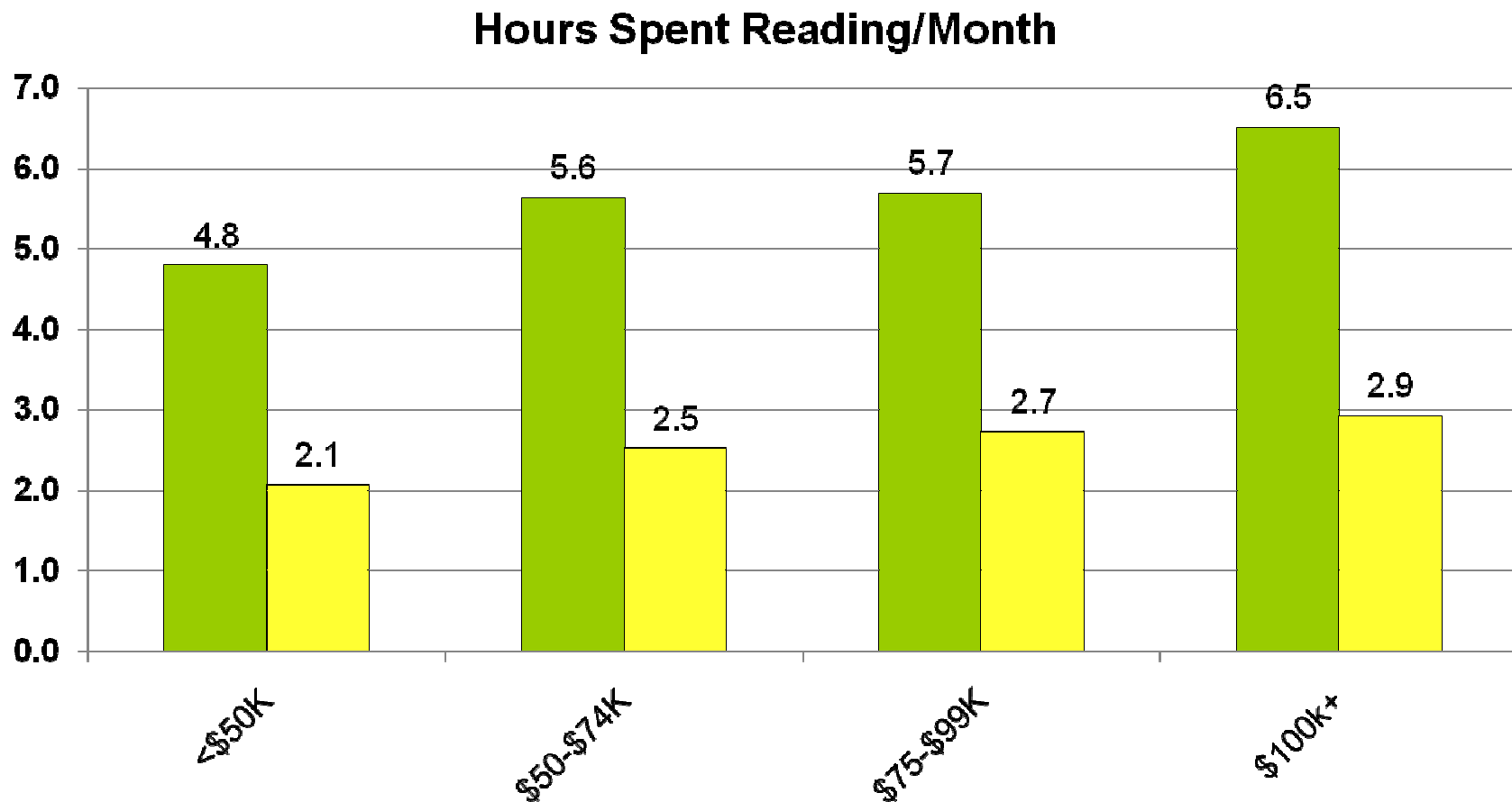
Base: Total Adults

Women 35-44 and those with children spend the largest proportion of their reading time in public places.

% of Reading Done in Public Places

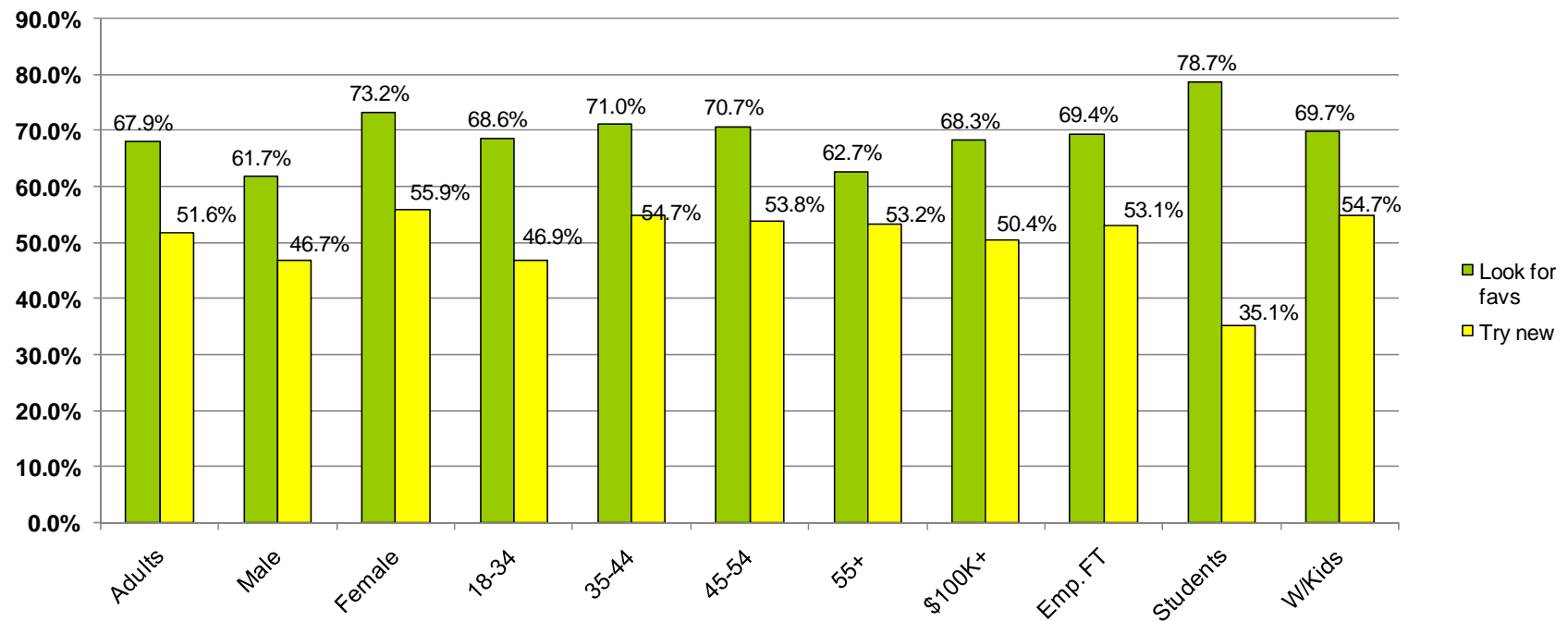


Time spent reading, both overall and in public places, increases with affluence.



People are more likely to look for their favorite magazines than use the opportunity to try something new.

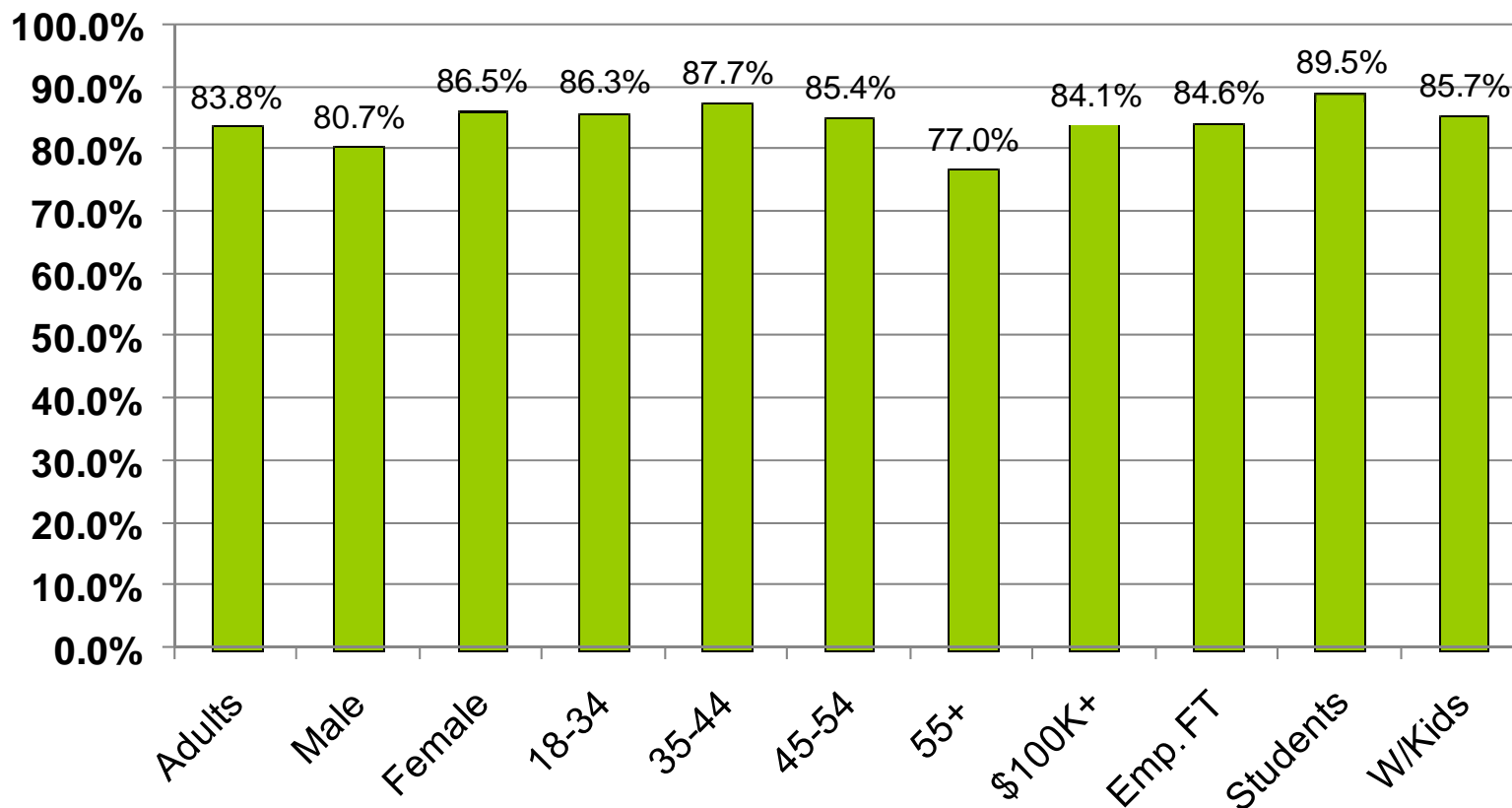
% Agree: Look for favorite vs. try magazines I don't ordinarily read



Base: Public place readers

More than 80% said they appreciate a good selection of titles from which to choose.

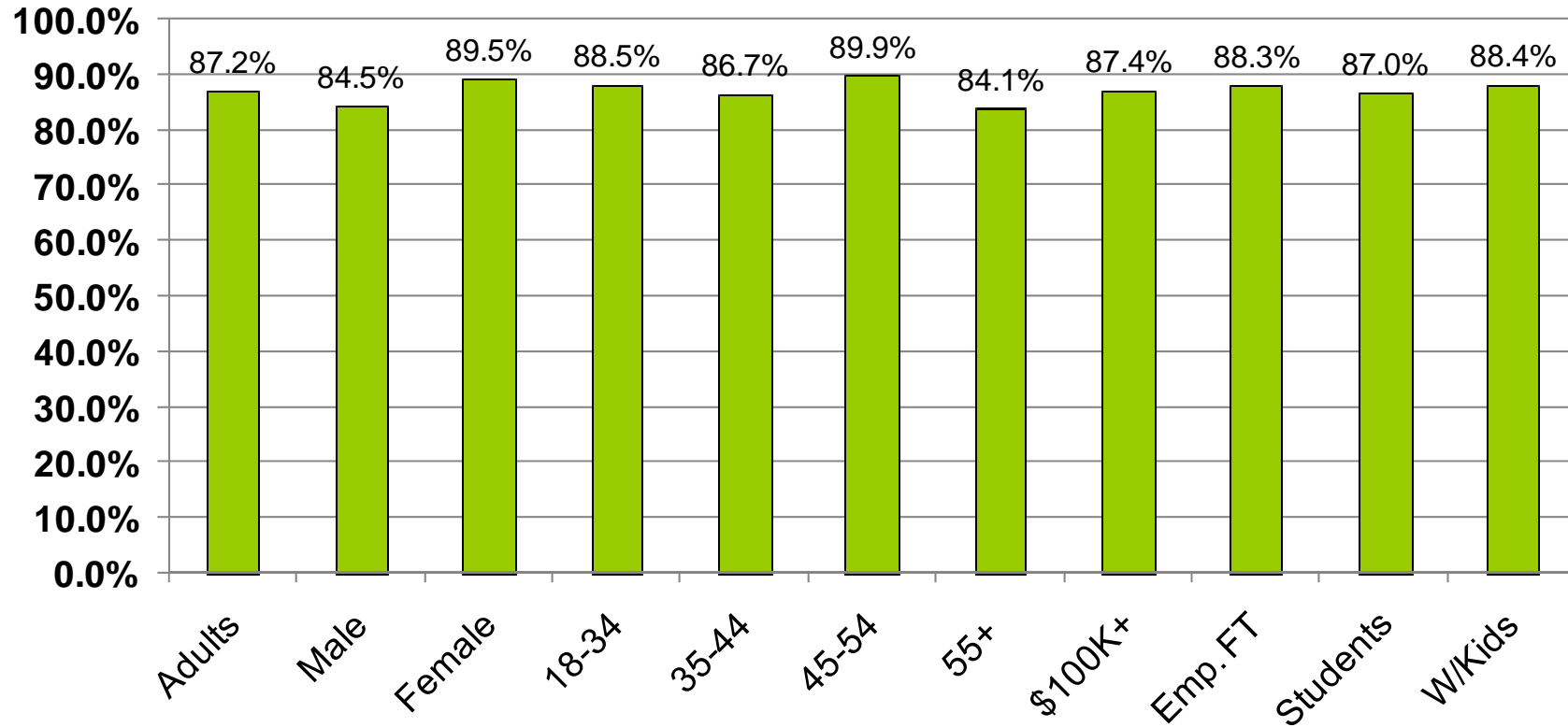
% Agree: I appreciate a good selection



Base: Public place readers

Almost everyone agrees that reading magazines makes time spent waiting go faster.

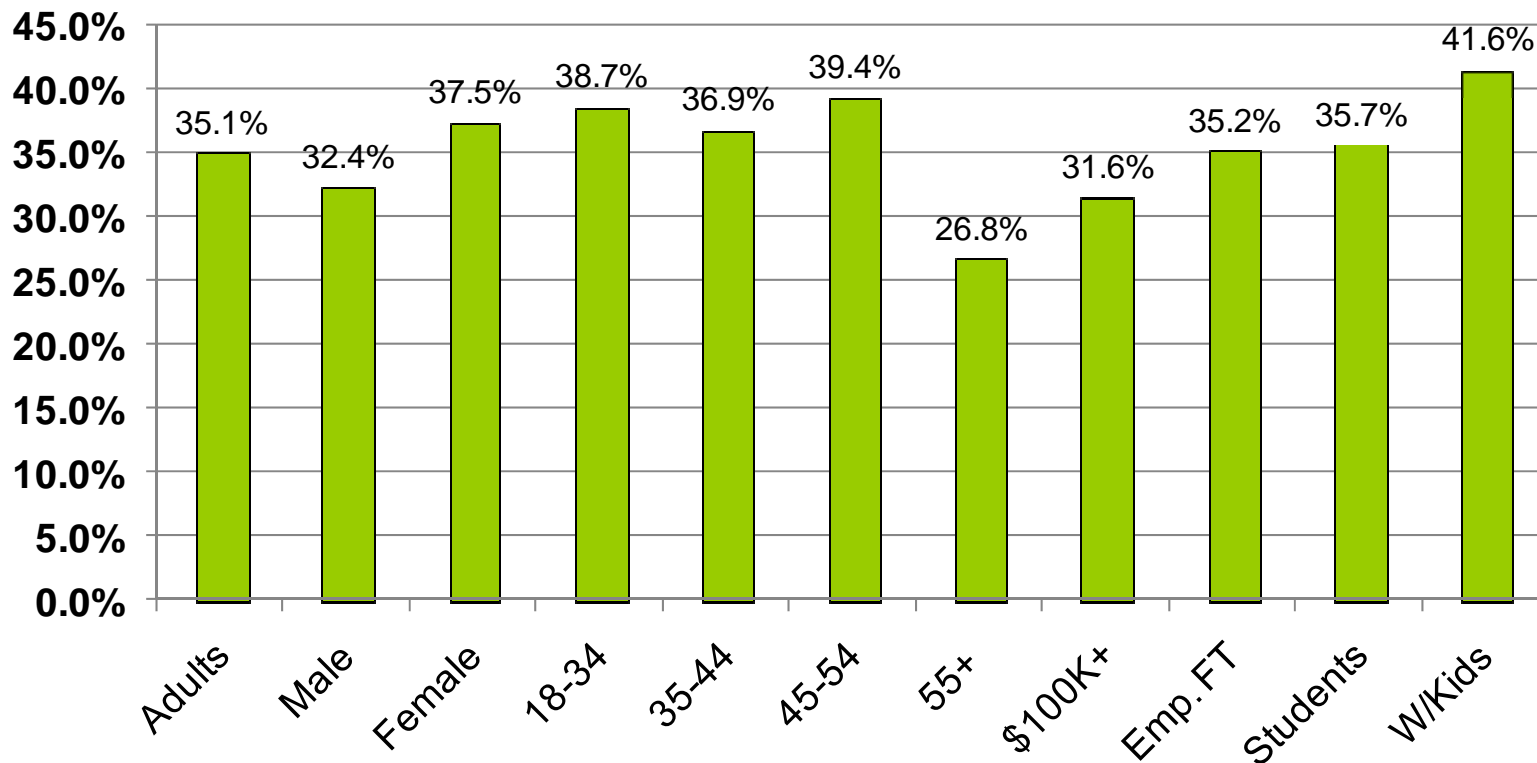
% Agree: Reading makes waiting go faster...



Base: Public place readers

Those in households with children are the most likely to enjoy reading in public places more than at home.

% Agree: I enjoy reading in public places more than I enjoy reading at home



Base: Public place readers

Not surprisingly, we found that public place readership correlates highly with public place distribution.

Our title-specific readership findings correlated with those of our earlier AudienceLab™ Study of Public Place Distribution.

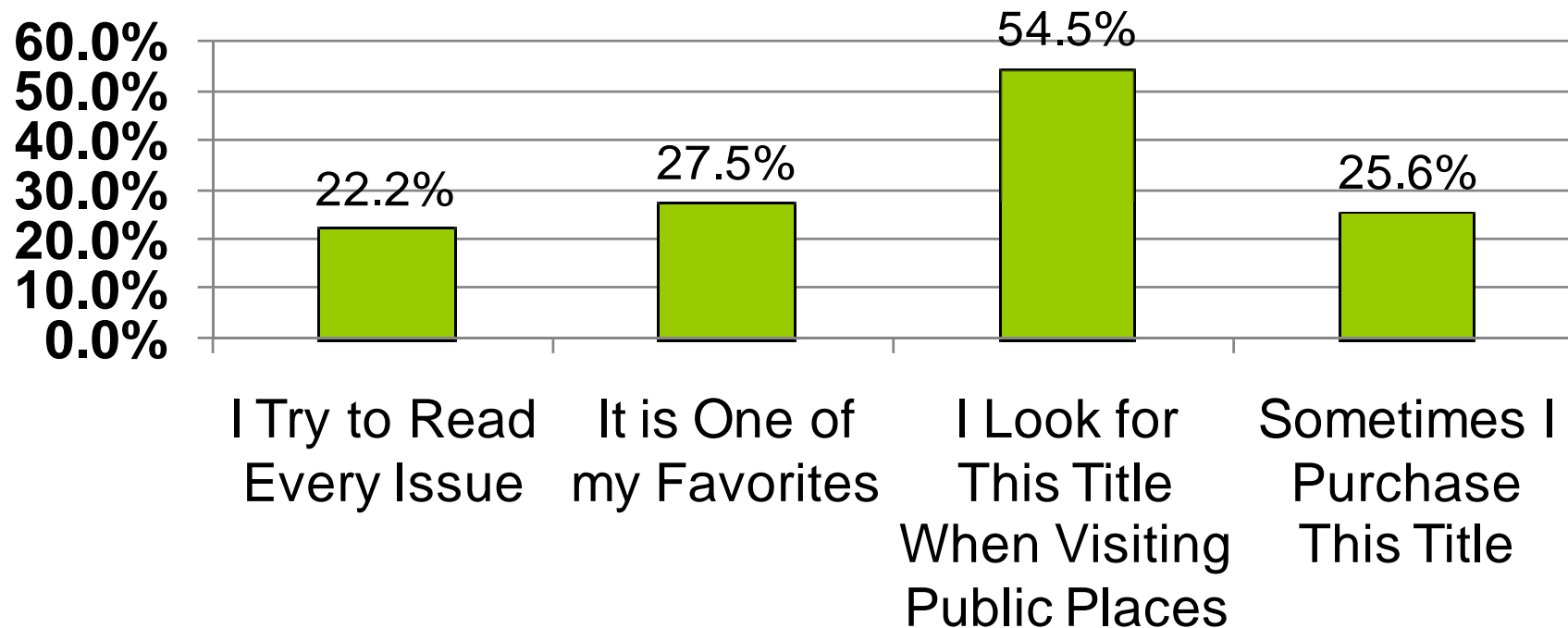
Correlation Between Distribution and Readership

	Monthlies	Weeklies
Barber/Beauty	.80	.91
Doctors/Dentists	.86	.77
Gyms & Fitness Facilities	.87	.92

Source: Projected Distribution from AudienceLab™ Study of Public Place Distribution and Public Place Readership from AudienceLab™ Study of Public Place Engagement

At the title level, more than half of public place readers said they look for the title they read when visiting public places.

Engagement Measures Across Individual Titles



Base: Public Place readers of individual titles

Summary

- Almost everybody reads in public places
 - 80% of population in last month
 - 86% of all magazine readers
- Public place readers look forward to reading in these venues and a significant proportion prefer reading in public places to reading at home.
- Public place readers are selective in their reading, seeking out their favorite titles and reading magazines that they are likely to purchase.

Summary

- Time spent reading overall and in public places increases with affluence.
- Because public place copies reach readers who are both engaged with the publications and demographically desirable, they provide substantial value for advertisers.