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The Value of Public Place Magazine Readership

The Douglas/Jones Group

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As advertising professionals assess the strengths and weaknesses of various media vehicles, one of the major benefits cited for print vehicles is the medium's portability. The consumer does not have to be seated in front of a TV, drive by a billboard, or be on-line at a computer. Magazine copies travel through time and space as they build their total audiences.

Advertising buying decisions are most frequently based on a magazine's total reach of a desired target audience and the cost efficiency of reaching that target. Of course, there are several other buying criteria that are important including editorial relevancy, magazine vitality (growing circulation, consistently meeting or exceeding rate base, reader affinity scores, total audience trends), composition of the desired target, ad positioning, and marketing or added value programs.

The cornerstone, however, of the buying process starts with total audience. Given the portability of magazines, several people have the opportunity to (and do) read a singular issue. In fact, according to historical MRI data, the average issue of the major magazines measured by their service is seen by four people. In the industry vernacular, this is what is meant by "readers per copy".

Print total readership is comprised, in its most simplistic terms, of those persons who read the vehicle in their own home, and those persons who read it in an out-of-home location. A custom database built by The Douglas/Jones Group and Mediamark Research (MRI) in 1997 showed that 48% of all magazine average issue readership occurs in an out-of-home environment.

Additionally, the same issue of a magazine may be read by a consumer multiple times, and in multiple locations. As a result, MRI reports 67% of all readership occasions happen out-of-home.

The above referenced analysis has, to date, only examined the average issue for MRI measured titles. It has not taken into consideration the number of issues published in a year by the title (their issue frequency). As this phase is completed, it is believed that the importance of out-of-home will rise as many weeklies (from People and Entertainment Weekly to news magazines like Newsweek and Time) have higher out-of-home compositions. The MRI/DJG analysis will also document that the out-of-home importance has been consistent over time (trending data to come) and in fact, may be growing in importance.

The importance of this environment was very clearly explained by Timothy Joyce, founder of both TGI and MRI in the U.S. His 1974 white paper, Magazine Readers per Copy, showed that for the typical magazine, 10% of the magazine's copies delivered 50% of a publications total audience.

The driving force in this are public place locations like doctor's offices, beauty salons, and barber shops where, because of the volume of people traffic, magazines achieve multiple pick-ups. Various research studies, both public and proprietary, over the last twenty years have shown that these locations can achieve from 12 to 40+ readers per copy (about two a day at 40 level). Most notable, was a 1983 report from Family Circle on a multi-year research study which proved over 17 readers per copy in public places. A list of all U.S. and International studies on this topic is attached and they are available through the Advertising Research Foundation (ARF).

The definition of out-of-home readership includes: someone's else' home, at newsstand, and the classic public place locations (medical, dental, beauty and barber, other retail locations such as automotive repair facilities).

The advertising value of out-of-home readership is considerable. The majority of ad agency buying decisions are made on total audience (and target composition). There are selected agencies that discount out-of-home readership by 30-50%, but this is not the majority practice as any lessened advertising communication value has never been documented. In fact, some major magazines that are seen as powerhouse ad vehicles, have a majority of their audience out-of-home:

Magazine	% Out-of-Home Readership
People	62.3
Cosmopolitan	55.6
Vogue	61.9
GQ	69.3
Newsweek	58.8
Business Week	67.4

People Magazine (Time Inc.), in an independent study conducted by Roper Starch and presented at the January, 1996 ARF Print Readership Research Workshop, documented that out-of-home readers had, on average, very similar ad readership scores to those generated in-home.

Magazines, like all major media, are brands, with inherent equity, and a continued need to build trial and sampling. Public place copies are one of the foremost ways of generating awareness and stimulating trial. This is not unlike the challenge faced by packaged goods marketers in building trial.

It is believed that this challenge will intensify as the newsstand industry, long a primary sampling device, shrinks through wholesaler consolidation. Capell's Circulation Report (CCR) had predicted in December, 1996 that within two years the number of titles on newsstand could shrink by 1,500-2,000, saying "the newsstand marketplace will never be the same again." The September 22, 1997 CCR reported that 60% of ABC's consumer magazine members showed a decline in newsstand sale in June 1997 compared with the same period last year. He's called it the worst performance in fifteen years. If these trends perpetuate, the importance of public place copies for awareness and sampling will grow even more..

Also like grocery, there is a distribution battleground. The public place location has a strong degree of clout. They recognize the customer benefit of having magazines available. However, given the multitude of choices, they are in the driver's seat. Changes in the present distribution system will greatly restrict copy availability which will hurt all parties. Less audience and less ad value. Less sampling. Less consumer benefit through copy availability.

Today's system meets the objectives for all major constituencies: the publisher's distribution and sampling challenge, the advertiser's total audience, the physician (or beauty, et al) customer benefit, and all of our ultimate customers ... the consumer.

About the Authors

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Stephen A. Douglas is a leading media research expert. He began his career at J. Walter Thompson. He trained under Dr. Timothy Joyce at TGI, the precursor to MRI. He was Research Director for Newsweek Magazine, and later, U.S. News & World Report. He started his own firm, The Douglas Group in 1988. He has authored many papers on magazine readership including many on out-of-home readership. He is the U.S. Coordinator of the Worldwide Readership Symposium and a past Chairman of the MPA Research Committee.

