

The Magazine Handbook

A Comprehensive Guide for
Advertisers, Advertising Agencies and
Consumer Magazine Marketers
2003/04





MISSION STATEMENT

To support and promote the editorial and economic vitality
and the integrity of MPA member publications.

To be the marketing force to increase the share that magazines capture
of advertising dollars and of readers' time and money.

To defend the freedom to write and publish under the First Amendment.

To be the primary source of information and expertise about the
publishing industry for both its members and the community at large.

To advocate and litigate on behalf of the industry.

A Guide to Consumer Magazines

The Magazine Handbook is a comprehensive reference source for information about consumer magazines from Magazine Publishers of America (MPA). It includes facts and statistics about all aspects of the industry, as well as answers to the questions we are most frequently asked – all in one convenient, easy-to-use guide.

Here, you will find a revealing portrait of a medium that is uniquely positioned to help smart marketers communicate effectively. The Handbook contains information about magazines' editorial diversity, circulation and the unrivaled impact and effectiveness of magazine advertising. Most importantly, you'll see why magazines are indispensable to both readers and marketers alike.

The power of magazines stems from the relationship each magazine has with its readers. Consumers have a bond with their favorite magazines, and it is this relationship with the editorial product that enhances the credibility of the advertising environment, causing the consumer to take action. At a time when both readers and advertisers face

a broader array of media choices than ever before, magazines continue to provide value to both, in part, because the magazine industry is constantly developing and growing along with its readers. In addition to this handbook, the MPA offers other valuable resources for information about the industry:

- The MPA Website – **www.magazine.org** – where you can download an electronic copy of the handbook, access up-to-the-minute research or obtain other useful information.
- The MPA Information Center – available for use by members, advertisers and their agencies, the MPA Information Center offers personalized research services. The staff can provide data on historical trends, industry statistics, news, and much more. For more information, you can e-mail requests to infocenter@magazine.org or make an appointment to visit the Center in New York. Staff is available 9 a.m. – 5 p.m. EST, Monday thru Friday.

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For Virtually Every Human Interest, There is a Magazine

Reading a magazine is an intimate, involving experience that fulfills the personal needs and reflects the values of the reader, which is one reason the average reader spends 45 minutes* reading each issue. A magazine is a friend; a tangible and enduring companion; and an integral part of a reader's personal and professional life.

From fashion to technology, mainstream news to fitness, a magazine's editorial product focuses on the reader's interests and communicates in a way that is both informative and entertaining.

The following pages showcase the diversity and range of the magazine industry, reflecting the variety of reasons why consumers turn to the pages of their favorite magazines every day.

*Source: MRI Fall 2002.

Number of Magazine Titles

A Magazine for Everyone

Number of Consumer Magazines, 1992-2002

Year	Number of Magazines	
	Total*	Consumer Only
1992	14,870	–
1993	14,302	–
1994	15,069	–
1995	15,996	–
1996	17,195	–
1997	18,047	7,712
1998	18,606	7,864
1999	17,970	9,311
2000	17,815	8,138
2001	17,694	6,336
2002	17,321	5,340

Source: National Directory of Magazines, 2003. Oxbridge Communications.

*Includes, but is not limited to, consumer magazines.

New Magazine Launches

The Magazine Industry Continues to Innovate

In 2002, 289 new magazines were introduced to satisfy consumers' growing need to be informed and entertained.

Covering topics ranging from sports to automotive and computers and from ethnic to food and home service, the diversity of new magazine titles launched each year is a testament to the magazine industry's commitment to meeting the needs and interests of consumers. This table illustrates how magazines address the wide variety of consumer interests.

New and noted magazine launches are highlighted on a monthly basis on the MPA website at:

www.magazine.org/resources/fact_sheets/new_and_noted_2003

New Magazine Launches by Interest Category, 2002

Metro/Regional/State	32	Men's	7	Aviation	2
Special Interest	29	Fishing/Hunting	7	Babies	2
Sports	17	Business/Finance	7	Dogs/Pets	2
Home Service/Home	15	Epicurean	6	Dressmaking/Needlework	2
Automotive	15	Literary Reviews/Writing	6	Gardening	2
Crafts/Games/Hobbies	13	Travel	5	Gay/Lesbian	2
Ethnic	12	Religious/Denominational	5	Motorcycles	2
Computers	11	Political/Social Topics	5	TV/Radio/Communications	2
Women's	10	Health	5	Camping/Outdoor	1
Pop Culture	9	Entertainment/Performing Arts	5	Fitness	1
Music	9	Comics/Comic Technique	4	Gaming	1
Children's	8	Media Personalities	4	Photography	1
Art/Antiques	8	Bridal	3	Teen	1
Sex	8	Fashion/Beauty/Grooming	3	TOTAL	289

Note: This list represents weekly, bi-monthly, monthly, and quarterly titles only to meet MPA criteria.
Source: Samir Husni's Guide to New Consumer Magazines, 2003.

Percent of Total Editorial Pages by Subject

Magazines Inform and Entertain

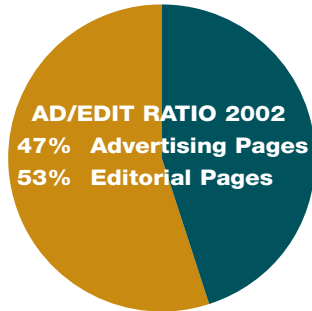
In 2002, the 116 magazines measured by Hall's Magazine Reports showed that the top three subject categories were Entertainment/Celebrity, Wearing Apparel and Home Furnishings.

Number of Editorial Pages by Subject, 2002

Type of Editorial	Editorial Pages	Percent	Type of Editorial	Editorial Pages	Percent
Entertainment/Celebrity	16,608.1	11.6%	Self Help/Relationships	5,748.9	4.0%
Wearing Apparel/Accessories	14,460.3	10.1	General Interest	5,446.9	3.8
Home Furnishings/Management	11,241.2	7.9	Personal Finance	3,601.9	2.5
Business & Industry	10,557.6	7.4	Building	3,266.8	2.3
Food & Nutrition	10,345.1	7.3	Global/International	2,987.4	2.1
Culture	9,406.4	6.6	Gardening & Farming	2,795.5	2.0
Travel/Transportation	8,369.1	5.9	Children	1,949.5	1.4
Sports/Recreation/Hobby	7,199.0	5.0	Consumer Electronics	1,293.8	0.9
Beauty & Grooming	7,041.0	4.9	Fiction	719.8	0.5
Health/Medical Science	7,025.2	4.9	Antiques	327.7	0.2
Miscellaneous	6,419.1	4.5	TOTAL EDITORIAL	142,576.8	100.0%
National Affairs	5,766.5	4.0			

Source: Editorial pages – Hall's Magazine Reports, December 2002.

Editorial and Advertising Contribute to the Reader Experience



Most magazines contain both editorial and advertising content; both inform and entertain. In addition, advertising revenue enables magazines to keep subscription and newsstand costs affordable for consumers.

In 2002, the ratio for consumer magazines was 47% advertising pages, 53% editorial pages.

Advertising vs. Editorial Pages 1992- 2002		
Year	% Advertising	% Editorial
1992	48.4%	51.6%
1993	49.9	50.1
1994	48.1	51.9
1995	49.1	50.9
1996	50.8	49.2
1997	50.7	49.3
1998	48.3	51.7
1999	49.4	50.6
2000	50.3	49.7
2001	45.1	54.9
2002	46.6	53.4

Source: Hall's Magazine Reports, December 2002.

Ten-Year Trend Shows Consistency

Total magazine circulation changed only 1 percent between 1992 and 2002, despite the proliferation of media options (see page 24). Beyond the handbook, more detail on circulation is available on the MPA Website at www.magazine.org/resources/factsheets.html. The MPA Website provides:

- Annual Combined Average Paid Circulation for all ABC Magazines, from 1970 – 2002
- Average Circulation for top 100 ABC Magazines
- Circulation Revenue for top 100 ABC Magazines
- Average Circulation for top 100 BPA Magazines

Magazines Let Consumers Choose



While some consumers prefer the convenience of home or work delivery, others choose to pick up copies of their favorite magazines at newsstands and other retail outlets.

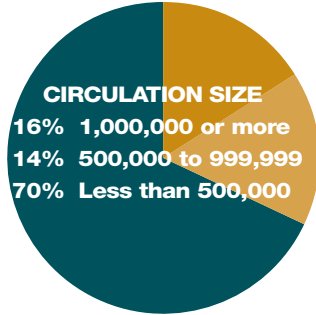
This chart shows the historical relationship between subscription and single copy sales. In 2002, 85% of total circulation was from magazine subscriptions, while single copy sales accounted for the remaining 15%.

Subscriptions/Single Copy Sales, 1992 - 2002			
Year	Subscription	Single Copy	Total
1992	291,613,749	70,694,310	362,308,059
1993	294,905,373	69,418,673	364,324,046
1994	295,648,763	67,917,148	363,565,911
1995	299,050,282	65,846,048	364,896,329
1996	299,532,710	65,984,883	365,517,593
1997	301,244,640	66,133,817	367,378,457
1998	303,348,603	63,724,643	367,073,246
1999	310,074,081	62,041,749	372,115,830
2000	318,678,718	60,240,260	378,918,978
2001	305,259,583	56,096,430	361,356,013
2002	305,438,345	52,932,601	358,370,946

Source: Averages calculated by the MPA from ABC statements each year. Comics, annuals and international editions are not included.

Number of Magazine Titles by Circulation Size

Magazines Come in all Sizes



According to the Audit Bureau of Circulations, (ABC) more than two-thirds of magazine titles have a circulation of less than 500,000.

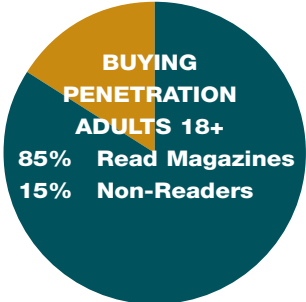
Paid Circulation for ABC Magazines by Circulation Size Groups, 2002

Circulation Size	MAGAZINES		TOTAL CIRCULATION	
	No. in Group	% of Total	For Group	% of Total Circ.
10,000,000 and over	3	0.5%	52,142,144	14.3%
5,000,000 - 9,999,999	3	0.5	23,446,466	6.5
2,000,000 - 4,999,999	31	5.6	92,883,736	25.9
1,000,000 - 1,999,999	53	9.6	70,709,373	19.7
750,000 -999,999	33	6.0	28,379,643	7.9
500,000 - 749,999	45	8.2	26,470,374	7.4
250,000 - 499,999	112	20.3	37,196,337	10.4
100,000 - 249,999	144	26.1	21,528,874	6.0
Under 100,000	128	23.2	6,614,001	1.9
TOTALS	552	100.0%	358,370,948	100.0%

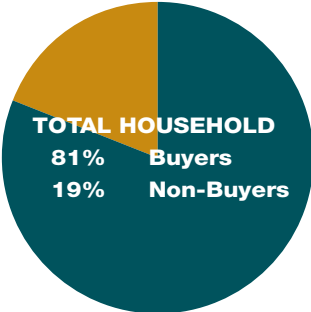
Sources: Averages calculated by the MPA from ABC statements, 2002.

Comics, annuals and international editions are not included.*Numbers may not total 100% due to rounding.

U.S. Magazine Penetration is Extensive



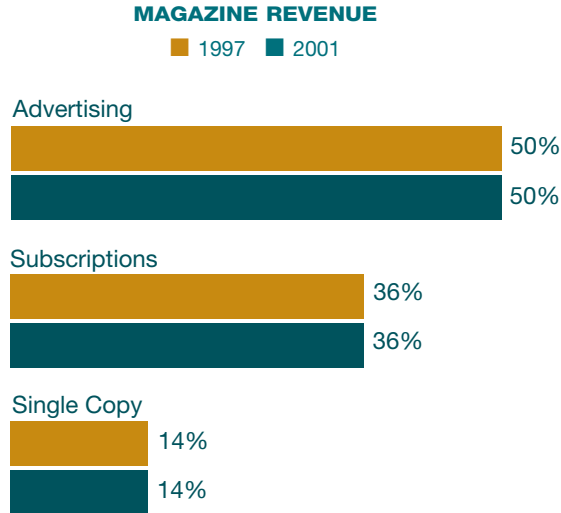
Over 80% of households read and/or buy at least one magazine title every year.



According to a landmark study on magazine buying patterns, more than four out of every five households read and/or buy at least one magazine title every year. Similarly, according to Mediarmk Research, Inc. (MRI), 85% of adults 18 and older read magazines. On average, every household purchases six different magazines annually, and almost six out of ten households both subscribe and purchase their magazines at a newsstand or other retail outlet.

Source: The Study of Magazine Buying Patterns, 1991, conducted by Audits & Surveys, Inc.; MRI Fall 2002.

Constant Revenue Source Over the Last Five Studies



According to a proprietary study of 65 representative magazines, circulation accounts for a significant portion of consumer magazine revenue. In 2001, 50% of revenue came from advertising and 50% came from circulation (the same ratio as in the fifth prior study).

Source: PriceWaterhouseCoopers Financial Survey, conducted for the MPA, 2002.

Average Single Copy/Subscription Price

Consumers Invest in their Magazines

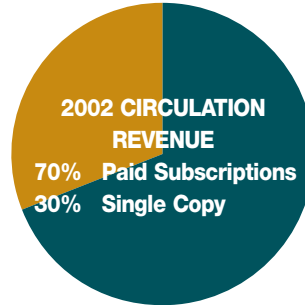
Over the years, consumers have proven their commitment to magazines by spending their hard-earned money to purchase them on the newsstand and/or by subscription.

Cost of Magazines, 1992 - 2002		
Year	Average Single Copy Price	Average 1 Year Basic Subscription Price
1992	2.67	27.77
1993	2.75	26.17
1994	2.81	28.51
1995	2.93	29.42
1996	3.06	29.44
1997	3.22	28.60
1998	3.33	25.38
1999	3.44	24.83
2000	3.83	24.41
2001	3.88	25.30
2002	\$ 4.11	\$ 25.70

Source: Averages calculated by the MPA from ABC statements, 2002.

Circulation Revenues Surpassed \$10 Billion

In 2002, circulation revenue surpassed the \$10 billion mark for ABC-audited magazines. **Paid subscriptions accounted for 70% of total circulation revenue, while single copy sales accounted for the remaining 30%.**



Circulation Revenues, 2002

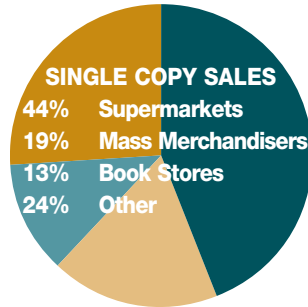
Paid Subscriptions	\$ 7,067,987,641
Single Copy	\$ 3,011,278,876
TOTAL	\$ 10,079,266,517

Source: Calculated by the MPA from ABC statements, 2002.

Consumers Rely on Multiple Outlets for their Magazines

According to Harrington Associates, 44% of all single copy purchases are made at supermarkets, followed by mass merchandisers, book stores and drug stores.

- 4,500 – 4,700 titles are sold at retail
- The average supermarket carries 700 titles, and may have 300 – 400 of those titles on the shelf at any given time
- Approximately 150,000 – 160,000 retail outlets in the U.S. sell magazines



Retail Sales by Channel, 2002	
	Percent
Supermarkets	44%
Mass Merchandisers	19
Book Stores	13
Drug Stores	10
Terminals	6
Convenience Stores	5
Newsstands	3
TOTAL	100%

Source: Harrington Associates, Norwalk, CT, 2003.

Top 10 Reasons To Advertise in Magazines

- Multiple studies have demonstrated that magazine advertising enhances marketing and advertising ROI across a broad range of product categories.*
- Ninety percent of magazine readers pay full and complete attention when reading magazines. Magazine readers demonstrate the lowest level of multi-tasking when compared with multi-tasking rates for other media. (Media Choices, BigResearch)
- Magazine advertising is enduring, allowing consumers multiple exposures to the content and allowing advertisers to confirm that their ads ran.
- Nearly 360 million copies of magazines were sold in 2002, demonstrating that customers are willing to pay their hard earned dollars for the medium they value. (ABC, 2002)
- Over time, magazine readership continued to grow, with a 5.4% increase among adults since 1998, outpacing the 4.4% growth in the adult population during the same period. (MRI)

*Documenting the Role of Magazines in the Mix; Sales Scan; ROI for DTC; ROI for Kraft; Measuring the Mix and What Drives Automotive Sales?

Top 10 Reasons To Advertise in Magazines *(continued)*

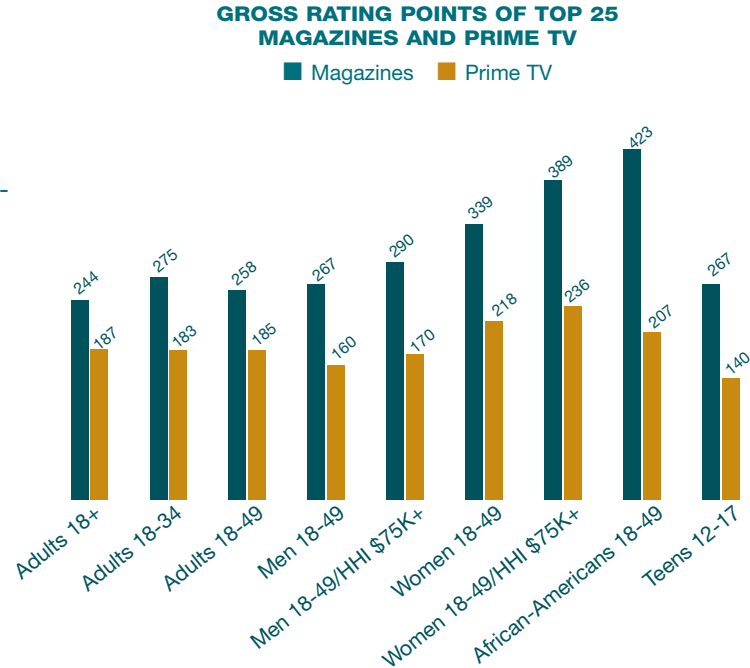
- Consumers trust and believe magazine advertising more than advertising in any other media. (Media Choices)
- Magazines offer opportunities for creative and “customizable” advertising that produce positive marketplace results (see www.magazine.org/casestudies).
- The top 25 magazines reach more adults than the top 25 TV programs. (Nielsen, MRI Fall 2002)
- Magazines allow advertisers to hone in on their target efficiently – including desirable high-end decision makers.
- The diversity of magazines lets advertisers choose the editorial environment that best fits their needs.

Magazine Reach

Magazines Outperform TV in Reaching Adults and Teens

Add up the ratings of each of the top 25 vehicles in magazines and regularly scheduled prime time TV, and you'll find that magazines continue to lead in reaching all key target audiences. Initiative Media recently released a cross-media comparison again documenting the power of magazines.

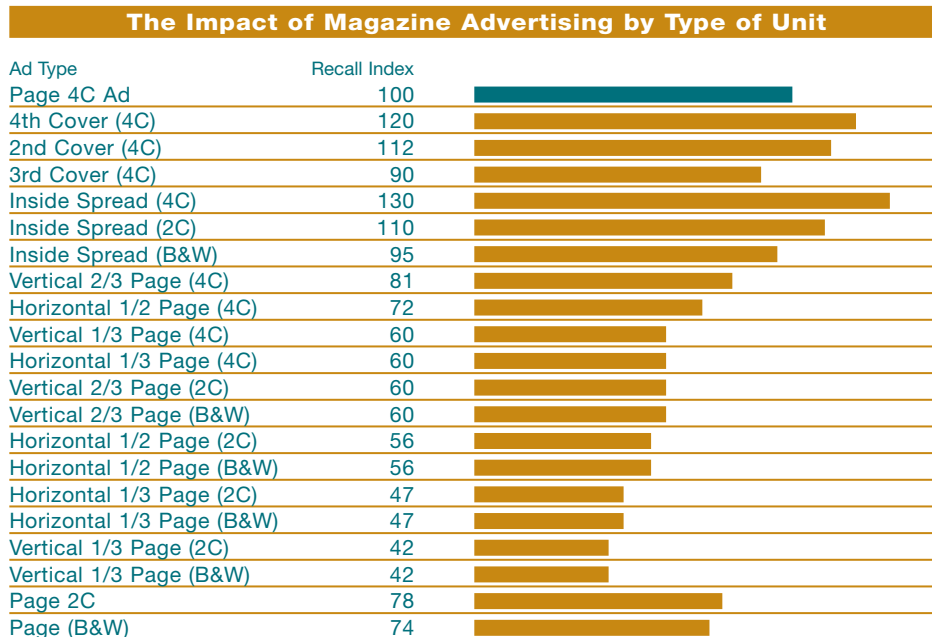
Note: Total GRPs were arrived at by adding the rating of each of the top 25 vehicles of each medium



Source: Nielsen, MRI Fall 2002

The Impact of Magazine Advertising by Creative and Positioning Units

The following 21 types of advertising units demonstrate the impact that size and position have on advertising recall. Based on a compilation of studies done by Burke, Starch, and Gallup & Robinson, the following indices show probable recall scores with a 4-color page as the base.



Source: Magazine Dimensions, 2003; Media Dynamics, Inc., based on Burke, Gallup & Robinson, Starch and other studies.

Heavy Readers of Magazines are A Desirable Target

Heavy Magazine readers tend to be affluent, educated, and employed in professional positions more so than heavy TV viewers.

Heavy Magazine Users vs. Heavy TV Users		
	Heavy Magazine Users	Heavy Television Users
Average Age	42	49
Average Household Income	\$71,292	\$51,106
Average Value of Owned Home	\$205,465	\$158,526
Graduated College+	120	72
HHI \$75,000+	120	68
Employed	111	79
Professional/Managerial	119	59
Top Management	122	64
Use Internet 3+ Times A Week	123	76

Source: 2002 MRI Fall
Magazine & TV users top 2 quintiles.

Where Magazines are Read

The Portability of Magazines Allows Consumers to Read them at Home or Away

Magazine Reading by Place

In own home	83%
Out of home	76
Doctor/Dentist Office	34
In Someone Else's Home	29
At Work	26
At a Newsstand/Store	25
Beauty/Barber Shop	14
At Library/Club/School	8
On an Airplane	6
Business Reception Room	6

Percentages add up to more than 100% due to multiple responses.
Source: MRI Fall 2002. Base: Magazine Readers.

The Influential Americans

Advertisers seek to register their messages with the one in ten Americans who exercise influence and control the levers of change in America, according to a new study by RoperASW, The Influential Americans. The Influentials rely on magazines for information and entertainment – at a rate significantly higher than the average American.

- The 21 Million Influential Americans display desirable characteristics:
 - The most active 10% of the public
 - Well-connected, well-informed, trusted
 - Someone you know and rely on
 - Word-of-mouth opinion leaders

Why the Influentials?

- Word of mouth is valued 1¹/₂ times more today by Americans than in 1977
- Word of mouth is valued twice as much as traditional advertising or editorial
- Society's opinion leaders – the Influentials – are twice as likely as the average person to generate word-of-mouth.

3+ magazine titles read	Influentials	Index vs. U.S. Pop
At Home	54%	169
Out of Home	25	139
Read Magazines (often/occasionally)	81	127
Use Magazines for news or information	65	159
Read a Magazine at least 2-3 times per wk	77	135

Source: The Influentials, RoperASW

Diverse Populations Are Magazine Readers

MPA's Market Profiles series offers an in-depth look at the African-American/Black, Asian-American and Hispanic/Latino markets. Each group is an important, growing segment of the U.S. population. Each group is uniquely redefining the culture of the U.S. in areas such as food, apparel and music. And, each group displays specific magazine readership patterns.

- Over eight out of 10 African-American/Black adults (84%) are magazine readers – read on average 13.3 issues per month, compared to 9.7 issues (per month) for all U.S. adults.
- Nearly three out of our African-American/Black adults (74%) who read magazines are between the ages of 18-49 (compared to only 64% of the U.S. adult population).

- There are over 120 Asian-American magazine titles published in the United States.
- Asian-Americans represent only 4% of the U.S. population, but account for over \$250 billion in buying power.
- Nearly 75% of adult Hispanic/Latinos read magazines. They read about nine issues per month, the same as the U.S. average.
- In just three years, the total paid circulation for ABC-Measured Hispanic/Latino magazine titles grew by 21% – with total subscriptions surging about 60%

For more detail on the Market Profiles series visit
www.magazine.org/marketprofiles

Source: MRI Fall 2002, ABC, U.S. Census

Magazines' Share of all Media Stays Strong

Across all media, magazines' share of spending has remained strong. Only network TV and newspapers had a bigger share of the market than magazines.

Share of Advertising Dollars (percent)												
	Magazines	Sunday Magazines	Newspapers	National Newspapers	Outdoor	Network TV	Spot TV	Syndicated TV	Cable TV	Network Radio	National Spot Radio	Internet
2000	17	1	18	4	2	19	16	3	10	1	3	7
2001	17	1	18	3	2	19	15	3	11	1	2	7
2002	16	1	19	3	2	20	16	3	11	1	2	6

Source: PIB, CMR, CMRI.

Note: Numbers may not add up to 100 due to rounding.

Magazine Advertising Revenue \$16.7 Billion

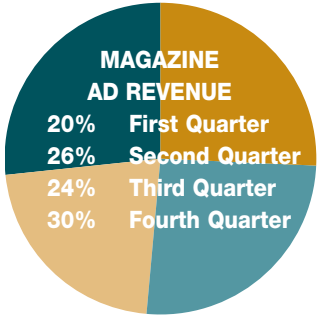
In 2002, magazine revenue came in at the second highest level ever. On a monthly basis, ad pages and revenue are updated on the MPA Website at www.magazine.org/pib

Magazine Advertising Pages and Revenue, 1992 - 2002		
Year	Pages	Revenue
1992	163,513	7,141,903,718
1993	176,973	7,625,491,794
1994	180,589	8,504,647,259
1995	208,378	10,114,898,726
1996	213,781	11,179,246,682
1997	231,371	12,754,950,695
1998	242,383	13,813,403,372
1999	255,383	15,508,357,011
2000	286,932	17,665,305,333
2001	237,613	16,213,541,737
2002	225,620	\$ 16,689,292,164

Source: PIB; Sunday supplements excluded.

Magazine Spending by Quarter

The second and fourth quarters are stronger for magazine advertising revenues.



Quarterly magazine advertising revenue is updated on the MPA Website at www.magazine.org/pib

Magazine Ad Revenue by Quarter, 2002

	(Billions)	Percent of Total
First Quarter	\$3.3	20%
Second Quarter	4.4	26
Third Quarter	4.0	24
Fourth Quarter	5.0	30
TOTAL	\$16.7	100%

Source: PIB; Sunday supplements excluded.

Top 12 Magazine Advertising Categories

Top Categories Account for 86% of all Spending

The 12 top advertising categories account for 86% of total magazine spending, according to the Publishers Information Bureau. **During 2002, Automotive was the largest magazine advertising category, followed by Toiletries & Cosmetics, Drugs & Remedies and Household Furnishings & Supplies.**

Magazine advertising revenue by class is made available during the second week of each month on the MPA Website at www.magazine.org/pib

Magazine Advertising Revenue – Top Categories, 2002		
Category	Ad Revenue 2002	Ad Revenue 2001
AUTOMOTIVE	\$1,792,947,520	\$1,665,544,021
TOILETRIES & COSMETICS	\$1,510,090,395	\$1,381,927,098
DRUGS & REMEDIES	\$1,404,929,998	\$1,205,238,193
HOME FURNISHINGS & SUPPLIES	\$1,358,995,166	\$1,176,978,705
FOOD & FOOD PRODUCTS	\$1,332,353,803	\$1,198,291,043
APPAREL & ACCESSORIES	\$1,265,155,054	\$1,307,934,396
DIRECT RESPONSE	\$1,134,593,305	\$1,066,011,921
TECHNOLOGY	\$1,093,433,542	\$1,191,610,540
MEDIA & ADVERTISING	\$1,021,621,483	\$943,819,098
FINANCIAL, INSURANCE & REAL ESTATE	\$938,900,637	\$926,214,760
RETAIL	\$864,365,587	\$866,396,850
TRANSPORTATION, HOTELS & RESORTS	\$695,983,780	\$731,063,918
TOTAL	\$14,413,370,270	\$13,661,030,543

Source: PIB; Sunday supplements excluded.

Top 50 Magazine Advertisers

The World's Most Successful Marketers Depend on Magazines

Consumer magazine advertising is bought by a diversity of product categories that represent a range of targets.

Top 50 Magazine Advertisers, 2002

Rank	Company	Ad Dollars	Rank	Company	Ad Dollars
1	PROCTER & GAMBLE CO	\$496,488.2	17	HEWLETT-PACKARD CO	106,241.3
2	GENERAL MOTORS CORP	395,514.5	18	BRADFORD EXCHANGE LTD.	102,207.5
3	ALTRIA GROUP INC (PHILIP MORRIS)	381,984.6	19	NATIONAL AMUSEMENTS INC	101,159.5
4	AOL TIME WARNER INC	272,675.6	20	ESTÉE LAUDER COS INC	99,040.3
5	DAIMLERCHRYSLER AG	259,210.7	21	RECKITT BENCKISER PLC	97,789.4
6	FORD MOTOR CO	251,184.7	22	WALT DISNEY CO	97,269.0
7	JOHNSON & JOHNSON	249,745.2	23	MERCK & CO INC	96,301.9
8	L'ORÉAL SA	240,613.6	24	MICROSOFT CORP	96,252.5
9	TOYOTA MOTOR CORP	223,274.3	25	CAMPBELL SOUP CO	91,303.3
10	UNILEVER	176,764.7	26	DIAGEO PLC	86,696.6
11	GLAXOSMITHKLINE PLC	170,672.8	27	LVMH MOËT HENNESSY LOUIS VUITTON SA	84,715.8
12	NISSAN MOTOR CO LTD.	163,646.2	28	MARS INC	83,046.4
13	PFIZER INC	155,148.8	29	AVENTIS SA	82,814.2
14	NESTLE SA	148,695.3	30	NIKE INC	82,512.8
15	CLOROX CO	135,396.1	31	MEDIA NETWORKS INC	79,085.4
16	HONDA MOTOR CO LTD.	134,173.0	32	IBM CORP	78,004.1
			33	KIMBERLY-CLARK CORP	75,703.9
			34	BRISTOL-MYERS SQUIBB CO	73,361.0
			35	US GOVT	71,334.4
			36	SONY CORP	69,371.8
			37	BEIERSDORF AG	65,217.7
			38	ADVANCE PUBLICATIONS INC	63,578.3
			39	BERTELSMANN AG	63,130.3
			40	SARA LEE CORP	62,713.4
			41	PEPSICO INC	62,084.1
			42	KOHLBERG KRAVIS ROBERTS & CO	61,250.4
			43	GENERAL ELECTRIC CO	58,661.8
			44	APPLE COMPUTER INC	58,545.2
			45	BROWN-FORMAN CORP	57,848.7
			46	SCHERING-PLOUGH CORP	57,687.6
			47	WOMENS MARKETING INC	55,160.4
			48	NOVARTIS AG	53,102.2
			49	AMERICAN EXPRESS CO	53,063.8
			50	CHARLES SCHWAB CORP	52,568.2

TOP 50 MAGAZINE ADVERTISERS TOTAL SPENDING

\$6,434,011.4

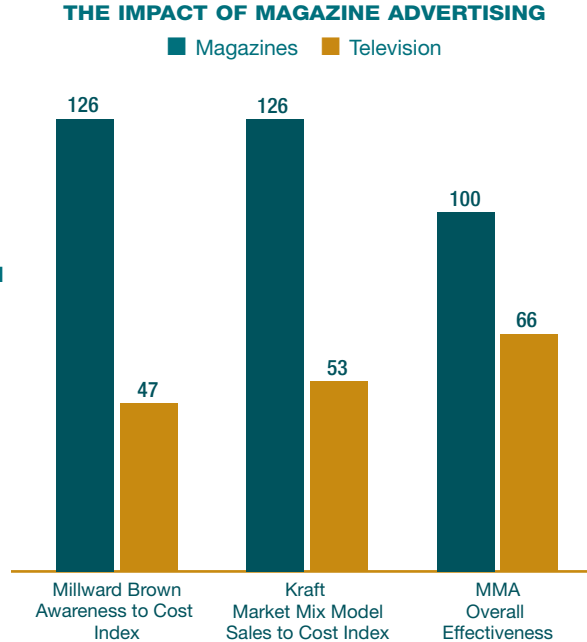
Source: PIB; Sunday supplements excluded.

Magazines Consistently Demonstrate That They Positively Contribute to Advertising ROI

Multiple studies have shown that dollar for dollar magazines are more effective than television at generating advertising awareness and product sales.

For more information on advertising effectiveness visit our website at: www.magazine.org/resources/research.html

Source: Documenting the Role of Magazines in the Mix, (Millward Brown); Kraft/MPA Study by IPSOS-ASI and ACNielsen; Measuring the Mix (Marketing Management Analytics).

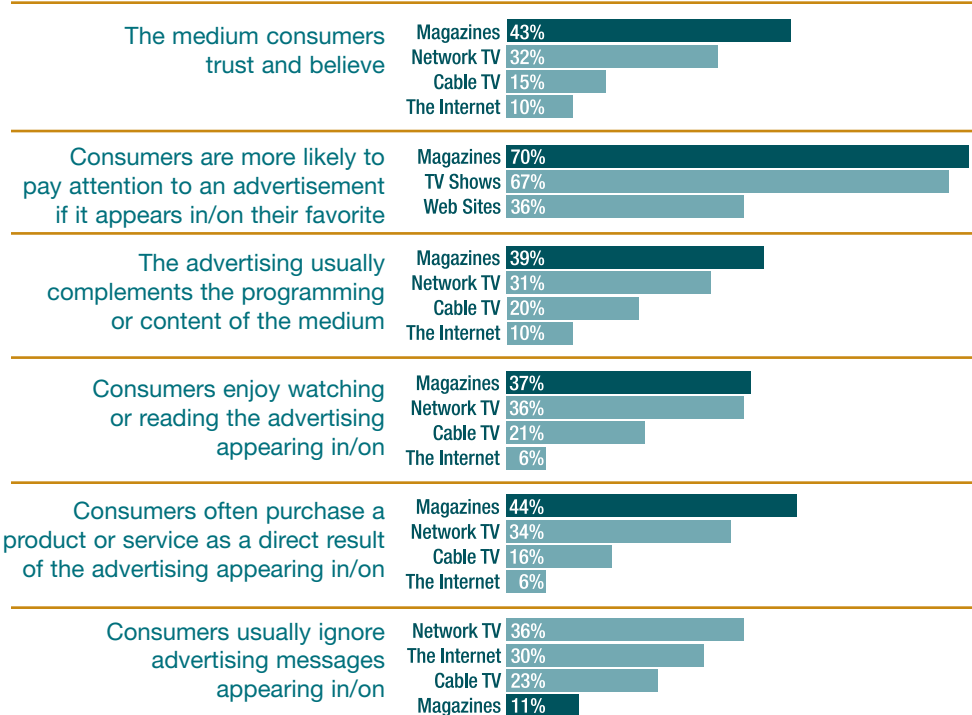


Consumers Respond to Magazine Advertising

Advertising in magazines grabs consumers' attention and motivates them to purchase the products and services advertised.

For more information on consumers' relationships with media and the impact of those relationships on advertising, please refer to Media Choices found at www.magazine.org/resources/research.html

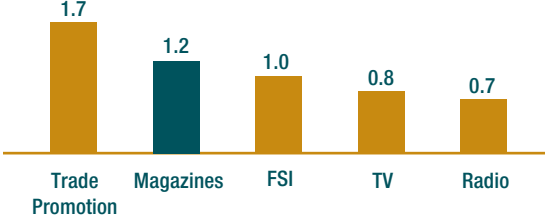
Source: Media Choices.



Magazines Improve Marketing and Advertising ROI

Magazine advertising produces a higher ROI than other media studied second only to trade promotion.

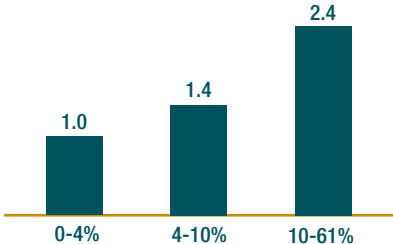
OVERALL EFFECTIVENESS OF MARKETING ELEMENTS



Base: 140 brands.

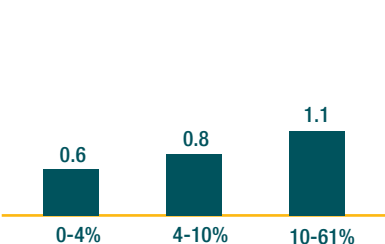
Increased magazine advertising improves both trade promotion and TV advertising ROI.

TRADE PROMOTION EFFECTIVENESS



Percent of marketing budgets spent in magazines. Base: 130 brands.

TV ADVERTISING EFFECTIVENESS



Percent of marketing budgets spent in magazines. Base: 130 brands.

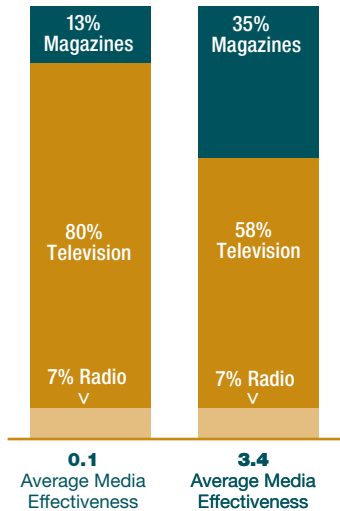
To quantify the incremental sales impact of magazine advertising in relation to other elements in the marketing mix, MPA teamed up with Marketing Management Analytics (MMA), a leader in the field of predictive sales modeling. This study analyzed 186 brands across 13 different product categories over a combined seven year period, from 1994-2000. Topline findings of the study clearly demonstrate the power of advertising, of a balanced marketing mix, and of magazines' ability within the mix to improve return on marketing investment. In fact, **magazines are the strongest media contributor to ROI regardless of budget, category position, seasonality and brand longevity.**

Source: Marketing Management Analytics/Measuring the Mix.

Magazines Improve Marketing and Advertising ROI *(continued)*

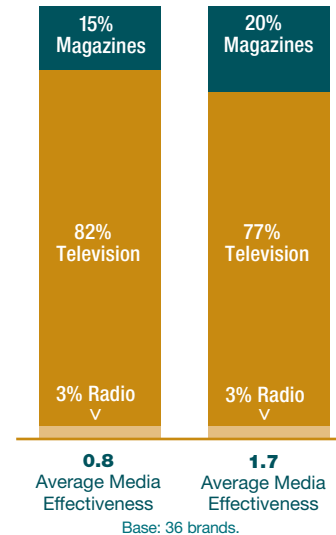
For those brands with a higher percent of magazines in the media mix, total media effectiveness is substantially higher (0.1 vs 3.4 average media effectiveness).

IMPACT OF THE MEDIA MIX ON EFFECTIVENESS



For brands that changed their media mix over time, total media effectiveness more than doubled when magazines were increased as part of the media mix (0.8 vs. 1.7 average media effectiveness).

COMPARING MEDIA MIX OF SAME BRANDS OVER TIME

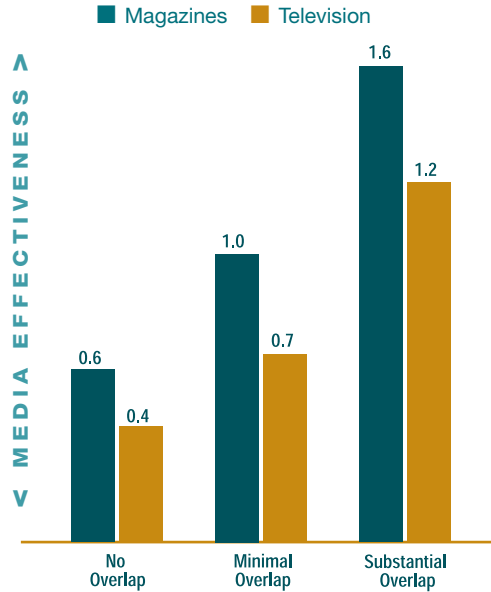


Source: Marketing Management Analytics/Measuring the Mix.

Magazines Improve Marketing and Advertising ROI *(continued)*

Scheduling
magazines
and television
together
improves
ROI for
both media.

IMPACT OF WEEKLY FLIGHTING ON EFFECTIVENESS



Base: 56 brands with weekly data available.

Source: Marketing Management Analytics/Measuring the Mix.

Magazines Drive Automobile Sales

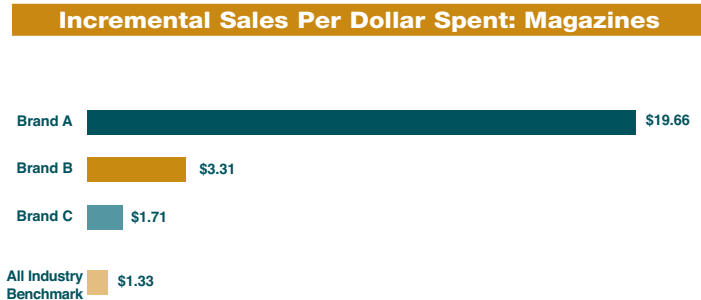
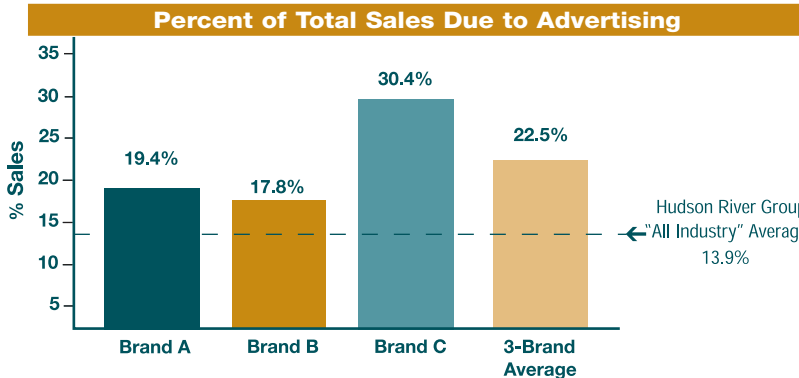
Results from a new study by Hudson River Group (HRG), commissioned by MPA, documents the power of advertising and magazines in the marketing mix for automotive marketers. MPA partnered with a major automotive advertiser to study three makes/models that represent different vehicle categories and marketplace characteristics over a three-year period.

■ **Advertising efficiently contributed to sales volume for all three brands.**

- 17.8% to 30.4% of total volume was driven incrementally. (The HRG “All-Industry” average is 13.9%.)
- All brands returned at least 3 1/2 sales dollars for each dollar spent in advertising. The average was nearly a ten-fold return.

■ **Magazines are a key factor in generating sales volume efficiently**

- An average of 2.2% of total volume was driven by magazine advertising. The HRG “All Industry” average is 1.9% for perspective. According to J.D. Power & Associates, a point in the automotive market today is worth nearly \$4 billion.
- Return on investment (ROI) for all three models was positive for magazine advertising. Each dollar invested in magazines returned more than one dollar in incremental sales and more than HRG’s benchmark.



Magazines Drive Automobile Sales *(continued)*

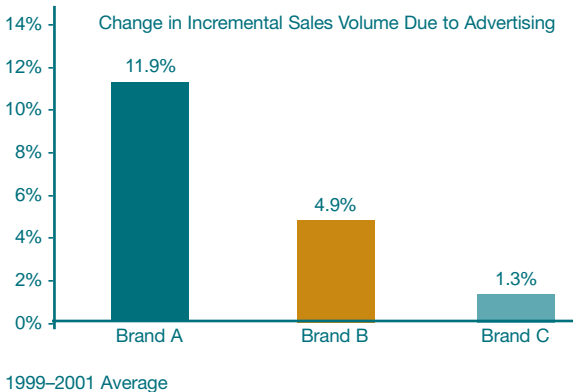
■ Magazines rarely experienced saturation, while television often exceeded the point of diminishing return.

Percent of Weeks Above Saturation 1999 – 2001

	TV	Magazines
Brand A	39%	0%
Brand B	53%	2%
Brand C	51%	0%
Average	48%	1%

■ Significant gains in overall advertising impact can be achieved by reallocating “over-saturated” TV weight to magazines.

Benefit of Reallocating “Excess” TV Weight



Magazines Provide DTC Advertisers with Improved ROI

A dollar spent in the allergy category among consumers exposed to magazine advertising resulted in a \$2.51 return, far greater than the same investment in TV or in a magazine and TV mix. These findings from a study commissioned by MPA and conducted by PERQ/HCI, a leading pharmaceutical research company, came from a tracking of awareness, recall and message association against actual costs provided by the manufacturers. Powerful returns for magazines in a category where at the time almost 7 of ever 10 ad dollars were spent on TV.

For more information on advertising effectiveness visit www.magazine.org/resources/research.html

Source: PERQ/HCI.

RETURN ON ADVERTISING INVESTMENT



Magazines Produce Higher Advertising Awareness than Television

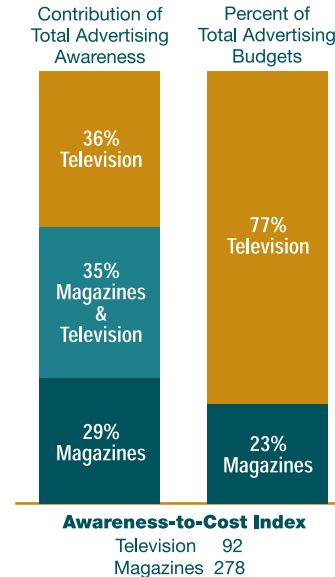
Millward Brown International is a global research firm specializing in advertising tracking and awareness studies. Millward Brown's client list includes many of America's leading companies, representing a diversity of consumer products and services.

An analysis of Millward Brown's extensive U.S. ad-tracking database revealed the power and efficiency of magazines in generating advertising awareness. The relationship between total advertising expenditures and the share of advertising awareness for 113 brands across 22 product categories in the database that employed a media mix of both magazines and television for the period of 1996 through 1997 revealed that:

- **Dollar for dollar, advertising expenditures in magazines produced significantly higher advertising awareness levels than television.**
- **The “media-multiplier” concept is strongly supported. More than one-third of the total advertising awareness achieved by the 113 brands measured was a result of a combination of both television and magazines.**

For more information on advertising effectiveness visit www.magazine.org/resources/research.html

SHARE OF ADVERTISING AWARENESS AND SPENDING
113 BRAND AVERAGE ACROSS 22 CATEGORIES



Source: Millward Brown International; Competitive Media Reporting.

Magazine Advertising Generates Short-Term and Long-Term Sales

Sales Scan examined the purchase behavior of households that were exposed to specific magazine campaigns and compared them to a demographically and geographically matched group of households that were not exposed to the advertising. Using 10 different packaged goods brands that fit a variety of criteria, the Sales Scan study conducted by AC Nielsen measures the sales impact of magazine ads on the products people buy. Topline findings revealed:

Magazine Advertising Generates Short-Term Sales

- More households exposed to magazine advertising purchased the advertised product for 9 of the 10 brands measured
- Volume increased among magazine-exposed households for 8 of the 10 brands measured
- Sales increased among magazine-exposed households for 8 of the 10 brands measured

Magazine Advertising Generates Sales Over Time

- Households buying the advertised product increased at a greater rate – or declined at a lesser rate – among exposed households for 7 of the 10 brands measured
- Sales of the advertised product increased at a greater rate – or declined at a lesser rate – among exposed households for 6 of the 10 brands measured
- Share of the advertised product increased at a greater rate – or declined at a lesser rate – among exposed households for 6 of the 10 brands measured

ACNielsen's Homescan Consumer Panel™, a 50,000+ member household panel which captures UPC-coded consumer purchase information across a variety of outlets, was used.

Grand Prize Winner Crispin Porter + Bogusky for BMW MINI

The MPA Kelly Awards for outstanding magazine advertising are truly unique. No other award recognizes the best magazine advertising, as defined by advertising that demonstrates creative excellence and produces positive market place results.

To view the campaigns from all 25 Kelly finalists and see other case histories visit www.kellyawards.org



This year, the Kelly Awards Grand Prize went to Crispin Porter + Bogusky for their outstanding work on the MINI launch campaign.

To rev up awareness and anticipation for the MINI, a non-traditional approach was taken, mirroring the non-traditional nature of the car. The campaign used a variety of titles and leveraged features unique to magazines -

such as a car swerving around staples in a spread insertion and interactive cut-outs that allow readers to build their own MINI.

It worked. Crispin Porter + Bogusky successfully drove home results - sales in 2002 exceeded goal by 22%, and U.S. MINI awareness rose from 2% before the launch, to 25% post-launch.

Gold Award Peterson Milla Hooks for Target

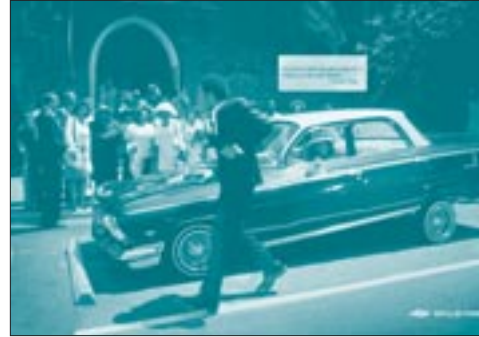


The latest magazine campaign from Target makes you want to jump right into the pages and join the fun. To persuade consumers that Target delivers a fresh and

adventurous experience, Peterson Milla Hooks relied on magazines in the media mix because they reach a broad spectrum of people through very “targeted” titles—and an environment that helped reinforce what shopping at Target can bring to their lives.

Sales grew by over 16% and comparable store sales increased over 4% during the campaign, more than doubling objectives.

Silver Award Campbell-Ewald for Chevrolet



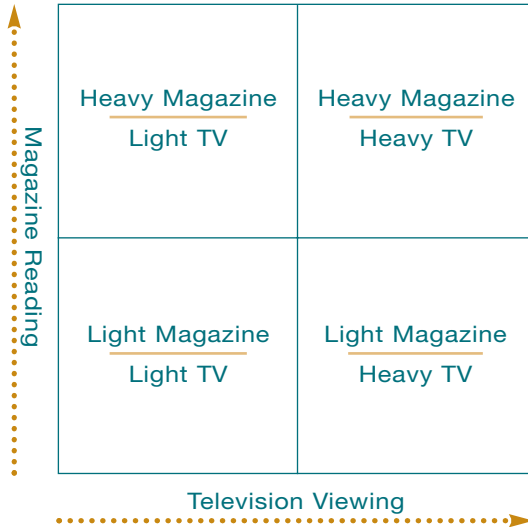
Who can't remember at least one tune about a Chevy? Campbell-Ewald Advertising thought of several for their winning campaign incorporating some of the 200

songs written about Chevrolets.

This catchy campaign, targeted to 18-to-34-year-olds, linked Chevy with American culture to demonstrate the brand's cultural relevance. Magazines spoke to consumers through a medium they were passionate about, and allowed for promotional activities that strategically fit with the music-based approach. And sing along they did — the campaign was so well received that several musical artists asked to be part of it.

How Consumers Mix their Media

Media Quad Maps® identify consumers habits



Media Quad Maps® plot the media usage profile of demographic groups, product users, or other qualities on a two-dimensional graph.

By plotting the media score index values of products, demographics or other qualities on a two-dimensional graph, users can identify the media usage habits of consumers. The two media serve as the X and Y axis. Magazine readership is plotted on the vertical axis, and television viewership on the horizontal axis. The center point on the graph where the two lines intersect represents the 100/100 index of the two media.

The location in one of the four comparative quadrants (lighter to heavier for each medium) represents television viewership and magazine readership among consumers simultaneously in a clear graphic representation. The following Media Quad Map® showcases consumers' media usage habits for a variety of demographics.

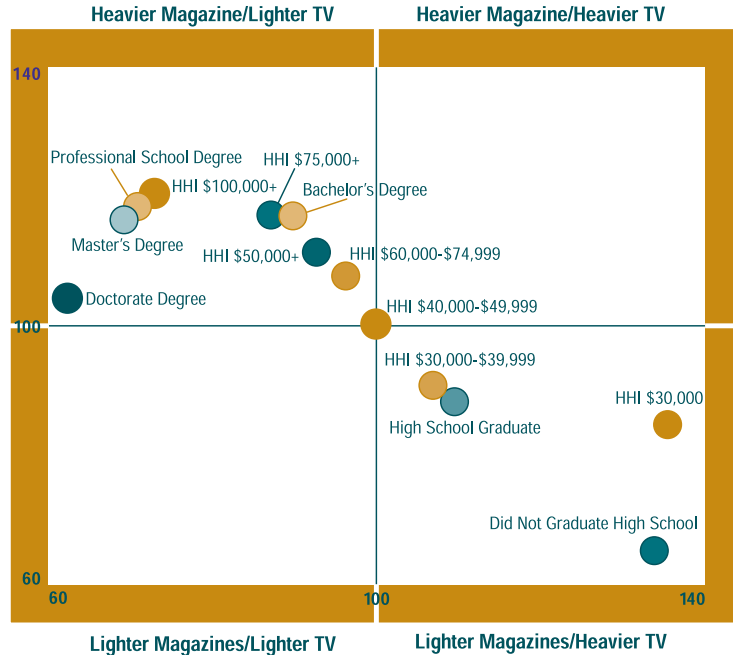
Magazine Readers are More Upscale than TV Viewers

- The more educated the individual and the more affluent the household, the more likely they are to be magazine readers. And the heavier their magazine readership.
- Individuals with Master's and Doctorate Degrees and those with household incomes of \$75,000+ are more likely to be magazine readers and less likely to be TV viewers than the average U.S. adult.

Copies of Media Quad Maps® for several additional demographic groups and advertising categories are available at

www.magazine.org/resources/research.quadmaps.html

Source: IMS., MRI Fall 2002



MPA and its Affiliates

Magazine Publishers of America (MPA) is the industry association for the consumer magazine business. Established in 1919, MPA represents almost 240 domestic publishing companies with approximately 1,400 titles; plus more than 60 international companies; and nearly 100 associate service providers.

In our roles as industry promoter and protector, and information seeker and provider, MPA works to ensure the future of magazines. Vital areas of service to its membership include:

- Government Representation
- Research and Marketing Promotion
- Consumer Marketing
- Professional Development
- Information and Reference
- Networking

For MPA membership contact:

Leecia Manning, Membership Manager, MPA

E-mail: LManning@magazine.org

MPA Affiliates

American Society of Magazine Editors (ASME)

ASME, founded in 1963, has a membership of more than 900 chief and senior editors; it sponsors a broad program serving the interests and concerns of magazine editors.

For ASME information contact: Marlene Kahan, ASME, Executive Director; E-mail: MKahan@magazine.org

Media Credit Association (MCA)

MCA provides its members an advertising credit guideline service. MCA monitors the payment habits of all advertising agencies that place advertising in MPA member magazines.

For MCA information contact: Vaughn Benjamin, VP/MCA, E-mail: VBenjamin@magazine.org

Publishers Information Bureau (PIB)

PIB is a membership organization that tracks the amount and type of advertising carried by consumer magazines.

For PIB information contact:

A. Wayne Eadie, President, PIB; E-mail: WEadie@magazine.org

For PIB subscriptions contact:

B. John Ciotoli, Competitive Media Reporting
685 Third Avenue, 4th Floor, NY, NY 10017.

Tel: (212) 991-6000; E-mail: JCiotoli@cmr.com

Conferences and Events

MPA conferences and events provide opportunities for the entire industry to meet to discuss the challenges at hand and to celebrate the power of the magazine medium as well as the individuals who keep the medium vital.

The American Magazine Conference MPA's annual American Magazine Conference, a members-only event co-sponsored with ASME, has become the most important event of the consumer magazine industry, with more than 650 of the highest-level publishing executives and editors regularly attending. The conference addresses the big-picture challenges and issues affecting the magazine industry and provides publishers and editors with a valuable opportunity to exchange ideas with their peers throughout the industry. AMC takes place in October of each year.

The Retail Conference & EXPO: Marketing Magazines and Books The annual Retail Conference, co-sponsored with the International Periodicals Distributors Association (IPDA) brings together the entire retail distribution channel – retailers, national distributors, wholesalers and publishers – for an open exchange and dialogue. The Retail Conference & Expo takes place in the late winter of each year.

National Magazine Awards Informally referred to as the “Ellies” (after the Alexander Calder stabile “Elephant” that is presented to each winner), the National Magazine Awards recognize outstanding magazine journalism. The event is held each year in May.

The Lifetime Achievement Awards In January 2003, MPA and ASME jointly established their lifetime achievement awards. The Lifetime Achievement Awards combines what was formerly the Henry Johnson Fisher Awards, which were established in 1967 and ASME's Magazine Editors' Hall of Fame Award, established in 1995. The awards dinner takes place the last Wednesday of January each year.

The MPA Kelly Awards for Outstanding Magazine Advertising The Kelly Awards were established in 1981 to promote the pursuit of the highest standards in magazine advertising and to focus attention on the importance of achieving results. The Kelly Awards winners and finalists are announced in late spring each year.

Magazine Days The MPA collaborates with local ad clubs around the country in presenting magazine days, a forum for industry news and education.

Resources

Industry Periodicals and Web Site Resources:

Advertising Age www.adage.com

One of the leading sources of marketing and advertising news. The online version features selected articles from the print version as well as the "top" lists.

ADWEEK www.adweek.com

Trade publication featuring creative, client/agency relationships and advertising strategies. Online site features selected articles and classified section from print version.

Circulation Management www.circman.com

Trade publication that focuses on consumer marketing including retail and direct mail for magazines.

DM News www.dmnews.com

DM News is the weekly "Newspaper of Record" for the direct marketing industry.

FOLIO www.foliomag.com

Trade publication that focuses on strategies and tactics for magazine management.

Media Central www.mediacentral.com

Selected news stories from Cowles' wide array of trade publications covering publishing, media, and marketing.

MEDIAWEEK www.mediaweek.com

Trade publication targeting media specialists. The online version features several stories from print version and interactive polls on media topics.

Romenesko's MediaNews www.poynter.org/medianews

Romenesko's MediaNews for the Poynter Institute, a Florida non-profit school for journalists.

Research/Reference

American Demographics www.demographics.com

Publication covering demographic trends in America from a marketer's perspective. Online version features selected articles.

American Journalism Review News Link <http://ajr.newslink.org/mag.html>

AJR NewsLink is a joint venture of American Journalism Review, published by the University of Maryland Foundation, University of Maryland, and NewsLink Associates, a research, consulting and publishing firm. Its Web site posts magazine and other journalism listings.

A.M.I.C. The Advertising Media Internet Center www.amic.com

Created by Telmar. A broad collection of links to media-related resources, message boards, a media book store and research tools (such as media calculators).

Audit Bureau of Circulations (ABC) www.accessabc.com

Audit organization for consumer periodicals. Subscription required.

Business of Performing Audits (BPA) www.bpai.com

Provider of auditing services for trade/business and consumer publications. Free access to audit statements.

Columbia Journalism Review www.cjr.org

Columbia Journalism Review has information and insight about journalism and public policy. It includes a helpful resource called "Who Owns What," a database of media owners.

Gebbie Press www.gebbieinc.com

An all-in-one media directory listing TV stations, radio stations, newspapers, and magazines.

Resources

Market IQ

www.marketiq.com

An organized and updated electronic library of direct marketing pieces.

Mediafinder

www.mediafinder.com

Provides listings from Oxbridge's periodical directories. Fairly comprehensive listing of magazines, newspapers, catalogs, and newsletters.

Mediamark Research Inc. (MRI)

www.mediamark.com

Provider of research data and services for the advertising industry. Site describes available research studies and tools and allows free access to some top-line data.

Mr. Magazine: Samir Husni

www.mrmagazine.com

Samir Husni is the Hederman Lecturer and Professor of Journalism at the University of Mississippi. His Web site tracks and posts new launches of magazines monthly.

PubList.com

www.publist.com

PubList is the only Internet-based reference for more than 150,000 domestic and international print and electronic publications including magazines, journals, e-journals, newsletters, and monographs.

Simmons

www.smr.com

A provider of syndicated and custom research for publishers and advertising agencies. Subscription required.

Standard Rate and Data Service (SRDS)

www.srds.com

Publisher of media rates and data for magazines and other media. Subscription required.

Directories

Benn's Media Directory

United Business Information Services
Riverbank House, Angel Lane, Tonbridge, Kent,
TN9 1SE, United Kingdom
Phone: 011 44 01732 362666
Fax: 011 44 01732 367301
<http://www.ubminfo.com>

Gale Directory of Publications and Broadcast Media

Gale Research

P.O. Box 9187, Farmington Hills, MI 48333-9187

Phone: 800-877-GALE

Fax: 800-414-5043

<http://www.gale.com>

National Directory of Magazines

Oxbridge Communications, Inc.

150 Fifth Avenue, Suite 302, NY, NY 10011

Phone: 800-955-0231

Fax: 212-633-2938

<http://www.mediafinder.com>

Samir Husni's Guide to New Consumer Magazines

Samir Husni

1739 University Avenue, Oxford, MS, 38655

Phone: 662-513-0159

Fax: 662-234-9266

<http://www.mrmagazine.com>

SRDS (Standard Rate & Data Service) Business, Consumer and Agri-Media Publications

1700 Higgins Road, Des Plaines, IL 60018-5605

Phone: 800-851-SRDS

Fax: 847-375-5001

<http://www.SRDS.com>

Resources

Standard Periodical Directory

Oxbridge Communications, Inc.
150 Fifth Avenue, New York, NY 10011
Phone: 800-955-0231
Fax: 212-633-2938
<http://www.mediafinder.com>

Ulrich's International Periodical Directory

121 Chanlon Rd. New Providence, NJ 07974
Phone: 800-346-6049
Fax: 908-771-7725
<http://www.bowker.com>

Directories – Miscellaneous

Encyclopedia of Associations

Gale Research
27500 Drake Road, Farmington Hills, MI 48331
Phone: 248-699-4253 x1505
Fax: 248-699-8062

Standard Directory of Advertisers and Standard Directory of Advertising Agencies

National Register Publishing Co.,
121 Chanlon Rd., New Providence, NJ 07974
Phone: 800-521-8110
Fax: 908-464-3553

Reference Books

The American Almanac of Jobs and Salaries,
Avon Books, New York, NY, Annual.

The American Magazine, Janello and Jones,
Harry N. Abrams, Inc, New York, NY, 1991.

American Mass Market Magazines, Nourie and
Nourie, Greenwood Press, CT, 1990.

*Career Opportunities in Magazine Publishing,
The Ultimate Guide to Succeeding in the
Business*, Ralph Monti, Special Interest Media,
Bloomfield, NJ, 1999.

A History of American Magazines, Frank Luther
Mott, Harvard University Press, Cambridge,
MA, 1967.

*Launch Your Own Magazine: A Guide to
Succeeding in Today's Marketplace*, Samir Husni,
Hamblett House, Nashville, TN, 1998.

Magazine Dimensions, Ed Papazian, Media
Dynamics, NY, Annual.

The Magazine, Lenonard Mogel, GATF Press,
Sewickley, PA, 1998.

The Magazine: From Cover to Cover, Sammye
Johnson and Patricia Prijatel, NTC Publishing
Group, Chicago, IL, 1999.

The Magazine in America, Tebbel and
Zuckerman, Oxford University Press, New York,
NY, 1991.

Mediamorphosis: Understanding New Media,
Roger Fidler, Pine Forge Press, CA, 1997.

*Starting & Running a Successful Newsletter or
Magazine*, Cheryl Woodard, Nolo Press, 1997.

*When Ads Work: New Proof that Advertising
Triggers Sales*, John Philip Jones, Lexington
Books, NY, 1995.

**MPA's web site, www.magazine.org
is an ideal source for magazine industry
statistics and research.**

**A member service, the
MPA Information Center also provides facts and figures
on the magazine industry.**

**Beginning November 1, 2003,
MPA's address will change:
810 Seventh Avenue
New York, NY 10019-5818**

