



# The Power of Public Place

May 2007

*CMS provides publishers with public place distribution that is:*

- **Of high quality**
- **Strategically targeted**
- **Sustainable**
- **Competitively priced**



**Partnership  
Towards Improved  
Audience**

**McPheters & Company**

**is working with CMS to help publishers and advertisers understand the value of public place distribution. Our firm:**

- Has pioneered audience modeling
- Has Identified strong links between public place and measured audience
- Is aggressively pursuing new ways to document the quality of public place

**Circulation accounts for an average of only 30% of a publication's revenue base.**

**A publication's profitability is predicated upon its ability to deliver readers who fall into advertisers' targets.**

---

**As a result, publishers need to be concerned not only with meeting ratebase, but in improving audience size and quality.**

# For each circulation source, you should take into consideration:

- Is the copy read?
- How many people read it?
- Who are they?
- Are they desirable advertising targets?

# When utilized appropriately, public place distribution has the potential to:

- Increase measured audience and, as a result, ad revenues
- Generate readers who are
  - Engaged
  - Demographically desirable
- Generate trial of the publication
- Aid in the attainment of ratebase

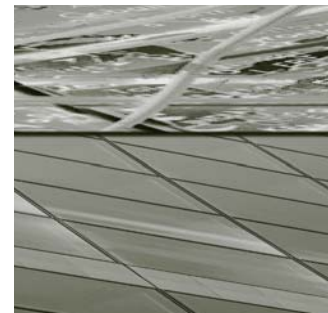
# Public place copies can be used to target highly desirable consumers...

## ■ Through careful selection of appropriate outlets, such as

- Beauty parlors for fashion publications
- Country clubs for golf publications
- Pediatricians offices for parenting titles

## ■ Through placement in outlets in geographic areas qualified based on demographic and behavioral variables, such as

- High median income
- Low median age
- Readership behaviors



Public place distribution can enhance the value that publishers offer advertisers by enabling them to reach more readers who are involved, demographically qualified, and responsive to their advertising message.

---

Because of its potential for enhancing audience, public place distribution should be an integral part of circulation strategy for most publications.

# Public place distribution represents a good way not only to generate trial, but to enhance audience.

	Adult Pop.	Visited Doctor	Visited Dentist	Visited Beauty	Visited Barber	Visited Gym/Spa
% Population Visiting in Last Month		59.7%	31.7%	44.3%	27%	29.4%
Avg. # of Visits		1.15	.43	.8	.7	1.12
% Population Visiting in 5 or More Times		5.5%	1.3%	4.1%	.3%	16.5%
# of Titles Read	19.2	21.4	22.3	21.9	20.6	22.8
% Female	51.7%	56.6%	63.2%	77.2%	13.1%	51.5%

# Demographics\*

	Adult Pop.	Visited Doctor	Visited Dentist	Visited Beauty	Visited Barber	Visited Gym/Spa
Median Age	45.0	47.2	47.5	37.7	43.8	37.5
Median Income	\$53,550	\$53,700	\$60,030	\$53,660	\$60,780	\$70,490
Employed FT/PT	64.0%	66.0%	67.9%	67.2%	68.8%	74.4%
Graduated College or More	37.5%	37.1%	40.8%	41.0%	44.7%	54.7%

\* Those who visited in last month

# Average # of visits in the past month

Location	Total	Male	Female
Doctor's Office	1.15	.94	1.35
Dentist's Office	.43	.31	.55
Beauty/Hair/Nail Salon	.80	.30	1.26
Barber Shop	.36	.61	.13
Gym/Spa/Fitness	1.12	1.11	1.14

# Women are substantially more likely to go to doctors' offices than men.

Doctor's Office	Total	Male	Female
Average # of Visits	1.15	.94	1.35
% Visiting in Last Month	59.7%	53.6%	65.4%
% Visiting 5 or More Times	5.5%	3.1%	7.8%

# Women are also more likely to go to dentists' offices than men.

Dentist's Office	Total	Male	Female
Average # of Visits	.43	.31	.55
% Visiting in Last Month	30.7%	23.2%	37.8%
% Visiting 5 or More Times	1.3%	1.2%	1.5%

# Two-thirds of women visited a beauty salon in the last month.

Beauty Salons	Total	Male	Female
Average # of Visits	.8	.3	1.26
% Visiting in Last Month	44.3%	31.0%	66.0%
% Visiting 5 or More Times	4.1%	0.0%	7.9%

# Men go to barber shops less often than women go to beauty salons.

Barber	Total	Male	Female
Average # of Visits	.36	.61	.13
% Visiting in Last Month	27.0%	48.5%	6.9%
% Visiting 5 or More Times	0.3%	0.0%	0.7%

# Men and women are equally likely to go to the gym.

Gym/Spa/Fitness	Total	Male	Female
Average # of Visits	1.12	1.11	1.14
% Visiting in Last Month	29.4%	29.7%	29.1%
% Visiting 5 or More Times	16.5%	16.2%	16.8%

# Visitors to waiting rooms offer a captive and enthusiastic audience

- Public place readers are more focused and less likely to multi-task than other readers (34% vs. 54%)
- 95% of public place readers report they would be upset, feel underserved or bored if no magazines were available in public places
  - 87% claim the time spent waiting would drag
  - 72% would be upset that magazines were no longer available
  - 63% would feel the location was not trying to make the visit as enjoyable as possible

Source: Time Inc/Mediaedge:cia Study

---

While most of the work done by McPheters & Company is proprietary, in 2004 we worked with Condé Nast to better understand the effects of public place distribution on the measured audience of a number of their titles.

The findings were presented with Condé Nast's Scott McDonald at that year's Worldwide Readership Symposium in Cambridge.

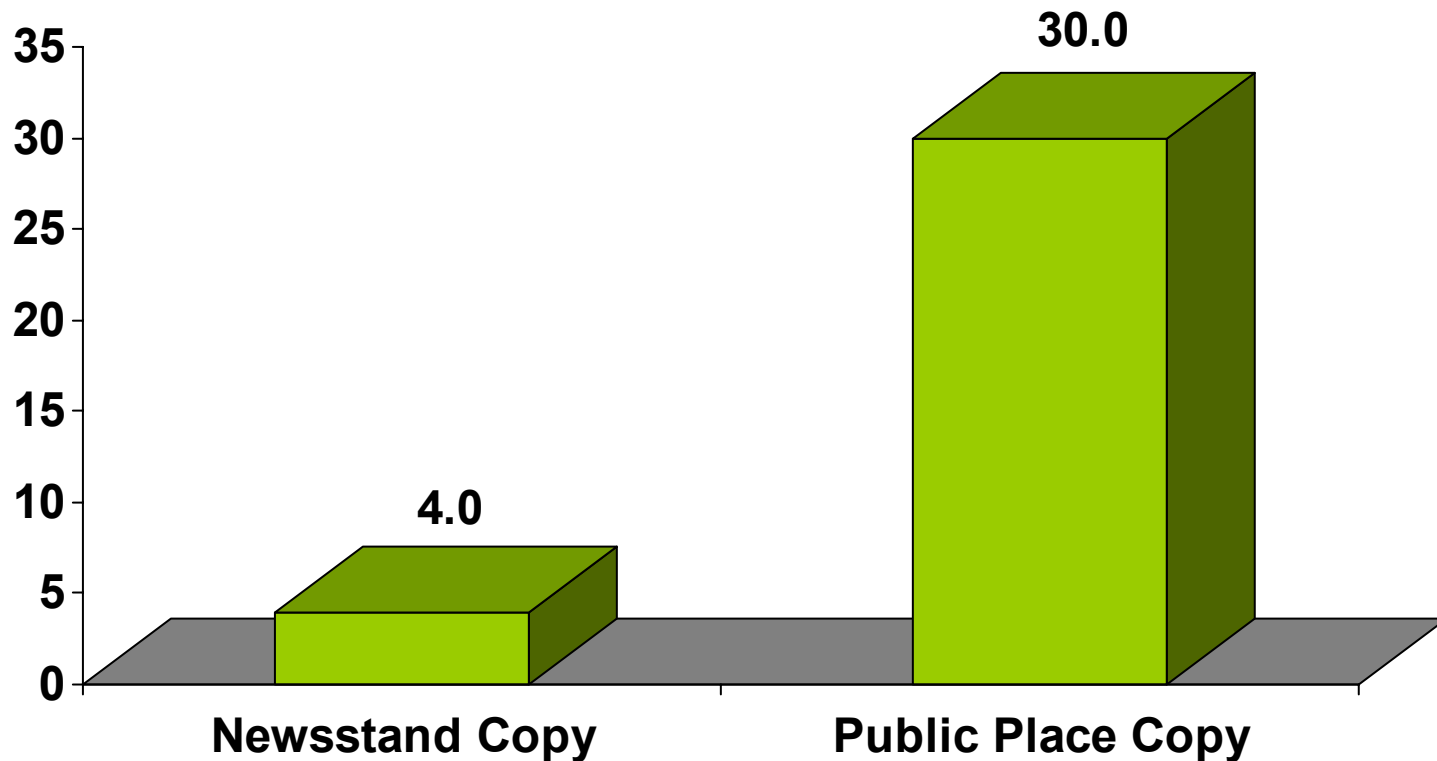
# The analysis was based upon:

- Statistical regression
- 6 years worth of detailed information for 3 Condé Nast monthlies
  - Measured audience (MRI)
  - Detailed circulation by source
- Application of MRI information on audience composition for public place audiences vs. those who had purchased a copy of the magazine at a store or newsstand

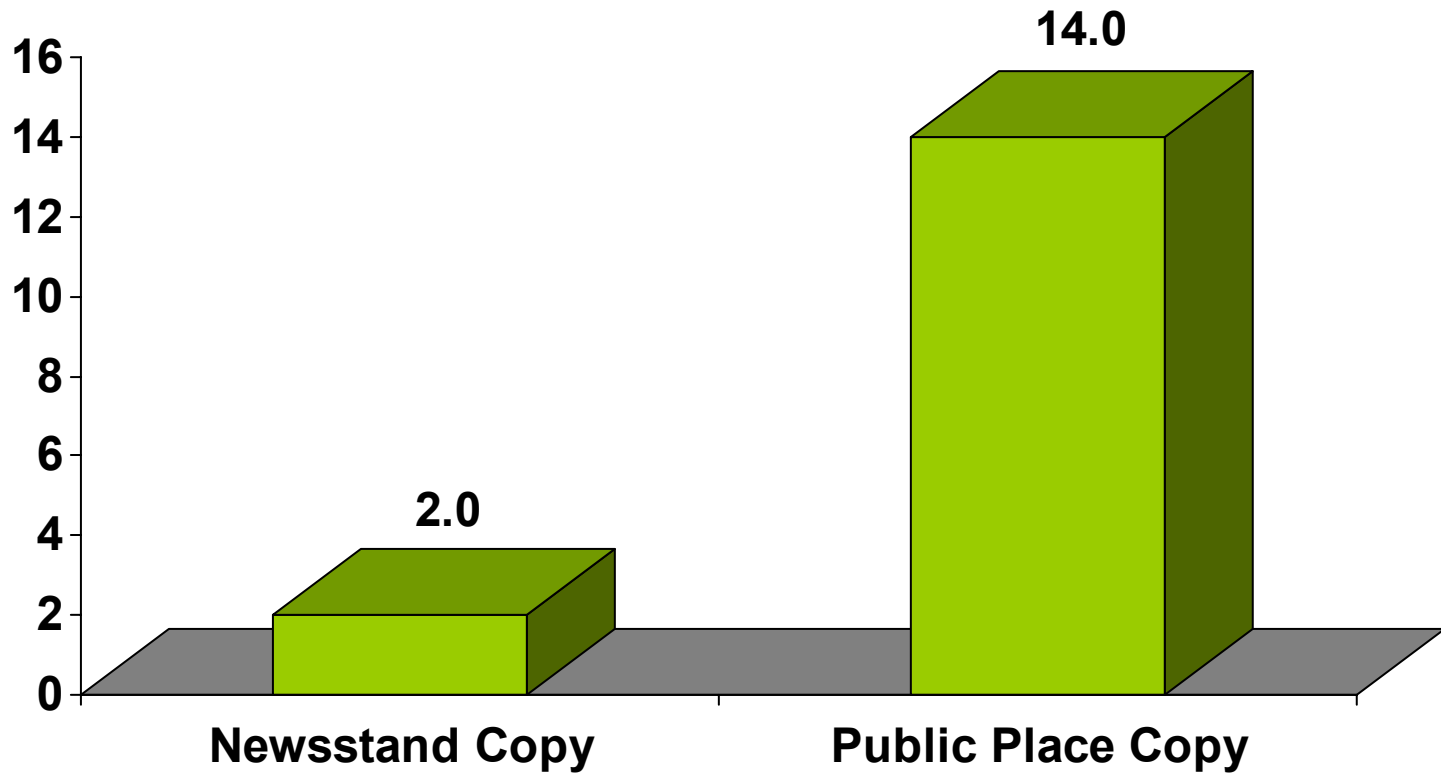
# For these publications we found that:

- A newsstand copy generates a reader-per-copy of about 4.
- Across all outlet types, public place generates about 30 readers-per-copy.
- Beauty parlor copies contribute about 55 readers-per-copy.

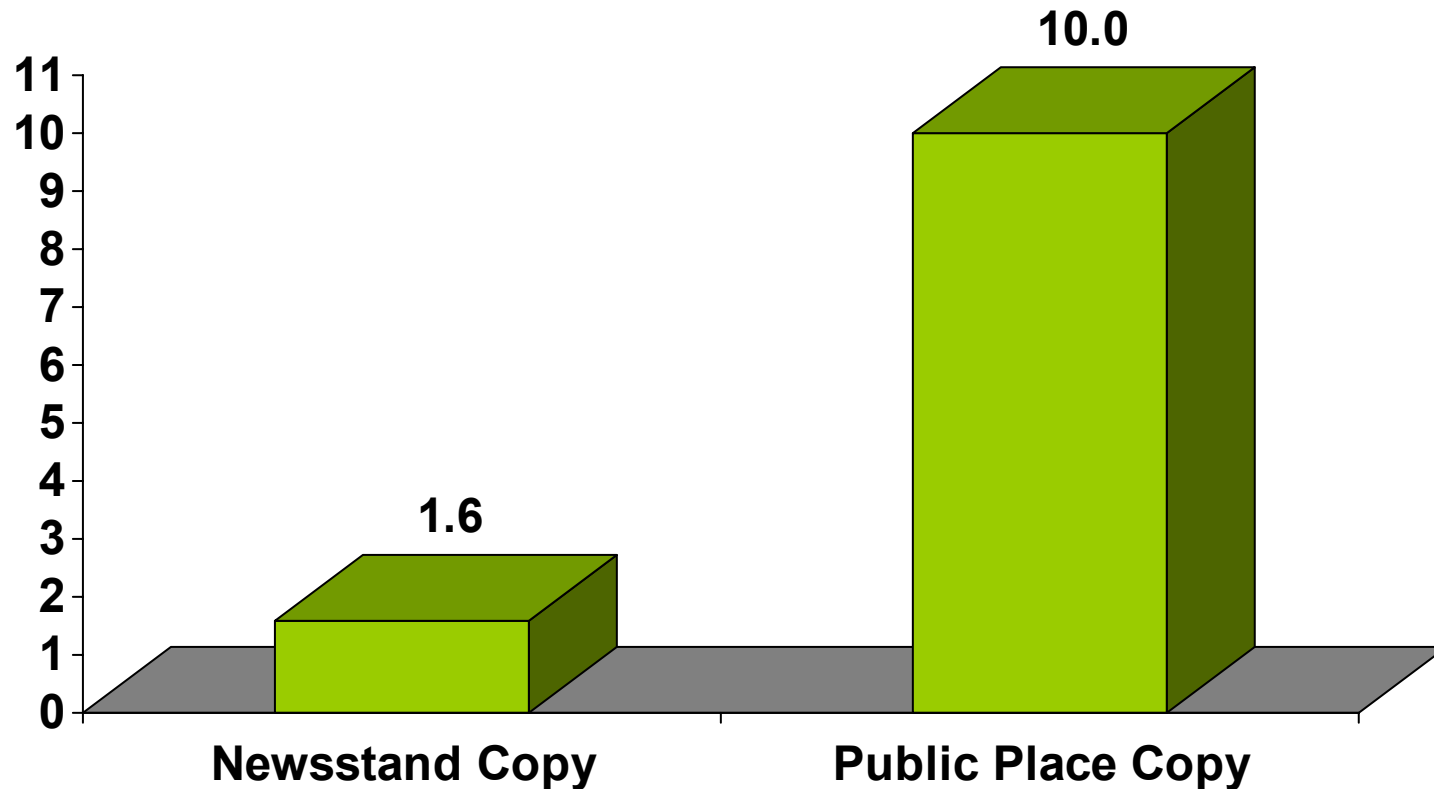
The public place copies generated 7.5 times as many readers as the newsstand copy.



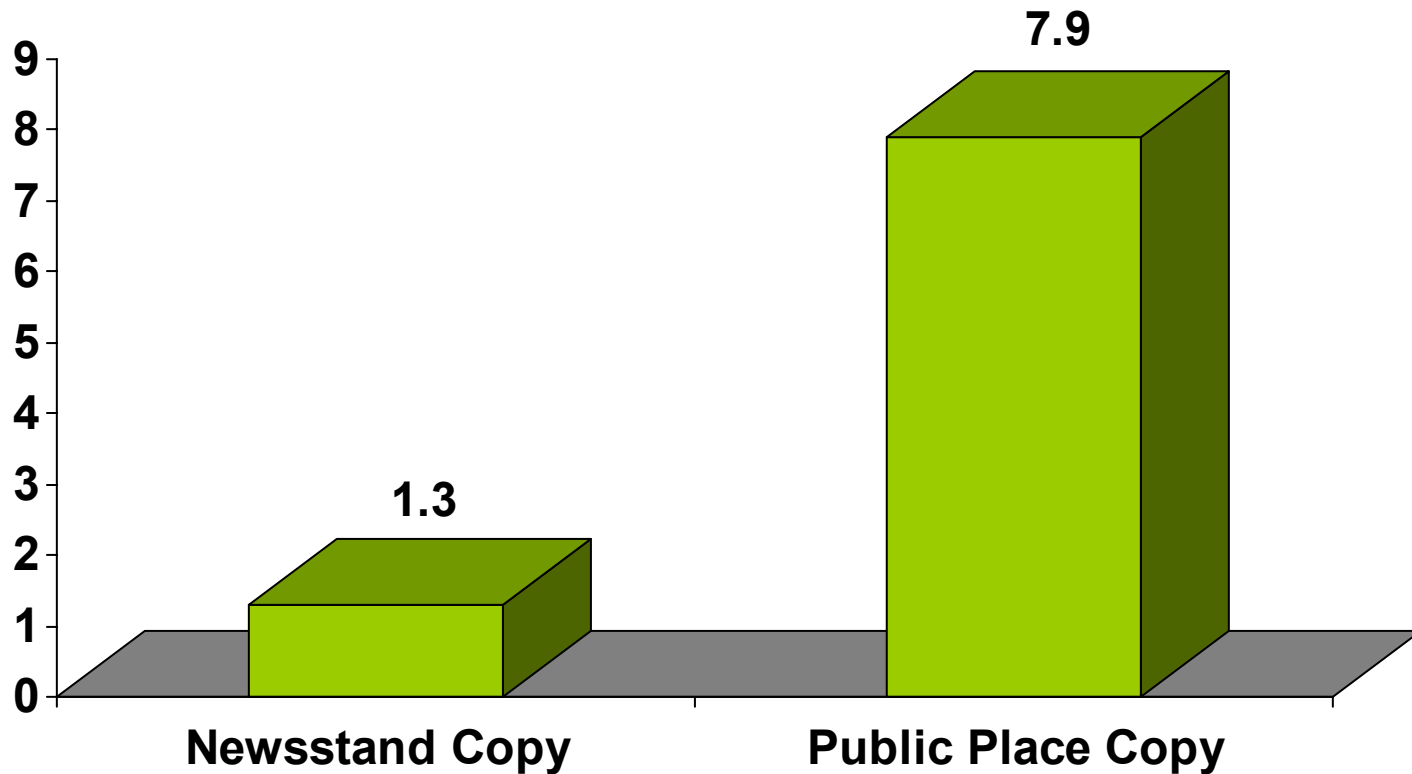
They generated 7 times as many readers in key age category 35-44. . .



. . . and 6.2 times as many with HHI \$75K+.



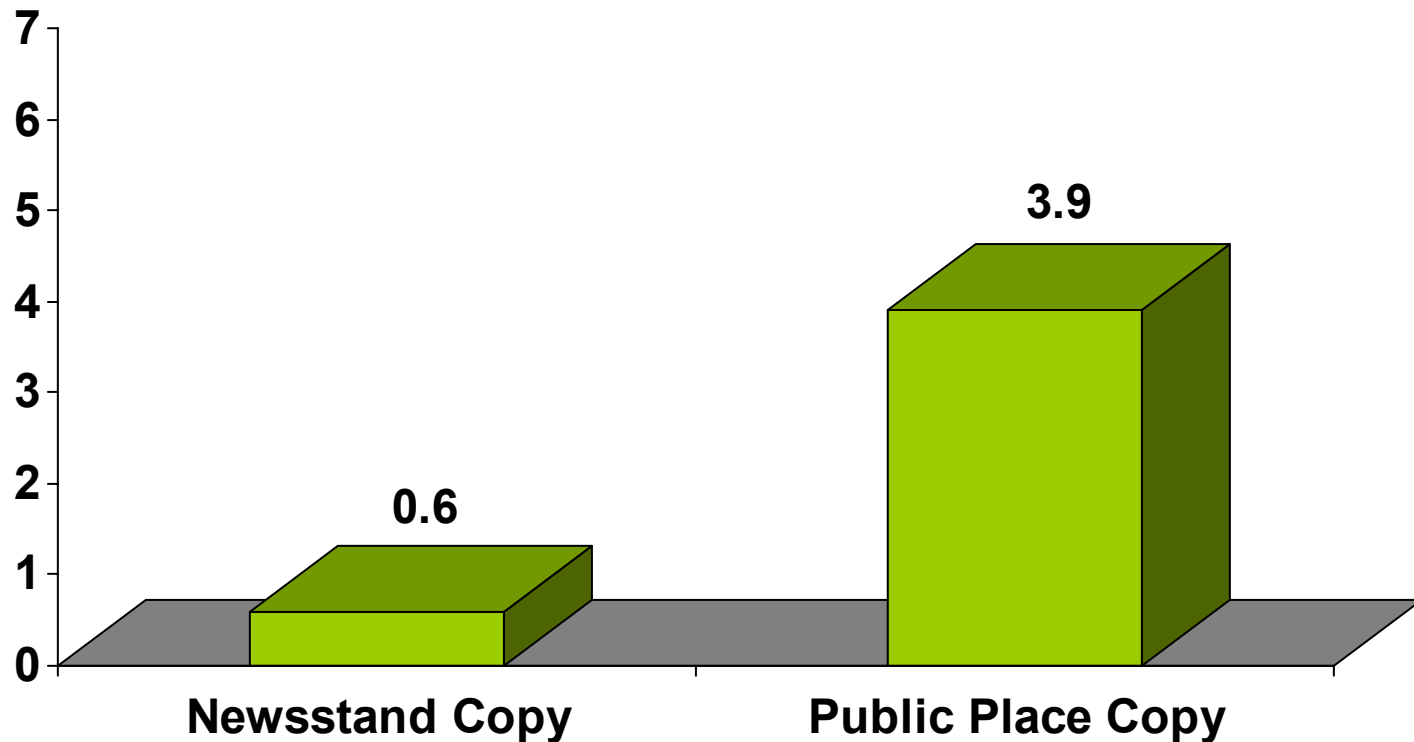
They generated 6.1 times as many readers who are professionals or managers . . .



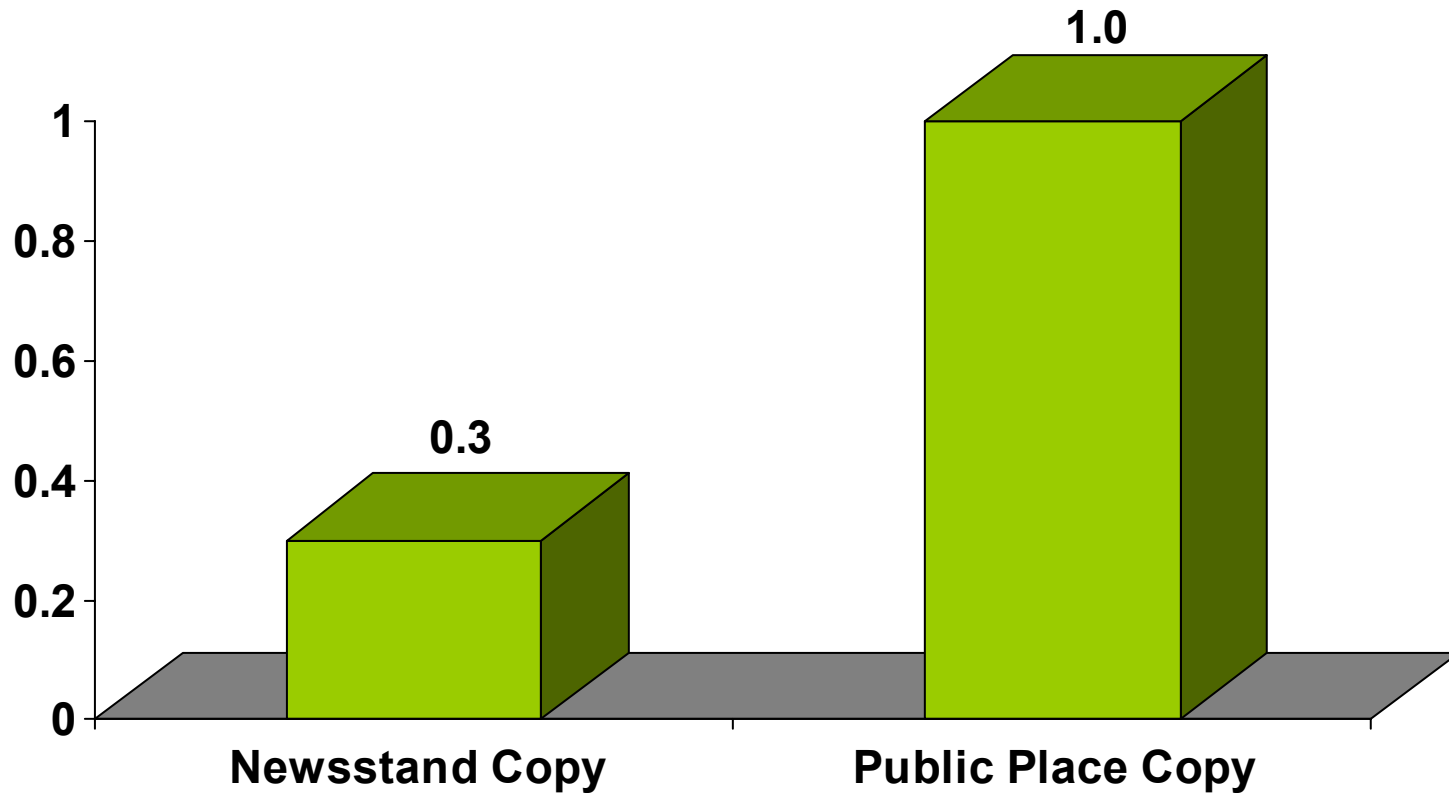
---

Demographics tell only part of the story. For these publications, the typical public place copy also generated greater reach of buyers of advertised products. . .

6.5 times as many readers who purchased a new car in the last 12 months.



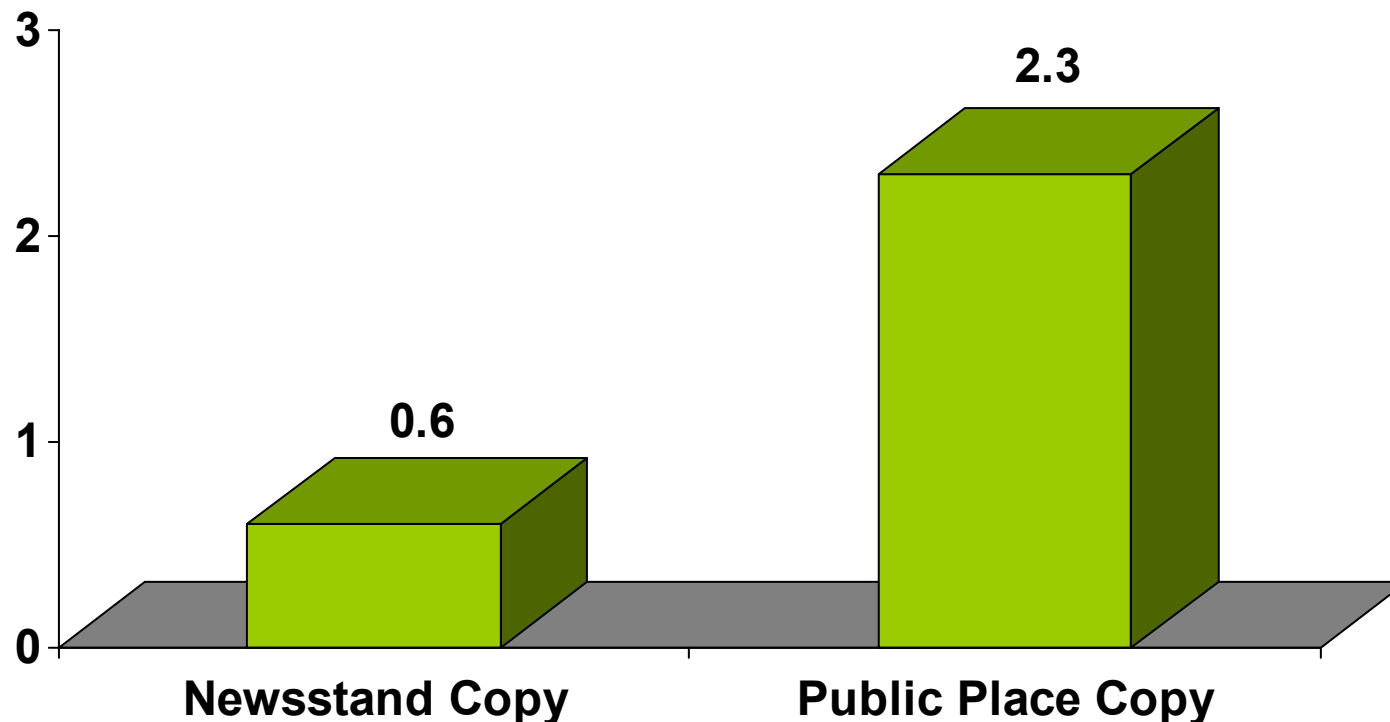
3.3 times as many readers who spent more than \$500 on health & beauty aids.



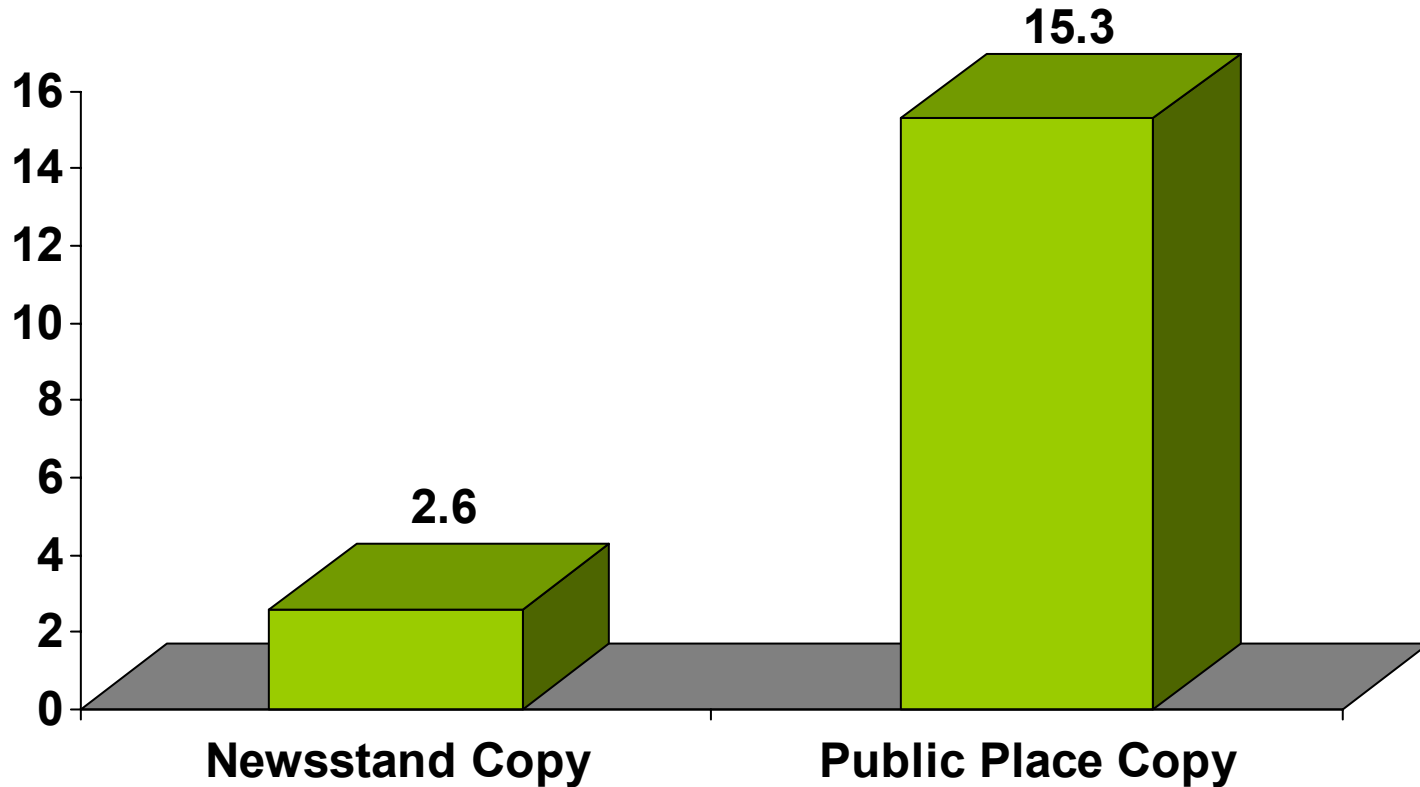
---

Public place copies also reach more readers who are involved.

A typical public place copy generated 3.8 times as many readers who took action . . .



It generated 5.9 times as many who said they are interested in advertising\* . . .



\*(Some+)

---

Many others have documented the value of the public place audience as well.

---

Affinity's Vista service has documented the fact that public place readers are as likely to take action as readers of paid copies.

# A recent McPheters & Company analysis of readership.com results in combination with ABC data from the first half of 2006 showed that:

- In general, public place distribution has a positive and statistically significant correlation with:
  - Median HH Size
  - % of readers 19-34
  - Presence of children<12
  - % of readers who said they bought an advertised product
  
- Beauty parlor distribution in particular correlates with:
  - % Female
  - % of readers 19-34
  - Presence of children<12



<b>Actions Taken - Editorial</b>	<b>Paid</b>	<b>Non-Paid</b>
<b>Save it for future reference</b>	<b>30%</b>	<b>19%</b>
<b>Pass it along to someone</b>	<b>24</b>	<b>22</b>
<b>Gather more info about the topic</b>	<b>13</b>	<b>14</b>
<b>Visit a related Web site</b>	<b>10</b>	<b>11</b>
<b>Some other action</b>	<b>8</b>	<b>11</b>
<b>Took Any Action (Net)</b>	<b>53%</b>	<b>52%</b>

Source: Affinity's VISTA Print Effectiveness Rating Service Base: Actions Taken based on respondents recalling specific articles; multiple responses

---

The MPA's 2003 Reader Experience Study found that “how readers obtain a magazine or where they read has very little impact on the magazine reading experience”.



## Reader Usage Measure Scores\*

Statement	Public Place	Subs	Single Copy
It's relevant and useful	3.0	3.1	3.1
I relate to the ads	3.0	3.1	3.1
I read the ads	3.0	3.0	3.1
I want more information	3.3	3.3	3.3

RUM score is out of possible 5\*

Source: Magazine Reader Experience Study – Reader Usage Experience Scores

---

**A 2006 Time Inc./Mediaedge:cia Study found that actions taken as a result of reading magazines are high regardless of paid or public place copy status.**

## It found that:

- Little variation in overall action taken exists between public place readers and subscribers/buyers
- Although ad actions taken are somewhat lower for a public place reader vs. a subscriber/buyer, higher RPCs in public places more than offset this



## Index: Public Place vs. Paid

<b>Actions taken (total)</b>	<b>98</b>
<b>Learned about products/service wasn't aware of</b>	<b>92</b>
<b>Used info/ideas from magazine</b>	<b>89</b>
<b>Visited website mentioned in magazine</b>	<b>88</b>

**Source:** Time Inc./Mediaedge:cia Study

---

Importantly for publishers, public place distribution generates trial among those who might not otherwise have an opportunity to sample the magazine.



## Publisher Benefits

<b>Opportunity to read different magazine</b>	<b>97%</b>
<b>Chance to read magazine might want to buy/ subscribe to</b>	<b>87%</b>
<b>Read more than one magazine while waiting</b>	<b>81%</b>
<b>Tempted to take the magazine home</b>	<b>60%</b>

Source: Time Inc./Mediaedge:cia Study Public Place Sample Data Used: Q19; top 2 box

Public place copies frequently contribute disproportionately to the return of insert cards – and more than 1 in 4 (27%) of those subscribing via insert cards got their card from a public place copy.

Source: CircTrack2003ConsumerAbstract

# What constitutes best practice for public place distribution?

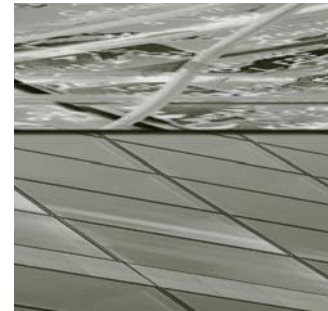
- High traffic locations
- Appropriate demographics
- Match between editorial & venue
- Venues where people are likely to read
- Consistent use
- Top 10 markets for MRI
- Markets in which incidence of readership index is at least 100
- Avoid over-saturation

# Public place copies can significantly enhance advertiser value by

---

## ■ Providing increasing reach among readers who are

- Demographically desirable
- Engaged with the magazine
- Responsive to advertising



---

Thank you!

