

the **magazine** handbook
a **comprehensive** guide **2007/08**



www.magazine.org

MAGAZINE PUBLISHERS OF AMERICA 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).

The power of magazines stems from the relationship each magazine has with its readers.

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 evolving.

Other valuable resources for information about the consumer magazine industry include:

- **www.magazine.org**—The MPA website offers information on a wide array of topics central to consumer magazines, including advertising, circulation, editorial, government action, finance and operations and industry events. You can download an electronic copy of the Handbook along with dozens of other resources and access up-to-the-minute research and a myriad of facts and figures about the magazine industry.
- **MPA Information Center**—For MPA 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. to 5 P.M. EST, Monday through Friday.

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Resources

Number of Magazine Titles

A Magazine for Everyone

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 44 minutes reading each issue.

For a list of the total number of magazines by category, visit www.magazine.org.

Number of Magazines 1996–2006

Year	Total	Consumer Only
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
2003	17,254	6,234
2004	18,821	7,188
2005	18,267	6,325
2006	19,419	6,734

Note: Includes, but is not limited to, magazines in North America regardless of publishing frequency

Source: MRI Fall, 2006, *National Directory of Magazines*, 2007, Oxbridge Communications

Number of Magazines with Websites

Magazine Websites Provide Reach

The number of consumer magazine websites has increased 67% in the past five years, extending the reach and influence of magazines' editorial and advertising messages to an even wider audience.

Magazine brand extensions now include video, social networking, mobile and user-generated content, providing increased readership and advertising reach opportunities. Information on the variety of content on magazine websites is available at www.magazine.org/digital.

Number of Magazines with Websites 2003–2007

Year	Total	Consumer Only
2003	8,166	3,573
2004	9,355	4,210
2005	10,131	4,712
2006	10,818	5,395
2007	11,623	5,950

Source: Oxbridge Communications, 2007

Magazine Readership Remains Strong

84% of adults age 18+ read magazines

An analysis of five years of syndicated research data demonstrates that magazine readership has remained remarkably strong, despite the growth of new media options. Specifically, when looking at overall readership, results show that:

- The total number of magazine readers increased about 9%.
- The average number of magazine issues read per month remained relatively stable, as did the percent of the U.S. adult population that reads magazines.

Magazine Readers (000)	2001	2006
Adults 18+	168,595	184,096
Index to 2001	100	109

Average Issues/Month		
Adults 18+	11.8	11.4
Index to 2001	100	97

Coverage		
Adults 18+	83%	84%
Index to 2001	100	101

Base: Magazine Readers
Source: MRI Fall Studies, 2001 and 2006

New Magazine Launches

Magazines Continue to Target Consumers' Interest

New U.S. Magazine Launches by Interest Category, 2006

53	Crafts/Games/Hobbies/Models	3	Teen
38	Metropolitan/Regional/State	2	Bridal
24	Black/Ethnic	2	Gaming
24	Special Interest	2	Gay/Lesbian
17	Entertainment/Performing Arts	2	Horses/Riding/Breeding
16	Women's	2	Literary/Reviews/Writing
14	Home/Home Service	2	Media Personalities
12	Epicurean	2	Photography
12	Sports	2	Political/Social Topics
11	Fashion/Beauty/Grooming	2	Pop Culture
10	Business & Finance	2	TV/Radio/Communications/ Electronics
10	Health	1	Art
7	Children's	1	Aviation
6	Automotive	1	Babies
6	Religious/Denominational	1	Boating/Yachting
5	Fitness	1	Camping/Outdoor Recreation
5	Sex	1	Dogs/Pets
5	Travel	1	Gardening
4	Music	1	Military/Naval
3	Arts/Antiques	1	Mystery/Science Fiction
3	Computers	1	Nature/Ecology
3	Fishing/Hunting		
3	Men's		
		324	Total

In 2006, 324 new magazines were introduced to satisfy consumers' growing need to be informed and entertained.

New magazines devoted to crafts and hobbies, America's diverse population, home and shelter, entertainment and women led in 2006 launches. The variety of new magazine titles launched each year is a testament to the magazine industry's commitment to meeting the needs and interests of consumers.

New and noted magazine launches are highlighted on a monthly basis at www.magazine.org/launches.

Note: This list represents weekly, bimonthly, monthly and quarterly titles only.

Source: Samir Husni's *Guide to New Consumer Magazines*, 2007

Percent of Total Editorial Pages by Subject

Magazines Inform and Entertain

In 2006, the 148 magazines measured by Hall's Magazine Reports Company showed that, as in 2005, the top three editorial categories were Entertainment/Celebrity, Wearing Apparel/Accessories and Home Furnishings/Management.

Number of Editorial Pages 2006

Type of Editorial	Editorial Pages	Percent	Type of Editorial	Editorial Pages	Percent
Entertainment/Celebrity	31,754.3	18.0 %	General Interest	6,905.4	3.9 %
Wearing Apparel/Accessories	22,670.8	12.9	National Affairs	6,218.2	3.5
Home Furnishings/Management	13,653.8	7.8	Self Help/Relationships	6,028.3	3.4
Food/Nutrition	12,184.8	6.9	Personal Finance	4,189.2	2.4
Travel/Transportation	11,146.2	6.3	Building	4,165.7	2.4
Business/Industry	10,970.8	6.2	Fitness/Beauty	3,507.8	2.0
Culture	10,906.3	6.2	Gardening/Farming	2,612.3	1.5
Health/Medical Science	8,389.4	4.8	Children	2,321.1	1.3
Sports/Recreation/Hobby	8,238.6	4.7	Consumer Electronics	2,114.5	1.2
Beauty/Grooming	8,141.1	4.6	Total Editorial	176,118.6	100.0

Source: Hall's Magazine Reports, 2007

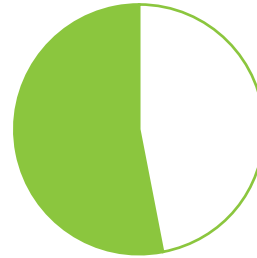
Editorial/Advertising Ratios

Editorial and Advertising Contribute to the Reader Experience

Editorial vs. Advertising Pages 1996–2006

Year	% Editorial	% Advertising
1996	49.2	50.8
1997	49.3	50.7
1998	51.7	48.3
1999	50.6	49.4
2000	49.7	50.3
2001	54.9	45.1
2002	53.4	46.6
2003	52.1	47.9
2004	51.9	48.1
2005	52.8	47.2
2006	53.0	47.0

Source: Hall's Magazine Reports, 2007



Editorial/Advertising 2006
53% Editorial Pages
47% Advertising Pages

Most magazines contain both editorial and advertising content. Overall, the ratio of editorial and advertising content has remained relatively stable during the last ten years with roughly a 50/50 split.

Where Consumers Shop Influences Channels of Magazine Distribution

Magazines continue to be an important part of consumers' lives even in the face of media proliferation.

Between 1996 and 2006, subscriptions grew 7.4%. Single copy sales continue to be an important circulation source.

The “channel mix” within retail sales has shifted in the last 10 years, mirroring changes in overall consumer shopping behavior. Supermarkets (including supercenters and discount stores), mass merchandisers and drugstores combined represent 70% of retail sales (see chart on page 16). However, while supermarkets remain a leading shopping destination, shopping trips to other types of stores are increasing. Interestingly, outlets where magazines are sold are also the mainstay of many marketers' retail sales, and magazines help drive consumer sales of those goods. According to a market

basket study from Management Science Associates, in the grocery class of trade, magazine purchasers spend more per shopping trip than nonmagazine purchasers and account for more items bought (see page 17).

The MPA website provides additional data, including:

- Annual Combined Average Paid and Verified Circulation for All ABC Magazines from 1970–2006
- Average Circulation for Top 100 ABC Magazines
- Circulation Revenue for Top 100 ABC Magazines
- Average Circulation for Top 100 BPA Magazines
- Magazine Sales by Class of Trade

More detail on circulation is available on the MPA website at www.magazine.org/circulation.

Source: Management Science Associates, 2002; ABC 1996, 2006

Circulation Mix

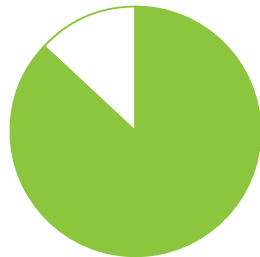
Magazines Let Consumers Choose

Subscriptions/Single Copy Sales 1996–2006

Year	Subscription	Single Copy	Total
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
2003	301,800,237	50,800,854	352,601,091
2004	311,818,667	51,317,183	363,135,850
2005	313,992,423	48,289,137	362,281,559
2006	321,644,445*	47,975,657	369,620,102

*Paid and Verified — Effective 2006, ABC established verified subscription circulation as a category.

Source: Averages calculated by MPA from each year's ABC Publishers Statements 2006. Comics, annuals and international editions are not included.



Magazine Sales 2006

87% Subscription

13% Single Copy

While some consumers prefer the convenience of home or work delivery, others choose to buy copies of their favorite magazines at supermarkets and other retail outlets. In 2006, 87% of total circulation was from magazine subscriptions, while single copy sales accounted for the remaining 13%.

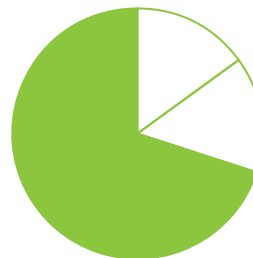
Number of Magazine Titles by Circulation Size

Magazines Come in All Sizes

Total Paid and Verified Circulation for ABC Magazines by Circulation Size Groups 2006

Circulation Size	MAGAZINES		TOTAL CIRCULATION	
	No. in Group	% of Total	For Group	% of Total Circ.
10,000,000 and over	3	0.5%	55,966,244	15.1%
5,000,000 – 9,999,999	2	0.3	12,699,524	3.4
2,000,000 – 4,999,999	31	5.1	89,009,503	24.1
1,000,000 – 1,999,999	53	8.7	75,322,248	20.4
750,000 – 999,999	33	5.4	29,542,816	8.0
500,000 – 749,999	59	9.7	36,847,106	10.0
250,000 – 499,999	105	17.2	38,249,017	10.3
100,000 – 249,999	149	24.4	24,289,950	6.6
Under 100,000	175	28.7	7,693,694	2.1
TOTALS	610	100.0%	369,620,102	100.0%

Source: Averages calculated by MPA from ABC Publishers Statements, 2006. Comics, annuals and international editions are not included.



Circulation Size

15% 1,000,000 or more
15% 500,000 to 999,999
70% Less than 500,000

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

Average Single Copy/Subscription Price

Consumers Invest in Their Magazines

Cost of Magazines 1996–2006

Year	Average Single Copy Price	Average 1-Year Basic Subscription Price
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
2003	4.22	26.55
2004	4.40	25.93
2005	4.40	26.78
2006	\$ 4.46	\$ 27.30

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.

Source: Averages calculated by MPA from ABC Publishers Statements, 2006

Circulation Revenue

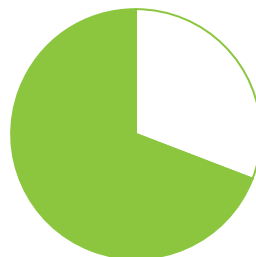
Bulk of Circulation Revenue Is Subscription Based

Subscriptions accounted for 69% of total circulation revenue, while single copy sales accounted for the remaining 31%.

Circulation Revenue 2006

Subscriptions	6,798,877,839
Single Copy	3,112,461,610
TOTAL	\$ 9,911,339,449

Source: Averages calculated by MPA from ABC Publishers Statements, 2006. Effective 2006, ABC established verified circulation as a separate category. This circulation is no longer included in revenue calculations.



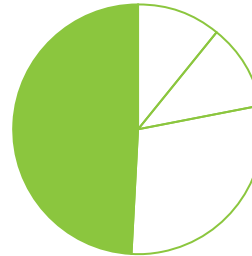
Circulation Revenue 2006
69% Subscriptions
31% Single Copy

Location of Single Copy Purchases

Consumers Rely on Multiple Outlets for Their Magazines

Retail Sales by Channel 1997 and 2006

	1997	2006
Supermarkets*	44 %	49 %
Discount Stores*	—	10
Mass Merchandisers*	16	—
Drugstores	10	11
Convenience Stores	8	6
Bookstores	8	11
Terminals	4	5
Newsstand	4	3
Bargain	—	1
Newsstand/Misc.	6	4
TOTAL	100 %	100 %



Single Copy Sales
 49% Supermarkets
 11% Bookstores
 11% Drugstores
 29% Other

Forty-nine percent of all single copy purchases are made at supermarkets, followed by bookstores, drugstores, discount stores and convenience stores.

*As of 2005, magazine sales in supercenter stores (huge retail formats that combine grocery and discount store formats) are reported in the supermarket category.

Source: Harrington Associates, 1997, 2006

Magazines Are Valuable at Supermarkets

Magazines Provide Supermarkets with Above-Average Gross Margins*



Magazines



Supermarket Average

Magazine Buyers Spend More per Visit



Magazine-Purchasing Shoppers



Nonmagazine-Purchasing Shoppers

Magazine Buyers Purchase More Items per Visit



Magazine-Purchasing Shoppers



Nonmagazine-Purchasing Shoppers

For additional information, visit www.magazine.org/retail.

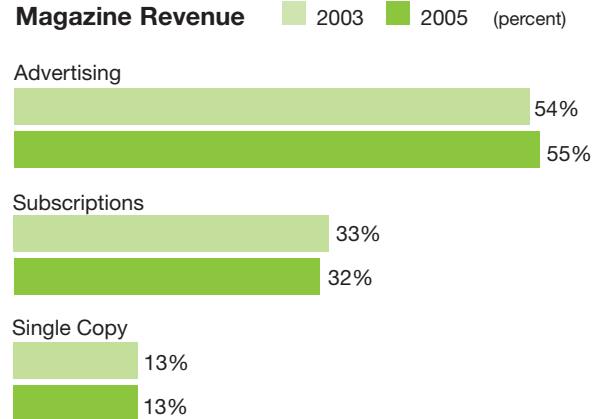
*Adjusted gross margin representative comparison, including trade allowances
Note: Based on total number of transactions conducted between August 2001 and July 2002
Source: The Kreisky Media Consultancy, LLC, Management Science Associates, 2002

Magazine Revenue Mix

Multiple Sources Contribute to a Magazine's Bottom Line

According to a proprietary study of 93 representative magazines, circulation accounts for a significant portion of consumer magazine revenue. **In 2005, 55% of revenue came from advertising, and 45% came from circulation.**

An executive summary is available to MPA members at www.magazine.org.



Source: PriceWaterhouseCoopers Financial Survey, conducted for MPA, 2006

Magazine Advertising Pages and Rate Card Revenue

Magazine Advertising Rate Card Revenue Approaches \$24 Billion

Magazine Ad Pages and Rate Card Revenue 1996 – 2006

Year	Pages	Rate Card Revenue
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	16,700,000,000
2003	225,831	19,216,085,358
2004	234,428	21,313,206,734
2005	243,305	23,068,182,388
2006	244,906	\$ 23,996,768,141

Note: Sunday supplements excluded.
Source: PIB (Data as of January 2007)

Ad pages and revenue are updated quarterly on the MPA website at www.magazine.org/pib.
Revenue is reported at one-time open rate card rates.

Magazine Spending by Quarter

Magazine advertising rate card revenue is highest in the second and fourth quarters.

Magazine Rate Card Ad Revenue by Quarter 2006

	Billions	Percent of Total
First Quarter	\$ 4.9	20 %
Second Quarter	6.2	26
Third Quarter	5.8	24
Fourth Quarter	7.1	30
TOTAL	\$ 24.0	100 %

Note: Sunday supplements excluded.
Source: PIB (Data as of January 2007)

Magazines' Share of Media Spending Stays Strong

Share of Advertising Dollars by Medium

	2001	2002	2003	2004	2005	2006
Magazines	17%	16%	17%	17%	18%	18%
Sunday Magazines	1	1	1	1	1	1
Newspapers	18	19	20	20	19	17
National Newspapers	3	3	3	3	3	3
Outdoor	3	2	2	2	3	3
Network TV	19	20	19	18	18	18
Spot TV	15	16	14	15	13	14
Syndicated TV	3	3	3	3	3	3
Cable TV	11	11	12	12	13	13
Network Radio	1	1	1	1	1	1
National Spot Radio	2	2	2	2	2	2
Internet	7	6	6	6	6	7
TOTAL	100	100	100	100	100	100

Across all media, magazines' share of spending has remained strong.

Source: TNS Media Intelligence (Data as of March 2007)

Magazine Advertising Categories

Top 12 Advertising Categories Account for 87% of All Spending

Magazine Advertising Rate Card Revenue—Top Categories 2005/2006

Category	2005	2006
Drugs & Remedies	\$ 2,020,248,695	\$ 2,407,753,578
Toiletries & Cosmetics	2,170,811,933	2,289,465,032
Automotive	2,299,391,654	2,045,464,788
Apparel & Accessories	1,933,621,740	2,025,003,955
Food & Food Products	1,798,534,337	1,849,931,940
Direct Response Companies	1,742,471,443	1,764,976,106
Home Furnishings & Supplies	1,719,077,112	1,699,808,663
Retail	1,406,654,070	1,694,901,111
Media & Advertising	1,530,045,456	1,583,844,011
Financial, Insurance & Real Estate	1,294,931,598	1,260,137,390
Technology	1,092,009,300	1,129,799,317
Public Transportation, Hotels & Resorts	1,036,523,857	1,087,129,253
TOP CATEGORIES TOTAL	\$ 20,044,321,195	\$ 20,838,215,144

Note: Sunday supplements excluded.
Source: PIB (Data as of January 2007)

The top 12 advertising categories account for 87% of total magazine spending, according to the Publishers Information Bureau (PIB). **In 2006, Drugs and Remedies was the largest magazine advertising category, followed by Toiletries and Cosmetics, Automotive and Apparel and Accessories.**

Magazine rate card advertising revenue by class is made available quarterly at www.magazine.org/pib.

Top 50 Magazine Advertisers

Leading Marketers Depend on Magazines

Top 50 Marketers' Spending Equals 35% of Overall Magazine Revenue

Top 50 Magazine Advertisers 2006 — Rate Card Spending

1 Procter & Gamble Co	\$ 838,564,616	18 DaimlerChrysler AG	150,520,510	35 Sony Corp	95,414,344
2 Altria Group Inc	418,395,100	19 Walt Disney Co	145,904,918	36 GAP Inc	94,406,444
3 General Motors Corp	390,448,561	20 Advance Publications Inc	145,000,489	37 Kellogg Co	93,282,501
4 GlaxoSmithKline PLC	331,771,937	21 Nestlé SA	138,822,642	38 Wal-Mart Stores Inc	91,560,124
5 Ford Motor Co	326,145,648	22 Estée Lauder Cos Inc	124,862,933	39 Abbott Lab	88,435,459
6 L'Oréal SA	318,123,180	23 Merck & Co Inc	124,811,855	40 CitiGroup	88,422,079
7 Johnson & Johnson	304,669,133	24 Reckitt Benckiser PLC	123,577,509	41 Hearst Corp	87,223,608
8 Time Warner Inc	258,579,918	25 Women's Marketing Inc	121,539,285	42 Target Corp	83,039,898
9 Toyota Motor Corp	251,972,310	26 Microsoft Corp	118,184,308	43 MacAndrews & Forbes Holdings Inc	82,711,287
10 Pfizer Inc	251,279,602	27 Federated Dept Stores Inc	116,170,968	44 VF Corp	79,097,428
11 Clorox Co	229,003,424	28 GE General Electric Co	113,716,142	45 Synergistics Marketing Inc	77,781,500
12 Astrazeneca PLC	224,794,955	29 Campbell Soup Co	110,768,425	46 Coldwater Creek Inc	77,748,027
13 Unilever	219,791,964	30 Hyundai Corp	108,034,737	47 Bristol-Myers Squibb Co	75,135,123
14 PepsiCo Inc	191,612,977	31 US Govt	107,987,066	48 General Mills Inc	74,815,771
15 Honda Motor Co LTD	185,262,631	32 American Express Co	107,542,140	49 Canon Inc	72,162,750
16 Nissan Motor Co LTD	182,224,998	33 National Amusements Inc	105,070,841	50 Sepracor Inc	71,021,273
17 LVMH Moët Hennessy Louis Vuitton SA	171,060,869	34 AT&T Inc	96,907,600		

Top 50 Magazine Advertisers Total Rate Card Spending

\$ 8,485,381,807

Note: Sunday supplements excluded.
Source: PIB (Data as of January 2007)

Unit Size Affects Ad Impact

GfK Starch found that unit size has an impact on advertising results, consistent with Affinity Research’s findings. GfK Starch’s data show that as ad size increased, so did readership. “Noted” and “read some” scores generally showed greater increases than “read most” scores as the number of ad pages increased. This indicates that though readers may elect not to read a longer advertisement in its entirety, it still has positive impact.

Readership of Multiple-Page Ads

Spread	Indexed Against 4-Color Spread Ads			Number of Ads Studied
	Noted	Read Some	Read Most	
Spread	100	100	100	5,932
2-page insert*	107	116	100	310
3-page run-of-book	119	132	94	389
3-page insert	117	127	100	26
3-page gatefold	122	127	100	57
4-page run-of-book	126	143	106	258
4-page insert	122	143	119	195
4-page gatefold	137	149	138	155
6-page run-of-book	130	149	131	27
8-page run-of-book	126	146	138	36
10-page or larger run-of-book	150	192	100	21
10-page or larger insert	148	189	131	36

*Differs from a spread in that an insert is on a single page but comprises both sides of the same page

Note: Read Most scores are based on ads with 50+ words only

Source: GfK Starch In-Person Studies, January 2000–October 2005

Ten Top Reasons

Magazine advertising engages: Multiple studies show that consumers are more likely to find magazine advertising acceptable and enjoyable compared to advertising in other media. In addition, they find magazine advertising less interruptive.

Magazine advertising is considered valuable content: Consumers value magazine advertising, according to numerous studies. Starcom found that when readers were asked to pull ten pages that best demonstrate the essence of their favorite magazines, three out of ten pages pulled were ads. MRI data show that consumers trust and value magazine advertising. These studies' findings reinforce those from the Northwestern University Magazine Reader Experience Study.

Magazine advertising moves readers to action, including visiting and searching on the web: More than half of readers took action or had a more favorable opinion about the advertiser in response to magazine ads, according to Affinity Research. Numerous studies prove that magazine advertising drives web visits and searches more than other media.

Magazine advertising improves advertising ROI: Multiple studies have demonstrated that allocating more money to magazines in the media mix improves marketing and advertising ROI across a broad range of product categories.

Magazine advertising sells—and it delivers results consistently: Several studies show that magazines are the strongest driver of purchase intent and boost other media's effectiveness. What's more, magazines deliver results more consistently throughout the purchase funnel than TV or the Internet.

to Advertise in Magazines

Magazine advertising is relevant and targeted: Consumers consider magazine advertising more relevant than advertising in other media. With a range of titles that appeal to a wide variety of demographics, lifestyles and interests, advertisers can hone in on targets that fit their needs.

Magazines reach the most desirable consumers: Across major demographic groups, the combination of the top 25 magazines delivers more rating points than the top 25 TV shows. In addition, heavy magazine readers are likely to be among the highest spenders across most product categories.

Magazine audiences accumulate faster than you think—and with lasting impact: The average monthly magazine accumulates approximately 60% of its audience within a month's time, and the average weekly magazine accumulates nearly 80% of its audience in two weeks. In addition, consumers refer to magazines multiple times, even saving them, giving advertisers the opportunity for multiple exposures.

Magazines influence Influentials®: Magazines are the medium that “Influential Americans”—the one in nine consumers who control the levers of change—turn to the most for making purchase decisions and recommendations.

Magazines supply credibility: Consumers trust and believe magazine advertising more than advertising in other media. In addition, consumers turn to magazines as a source for information on new products.

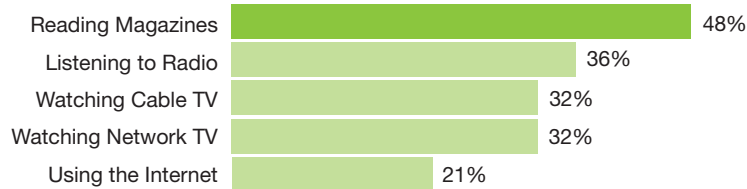
Sources: Starcom; Northwestern University Magazine Reader Experience Study; Affinity Research; How Media Measure Up; Documenting the Role of Magazines in the Mix; ROI for DTC; ROI for Kraft; Measuring the Mix; What Drives Automotive Sales; American Advertising Federation (AAF) Study; Retail Advertising and Marketing Association (RAMA) Study; Measuring Media Effectiveness; Dynamic Logic; Ephron on Media; Initiative; MRI Fall 2006; Roper; Hearst Engagement Factor Study

See specific examples of how magazines delivered results for nearly 150 brands at www.magazine.org/casestudies.

In an Age of Interruption, Magazines Engage

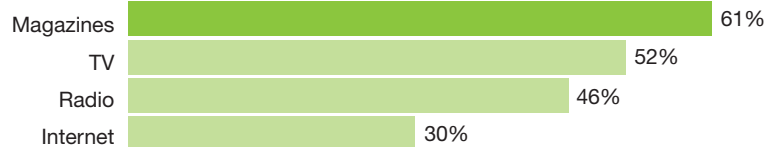
Consumers Enjoy Magazine Advertising More Than Advertising in Other Media

Advertising adds to the enjoyment of the following:



Source: Roper Public Affairs, 2005

Very/somewhat positive attitude toward advertising:



Source: Dynamic Logic AdReaction 4, 2005

In an Age of Interruption, Magazines Engage

Consumers Feel Positive About Magazine Advertising

Consumer Experiences with Advertising (percent)

Positive Drivers	Magazines	TV	Radio	Newspapers	Internet
Ads provide useful information about new products/services	50%	56%	39%	51%	26%
Ads provide useful information about bargains	40	47	39	66	24
Ads provide information about product use of other consumers	39	40	30	42	21
Advertising is valuable to me (Millennials*)	26	22	12	21	8
Negative Drivers					
Ads have no credibility	15	31	22	13	33
Ads appear at inconvenient moments	17	53	35	14	49
All ads are alike	21	30	27	18	32
Ads are repeated too often	25	63	47	18	46

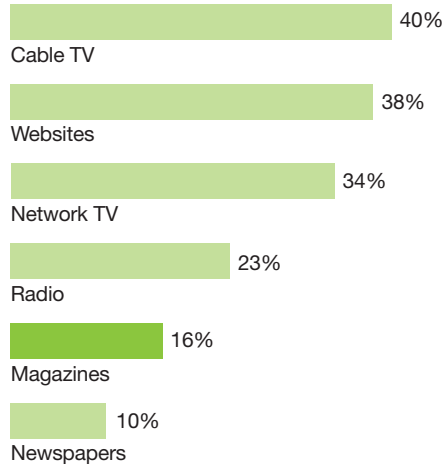
Base: U.S. Age 18+. *Millennials, born between 1977 and 1996
 Sources: MRI Fall 2006; MORI Research 2006

Consumers consider magazine advertising useful and valuable. In addition, consumers more strongly attributed negative attributes to advertising in broadcast media and the Internet. For example:

- Print advertising, including magazines intruded the least and was considered the most trustworthy
- Consumers viewed advertising in TV, radio and the Internet as “cluttered”: ads were repeated too often and appeared at inconvenient moments
- TV, radio and Internet advertising did not stand out—for these media, more than a quarter of all consumers considered “All ads in this medium are alike”

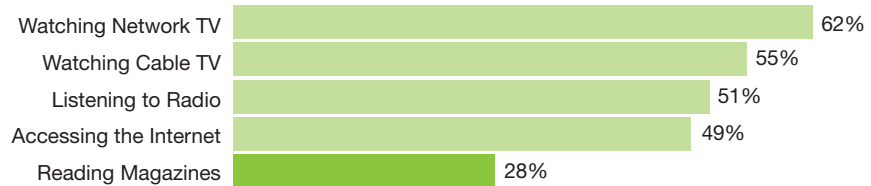
Magazines Provide a More Positive Advertising Experience

Places you would be in support of eliminating advertising:



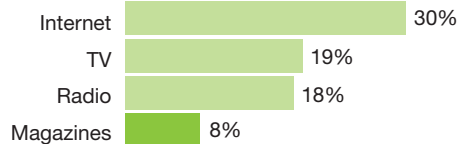
Source: Yankelovich Omniplus, 2004

For which of the following would you say advertising gets in the way of your enjoying...?



Source: Roper Public Affairs, 2005

Very/somewhat negative attitude toward advertising:



Source: Dynamic Logic AdReaction 4, 2005

Percent of consumers likely to avoid ads in medium:



Source: Hearst Magazines' Engagement Factor Study, 2005

In an Age of Interruption, Magazines Engage

Magazine Advertising Is More Relevant and Targeted

Most people agree that the advertising in magazines is geared toward the audience, more so than advertising on TV or the Internet.

Percent agree that “Most of the ads are geared toward the audience involved with the medium”

Magazine Advertising	60 %
TV Commercials	38
Internet/Online Advertising	28

Source: Hearst Magazines' Engagement Factor Study, 2005

Media analyst Erwin Ephron showed that magazines are a much more effective venue than TV to target product users of heavily advertised brands across a variety of categories, based on product usage indices.

Comparison of TV and Magazine Product Users by Brand

Brand*	TV Product User Index	Magazine Product User Index	Percent Difference
SUV	118	138	+17
Coffee	101	123	+23
Tampons	134	186	+39
Financial	140	165	+18
Men's Razor	114	142	+24
MP3 Player	133	198	+49

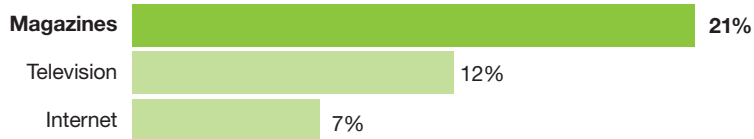
*Single brand used within category.
Source: MRI and TNS/Media Intelligence, 2004

In an Age of Interruption, Magazines Engage

Consumers Trust Magazine Advertising the Most

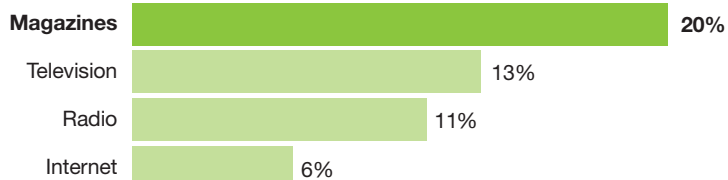
Magazine advertising is more trusted than advertising in other media, regardless of age.

Percent of Adults Age 18 to 54 Who Trust Advertising in Medium



Source: Hearst Magazines' Engagement Factor Study, 2005

Percent of Millennials* Who Trust Advertising



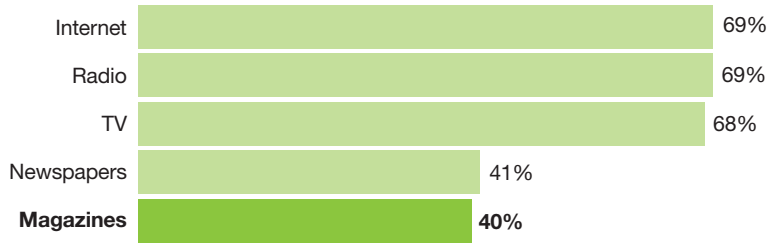
*Consumers born between 1977 and 1996
Source: MORI Research, 2006

In an Age of Interruption, Magazines Engage

Consumers Pay Attention to Magazines and Magazine Ads

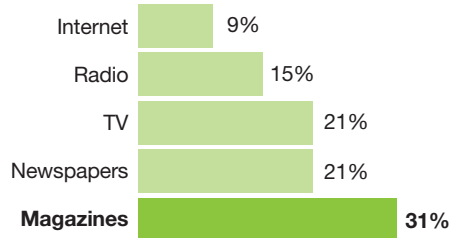
BIGresearch found that when consumers read magazines, they are much less likely to engage in other activities simultaneously. When looking specifically at advertising, MORI Research found that Millennials pay attention to magazine advertising more than advertising in other media.

Adults Who Participate in Other Activities While Using Each Medium



Base: U.S. Age 18+
Source: BIGresearch SIMM VI, 2005

Millennials* Who Pay Attention to Each Medium's Advertising



*Consumers born between 1977 and 1996
Source: MORI Research, 2006

In an Age of Interruption, Magazines Engage

Groundbreaking Research Quantifies Experiences That Drive Magazine Usage and Ad Impact

A landmark study by Northwestern University's Media Management Center uncovered the experiences that drive magazine reading. Consumers provided candid and compelling responses, or "descriptors," that statistically correlated to form 35 experiences that drive magazine use.

Four advertising-related experiences contributed to magazine usage: "I like some of the ads a lot," "I relate to the ads," "I read the ads" and "I want more ad information."

Source: Magazine Reader Experience Study, Northwestern University, 2003

Top 10 Experiences Overall That Drive Magazine Use

- 1 I get value for my time and money
 - 2 It makes me smarter
 - 3 It's my personal time out
 - 4 I often reflect on it
 - 5 The stories absorb me
 - 6 I learn things first here
 - 7 It's part of my routine
 - 8 I find the magazine high quality and sophisticated
 - 9 I trust it
 - 10 I feel good when I read it
-

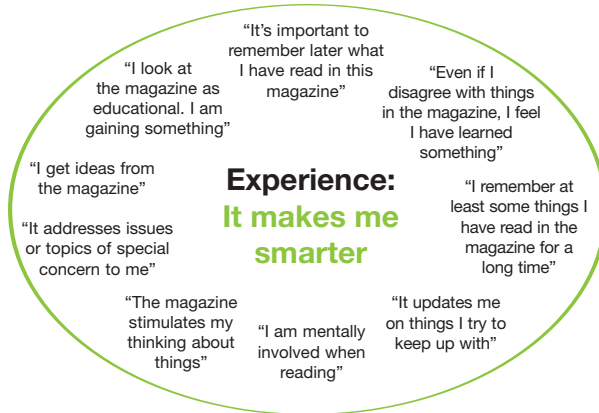
Go to www.magazine.org/readerexperience for more information on magazine reading experiences, located in the Magazine Reader Experience Study white paper.

In an Age of Interruption, Magazines Engage

Using Magazine Experiences Can Create Better Connections with Consumers

The descriptors from the Reader Experience Study—actual responses from consumers—that characterize each experience offer rich insights for publishers, editors, consumer marketers and advertisers, who can leverage them to create more effective connections with consumers. Two of the top experiences and their descriptors are shown below (the center is the name of the experience, which is surrounded by the descriptors).

Source: Magazine Reader Experience Study, Northwestern University, 2003



In an Age of Interruption, Magazines Engage

Top Experiences That Drive Magazine Usage Differ by Gender, Lifestage and Ethnicity

Reader experiences reveal fascinating information about what drives magazine use for different market segments based on gender, life stage and ethnicity. These examples show the experiences exclusive to each group's top ten experiences that drive usage when compared to the usage drivers for all respondents (as noted on page 34). Marketers and advertisers can create more resonant and relevant communications by taking into account each segment's drivers.

Go to www.magazine.org/readereperience for more information on magazine reading experiences, located in the Magazine Reader Experience Study white paper.

*The generation following Generation X, especially people born in the United States and Canada from the early 1980s to the late 1990s.
Source: Magazine Reader Experience Study, Northwestern University, 2003

Examples of Top Experiences Unique to Each Group

GENDER Men

It's relevant and useful to me

LIFE STAGE Generation Y* Women

I build relationships by talking about and sharing it
It grabs me visually

ETHNICITY African Americans

I build relationships by talking about and sharing it
I'm touched
It grabs me visually
It's relevant and useful to me
I get a sense of place
I think others in the household would enjoy the magazine

Magazine Advertising Motivates Readers to Action

More than half (51%) of readers took action on magazine ads or had a more favorable opinion about the advertiser because of magazine advertising, according to a recent study from Affinity’s VISTA Print Effectiveness Rating Service. Similarly, 55% took action based on editorial content. The research shows that magazine engagement goes far beyond just “feeling”—it prompts consumers to act.

Actions Taken as a Result of Reading Specific Features/Articles

Passed article along to someone	24 %
Saved article for future reference	23
Gathered more information about the topic	13
Visited a related website	13
Took any action (net)	55 %

Base: Actions taken based on respondents reading specific features/articles
Source: Affinity’s VISTA Print Effectiveness Rating Service, 2006

Actions Readers Took or Plan to Take as a Result of Exposure to Specific Magazine Ads

Consider purchasing the advertised product or service	19 %
Have a more favorable opinion about the advertiser	12
Gather more information about advertised product or service	11
Visit the advertiser’s website	10
Purchase the advertised product or service	8
Visit a store, dealer or other location	7
Save the ad for future reference	6
Recommend the product or service to a friend, colleague or family member	5
Took any action (net)	51 %

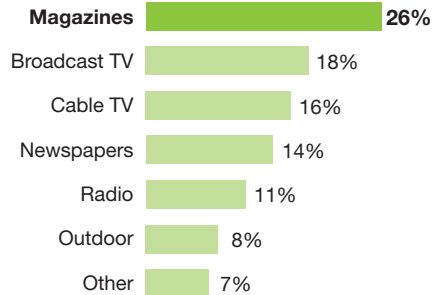
Base: Actions taken based on respondents recalling specific ads
Source: Affinity’s VISTA Print Effectiveness Rating Service, 2006

Accountability: Magazines Get Results

Magazines Lead in Driving Web Visits and Searches

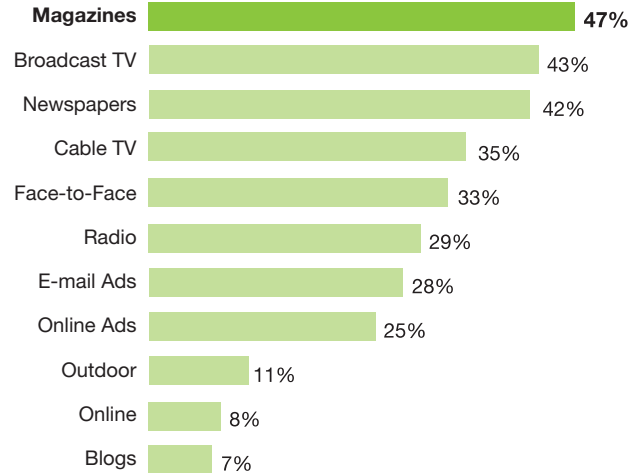
Independent research shows that magazines rank first in influencing consumers' behavior on the web

Marketers' Rating of Media Effectiveness at Driving Web Traffic*



Base: 160 marketing executives
*Advertiser websites, online promotions/offers or other web-based marketing sites
Source: American Advertising Federation (AAF), 2006

Media That Influence Consumers to Start a Search for Merchandise Online



Base: U.S. Adults 18+
Source: BIGresearch's Simultaneous Media Survey (SIMM 9) for Retail Advertising and Marketing Association (RAMA), 2007

Accountability: Magazines Get Results

Magazines Are the Most Consistent Performer at All Purchase Funnel Stages

Across 20 client-commissioned studies, Marketing Evolution found that magazines produced a positive result in the most stages of the purchase funnel and in the most campaigns.

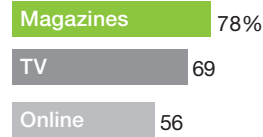
To view Marketing Evolution's full study, "Measuring Media Effectiveness," which includes all stages of the purchase funnel, please visit www.magazine.org/accountability.

Aggregate Trends Across the Purchase Funnel

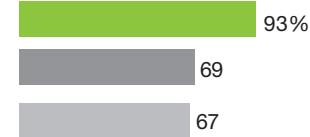
Percent (%) of 20 Studies in Which Purchase Funnel Metrics Were Positively Influenced by Medium



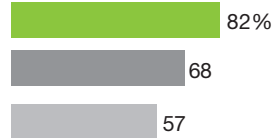
Total Brand Awareness



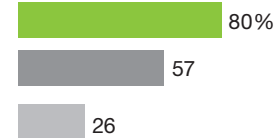
Brand Familiarity



Brand Imagery



Purchase Intent



Note: Not all studies included each purchase funnel metric for every media.
Source: Marketing Evolution, 2006

Magazines Excel at Driving Purchase Intent Overall and Across Categories

In Marketing Evolution’s analysis of a database of 20 client-commissioned studies, magazines contributed to significant gains across the purchase funnel (from brand awareness to purchase intent) and across categories. Magazines excelled particularly at driving purchase intent, with an increase of five points overall and ranking first in four categories and a close second in the fifth.

Purchase Intent by Category

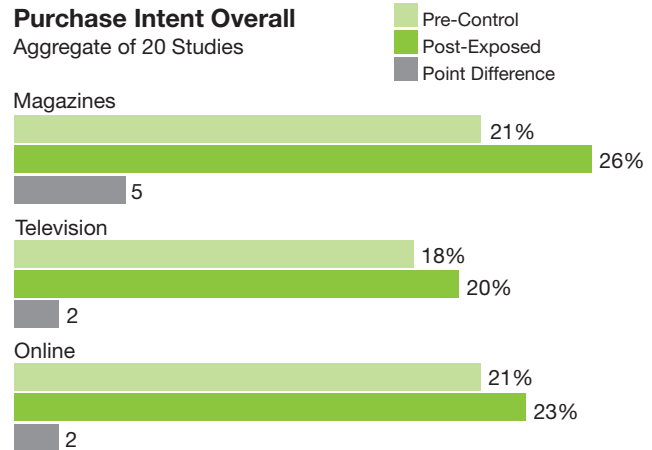
Aggregate of 20 Studies—Percentage Point Change

Category	Magazines	TV	Online
Automotive	+5	+3	+2
Entertainment	+6	+1	+4
Electronics	+3	+4	0
General	+4	+1	+1
Pharmaceutical	+3	+2	0

Note: Results reflect the average point lift for each medium for the specified category.
Source: Marketing Evolution, 2006

Purchase Intent Overall

Aggregate of 20 Studies



Note: Results reflect the average point lift for each medium across the 20 studies.
Source: Marketing Evolution, 2006

Accountability: Magazines Get Results

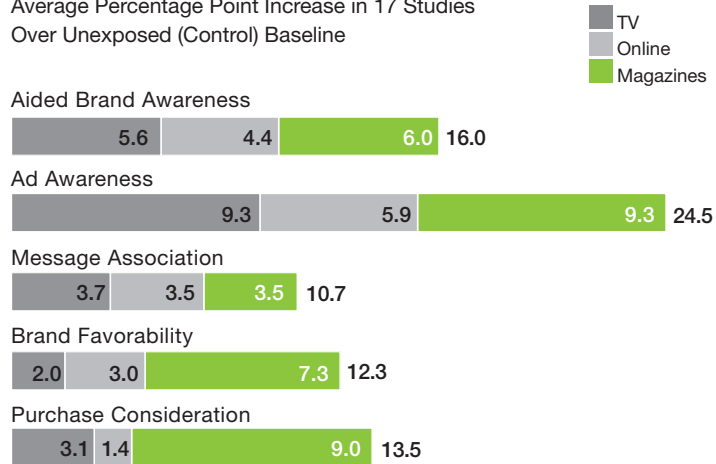
Magazines Excel at Driving Brand Favorability and Purchase Intent

In an analysis of 17 client-commissioned studies, media research firm Dynamic Logic found that magazines, in a media mix that included online and TV, contributed:

- 59% of the total increase in brand favorability (7.3% of a total 12.3% shift)
- 67% of the total increase in purchase intent (9.0% of a total 13.5% shift), three times as strong as TV's influence and more than six times stronger than online's influence

Incremental Effect of Medium on Brand Metrics

Average Percentage Point Increase in 17 Studies
Over Unexposed (Control) Baseline



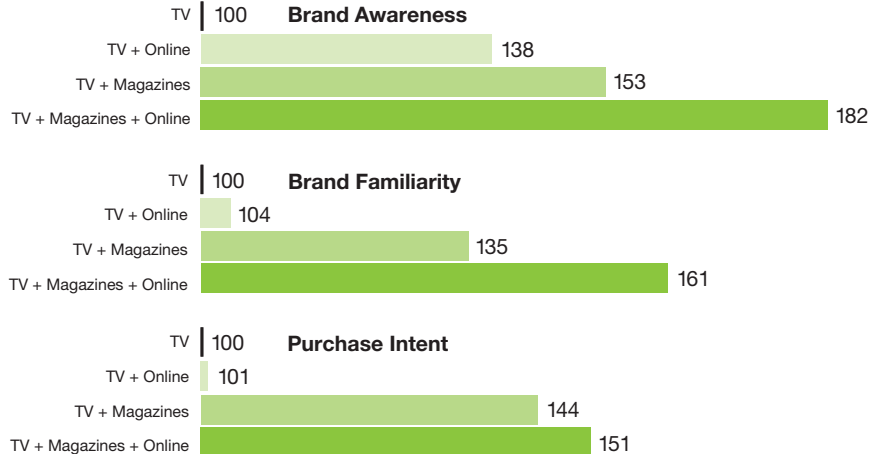
Source: Dynamic Logic CrossMedia Research Studies 2006

Magazines Boost the Power of Other Media

Marketing Evolution found that magazines played a leading role in boosting the overall performance of marketing campaigns.

Cumulative Effects of Different Media Combinations

Aggregate of 10 Studies — Pre/Post Point Change (Index Versus TV Alone)



Note: Results reflect the impact of different media combinations expressed as an index with TV as a base medium. Results are an aggregate of 20 studies, 10 of which had sufficient sample size to examine each combination of media (index versus TV alone).

Source: Marketing Evolution, 2006

Readers Value and Respond to Magazines Regardless of How They Acquired the Magazine

Research from Affinity’s VISTA Print Effectiveness Rating Service shows that readers of nonpaid and pass-along magazines take action at similar rates as readers of paid copies. In addition, the Affinity study found that:

- More than two out of three respondents, or 70%, indicated that they were “very” or “somewhat” likely to subscribe to a magazine based on their pass-along experience
- Approximately two out of three respondents said that they were “very” or “somewhat” likely to buy the title at retail based on their pass-along experience

Actions Taken or Planned to Take in Response to Advertising

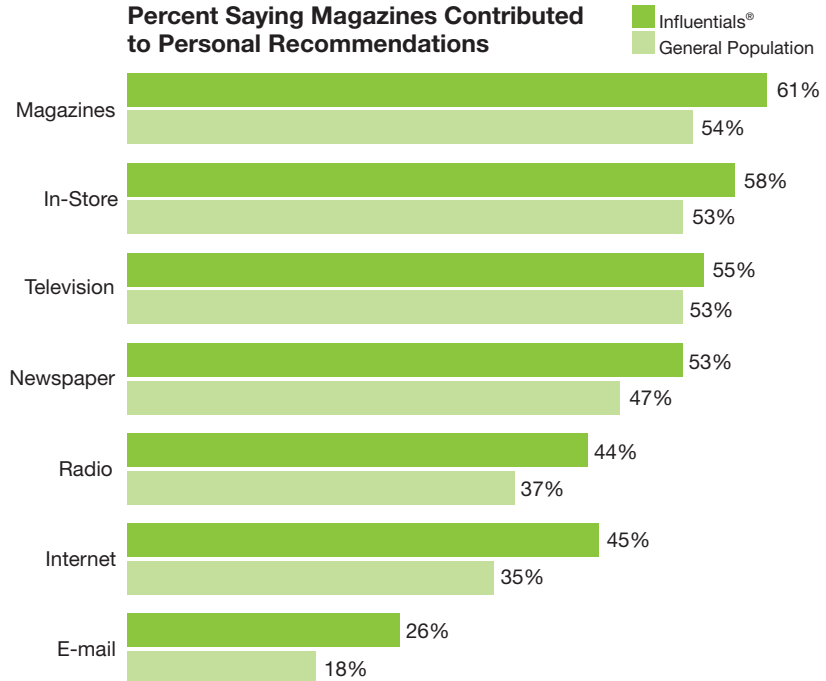
	Paid	Nonpaid	Pass-Along	Total Readers
Consider purchasing the product or service	20 %	18 %	18 %	19 %
More favorable opinion about the advertiser	13	11	10	12
Gather more information about product or service	12	11	10	11
Visit advertiser’s website	10	10	10	10
Purchase the product or service	8	7	6	7
Visit a store, dealer or other location	8	7	7	7
Save the ad for reference	6	5	6	6
Recommend the product or service	5	5	5	5
Some other action	4	5	2	2
Took any action (net)	52 %	51 %	53 %	51 %

Base: Actions taken based on respondents recalling specific ads and multiple responses.
 Source: Affinity’s VISTA Print Effectiveness Rating Service, 2006

Accountability: Magazines Get Results

Magazines Influence Word of Mouth

- Personal recommendations are 1½ times more important now than they were in the 1970s.
- Influentials® are two times more likely to make or to be asked for recommendations than the general population.
- **Among the general population and Influentials, magazines are the strongest influence on personal recommendations.**



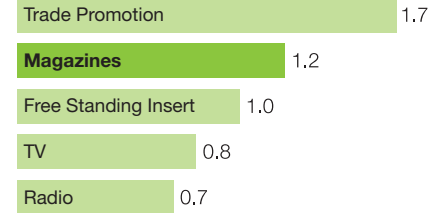
Source: Roper Reports, 2005

Magazines Improve Marketing and Advertising ROI

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 to 2000. Topline findings of the study clearly demonstrated 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 were the strongest media contributor to ROI regardless of budget, category position, seasonality and brand longevity.**

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

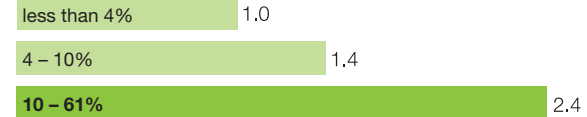
Overall Effectiveness of Marketing Elements



Base: 140 brands

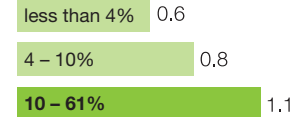
Increased magazine advertising improved both trade promotion and TV advertising ROI.

Trade Promotion Effectiveness Based on % Spending in Magazines



Base: 130 brands

Television Advertising Effectiveness Based on % Spending in Magazines



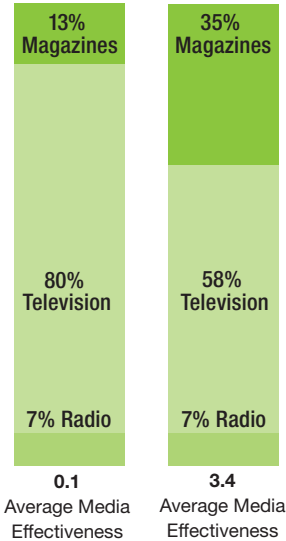
Base: 130 brands

Source: Measuring the Mix, Marketing Management Analytics

Magazines Improve Marketing and Advertising ROI

For those brands with a higher percent of magazines in the media mix, total media effectiveness were substantially higher.

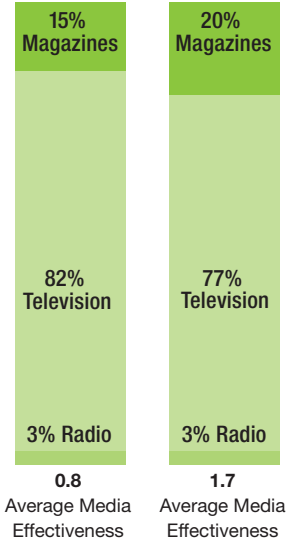
Impact of the Media Mix on Effectiveness



Base: 59 brands
Source: Measuring the Mix, Marketing Management Analytics

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.

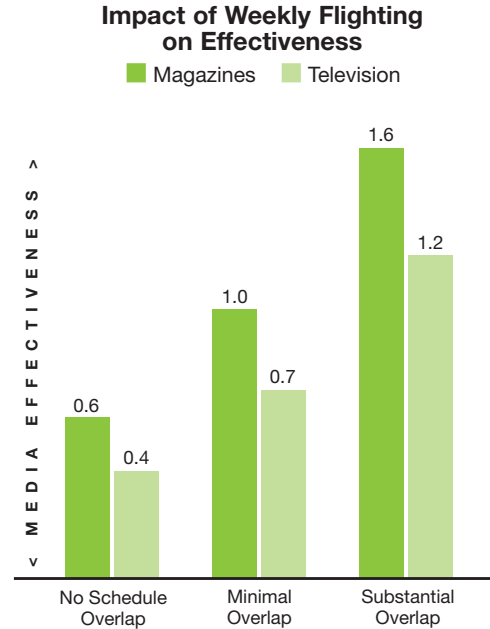
Comparing Media Mix of Same Brands Over Time



Base: 36 brands
Source: Measuring the Mix, Marketing Management Analytics

Magazines Improve Marketing and Advertising ROI

Scheduling magazines and television together improved ROI for both media.



Base: 56 brands with weekly data available
Source: Measuring the Mix, Marketing Management Analytics

Accountability: Magazines Get Results

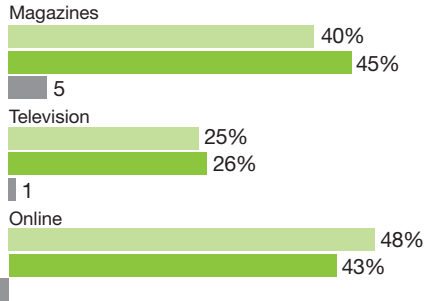
Magazines Excel at Driving Automotive Brand Awareness, Brand Familiarity and Purchase Intent

Multiple independent studies prove that magazines influence consumers' intent to purchase an automobile more than TV or online.

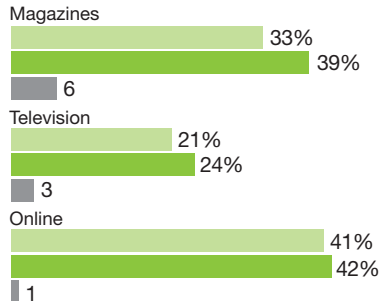
Automotive Purchase Funnel Aggregate of 4 Studies

Pre-Control Post-Exposed Point Difference

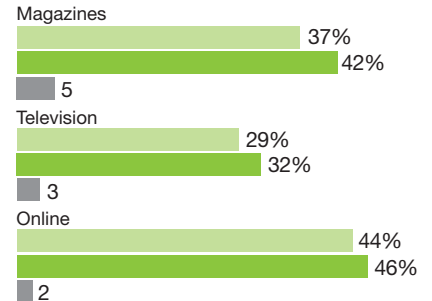
Total Brand Awareness



Brand Familiarity



Purchase Intent



Source: Marketing Evolution, 2006

Accountability: Magazines Get Results

Magazines Excel at Driving Automotive Purchase Consideration

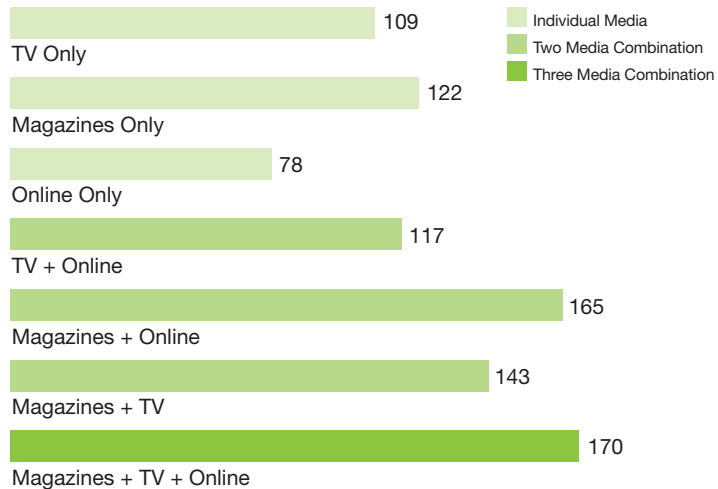
When it came to looking at purchase consideration—the final stage before a consumer decides to make a purchase—for the Jeep Compass launch campaign, Dynamic Logic found that:

- **Magazines—whether alone or in combination with other media—drove purchase consideration more than any other medium in isolation or media combination.**
- When TV was added to magazines and online, the gains in purchase consideration were not significantly higher than magazines plus online alone.

To see how magazines drove metrics at all stages of the Jeep Compass' launch campaign purchase funnel, go to www.magazine.org/accountability.

Automotive Purchase Consideration (Index)

The next time you are looking to buy or lease a new vehicle, how likely are you to consider the following small/compact SUVs?*



*Results shown are for Jeep Compass only. Question referred to the Jeep Compass within a competitive set of additional brands.
Source: Dynamic Logic, 2007

Accountability: Magazines Get Results

Magazines Deliver ROI Across the Automotive Purchase Funnel

Dynamic Logic examined the efficiency of each medium and combination of media for each stage of the purchase funnel for the Jeep Compass launch campaign. Their findings included:

- **Magazines in isolation or magazines plus online were the most efficient** of the various media and media combinations
- Except for unaided brand awareness, TV in isolation or in combination with other media was the least efficient medium for this campaign

Calculated Cost-per-Person (CPP) by Metric and Exposure Cell

Lower Index = Greater Efficiency

	TV	Magazines	Online	TV + Magazines	TV + Online	Magazines + Online	TV + Magazines + Online
Unaided Brand Awareness	133	—	190	177	420	100	157
Aided Brand Awareness	236	100	131	314	282	133	207
Aided Ad Awareness	434	100	167	380	1666	147	212
Message Association	186	113	115	239	644	100	322
Brand Favorability	594	112	—	330	2496	100	317
Purchase Consideration	—	—	—	1887	—	100	960

Notes: Index of 100 represents the most efficient medium or media combination and all other costs were indexed against the most efficient cost. A dash means that the metric did not increase or the increase was under one percentage point.

Source: Dynamic Logic, 2007

Magazines Drive Automobile Sales

Results from a study by Hudson River Group (HRG) document 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 represented different vehicle categories and marketplace characteristics over a three-year period.

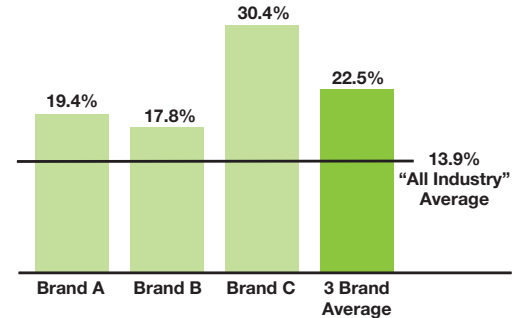
Advertising efficiently contributed to sales volume for all three brands.

- 17.8% to 30.4% of total volume was driven incrementally by advertising. (The HRG “all-industry” average is 13.9%.)
- All brands returned at least 3.5 sales dollars for each dollar spent in advertising. The average was nearly a ten-fold return.

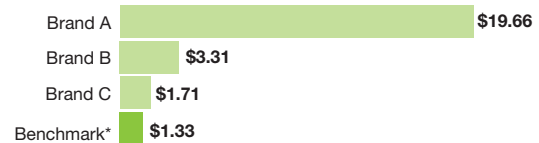
Magazines were a key factor in generating sales volume efficiently.

- An average of 2.2% of total volume was driven by magazine advertising. The HRG “All Industry” average is 1.9%. According to J.D. Power & Associates, a sales point in the automotive market was worth nearly \$4 billion at the time of the study.
- **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.**

Percent of Total Sales Due to Advertising



Incremental Sales/Dollar Spent: Magazines



*All Industry
Source: Hudson River Group

Magazines Drive Automobile Sales

Magazines rarely experienced saturation, while television often exceeded the point of diminished returns.

Percent of Weeks Above Saturation 1999–2001

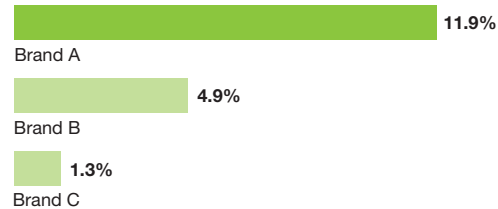
	Television	Magazines
Brand A	39 %	0 %
Brand B	53 %	2 %
Brand C	51 %	0 %
Average	48 %	1 %

Source: Hudson River Group, 2003

Significant gains in overall advertising impact can be achieved by reallocating “oversaturated” television weight to magazines.

Benefit of Reallocating “Excess” TV Weight to Magazines

Change in Incremental Sales Volume Due to Advertising
1999–2000 Average



A 2005 Study from Marketing Evolution corroborated the findings from Hudson River Group. When Marketing Evolution analyzed the launch of the Ford-150 pickup, it reported that while TV and magazines produced similar point gains in purchase consideration, **magazines were less than half the cost per person influenced.**

Magazines Influence Retail Purchase Behavior

Top Three Media That Influence Purchase by Age and Category

Apparel/Clothing

Total Adults	Age 18-24	Age 25-34
Magazines 29%	Magazines 45%	Magazines 34%
Broadcast TV 26	Broadcast TV 33	Broadcast TV 31
Newspaper 22	Cable TV 30	Cable TV 21

Electronics

Total Adults	Age 18-24	Age 25-34
Broadcast TV 32%	Broadcast TV 38%	Broadcast TV 36%
Magazines 26	Magazines 35	Magazines 31
Internet Advertising 23	Cable TV 33	Internet Advertising 27

Home Improvement

Total Adults	Age 18-24	Age 25-34
Broadcast TV 24%	Broadcast TV 23%	Broadcast TV 26%
Magazines 21	Magazines 21	Magazines 21
Newspaper 17	Cable TV 21	Cable TV 20

When looking at a variety of major and diverse areas within the retail category, BIGresearch found that magazines were one of the top three media to influence purchases of all adults, as well as the 18- to 34-year-old segment, for apparel, electronics and home improvement.

Source: BIGresearch, Simultaneous Media Usage Survey, 2006

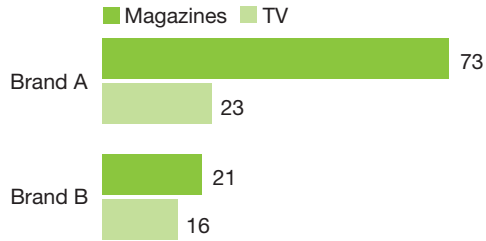
Accountability: Magazines Get Results

Magazines Generate Results for Package Goods Advertisers

When Marketing Management Analytics looked across media at return on investment (ROI) for a consumer package good marketer, they found that magazines provided superior ROI for both brands, concluding that:

- Magazines performed nearly three times more efficiently than TV for Brand A
- Magazines provided nearly a third better efficiency than TV for Brand B

Marketing ROI Summary



Source: Marketing Management Analytics (MMA) presentation, 2006

In a prior study for consumer packaged goods, magazines provided nearly 40% better return on investment than TV



For nonpackaged goods, magazines also provided significantly higher ROI



Source: Ephron and Pollak, 2003

Accountability: Magazines Get Results

Magazines Drive Sales at Retail

A 2005 Marketing Evolution mass merchandiser study underscored the ability of magazine advertising to drive sales at retail in the apparel category. The study showed that:

- Magazines were two times more effective than TV in driving purchase intent
- Magazines were seven times more effective than the Internet in driving purchase intent
- Magazines were more effective than TV and newspapers or the Internet in increasing intent to recommend apparel
- Magazines were more effective than TV and newspapers or the Internet in influencing people to recommend the store

Marketing Evolution Media Accountability Study—Mass Merchandiser

Percent Point Change vs. Control	TV + Newspapers	Online	Magazines
Intent to purchase apparel	+3	+1	+7
Intent to recommend apparel	0	0	+6
Intent to recommend store	0	+2	+8

Source: Marketing Evolution, 2005

See page 38 for the Retail Advertising and Marketing Association (RAMA) Study, conducted by BIGresearch, showing that magazines are the most effective driver to the web.

Accountability: Magazines Get Results

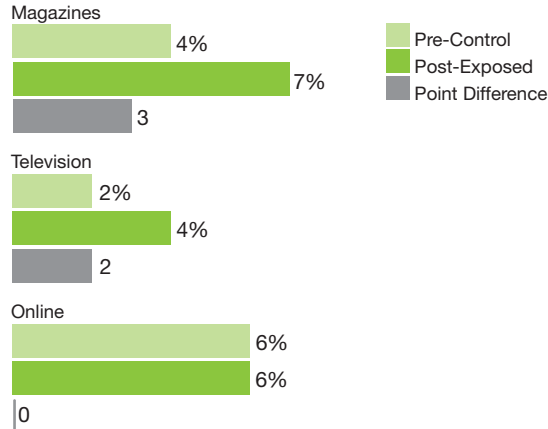
Magazines Lead in Driving Pharmaceutical Purchase Intent

Marketing Evolution found that magazines drove consumers' pharmaceutical purchase consideration—based on intent to talk to doctor/ physician—more than TV or online.

See full pharmaceutical purchase funnel results in the study “Measuring Media Effectiveness” at www.magazine.org/accountability.

Pharmaceutical Purchase Intent (Defined as Intention to Talk to Doctor/Physician)

Aggregate of 2 Studies



Source: Marketing Evolution, 2006

Accountability: Magazines Get Results

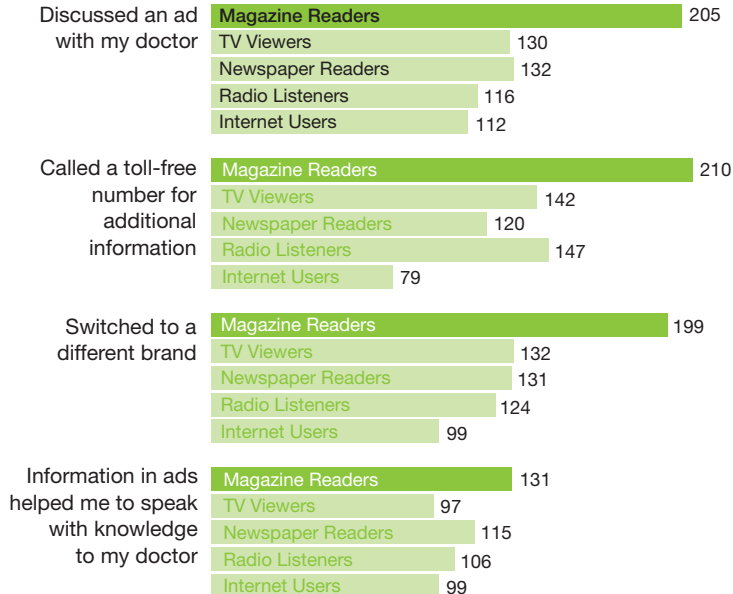
Magazine Readers Lead in Responding to Healthcare Ads

The MARS OTC/DTC study revealed that magazine readers are by far the most likely to take action on an ad when compared with users of any other media. **Magazine readers were more than two times as likely as users of other media to discuss an ad with their doctor than the general public.**

In addition to the data presented in the chart, magazine readers were:

- Nearly three times more likely to return a sample card than the general public
- Two and a half times more likely to request more information by returning a card than the general public

Actions Taken by Heavy Media Users in Response to Healthcare Advertising (Index)



Source: MARS OTC/DTC Study, 2006

Accountability: Magazines Get Results

Magazines Help Keep Pharmaceutical Ad Results Healthy

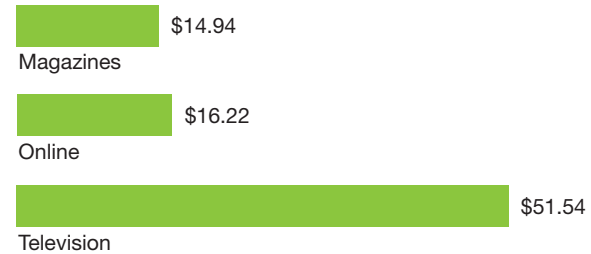
Magazines can play an important role in motivating people to ask their doctors about drug remedies relevant to them—particularly at a time when there is a crisis of trust between patients and the drug companies.

In a study for a major advertiser, Marketing Evolution found that magazines generated two times more doctor visits than TV. In addition, the Marketing Evolution study also reported **magazines were more efficient than the Internet and three times more efficient than TV in driving those visits.**

Marketing Evolution also found in the pharmaceutical category, that magazines lead in driving purchase intent (see page 56).

Pharmaceutical Recommended Mix Cost per Impact

Impact = Effort/intent to talk to a doctor (net)



Source: Marketing Evolution, 2005

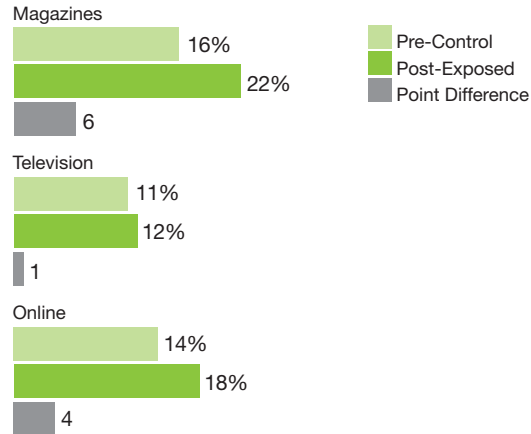
Accountability: Magazines Get Results

Magazines Lead in Driving Entertainment Purchase Intent

In Marketing Evolution's analysis of seven entertainment products' advertising campaigns, magazines drove purchase intent the most—a third more than online and six times more than TV.

Entertainment Purchase Intent*

Aggregate of 7 Studies



*The purchase intent question for this category was phrased as an intention to tune in, view, attend or buy the product.

Source: Marketing Evolution, 2006

Accountability: Magazines Get Results

Consumers of Entertainment Products Choose Magazines

Magazine readers provide a key target for entertainment advertisers. Consumers and Influential® consumers (the 1 in 9 consumers who influence the others) of a variety of entertainment products tend to be above-average magazine readers and below-average TV viewers. These consumers also tend to be above-average users of the Internet.

Top Media Quintiles for Entertainment Products

		Heavy Users				
		Magazines	Newspapers	Radio	TV	Internet
Attended movies 1+ times/week in last 90 days	All Consumers	142	86	120	84	109
	Influentials	169	91	139	92	137
Prefer to see a new movie within first 2 weeks of opening	All Consumers	131	93	116	87	118
	Influentials	136	106	124	90	104
Household bought any video game systems in past 12 months	All Consumers	128	93	113	89	122
	Influentials	112	79	111	95	108
Rented 3+ DVDs in past 30 days	All Consumers	122	100	108	77	134
	Influentials	108	98	95	76	111
Purchased any DVDs in past 30 days	All Consumers	120	100	116	83	122
	Influentials	112	100	109	95	114

Base: U.S. 18+
Source: MRI Doublebase, 2006

Accountability: Magazines Get Results

Magazines Improve Advertising ROI in a Number of Categories

An analysis of more than 100 case studies across three categories showed magazines' strength in contributing to ROI. In each category, advertisers' ROI would have increased by reallocating media budgets into magazines.

ROI Index

Higher Index=More Efficient Contribution to Results

	Financial Services	OTC	Personal Care
Total Advertising	100	100	100
Magazines	240	571	145
TV	81	89	110
Newspapers	109	—	—
Radio	94	—	—
Outdoor	57	—	52

Note: Internet data not sufficient for inclusion.
Source: Hudson River Group, 2004

Financial Services Advertising

	Magazines	TV
Percent of Budget	17 %	76 %
Share of Incremental Volume*	30 %	51 %
Efficiency Index	176	67

Base: 12 cases

Personal Care Advertising

	Magazines	TV
Percent of Budget	9 %	90 %
Share of Incremental Volume*	28 %	71 %
Efficiency Index	311	79

Base: 67 cases

OTC/Healthcare Advertising

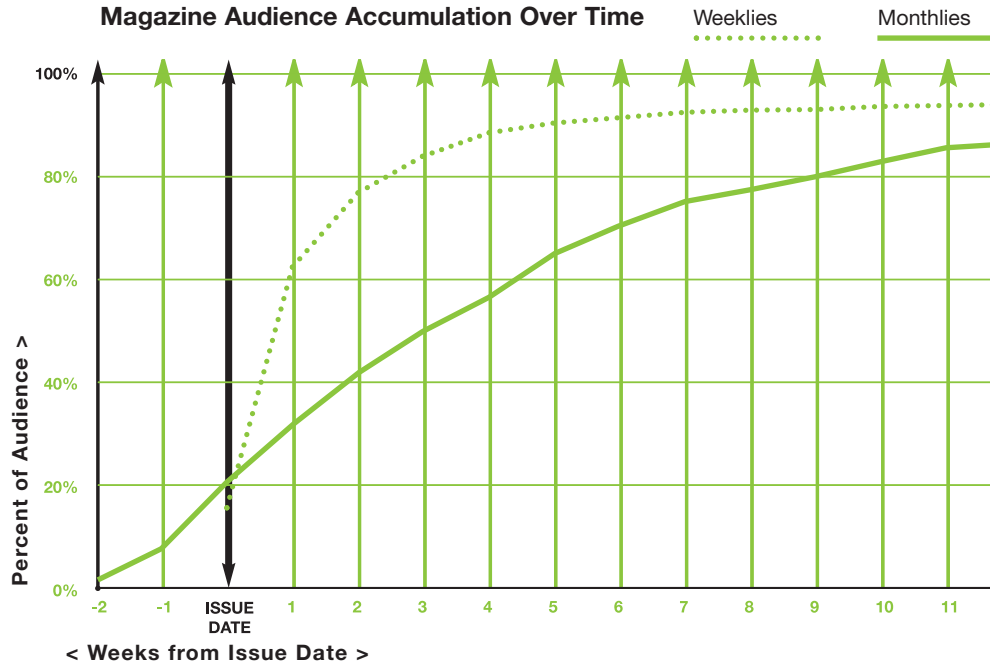
	Magazines	TV
Percent of Budget	9 %	83 %
Share of Incremental Volume*	40 %	60 %
Efficiency Index	444	72

Base: 24 cases

*Incremental volume from medium as a percent of incremental volume from all advertising.

Magazine Reach

Magazines Accumulate Reach Faster Than Commonly Believed—and When Consumers Choose



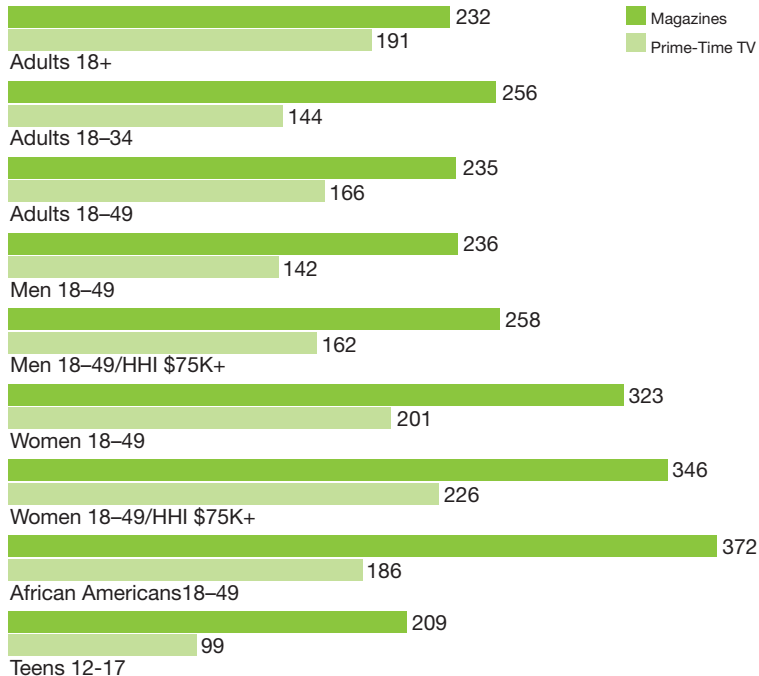
Magazine reach begins accumulating audience before the actual issue date. The average monthly magazine accumulates approximately 60% of its audience within a month's time, and the average weekly magazine accumulates nearly 80% of its audience in two weeks. Magazines provide “on-demand” audience accumulation. **Consumers control their media experience with magazines, resulting in engaged reach.**

Source: MRI Fall, 2006

Magazine Reach

Top 25 Magazines Outperform Top 25 Prime-Time TV Programs in Reaching Adults and Teens

Gross Rating Points of Top 25 Magazines and Prime-Time TV



Source: Carat Insight; Nielsen September 2005-May 2006 (Prime regularly scheduled); MRI Fall, 2006

Magazines provide superior reach to major target audiences, including adults 18-49, women 18-49, African Americans 18-49 and teens 12-17, when Carat's cross-media research compared the top 25 prime-time TV programs and top 25 magazines.

Note: Total GRPs equal the rating of each of the top 25 vehicles of each medium added together.

Reader Characteristics

Magazine Readers Are Innovators

Consumer Innovators and Media Use

Heavy Media Users (Index)

Product Category	Magazines	Internet	TV	Newspaper	Radio	Magazines + Internet
Leisure	125	173	63	96	100	184
Food	115	116	95	105	104	122
Electronics	121	169	77	103	99	175
Financial	114	157	69	132	89	159
Home Appliance	115	129	81	119	92	137
Personal Care/Health	108	103	96	105	102	105
Super Innovators (3+ Segments)	131	174	71	115	102	189

Base: U.S. Ages 18+
Source: MRI Fall, 2006

Consumer innovators are the consumers who are most open to trying new products. According to MRI, above-average readers of magazines, along with above-average users of the Internet, are more likely than average consumers to be innovators in all of the six product categories studied—the only medium with this distinction. What’s more, adults who heavily use both the Internet and magazines are even more likely to be consumer innovators than heavy users of each individual medium.

Reader Characteristics

Magazine Readers Are a Desirable Target

Consumers who read magazines heavily are affluent, educated and employed in professional positions more so than heavy television viewers.

Heavy Magazine Readers vs. Heavy TV Viewers

Index vs. Total U.S. Adult Population

	Heavy Magazine Readers	Heavy TV Viewers
Median Age	40.1	53.5
Median Household Income	\$ 60,947	\$ 34,206
Median Value of Owned Home	\$ 228,279	\$ 145,507
Household Income \$75,000+	118	72
Graduated College	116	50
Employed	111	60
Professional/Managerial	112	39
Top Management	125	38
Look at/Use Internet 3+ Times a Week	121	67

Source: MRI Fall, 2006

Reader Characteristics

Magazines Appeal to Younger Adults

Independent data demonstrate that adults under 34 years old read more magazines than adults who are over 35. What's more, this trend held true for men and women. Data on men and women can be found at www.magazine.org/research.

Readership by Age

MRI	Total	18-24	25-34	35-44	45-54	55-64	65+
Issues Read/Past Month (median)	5.7	7.8	6.7	6.3	5.6	5.3	3.4
Index	100	136	117	111	98	92	59
Readership.com*	Total	19-24	25-34	35-44	45-54	55-64	65+
Titles Read/Last 6 Months	17.0	18.3	18.9	17.2	16.7	17.0	14.0
Index	100	108	112	101	98	100	82
Specific Issues Read	29.3	30.9	33.3	29.2	28.3	29.7	25.0
Index	100	105	113	99	96	101	85

*Pilot test

Source: MRI Fall, 2006; Base: Total Adults.

Readership.com, 2006, Sample size 8,000+ respondents

Reader Characteristics

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

Magazine Reading by Location

In Own Home	82 %
Out of Home	78
Doctor/Dentist Office	36
Someone Else's Home	27
Newsstand/Store	25
Work	25
Beauty/Barber Shop	13
Library/Club/School	8
Somewhere Else	8
Airplane	7
Business/Reception Room	7
During Other Travel	2
Traveling to/from Work	2

Note: Percentages add up to more than 100% due to multiple responses. Base: U.S. Adult Magazine Readers
Source: MRI Fall, 2006

Magazines Appeal to Young and Diverse Readers

The MPA Market Profiles offer an in-depth look at the African-American/Black, Asian-American, Hispanic/Latino and Teen markets. Each group is an important, growing segment of the U.S. population that uniquely redefines the culture of the United States in areas such as food, apparel and music. Not surprisingly, each group displays specific magazine readership patterns.

For more details on the Market Profiles, visit www.magazine.org/marketprofiles.

Source: MRI Fall, 2006; ABC; *National Directory of Magazines*; Oxbridge Communications, 2007; Carat Insight, 2007

- More than eight out of ten African-American/Black adults (83%) are magazine readers. They read on average 12.3 issues per month, compared to 9.4 issues (per month) for all U.S. adults.
- Nearly three out of four African-American/Black adults (73%) who read magazines are between the ages of 18 to 49 (compared to only 63% of the U.S. adult population).
- More than 150 Asian-American titles are published in the United States.
- Asian-American magazine readers are younger, more affluent and better educated than magazine readers overall.
- More than 75% of adult Hispanic/Latinos read magazines. They read about 8.7 issues per month.
- In 2006 vs. 2005, the total paid circulation for ABC-measured Hispanic/Latino magazine titles grew by 10.4%.
- Nearly eight out of ten teens, 78%, read magazines.
- A cross-media comparison conducted by leading media agency Carat found that the top 25 magazines lead versus the top 25 prime-time TV shows in reaching teens 12 to 17.

Case Histories: The 26th Annual MPA Kelly Award Winners

Grand Prize Winner

Butler, Shine, Stern & Partners for MINI USA

Butler, Shine, Stern & Partners's "Covert" campaign for MINI USA got impressive results. The ads:

- Increased online chat 75%
- Deepened brand engagement 21% —to highest level ever
- Drove sweepstakes participation, surpassing goals by 200%

The MPA Kelly Awards recognize the best magazine advertising as defined by advertising that demonstrates creative excellence and produces positive marketplace results.

All the Kelly Award winners and finalists campaigns are available for viewing in an interactive, virtual gallery at www.kellyawardsgallery.org. Case studies from nearly 150 previous years' finalists are available at www.magazine.org/casestudies.



Gold Award Winner

Arnold and Crispin Porter+Bogusky for American Legacy Foundation/truth

Arnold and Crispin Porter + Bogusky's "Infect Truth" integrated campaign got big results for American Legacy Foundation/truth. The ads:

- Generated 700,000+ website visits, averaging over 50,000 visits per week
- "Infect Truth" social networking sites gained more than 16,600 friends and 2,700 comments
- More than 107,000 "Infect Truth" e-mails spread since online launch

Other winning campaign categories included:

BEST INTEGRATED CAMPAIGN
BBDO Detroit/NY for Jeep
"A New Species from Jeep"

BEST PUBLIC SERVICE CAMPAIGN
Arnold and Crispin Porter + Bogusky
for American Legacy Foundation
"Whudafxup"



All the Kelly Award winners and finalists campaigns are available for viewing in an interactive, virtual gallery at www.kellyawardsgallery.org. Case studies from nearly 150 previous years' finalists are available at www.magazine.org/casestudies.

Case Histories: The 26th Annual MPA Kelly Award Winners

Silver Award Winner

Leo Burnett for Altoids

The Leo Burnett “Initiation” campaign reversed several consecutive quarters of steep sales declines for Altoids.

Best campaign-by-size winners included:

FULL PAGE

Butler, Shine, Stern & Partners for MINI USA
“Shared Space”

OUTSERTS/INSERTS

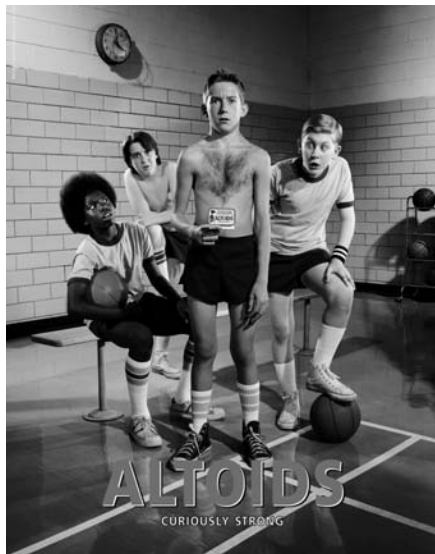
Crispin Porter + Bogusky for Volkswagen
“New Beetle Convertible Pill”

MULTIPLE PAGES

Peterson Milla Hooks for Target
“Design for All Egg/Bowl Gatefold”

SPREAD

Goodby, Silverstein & Partners for Häagen-Dazs
“Ingredients”



All the Kelly Award winners and finalists campaigns are available for viewing in an interactive, virtual gallery at www.kellyawardsgallery.org.

Case studies from nearly 150 previous years’ finalists are available at www.magazine.org/casestudies.

RESOURCES

Industry Periodicals and Website Resources

Advertising Age—www.adage.com

A leading authority on advertising, marketing and media news.

Adweek—www.adweek.com

Featuring creative, client/agency relationships and advertising strategies.

Capell's Circulation Report

Monthly newsletter of magazine circulation.

Circulation Management www.circman.com

Covers consumer marketing, including retail and direct mail for magazines.

The Circulator

Weekly e-newsletter from *Circulation Management*.

Creativity

Devoted to reporting the creative news in advertising.

DM News—www.dmnews.com

The weekly "Newspaper of Record" for the direct marketing industry.

Folio—www.foliomag.com

Strategies and tactics for magazine management.

Mediaweek—www.mediaweek.com

Targeting media specialists.

Newsstand Resource

www.NRMag.com

Trade magazine for the newsstand industry.

The•New•Single•Copy

www.nscopy.com

News and trends about retail environment.

PrintCritic—www.printcritic.com

Reports on the hottest print ads.

Romenesko's MediaNews

www.poynter.org/medianews

News from the Poynter Institute, a school for journalists.

Research/Reference

American Journalism Review

News Link—www.ajr.org

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.

A.M.I.C. The Advertising Media

Internet Center—www.amic.com

A broad collection of links to media-related resources, message boards, a media bookstore and research tools (such as media calculators) that was created by Telmar.

Audit Bureau of Circulations (ABC)

www.accessabc.com

Audit organization for consumer periodicals. Subscription required.

Business of Performing Audits

Worldwide (BPAW)

www.bpaw.com

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

Columbia Journalism Review

www.cjr.org

Contains insight about journalism and public policy. It includes "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.

Hall's Reports

www.hallsreports.com

Monthly and year-to-date reporting of all major magazine editorial categories along with calculated ad/edit ratios. Subscription required.

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: magazines, newspapers, catalogs and newsletters.

Media Info Center

www.mediainfocenter.org

(from Northwestern University's Media Management Center)

Provides up-to-the-minute media management news from more than 1,000 worldwide media industry and general interest publications.

RESOURCES

Mediamark Research Inc. (MRI)

www.mediamark.com

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

Monroe Mendelsohn Research/ Mendelsohn Media Research

www.mmr-surveys.com

A provider of two syndicated surveys as well as custom research for publishers, advertisers and advertising agencies. Website describes both syndicated surveys and custom research services as well as allowing free access to some top-line data from the syndicated surveys.

Mr. Magazine: Samir Husni

www.mrmagazine.com

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

Publishers Information Bureau (PIB)

www.magazine.org/pib

Tracks the amount and type of advertising carried by consumer magazines.

PubList.com—www.publist.com

Contains 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.

Standard Rate & Data Service (SRDS)

www.srds.com

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

TNS Media Intelligence

www.tns-mi.com

A provider of strategic advertising intelligence.

Directories

Bacon's Directories

Extensive directories of personnel and contacts in various media, including; Internet, TV/cable, radio, newspapers and PR outlets.
Phone: 312-922-2400

Benn's Media Directory

www.greyhouse.com

Grey House Publishing
185 Millerton Road, PO Box 860
Millerton, NY 12546
Phone: 800-562-2139

Encyclopedia of Associations

Thomson Gale

27500 Drake Road
Farmington Hills, MI 48331
Phone: 248-699-4253, x1505

Gale Directory of Publications and Broadcast Media

www.gale.com

Gale Research, P.O. Box 9187,
Farmington Hills, MI 48333-9187
Phone: 800-877-4253

National Directory of Magazines

Standard Periodical Directory

www.mediafinder.com

Oxbridge Communications, Inc.
186 Fifth Avenue, 6th floor,
New York, NY 10010
Phone: 800-955-0231

Samir Husni's Guide to New Consumer Magazines

www.mrmagazine.com

Samir Husni
1739 University Avenue
Oxford, MS 38655
Phone: 662-915-1414

Standard Directory of Advertisers and Standard Directory of Advertising Agencies

www.nationalregisterpub.com

National Register Publishing Co.,
890 Mountain Ave., 3rd Fl.,
New Providence, NJ 07974
Phone: 908-673-1001

Standard Rate & Data Service (SRDS)

www.srds.com

Business, Consumer and
Agri-Media Publications
1700 Higgins Road,
Des Plaines, IL 60018-5605
Phone: 800-851-7737

Ulrich's International Periodical Directory—www.bowker.com

121 Chanlon Road
New Providence, NJ 07974
Phone: 800-521-8110

MPA RESOURCES

Accountability and Effectiveness

Accountability: A Guide to Measuring ROI and ROO Across Media examines accountability research across media.

Measuring Media Effectiveness Across the Purchase Funnel, research from Marketing Evolution, demonstrates magazines' significant contribution across the purchase funnel.

Case Studies Nearly 150 examples showcase how advertisers across categories have successfully used magazines: www.magazine.org/casestudies.

Accountability Studies from Affinity Research, Dynamic Logic, Hudson River Group and more analyze media mix dynamics and provide compelling proof that magazines positively impact sales.

Magazines Make Connections: A Retailer's Guide to Growth Through Magazines (special advertising section) demonstrates that magazines drive sales and profits throughout the retail environment. Produced in partnership with *Supermarket News*.

Quantifying Influentials' Relationship with Magazines reveals that Influentials—the 21 million Americans who influence the decisions of the rest of the population—rank magazines as their key source of news and information and find magazine advertising valuable.

Creative

Kelly Awards Gallery Guide, video and traveling display feature the best magazine advertising of the past year and the results that demonstrate marketplace success. Twenty-six years of Kelly Awards winners are also available online at www.kellyawards.org.

The Power of Print: Starch Ad Database and Tools is a presentation that surveys the usefulness of Starch Ad Readership studies and discusses the "Ten Principles for Effective Print Advertising."

Readers and Readership

African-American/Black, Asian-American, Hispanic/Latino and Teen Market Profiles consolidate research from dozens of sources on these increasingly important advertising targets.

The Value of Magazine Readership: Reader Dynamics and Ad Impact Among Paid and Nonpaid Readers demonstrates that how much a consumer pays for a magazine or how the magazine was acquired does not affect the level of magazine engagement or likelihood to act on the advertising.

The Value of Magazine Readership: Reader Dynamics and Ad Impact on Readers of Pass-Along Copies shows that readers value pass-along copies and take action at a similar rate as readers overall.

Engagement

Engagement: Understanding Consumers' Relationships with Media addresses in a media-neutral approach how consumers connect with advertising-supported media: television, newspapers, radio, the Internet and magazines.

Understanding Magazine Circulation: A Guide for Advertising Buyers and Sellers offers insights on key strategic concepts in circulation to help facilitate communication between advertisers and publishers.

Magazine Reader Experience Study examines what consumers experience when they read a magazine and how those experiences drive readership and advertising impact. The research, conducted by the Media Management Center at Northwestern University, offers significant insights for advertisers, consumer marketers, publishers and editors.

General

2006-2007 Handbook of Consumer Marketing Practices contains important information on effective circulation practices, the value of readership, subscription marketing regulations as well as overviews of the retail picture for magazines.

Media Research Index puts more than 1,000 research studies from 1950 to 2003 at your fingertips. The index is available online at www.magazine.org/media-research-index and free of charge to MPA members and advertisers. Listings are searchable by media type, study type, author, title or keyword. The print version includes abstracts of 250 papers.

For all these resources and more, visit www.magazine.org or contact promotion@magazine.org.

Information about magazine industry conferences and events is available at www.magazine.org.

- American Magazine Conference
- Retail Conference: The Marketing of Magazines and Books
- National Magazine Awards
- Lifetime Achievement Awards
- Kelly Awards for Outstanding Magazine Advertising
- Magazines 24/7
- Hispanic Magazine Summit
- Training Seminars

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New York, NY 10019-5818

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The Please Recycle initiative is an industry-wide public education campaign that Magazine Publishers of America is undertaking with its member publications to encourage readers to recycle their magazines when they are done enjoying them. Two logos featuring the Please Recycle message are available for MPA members to display in every issue of their magazines. The campaign will increase public awareness that magazines can be recycled in the vast majority of communities in the United States.

To download the logo, visit www.magazine.org.

MPA's website, www.magazine.org, is the definitive resource for the magazine industry.



www.magazine.org