

Print circulation data shows disturbing trends

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Publishers of newspapers and magazines have been bleeding, and are taking desperate measures to cling on to their share of a shrinking market.



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However, the strategies they are deploying do not meet with the universal approval of advertisers, who need precise circulation figures in order to pitch their message as accurately as possible to their target markets.

Circulation and readership figures are the main determinants of advertising rates.

One of the most disturbing trends is the number of publications being sold at below 50% on average of their cover price, a sure sign of an industry under stress.

The trend was identified in the latest circulation figures for the second quarter, recently released by the Audit Bureau of Circulations of SA (ABC).

The most striking example was *Finweek*, the business magazine in the Media24 stable. The magazine boasted an enviable 99% rise in circulation to 23,782, due largely to the 12,637 copies that were sold at 50% below its cover price. (The *Financial Mail's* circulation fell from 23,400 to 19,866 quarter on quarter, as the number of free copies distributed at airports was cut by about 3,000.)

Several of the titles of the Independent Newspapers group adopted the same strategy as *Finweek*. In the case of its flagship, *The Star*, 13% of its total circulation was sold at less than 50% of its cover price, while for the *Pretoria News* the number was 22%.

Bundles

Another method being used is to sell a number of magazines digitally in a single bundle, but claim circulation for each individually. Media24 confirmed that it sells the digital versions of its magazines in bundles, and has declared this in its report to the ABC. The bundle includes *Finweek*.

According to Media24 magazines division CEO John Relihan the group's Kaboedel/The Bundle offer, which was launched in April 2013, provides access to the digital versions of 14 Afrikaans titles or 22 English titles at a fixed monthly subscription rate.

The current rate is R110/month for all 14 Afrikaans magazines, or the same amount for all 22 English titles. This is a substantial discount to the R80/month subscription for the digital version of *Finweek* if bought individually or the R27 monthly cost of a subscription to women's magazine *Sarie*.

It's up to the user to decide what's relevant

These kinds of sales provide an advertiser with absolutely no information about which individual magazines within the bundle are being read.

ABC general manager Charles Beiles says the bureau's rules allow bundled titles to be sold, as long as this is declared. "Categories of sales below 50% are legitimate classes of circulation. Free circulation is as well. It is up to the user of the data to decide which classes of circulation are relevant."

But ABC vice-president and business director of Omnicom Media Group Gordon Patterson does not believe this method of distribution assists marketers and advertisers, who see it as a way of "bulking up" circulation figures.

He notes in a presentation on the circulation figures that "almost 5% of total consumer magazine paid circulation comes from distribution at less than 50% (on average) of the title cover price. On closer investigation [it can be seen that] this development is being driven mainly by one publisher across several categories.

"It is very clear that distribution at less than 50% of the cover price has less value than circulation to people who are prepared to pay the cover price."

The reality is...

The marketing, advertising and media agencies view this form of circulation as self-promotion and don't see why they have to fund it. It enhances the perceived performance of those titles and deceives unsuspecting individuals who may not do their homework properly.

Unsuspecting marketers and advertisers may well be influenced to support a publication based purely on its reported growth in circulation.

Patterson believes promotional material should not be presented as true sales. The advertising industry devotes a lot of time to ensuring the right advertisement is placed in the right environment. The price and content of publications filter consumer interest and allow advertisers to pinpoint their target market. "The reality is that the only viable circulation in the long term is circulation that is paid for based on the value and content of the title. All other forms of circulation are short term," he says.

Source: *Financial Mail*, via I-Net Bridge

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