

INDIAN MAGAZINE CONGRESS 2006

Magazines – more engaging and cost effective than other media

- Sam Balsara

Thank you Ashish for inviting me to this very impressive two-day Conference on magazines.

When I was thinking about what to say in this Conference my mind went back to when I was a brand manager in Cadbury in the late seventies and used to eagerly await the arrival of Stardust magazine and glance through the magazine almost immediately on its arrival and read it on the way home. Unfortunately, I am sure most of you agree that things have changed a bit for magazines since then. But I firmly believe that with every challenge comes an opportunity and so it is with magazines.

Let's first take a look at **some** numbers. **In** terms of reach it is clear that TV reach is now stable at 50 odd percent. **C&S** reach is increasing; **Radio** reach is also on the upswing. **In the** case of Internet there is a sharp increase, though the base is very small. **Newspapers** reach is again stable at about 25%. **But magazines** reach has steadily declined from about 13% in 2002 to 9% today.

Juxtapose this with the fact that literacy is increasing, enlarging the available audience and you have the numbers 'not reached by magazines' increasing.

Let us compare the Indian figures with UK figures for a perspective. **Reach** of magazines in UK is staggering at 83%. **Compare** that with 13% in 2002 or 9% in 2006 and you can figure out that despite all the changed circumstances and competition, the potential to grow for magazines is enormous.

Cost per thousand comparisons are always controversial and require lots of assumptions to bring the figures to a common comparable platform. Well I have made quite a few assumptions and it shows that on Urban 1 lakh+ towns, magazines are more cost effective than newspapers, but far more expensive than TV and Radio. And if you look at the figures for only top 10 metros, the CPT for magazines and newspapers is comparable. But again far more expensive than TV and Radio.

As many of us know now, in the case of magazines the drop in Claimed Readership is not as high as the drop in Average Issue Readership (AIR). Whist the percent drop in AIR is 14% over 2 years, the drop in Claimed Readership is 11%, indicating that readers are reading magazines, **but** less regularly. At 'any magazine level' the drop from Claimed to AIR is 38% which means if you want to reach all 'Claimed Readers' you will have to take 5 insertions instead of 3.

We all know that the world is getting more and more of media. There are now, besides new media, within the same medium, more titles, more channels, more stations and this proliferation is only going to intensify leading to higher fragmentation. In this scenario, exposure is a necessary but

not adequate parameter to measure the relevance and cost effectiveness of a medium and the **new buzz** word that we now want to look at is the medium's ability to ENGAGE the exposed audience.

On this aspect, I have some good news to share with all of you.

Study 1: The first study that I have accessed is a study done in USA in the year 2000 amongst 8000 consumers. **The study** suggests that readers usually **trust** and **believe** in advertising appearing in magazines a lot more than on Network TV, Cable or Internet. They also seem to find the advertising more **useful** and **relevant**. And Advertisers should find this really exciting. **More Actionable**, a lot more than Network TV, Cable or Internet. Readers **seem to ignore** advertising, less in magazines than they do in other media. And also find advertising in **magazines** less **annoying**.

Study 2: Another study done in 2002 in UK, amongst 2030 respondents **says** that readers find information in magazines more **interesting** and **relevant** to them and magazines seems to be their number 1 choice to help readers decide on what brands to buy. The same study seems to confirm our fears that whilst TV gives you high exposure, viewer involvement especially at the time the ads are running, is low. See the scores on Fast Forward VCR, Talk to Some One and Leave Room. This study again reconfirms that **readers find** ads in magazines **less annoying** than ads on TV, Radio or Websites.

Study 3: Another study by Roper Public Affairs more recently in 2005 confirms that readers find magazine advertising least intrusive.

Study 4: Another study by Dynamic Logic in 2005 says consumers feel positive about and enjoy magazine advertising.

Study 5: Roper Public Affairs research again in 2005 says that advertising ads to enjoyment of reading magazines much more than Radio, TV or Internet.

What about Teens? Can they relate to Magazines?

Study 6: A Neopets Youth study done in 2004 says **Teens** trust magazine advertising little more than they do advertising in TV, Radio and Internet.

Study 7: Even the **influential** community seems to trust the advertising in magazines more than network, cable or internet.

One of the newer banes of the media and advertising community is that readers or viewers have begun to **multitask** whilst consuming media. Here is a study that says less readers multitask when consuming magazines.

I must caution you that most of the studies that I have referred to, were initiated by interested parties – The Association of Magazine publishers. So use the conclusions with caution and at your own peril.

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