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Why is print still the anchor for strong media marketing?

No matter what part of the media industry you're in – digital transformation will affect everyone. Preparing for the future requires the development of a 360-degree perspective that integrates all channels, with print as the anchor for strong multimedia brands. We've put together some interesting ideas for how you can implement a 360-degree perspective.

At a first glance, current figures suggest that online channels have a large advantage over print. In particular, advertising has dropped sharply in recent years. The advertising revenues of German magazines fell by 1.9 percent in 2016 alone. And the number of issues sold continues to fall year after year. However, thanks to gradual price increases over recent years, sales turnover has remained relatively stable. The winners are online media companies, such as Google, Facebook and Instagram, which combined account for more than 60 percent of all global revenue from online business.

Shift from Digital to Other Media

However, in the advertising industry doubts are being raised about the advertising effectiveness of online media. For example, Marc Pritchard, the Global Marketing Officer at Procter & Gamble a heavyweight in the advertising industry, in an interview with German newspaper Handelsblatt said that after cutting digital advertising by EUR 100 million, there had been no decline in revenue. "That's why we're going to continue our savings program and put the ad spend into other media."



The reason for this shift in thinking can be seen in the figures. In terms of reach, the magazine segment in Germany continues to outperform the internet, with a monthly total reach of 95.4 percent compared to 80 percent for online content (source: b4p 2016). I don't know about you, but people love magazines as a way to relax and get away from the constant stream of digital media. Advertising in print media is rated very positively by the public. Online advertising, by contrast, is often viewed as annoying and prevented from appearing on-screen with ad blockers.

According to Hermann Petz, Managing Director of Austrian company Moser Holding, following years of reversals things are looking up again for print media. He attributes this to the return of print as a relevant component of the media mix. There are many questions about online advertising. For example, a video is considered to have been viewed after half of it has played. Somewhat sardonically, Hermann Petz notes that "if we only printed half an ad, customers would never pay us for it."



Print Is Important in Building Strong Media Brands

We must remember that without print revenues, many publishing companies would not be able to finance a high-quality editorial team. In Germany, digital accounts currently for around 20 percent of revenue, with print generating 57 percent and other sources such as conferences, corporate publishing, books and DVDs contributing the remaining 23 percent. The figures are similar in other European countries.

With nearly 2.5 million digital-only subscriptions (as of the third quarter of 2017), [The New York Times](#) is an industry leader. That has led to speculation about when the publishing company will discontinue the print edition. In this connection, publisher Arthur O. Sulzberger Jr. said: "The print edition of The New York Times remains profitable through subscription revenue alone. So The New York Times will continue to appear in a print edition for the foreseeable future."

These examples underscore the thesis that, despite the digital transformation, printed newspapers and magazines will continue to be a basic business segment for publishing companies in order to maintain a strong media brand across all channels. Stephan Scherzer, Managing Director of the Verbandes Deutscher Zeitschriftenverleger (Association of German Magazine Publishers, or VDZ) [Deutscher Zeitschriftenverleger](#) notes this as well: "When building a community, print plays a central role as a brand anchor."



New Companies Are Still Being Formed

Despite the difficult conditions, in the VDZ's trend survey, nearly two-thirds of magazine publishers (62 percent) said that they wanted to publish special editions on the market in 2017. As in other areas, innovation cycles in the magazine industry have shortened substantially.

At the end of the first quarter of 2017, Germany had a total of 1,596 consumer magazines that are published on at least a quarterly basis. In 2016, publishing companies launched 87 new magazines on to the market, while 53 magazines were discontinued. In other words, the number of titles increased by 34. And 18 new magazines were launched in the first quarter of 2017. However, a thematic shift can be observed. While the circulations of country living magazines increased in the past few years, 20 percent fewer copies of the German-language publication [LandLust](#) were sold in the third quarter of 2017. And nearly all food magazines across the board have seen decreases. By contrast, health magazines have become the new beacons of hope.

Thematic Niches Offer Opportunities

The magazines that have gone a different route, pursuing a strategy known as "reverse publishing", are worth discussing. This refers to online offerings that subsequently develop into printed magazines. These include US tech magazine [CNET](#). While in Germany the recipe website „[Chefkoch](#)“ has become a print magazine. What has changed significantly is the print run that publishing companies start with. Half of the magazines launched in recent years have a paid circulation of 50,000 copies or fewer. "Print publications are becoming more targeted and higher-priced," says Scherzer, describing the situation on the magazine market.

A Self-Contained Ecosystem

As in the past, change will remain the only constant for print in the future, but these changes will have to be adapted in the portfolio at ever shorter intervals. So the industry must rely more on innovations. If it manages to do this, print will continue to play a substantial role in multi-channel strategies, serving as an anchor for building ecosystems in which the individual channels profit from one another.

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