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Mags Grow Online but Still Dwarfed by Web Bigs

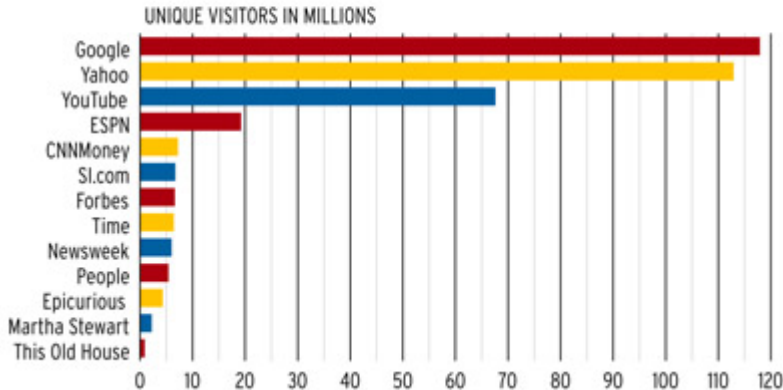
Titles Have to Face up to the Scale of the Competition If They Expect Larger Share of Digital Ad Revenue

By [Nat Ives](#)

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NO MORE THAN COMPANIONS

The magazine industry has gone all-in online, but can brands give publishers net appeal, or are they only good as companion sites to their print parents? So far, they are rarely more than flankers for the core product, with traffic way below the Googles and Yahoos of the web. Multimedia brands provide extra punch.



Source: Nielsen Online data for December. Traffic to most magazine sites is too small for Nielsen to track.

NEW YORK (AdAge.com) -- When the magazine industry turned out for its latest digital conference last week, no one doubted the importance of the web. But now that they've moved online, many major magazine publishers are finding themselves nobodies in the new neighborhood, overshadowed by digital brands like Yahoo, MySpace and Huffington Post. So how much of the internet's growth can magazine brands snare for themselves?

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The signs so far have been discouraging. Consider the recent good word from the Magazine Publishers of America. Consumer magazine sites attracted 67.5 million monthly unique visitors in the fourth quarter last year, it reported, up 8.1% over the fourth quarter a year

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earlier.

That's great if publishers only want digital companions for their core print properties, to recruit subscribers and provide a little inventory for integrated ad buys. If they also want to leverage their magazine brands to get meaningful online ad revenue, however, they have to face up to the scale of the competition. And YouTube draws at least 67.5 million unique visitors all by itself, according to Nielsen Online.

"Do I think the web will cannibalize from print magazines?" said Christopher Johnson, VP-content and business development for Hearst Magazines Digital Media, in an interview last week. "Yes, I'm afraid I think so. The question is: Do you want those dollars that are shifted out of print into online to be absorbed by your company?"

Scale and inventory

The most popular magazine-brand websites are becoming real businesses because they have scale and, therefore, the inventory to offer advertisers. They include the sites for Sports Illustrated, with 6.6 million unique visitors in December, per Nielsen Online; Forbes, with 6.5 million; Time, at 6.3 million; Newsweek, at 5.9 million; and People, with 5.3 million.

But brands that span media hold their own much better against the rest of the web. ESPN, the mega-brand attached to cable TV, magazines, mobile and radio, attracted 19.1 million uniques to ESPN.com in December. Still not YouTube numbers, but considerably better than the standalone magazine sites.

A foothold in TV doesn't hurt; CNNMoney.com, where Time Inc. houses Fortune and Money magazines, scored 7.1 million unique visitors in December, Nielsen said. Martha Stewart's eponymous site, part of a multimedia spread if ever there was one, got 2.1 million. And there are the united-we-stand Condé Nast portals such as Epicurious, where Gourmet and Bon Appetit content helped grab 4.2 million uniques.

The vast majority of titles, however, can't attract enough eyeballs to top Nielsen Online's cutoff for measurement. Fewer than 10% even draw as many people online, where their content is free, as they have paying offline, according to Format, a magazine consultancy. The industry, in fact, averages 0.3 uniques per paid print copy.

"There are ... examples of sites that are very profitable," said Bob Davidowitz, the former publisher of In Touch and Life & Style, now a partner at Format. "You're seeing a number of other properties with a lot of velocity and growth."

Adding software

"They need to be thinking about, 'Now we're in a really different kind of business,'" said Jeremy Davis, another Format partner. "It's not just Madison and Vine, it's Madison and Vine and Silicon Valley. 'What is the software that's going to get our readers engaged?'"



Christopher Johnson, VP-content and business development for Hearst Magazines Digital Media

[Fast Company](http://FastCompany.com) has put its muscle behind that approach, overhauling its site last month to add tons of community functions. Readers-turned-members can contribute blogs, take up questions from the editors and communicate with other readers.

Hearst's digital unit, formed less than two years ago, has recently forged a bevy of partnerships to help catch any spending that shifts out of print, Mr. Johnson said. Two weeks ago Hearst announced a deal with YouTube to develop magazine-branded channels and share the ad revenue. It signed up, along with Condé Nast and Time Inc., to provide content for a site called AOL Home. And last week Hearst said it will help feed Yahoo Buzz, a site allowing readers to vote articles up or down.

"We've decided our strategy is to partner with all these guys," Mr. Johnson said. "I think of them as the equivalent of the Wal-Marts and Barnes & Nobles: great places to put our titles and content in front of millions of people every day."

"If one side is, 'do I want a companion site,'" he added, "the other side is 'do I want my digital media strategy to be a business in itself, to live and die based on its ability to exploit the medium using the brand?'"