Internet and Magazine – Reinforcing Each Other

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Master’s Thesis in Media Technology (30 ECTS credits)
at the Media Management Master Programme
Royal Institute of Technology year 2009
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TRITA-CSC-E 2009:134
ISRN-KTH/CSC/E--09/134-SE
ISSN-1653-5715

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Abstract

The Magazine Industry is constantly being encountered by the decreasing interest of advertisers and readers. NAHP (Nordic Association of Heat-set Printers) professionals fear that the drop in advertisement pages in Magazine can be threatening. Considering the situation, this research project is arranged to find the factors influencing advertisers shift. For this purpose interviews were conducted with media planners working for reputed media agencies in Sweden. Analysis from the interviews led to the conclusion that readers’ shift is because of the new media ‘internet’ and hence the total media consumption pattern is disturbed due to it and which is in turn influencing the advertisement investment patterns. More over, the interviews also revealed that the highest shift is among readers of Magazines between the ages 18-35 years. Hence an electronic survey managed to gain insights as to why the readers from Sweden have lost interest in Magazine? This research project tends to create awareness and acceptance for change, while giving suggestions for how should Magazine adapt Internet to strengthen its print form. The future of print Magazine is to accept internet as an opportunity and to adapt it innovatively so that it helps print magazine as well. The fragmentation in services has resulted in no-place for all-rrounder; hence every medium should either give up on some services or adapt the medium that provides better. None medium is going to diminish, this competition could constructively end up in a healthy value sharing situation where every medium finds its right place or in a chaos.

Sammanfattning


Key Words:

Magazine and Internet, Advertisement Investment pattern, Magazine, media agencies, media planners, media consumption patterns, Internet as an opportunity, competition.
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1. Introduction

This chapter provides an introduction for this research project. It starts with comprehensive background about the problem followed by research questions and limitations. The purpose of the project is also explained in detail and finally the outline of the thesis is formulated.

1.1 Background

Formally established in 1999, Nordic Association of Heat-set Printers (NAHP) is a research group that is active since 70’s to promote productivity and quality by initiating research projects and arranging interesting and educational activities such as seminars and study tours. In 90’s the group extended the circle of its member companies in all Nordic countries (Sweden, Norway, Denmark and Finland). NAHP monitors consumers’ demands, requests and feedbacks in terms of Heat-set Printing to bring awareness and acceptance for innovation and change. For these purposes they arrange surveys and research projects, so as to identify methods to implement futuristic approaches.(http://www.nahp.nu)

NAHP researchers’ active monitoring identifies the problem of media shift by advertisers from Magazine to Internet. Magazine has a pioneer advantage (Porter, 1996) as being the first to identify a specific target audience in all media players is now distinguished by a strong and having moderately high degree of concentration concerning the area of specialized Magazines. In Sweden there are almost 25 Magazines that are generally popular and are sold the highest, (http://en.wikipedia.org/wiki/List_of_Swedish_Magazines) (also see appendix-list of Swedish Magazines) but like most of the countries, here too they are facing declining circulation. In Sweden only the circulation dropped in millions in the time period of 1997-2007 and similar decline is reported globally as well, (www.nordicom.gu.se) (also see Appendix- Nordicom research). Magazine industry definitely needs to look across the time and substitutes (Kothandaraman and Wilson, 2001) to innovate new ways of reaching their audiences and to provide advertisers to bundle offerings so as to retain their competitive lead.

Readers and advertisers play a very crucial role in the success process; advertisers will advertise in the medium most attended by readers, while readers generally prefer Magazines with more advertisements. The bridge between Readers and Advertisers are Media planner, who have conducted researches over the media consumption trend and suggest the right medium for the advertiser’s message and its reach requirement. As Figure 1, below explains that these three factors influence each other all the while, and altogether influence Magazine owners.
Magazine should take advantage of Internet technology in order to capture a wider audience, so that they can sell the wider audience number to the advertisers, as advertisers tend to move where readers move. As a result, there is a corresponding change in advertising expenditures for online spending and print ads compared to previous years. According to Newspaper Association of America (NAA), there has been a decline in the revenues for print ad to “cyclical swings in the US economy, as well as the structural changes in the business of the major advertisers.” This is due to an increase in online advertising among different websites. (http://www.comcorp.com)

As the readers or audiences are flexible to change their attitude when it comes to content availability, so the purpose of this research is to provide smart solutions to Magazine to retain its print experience which is its core product. Magazine needs to give new offering packages to the advertisers and readers, which includes innovative methods of advertising. Giving the advertisers bundled marketing offerings are a tool for them to reach the audience effectively. To bundle the offerings can be a way for Magazine to show their understanding of the need for a media mix, as De Pelsmacker et al (2007), among other authors, put forward as shown in Figure 2.

Most of the Magazines in Sweden are usually using the same strategies to acquire the same results for example giving free stuff with Magazine. As visualized above in Figure 2, most of the
Magazines are losing the number of readers but they are investing a lot of money on operational effectiveness (Porter 1996). Faster deliveries of the Magazines, providing samples with Magazines, distribution expansion, in-store marketing and finding new methods for better service are examples of this, but they are not bringing innovation in their processes. As Porter argues (Porter 1996), operational effectiveness is insufficient to create barriers to entry and constrain competitors from entering the market to raise the bar of competitive advantage. In the development of new and innovative marketing offerings, Magazine must prioritize the readers’ requirements and make the essential trade-offs in order to maximize their outcome, the communication to their target group, and thereby satisfy their needs. The need of the hour is to think outside the box, move with the readers’ flow, monitor the values that other media is providing that is causing the readers’ shift, compensate changes, attend to more advertisers and provide them with effective solution. The substitute market for Magazine has started to appear as its competitor and Magazine should now position themselves in a new market space by looking across substitutes (Kothandaraman and Wilson, 2001) and marking them its opportunities rather than acting against them. According to Norman and Ramirez, today market actors are not competing against each other; rather their offerings or values are the ones that compete. This is why Magazine should focus on values, offerings to provide to advertisers and readers and should be flexible in changing its existing business strategy.

1.2 Research Questions and Limitations

This Survey was conducted among the readers of Magazine from Sweden and the interviews were taken from the media planners working in Swedish market, hence the research data is mostly from Sweden. But as the Magazine market is facing the same decline situation globally, the report and its content is applicable anywhere. The research questions were the following:

Why Should Magazine seek Internet as an opportunity and how?

- Why are advertisement pages in Magazine declining?
- What is the main factor of advertisers’ shift?
- Why is media consumption pattern among Magazine readers changing?
- Which age group of readers is mostly shifting away from Magazine?
- What is Magazine providing less than the preferred medium?
- What more do readers want in a Magazine?
- Why the solution lies in Internet?
- How should Magazine adapt Internet?
To answer these questions analysis was made from the survey conducted among approximately 750 Swedish Magazine readers and interviews of top media planners were conducted from Swedish renowned firms to give an insight about what advertisers think and suggest.

1.3 Unique Contribution

One of the most noticeable contributions of the thesis are the recommendations on how the Magazine should adapt Internet. The strategies have been presented after analysis of data from readers and media planners. In the thesis, it is suggested that the Magazine embrace change and the ways of doing it have also been explained.

Last but not the least, this thesis generates key theoretical suggestions that add to the theoretical discussion on Magazine and Internet.

1.4 Outline

Chapter 1: This section introduces the thesis and the research questions and also the unique contribution that the thesis provides.

Chapter 2: This section provides a brief about the methodology used during the thesis.

Chapter 3: This section contains the literature study about Magazine and changing media culture. It also contains a well-known model for media convergence.

Chapter 4: This section gives an insight into the market situation for Magazine and media consumption patterns.

Chapter 5: This section provides overview for the internal and external situation overview. Magazine’s SWOT analysis (its strengths, weaknesses, opportunities and threats) is presented here.

Chapter 6: This section includes the conclusions after the analysis from the thesis study. On top of that, it encloses recommendations for the Magazine as well.

References and Appendixes are also available at the end of the report.
2. Methodology

*This chapter classifies the scientific approach and the resources used in the thesis.*

2.1. Approach

Inductive and hypothetico-deductive methods are generally referred as the two basic theories of scientific method (Laudan, 1981). As, for the scientific approach, for the replacement of using deductive or inductive methods, abductive method is used in order to respond to the identified problem by the NAHP professional. Abduction is principally a mode of inference that takes us from empirical facts to a plausible hypothesis that explains these facts (Haig, 2005).

2.2. Resources

For this research project, primary data is used that was obtained by interviews with the media planners and the readers of Magazine. In primary data collection, researchers collect the data themselves using methods such as interviews and questionnaires. (http://brent.tvu.ac.uk) Secondary data was collected from reports available on Internet and also on organization’s website which provide additional information to complement the interviews. However, other secondary data includes scientific articles, books, research papers collected mostly from internet and University library (KTH).

This project problem was captured from two perspectives: from advertisers’ perspective and from media consumers’ perspectives. The readers’ perspective on the problem was gathered through an electronic survey. While for advertisers’ perspective, 12 media planners and market analysts from highly reputed media agencies operating in Stockholm (Carat, IUM, Media Com, Vizeum, Bonnier, Grafiska etc) and from KTH (Royal Institute of Technology) were interviewed to acquire advertisers’ point of view.

**Interviews:** Since media planners plan for the advertisers, study market situation and its shift, they have a broad outlook and so their points of view gave well insights about market situation. There were almost 12 interviews taken from the planned 25, other interviewee had busy schedule problem or were out of the country. Few could not give time for in person interview, so some were interviewed on the phone and with some email questionnaire were managed.

It was also planned to interview some key persons from Newspaper industry who are following a business model online and as well as print, so that they can provide give their views on the subject, but because of their lack of support, it did not get realized.

**Electronic Survey:** An electronic survey was conducted after interview was finished from Media planners, and Questions for Survey was formulated according to analysis results from the interviews. The main purpose of research was to ask magazine readers that were already active
online and non readers of Magazine, as to why do they think internet is better and what more do they want of Magazine. It was considered to specially concentrate on the Magazine readers that have already shifted to Internet; hence an electronic survey was managed. Almost 750 respondents participated in the research.

All the questions for interview and electronic survey were designed and discussed with NAHP experts than finalized.

**Secondary Data:** Due to lack of budget, the research project has statistics mostly from 2006-2007 or previous. There was other data available as well which was updated, but they could only be bought, so if the research project has enough budgets, the statistics could have been updated.

### 2.3. Analysis

Analysis of the data (statistics collected and articles etc) was done by using SWOT (Strengths, Weakness, Opportunities and Threats) analysis method. SWOT analysis has significant importance as it provides useful information in matching the organization’s resources and capabilities to competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection. ([http://www.quickmba.com/strategy/swot/](http://www.quickmba.com/strategy/swot/)).

SWOT analysis and its content was formulated and arranged after discussion with NAHP researchers, all statistics were considered, discussed and were then identified as Strengths and Weaknesses.
3. Literature Study

This chapter contains the summary of the literature about Magazine, convergence of media and reasons for media changing patterns, relevant for this research project. Due to the limitation of availability of specific examples from Magazine industry, general print examples are used.

3.1 Magazine

Magazine is a ‘variety storage’ for important, updated and treasured information which carries the responsibility of a community’s identity. This compact storage is published periodically holding useful written content in the form of miscellaneous papers or compositions. The number of Magazines available in the market today is of varying dimensions; they either cater to one particular and targeted group, or, as was common in the past, contain miscellaneous material for each individual’s requirements.

Magazine is one of those highly differentiated product of information era that fills the gap between newspaper and books. For the people belonging to business and industrial sector, there are businesses Magazines that cater way better than daily newspapers. On the other hand, for general public, the information about various subjects is composed in small spaces like in encyclopedias, making it easy to gather information. It compels its readers to ‘search’ for the specific Magazine that they want even if the substitute mediums are providing the same content. We happen to be witnessing the age of media war; all media (Print, Broadcasting and Internet) are trying to win the race of capturing more audiences which would in turn bring them more advertisers. Although Magazine had to make a few changes during the while in its business model, but it managed to keep its competitive lead even when every other field of media was threatened by their substitutes.

3.2 Unique Selling Point

What is that it sells which nobody could compete with? With a lot of other things, the most important are ‘experience’, ‘belonging of a community’ and ‘the ease of getting filtered information of only what interests you’. This is one of the most important features, since in today’s world, people do not have the time to run after the specific knowledge you sought. Where Internet is based on ‘virtual life’, Magazine specializes on ‘real life’ and selling real-achievable dreams.

Each Magazine focuses on a certain target audience and gives them the filtered and updated information that interests them from the huge diversity of information. There is always a particular Magazine available for any idiosyncratic individual and their needs. Even if you are ‘a’ celebrity fan or belonging to ‘a’ local community or if it is for ‘a’ medical issue, you will be given ‘a’ Magazine for your requirement. It is just like a remedy for your problems, providing you the right cure (information) for your symptoms (questions).
Back in the early eighteenth century when Magazine started getting published, there were a few Magazines containing something for everyone. They were ‘general interest Magazines’ that catered to all members of family and to different sections of society. But then Magazines were the first to identify a specific audience and right now there are more than hundred Magazines getting published only in Sweden to serve every target group. The titles have been increasing every year.

Today a Magazine is almost a pre-introduction to the person reading it. e see someone buy/read a fashion Magazine and we get his/her informal introduction instantly before the formal one has started because what he/she is holding/reading/buying is ‘identity’, ‘pride’ or more exactly, ‘personality’.

### 3.3 Categories of Magazine

There are three categories of Magazines under which they have hundreds of titles that specialize in all the subcategories of these three basic ones.

- **Consumer Magazine**
- **Trade Magazine, Technical Professional Magazine**
- **Company Publication**

These categories are sold by:

- Membership
- Subscription
- Single Copies

(www.ecok.edu)

### 3.4 Magazine Business Model

The demarcation of ‘whose service you sell and to whom you sell it’ or ‘who is paying you and what you are being paid for’ or simply ‘customers and consumers’, is of significant value in revenue generation. It helps in keeping the priorities and preferences in block frames, which in turn helps media retailers to trade off between values in critical situation of declination and competition. But for Magazine, this demarcation is very crucial, as they have mostly two business models for revenue generation,

1. They give free content and earn from their advertisers.
2. They have their revenue margins from advertisers and readers both.

According to one of the analyst from Carat, the readers and advertisers add equally in its revenue. So it is important that whatever business solution Magazine implements it should be win-win situation for the two ends of Magazine value chain, readers and advertisers, to create a competitive profitable situation for Magazine owners. For advertisers, they advertise on media
which is most consumed by the consumers, so the sensitivity lies in retaining and increasing the readership.

### 3.5 Magazine Advertising

The assortment of Magazines offered at present is staggering. There is Magazine for every target group that follows any interest area. Advertisers are aware of this fact that a strategically placed advertisement in the right Magazine can improve their business manifolds. In Sweden only, there are total 155 titles in consumer Magazine reported in 2007 according to Nordicom research ([www.nordicom.gu.se](http://www.nordicom.gu.se)). (see Appendix- Nordicom research).

The great variety of today’s Magazines fall into the consumer category, and these Magazines are produced for a niche segment of the population, whether they are wedding planners or funeral planners or just the people who want to get rich, there is a Magazine for everyone. The consumer Magazine usually holds little editorial content that deals with the topics of interest to the targeted group, but the larger space in the Magazine is devoted to advertising. In consumer Magazine advertisers have the chance to reach and communicate to their target group directly and the marketers can rely on advertisers to generate their revenue stream with less risk and maximum penetration with their message. At the same time it is a beneficial deal for the readers who are able to learn about their required products through investing in a particular Magazine. The advertisement through Magazine holds the attention of the target group that is most prone to buy the product.

### 3.6 Changing Culture

The Print rule era is now taken over by variety of options for the audiences such as what they want to read and from where they want to read it. According to Gail Nickel-Kailing (‘The History and Future of Print’ 2008), ‘change is good’. Gail’s perspective is attractive yet lacks the intricacies of coping with change. Commenting on just the changes that have taken place could be rather easier than to comment on the network situation influenced by this change. The affected network consists not just of audiences but also the advertisers, the media owners and the backend producers (Printers, Publishers), etc.

With the advent of information technology and with newer methods of communication being introduced all the time, the world has now become what we call a global village. Today, the audiences are just not satisfied with one local TV channel to provide information for their region. They want cable channels and dish antennas to keep a track of everything from everywhere. But this chaotic increase in information has created problems for managing information for consumers which according to Gail Nickel-Kailing has caused shorter attention spans and quicker delivery requirements.
3.7 Changing Technology

The changing media culture has raised the need of unified communication; one platform that provides all the services. Now the information and experience is device and media independent. It is up to consumer to choose which medium he wants to use as resource. The options and availabilities are limitless, as consumers know their power to choose, and they do not want to give that up and hence are not easily influenced. The society and every individual of the community has his unique position in this global network of information and not only is he well-aware of it, but he also wants to maintain it and keep his standing in this social network, intact. This position as explained by Gail Nickel is personalized and automated, device and media independent yet socially unique and is only influenced by social structure.

Every change is fast and it becomes more and more difficult to cope. Yet the winners are the ones that welcome change and implement unique and innovative coping strategies.

3.8 Factors of Media Change

The consumers’ ways of associating to media are changing very fast. Approximately two decades ago there were a few media channels and they had authoritative influence on consumers’ mind. Now however the media landscape is widening and becoming increasingly fragmented (Fidler 1997). The general interest Magazines with high circulation are disappearing and their place is being taken up by huge number of differentiated Magazines, one for each interest, and occasion. There are Magazines ranging from funeral arrangements to dog lovers. The advertisers have a wide range of options of medium to reach to their audiences and media planners exploit the term of media mix. We cannot blame the technological development for the change in media usage, but it is consumers’ expectations that cause technological development and so the consumers are the drivers of change. Gail Nickel describes the present attitude of consumers for information consumption. He summarizes it as, ‘I want it all, I want it my way, and I want it now’. The advertisers try to adjust their message appearance within this media change brought by technological and non-technological factors. Weibull (1985) identified non-technological factors that influence media use and its change.
Figure 3: Non-Technological factors influencing media use among consumers.

Figure 3 describes the factors of media change as per the situation of media consumer in a community in which media consumption is in process. The social structure and the social situation influence individual preferences and hence influence the media use. Whereas, the patterns of media use influence media situation and compels innovation and change.

3.9 Convergence of Media

The first media researcher to explain convergence concept was according to Ithiel de Sola Pool (1983) in his book ‘Technologies of Freedom’ wherein he discussed the interdependence of various mediums. Fidler (1997) in his book ‘Mediamorphosis’ writes that convergence is meant to lead to fewer forms of communication not to established traditional media becoming extinct. One of the analysts while being interviewed for this project said that it can be added in this definition that no media form will become extinct; it is just that some are better in one area and others are better in others. The need of the hour is to identify those unique areas and be competent in them rather than trying to be all rounder and lose what can be won. Nicholas Negroponte at MIT Media Lab brought the concept of media convergence first time under discussion by presenting the model in 1979 shown in figure 4 below.
He was of the view that three media forms will eventually converge together and new modes of communication will be devised. Lawson-Borders (2003) defined convergence as, ‘Distribution of content through the blending of traditional and new media which leads to doors opening opportunities in the media industry’. Ester Appelgren (2007) explains this definition as, ‘convergence is a concept as well as the process, the consequence of which is that the traditional one way communication model is modified to include two way communications.’
Although Lawson-Borders’ model (Figure 5) faces a lot of contradiction as it does not discuss consumer perspective but yet it reveals an important concept of convergence Ester Appelgren (2007) describes as wedding of technology and content delivery by means of computer technology.

3.10 Competition

W. Chan Kim and Renee Mauborgne (1999) are of the view that company competes not only with the companies in its own industry but also with the companies in those other industries that produce substitute products or services. In every buying decision, the buyer considers the substitutes rather unconsciously. For example, for a traveling experience anyone would think before deciding between car, train, bicycle or taxi. Media consumers consider which information resource is appropriate substitute for the situation, making it hard for the media planner to guess their attitude; hence media mix implementations become obvious. Often, the space between substitutes gives rise to innovation and provides opportunities for value innovation. (W. Chan Kim and Renee Mauborgne (1999)). The media war victims should look across their substitutes, where Internet is the most popular substitute of all other mediums. They must fill the space innovatively just as Kim and Mauborgne suggested so as to keep there competency and impact.

Newspaper market is a part of print industry that has accepted the change of media convergence and filled the gap between itself and substitute industry (Internet) and left the choice of online or offline on the consumer, yet their strategies lacked innovativeness and hence they are generally in revenue decrement. Since Magazine circulation is facing the same symptoms, this research project tends to prepare the Magazine industry to accept change by discussing facts and statistics and consequently suggest it a few strategies to choose from so that it does not fall into revenue’s empty pitch.
4. Market Overview

To understand the importance of the problem, it is necessary to study the market situation. This chapter is organized in a way so as to give a general changing media landscape without focusing on one of the media. Generally it is taken into consideration to give comparative statistics from previous years, so that media change gets obvious. Due to limitation in gathering data for global market, I will try to stick to Swedish market, with a few exceptions insights into U.S. market. Some of the statistics are gathered from the result of the survey conducted for this research project amongst media consumers of age between years 18-41 and above.

4.1 Media Landscape

The problem under discussion entails the analysis of NAHP researchers about the advertisement revenue declination for Magazine. Due to limitations, all actors of media landscape are not discussed and hence statistics are restricted to advertisers and consumers.

4.1.1 Increase in Advertising Expenditure

The following illustration describes the annual increase on expenses on advertising by Swedish companies. The increase implies an increased chance for Magazine to sell advertisements spaces to existing and new customers.

Fig 6: The development of the media market, 1997-2007 (Milliom SEK, development in percent) Source- irm-media.se

Specific research on advertisement investment on each media clearly depicts that Magazine ad spend is declining as well although the total investment in advertisement is increasing. Below is an illustration showing the comparisons of ad spend in 2005 and 2006.
4.1.2 Media Consumption Patterns

Interviews from experienced media planners from the media landscape show that they agree that advertisers prefer the media where they get most market share of audiences. Hence it is important to look into the facts that give insight into the media that is most popular or increasing in popularity.

The consumption of the different mediums (www.eiaa.net) is shown in figure 8 below.
Fig 8: The consumption of the different mediums 2005-2006 Source: European Interactive Advertising Association. (www.eiaa.net)

As shown in Figure 8, 2006 compared to 2005 meant a decreased share of the total media consumption for all mediums except from Internet, that increased by 12 percent. Since the mediums of communication are all but monopolized by the Internet, the main focus of the advertising companies has also shifted to that source. This is something that Magazine has to take into consideration in order to create a long-term competitive position. Even if their primary area is the ads in the paper, those can be combined with other kind of marketing tool to provide advertiser a marketing mix that will enhance readership to facilitate advertisement reach.

According to the results of a survey conducted across 5,000 respondents based in the US and Canada, during a typical week, the Forrester respondents were found to spend around 10 hours on a PC. 6 hours are actively spent browsing the Internet compared to 13 hours watching TV, 7 hours listening to the radio, 3.4 hours reading newspapers and 2.4 hours reading Magazines. The greatest part of a day was, therefore spent by the majority of the populace, surfing the net. This survey clearly shows the deflection of interest with the advent of information technology. (http://www.ameinfo.com/66525.html)

The data collected from the survey arranged for this research in figure 9 below shows that the most preferred medium to achieve information nowadays among consumers is ‘Internet’ which has increased in popularity in few years.

![Preference in media for information attainment between consumers of age between years 18-41 and above](image)

**4.1.3 Population Status**

The following statistics imply that if Magazines revamp their business strategy, they can increase their circulation as the literacy rate is constantly increasing with the population in Sweden. Capturing more audiences will result in more advertisements.
Population: 9,059,651 (July 2009 est.)

Age structure:
- 0-14 years: 15.7% (male 733,597/female 692,194)
- 15-64 years: 65.5% (male 3,003,358/female 2,927,038)
- 65 years and over: 18.8% (male 753,293/female 950,171) (2009 est.)

Literacy: definition: age 15 and over can read and write total population: 99% male: 99% female: 99% (2003 est.)

Table: 1 (www.cia.gov)

4.1.4 Magazine Circulation

The statistics below in table 2 show a difference in circulation number in a decade which brings print publishers of Magazines to fear and Magazine owners to revamp their routine procedure of capturing a larger audience.

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<tr>
<td>6</td>
<td>2000</td>
<td>123</td>
<td>8.1⁶</td>
<td>11</td>
<td>2.0</td>
<td>112</td>
<td>6.1⁶</td>
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<tr>
<td>7</td>
<td>2001</td>
<td>122</td>
<td>9.3</td>
<td>11</td>
<td>2.0</td>
<td>111</td>
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<tr>
<td>8</td>
<td>2002</td>
<td>118</td>
<td>9.5</td>
<td>11</td>
<td>2.1</td>
<td>109</td>
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</tr>
<tr>
<td>9</td>
<td>2003</td>
<td>124</td>
<td>9.7</td>
<td>11</td>
<td>2.0</td>
<td>113</td>
<td>7.6</td>
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<tr>
<td>10</td>
<td>2004</td>
<td>134</td>
<td>9.8</td>
<td>12</td>
<td>2.0</td>
<td>122</td>
<td>7.8</td>
</tr>
<tr>
<td>11</td>
<td>2005</td>
<td>143</td>
<td>9.9</td>
<td>11</td>
<td>1.9</td>
<td>132</td>
<td>8.0</td>
</tr>
<tr>
<td>12</td>
<td>2006</td>
<td>153</td>
<td>9.1</td>
<td>13</td>
<td>2.0</td>
<td>140</td>
<td>7.1</td>
</tr>
<tr>
<td>13</td>
<td>2007</td>
<td>155</td>
<td>8.7</td>
<td>13</td>
<td>1.9</td>
<td>142</td>
<td>6.7</td>
</tr>
</tbody>
</table>
Table 2: (www.nordicom.gu.se)
[1] Including family, women’s, men’s, youth, and special interest Magazines, published at least quarterly. This includes Consumer Magazines with audited circulations only, with the exception for Iceland and certain Norwegian titles.
[2] All periodicities other than weekly: from bi-weeklies up to quarterlies.
[5] In Sweden, a number of organizational Magazines are also included in the consumer Magazine category (as "special interest Magazines"). These organizational titles have more than 85% of circulation as membership copies, whereas the rest are sold as single-copies or by subscriptions.
[6] The dip in circulation in 2000 is due to the fact that Turist, the Magazine of the Swedish Tourist Association, was not included in the circulation audits that year. Circulation in 1999 was 952,000 copies; in 2001, 802 800 copies.
5. SWOT Analysis – Magazine

This chapter will cover Magazines’ SWOT analysis whose objective is to be cost effective as per values for readers and for advertisers, to provide them with larger market share in terms of readers.

- **Strengths:** attributes those are helpful to achieving the objective.
- **Weaknesses:** attributes those are harmful to achieving the objective.
- **Opportunities:** external conditions those are helpful to achieve the objective.
- **Threats:** external conditions which could do damage to performance

(http://en.wikipedia.org/wiki/SWOT_analysis)

5.1 Strengths of Magazines

In Sweden only there are total 155 titles in consumer Magazine reported in 2007 in which 13 titles are published weekly and 142 titles were published monthlies/quarterlies with the total circulation of 8.7 million, countrywide (1.9 million weekly and 6.7 million monthly/quarterly) (www.nordicom.gu.se) (also see appendix-NORDICOM report) where the total population of Sweden in 2007 was approximately nine million (www.cia.gov). The statistics reveal that a large part of population is being influenced by the information provided by Magazine. Almost 54% of the buying decisions are made on advertisements, reviews and information provided in Magazine (www.jupiterresearch.com). MRI research published in 2007 that 85% of U.S adults age 18+ read Magazines (www.magazine.org).

5.1.1. Attention Seeking Medium

BIG research, value data depicts that when readers are spending time on Magazines they are so engrossed in it that they do not engage with other media or participate in non-media activities as compared to the users of TV, radio or the Internet. According to a survey by Jack Myers, when readers were asked to rank media on the basis of how probable they are to pay attention to the advertisements, Magazines was ranked by large participants near the top of the list. (www.magazine.org)

5.1.2. Reach

When an advertiser advertises in a Magazine, they are sure to reach their target group effectively. An average monthly Magazine gathers approximately 60% of its audience within a month’s time, and an average weekly Magazine reaches nearly 80% of its audience in two weeks. (www.magazine.org) In addition, readers consult Magazines multiple times, even collecting them, providing advertisers the opportunity for multiple exposures.
5.1.3. Readers Value Magazine Advertisement more

Magazine advertisements are deemed more worthy by readers. Starcom analyzed that when readers were asked to select ten pages that they value most in their Magazines, they chose advertisement pages. Readers were also questioned by Dynamic Logic whether advertisements in Magazines are more helpful than advertisements in other media. (www.magazine.org)

Figure 10: Percent of Adults Age 18-54 (Source - Hearst Magazines Engagement Factor Study, 2005) and Percent in Millenials (Consumer Born Between 1977amd 1996 – Source MORI Research, 2006)

5.1.4. Magazine Advertisement as Driver of Purchase

Various studies reveal that Magazines are in general the strongest driver of purchase decision after word of mouth as shown in figure 12 below.
Statistics also depict that in offline research activities, word-of-mouth (Advice from friends) has the largest share. In this also Magazine has its share as well since it generates the greatest word-of-mouth activity as shown in figure 13 below.
5.1.5 Trustworthy/Transparent/Traceable Content

Readers tend to trust the information in Magazine more than Internet. Studies by Simmons Multi-media Engagement (Figure 13), reveal that readers find content in Magazine more reliable, transparent and updated. The content in Magazine is generally understood, more traceable and less manipulated than other media, as you have the contact person’s details under articles and readers can question the content.

![Figure 13: Comparing Media Channels](image)

5.1.6. Focusing Niche market

Readers find that their Magazine, specializing in their interest, features advertisements more than other media. Also they consider Magazine advertising more appropriate than advertising in other media. With a wide range of titles that focus on an extensive range of demographics, standards of living, and benefits; advertisers can select on targets that fit their requirements instead of wasting money on audiences that would never find that that particular advertisement interests them. So a businessman will search for a business Magazine and advertisements specific to that can be provided in them. Likewise, the youth will search for latest fashion trends, and they can find them in fashion Magazines.

It is simply deduced that only through Magazine advertisement; the audience can be targeted and attributed.
5.1.7 Complements other Media

BIG research studies (Figure 14) confirm that Magazine advertisements persuade readers to begin a search for products online or to visit a website more than other media. In addition, Magazine ads develop web traffic on the whole and all over the purchased channel.

### Media that Trigger an Online Search by Age and Gender

<table>
<thead>
<tr>
<th>Medium (percent)</th>
<th>Overall</th>
<th>M</th>
<th>F</th>
<th>18–24</th>
<th>25–34</th>
<th>35–44</th>
<th>45–54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magazines</td>
<td>47%</td>
<td>48%</td>
<td>47%</td>
<td>46%</td>
<td>47%</td>
<td>47%</td>
<td>47%</td>
<td>49%</td>
</tr>
<tr>
<td>TV/Broadcast</td>
<td>43</td>
<td>46</td>
<td>40</td>
<td>37</td>
<td>42</td>
<td>45</td>
<td>45</td>
<td>51</td>
</tr>
<tr>
<td>Newspapers</td>
<td>41</td>
<td>42</td>
<td>40</td>
<td>27</td>
<td>32</td>
<td>40</td>
<td>44</td>
<td>51</td>
</tr>
<tr>
<td>TV/Cable</td>
<td>36</td>
<td>41</td>
<td>32</td>
<td>50</td>
<td>46</td>
<td>38</td>
<td>32</td>
<td>26</td>
</tr>
<tr>
<td>Face-to-Face</td>
<td>34</td>
<td>36</td>
<td>32</td>
<td>40</td>
<td>30</td>
<td>38</td>
<td>33</td>
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<td>Radio</td>
<td>30</td>
<td>34</td>
<td>26</td>
<td>33</td>
<td>37</td>
<td>34</td>
<td>30</td>
<td>22</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>30</td>
<td>29</td>
<td>31</td>
<td>24</td>
<td>31</td>
<td>30</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>E-mail Advertising</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>31</td>
<td>32</td>
<td>29</td>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>Internet Advertising</td>
<td>26</td>
<td>29</td>
<td>24</td>
<td>35</td>
<td>30</td>
<td>27</td>
<td>25</td>
<td>20</td>
</tr>
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<td>Outdoor Billboards</td>
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<td>10</td>
<td>16</td>
<td>17</td>
<td>13</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Online Communities</td>
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<td>9</td>
<td>23</td>
<td>17</td>
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<td>Blogs</td>
<td>8</td>
<td>10</td>
<td>7</td>
<td>17</td>
<td>13</td>
<td>9</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Figure 14 – BIG Research Simultaneous Media Usage, 2007

5.2 Weaknesses Where Magazine Falls Short?

5.2.1 Time frame Difference

A media planner from Carat during interview pinpointed the time frame difference between the information release and Magazine publishing and circulation. For example, Suppose people getting awareness about the launch of a new album by Rihanna a week before the Magazine arrived at their door step with Rihanna’s new album launch party coverage. As Magazines publish once a week or twice a month, so information reception by readers is delayed. On the contrary the information gets updated on Internet within seconds. According to the survey results, 25% of readers complain for the delay of information by Magazines.
5.2.2 Measurability of Effectiveness

One of the weaknesses of Magazine is that the effectiveness its content can not be measured. Magazine owners cannot specifically say which article or advertisement was most read and which one was most liked. This is so because the ones that are most read are not always most liked. This limits the margin for improvement in the content organized for the second edition. If you can measure the article’s or advertisements’ effectiveness, it provides more chance for editor to write for the similar topic again and for the advertisers to know the rate of success for its product’s advertisement. In consumer’s Magazine mostly, only the editor’s content complements advertisements. Almost all the interviewees agreed on the fact that lack of measurability is a hindrance in Magazine’s future as when Internet has options to have data about how many visitors a particular page or an advertisement attracted.

5.2.3 Paid Content

With the rapid growth of options for the readers to obtain information from, money expenditure for obtaining them becomes a choice. Today the readers can gather free information in enormous quantity through digital media instead of paying high cost for similar content. Among the readers of Magazines 68% complained about the high cost in a survey that was carried out for this project.

5.2.4 Niche Market

Magazines are popular for their specialization in niche market interest. For any community to which the Magazine relates, there are two kinds of readers, the one who belongs to that group, and the one who wants to be the part of that group. A media planner from IUM reveals that sometimes the niche target group specialization becomes a problem. For example, the problem with an age specific Magazine will be that the reader would not like to be identified by his/her age and so carrying age-specific Magazine and reading it would pose a problem for them. According to IUM media advisor the PLUS Magazine in Sweden failed as no one wanted to relate to that Magazine due to its age-specification although its content was well-organized.

On the contrary, if there is a website for people above 50 years of age, then the chances of its failure would be much less. As on web there is no relating to a community problem, one can enter any activity on Internet by hiding the real person.

5.2.5 Social Amplifier

With the advent of digital media, the concept of social amplification has changed. Now holding a Magazine and belonging to a community does not seem enough. Consumers’ media consumption
behavior and attitudes depend on the social network that they create for themselves. With the advent of digital network, the consumers regard their virtual network as much as they regard their real network. Among the Magazine readers 14% think it is a hindrance for their social network increment due to its lack of interactive experience and 14% say that because it lacks activism 24/7 that is why they cannot know what their friend is reading or which article or advertisement is being liked more. 17% have the view that it is important for them to know what their friends think about what they are reading.

### 5.3 Threat and Opportunity

The most crucial yet interestingly thought provoking issue of the present scenario for Magazine is that ‘its biggest threat is its biggest opportunity’. We witness the decrease in circulation for Magazine in noticeable numbers every year. The advertisers are moving where the readers are gathering. Hence the advertisement revenue for Magazine is decreasing as well. At present, the editorial pages for a consumer Magazine are greater in percentage than advertising pages.

Renowned media planners and analysts’ from various Swedish Media Agencies, researched on market situation reveal to them the following:

- Internet poses a big threat to all traditional forms of media
- Yet it presents a gigantic opportunity

An electronic survey was conducted between Magazine readers for this research project. They were asked what more material and substance they want to be added in print Magazine. 55% responded ‘nothing, Internet has solved all the problems’. And over 90% said that they prefer Internet over other medium to gather information. Of these, 33% said that they used to read Magazine but they do not now. These statistics compel one to study and dig deep to find the solution among all these alarming facts. The innovative solution lies just between the lines.

A media planner from MediaCom (media agency working in Stockholm) said in his interview:

‘Jag hoppas att magasinen lyckas med webben i större utsträckning, och får tidningen och webben att förstärka varandra. det finns mycket som både bevisar och talar för att när en tidskrift lyckas med sin webbsatsning så får den även ökad räckvidd för papperstidningen. webben skapar ökad dialog och deltagande från målgruppen. och ökar därigenom lojaliteten till tidningen och till varumärket.’

I hope that Magazines succeed online more, and receive the Magazine and the Web to reinforce each other. There is much that both proves and suggests that when a Magazine is successful with its online venture, it may also increase the scope of the paper Magazine. Web creates greater dialogue and participation from the audience, and thereby increases the loyalty to the Magazine and the brand.
Another media specialist from IUM (Initiative Universal Media - media agency working in Stockholm) suggests a complementing sort of a merger of the two mediums, print and Internet, where print Magazines should push readers to search for something online and online version should push to read print version.

What the market overview and the analyst’s point of view suggests is that Internet is a threat until print Magazines start seeing it as an opportunity. The development in Internet market is enormous and so is its adoption by users. The figure 15 below taken from IRM (Institutet för reklam- och mediestatistik), depicts the growth in all other media market vs. growth and development in Internet market alone. The forecasted development of Internet is as follows:

![Internet and Total Media Market Growth](https://example.com/irm-graph.png)

**Figure 15: Source: IRM – Internetmarknaden Juni 2007 (www.irm-media.se)**

Most of the advertisers are more inclined to advertise in Magazines that cover their target group and have a high readership and a broader reach and whose annual reports show increase in productivity frontier (Porter, 1996) and value curve (Kim and Mauborgne, 1999) statistics. With the arrival of Internet, the traditional print media readers are moving towards it due to its added values, such as interactivity and accessibility. Hence, Internet is acting as one platform covering most of the possibilities given by all other medium. The result of this is a decline in print readership, which is clearly depicted by Nordicom Reports. Clear evidence can be found in the statistics of the Nordicom Report that shows a decline of Magazine readership from the 1997-2007 (www.nordicom.gu.se). Following illustration comprehends a change in media consumption according to hours spent on each media. Here we see print declination in percentage value:
According to Jupiter Research (figure 16), the Print consumption decreased by 4%, whereas the Internet consumption increased by almost twofold. The following figure 17 taken from the Statistiska Centralbyråns Reports for 2006 gives more specific information about usage of Internet, sorted by gender and age. This graph (Figure 17) shows that through Internet you can reach or capture, any age or group, hence the strength of Magazine to capture niche market and specialize for their interest gets checked by specialized interest blogs and websites with readers of all the age and gender.

Figure 16: Cumulative Time Spent on Media, Source: Jupiter Research: Nordic Region 2006 (www.jupiterresearch.com)
The graph given below is from Report by European Interactive Advertising Association. It represents that development of Internet consumption (hours per week) will keep on achieving heights. Hence the market is changing and converging on one platform. The intense situation is to find your differentiation and market share within the amalgam of the entire medium.

With the move of readers towards Internet, the advertisers are also moving towards this new market space; consequently the advertisements market share for print media players is decreasing. eMarketers estimates that Magazine ad spending was decreased by 7.1 percent to $13 billion in 2008. In 2009, they are forecasting that the decline will follow to 16.2 percent in U.S
and Canadian Market while in Nordic Region, the Magazine ad spend is declining as well although the total investment in advertisement is increasing. (http://www.howardstevens.info)

Figure 19: Internet advertising investments 1998-2006, in percent - Source: IRM (Institutet för reklam- och mediestatistik) (www.irm-media.se)

Advertisers seem to also recognize this power and ad content in Magazine is considerably getting decreased. According to Hall’s Magazine Report, in the year 2007 Magazine generally contained 53% editorial pages and 47% advertising pages, starting with 50.7% advertising pages back in 1997 as depicted in statistics below.

**Editorial vs. Advertising Pages 1997–2007**

<table>
<thead>
<tr>
<th>Year</th>
<th>% Editorial</th>
<th>%Advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>49.3</td>
<td>50.7</td>
</tr>
<tr>
<td>1998</td>
<td>51.7</td>
<td>48.3</td>
</tr>
<tr>
<td>1999</td>
<td>50.6</td>
<td>49.4</td>
</tr>
<tr>
<td>2000</td>
<td>49.7</td>
<td>50.3</td>
</tr>
<tr>
<td>2001</td>
<td>54.9</td>
<td>45.1</td>
</tr>
<tr>
<td>2002</td>
<td>53.4</td>
<td>46.6</td>
</tr>
<tr>
<td>2003</td>
<td>52.1</td>
<td>47.9</td>
</tr>
<tr>
<td>2004</td>
<td>51.9</td>
<td>48.1</td>
</tr>
<tr>
<td>2005</td>
<td>52.8</td>
<td>47.2</td>
</tr>
<tr>
<td>2006</td>
<td>53.0</td>
<td>47.0</td>
</tr>
<tr>
<td>2007</td>
<td>52.9</td>
<td>47.1</td>
</tr>
</tbody>
</table>

Table 3 - Source: www.magazine.org
Hence the overall argument ends on the figure 20 below, which shows a drastic increase in the Internet market (advertisers and users) and little or no growth for the rest of the media. The situation is hence alarming, yet if not taken as a threat, it appeals greater opportunities.

![Figure 20: Sveriges Mediabyråer - Development of the media market, results from 2002-2006, prediction 2007-2008 (www.sverigesmediebyraer.se)](image)

All the above discussion holds an important question; What makes Internet better than others as a medium or especially for Magazine. Or what does it have that Magazine does not have?

- **Interactivity**: As the media planner from MediaCom focuses on the greater dialogue through Internet, Internet opens doors for two way communication.

- **Time aspect**: Internet provides faster campaigns launch possible and the content of the campaign can be edited easily, quickly and cheaply.

- **Segmentation of target group**: A mass of specialized sites are growing rapidly, which together with a classier ‘behavior tracking’ develops a more effective chance with less risks to match advertisements with the consumers’ interests.

- **New format of advertisements**: higher broadband penetration, more Internet users has opened a new possibility for new forms of video ads.

- **Measurability**: Methods and tools available on Internet make it possible for advertiser to monitor the effectiveness of their campaigns.

- **Cost**: Advertising on Internet is comparatively inexpensive. According to IRM’s (Institutet för reklam - och mediestatistik) study, 56% Advertisers claimed cost efficiency to be the cause for advertising on Internet. (www.irm-media.se)
Philippine Association of National Advertisers president Charmaine Canillas said in an interview “Advertisers always look for media with greater effectiveness. Those media that could justify their numbers has a bigger share of the pie.”( www.boston.com)

She also said about advertisers, "They have a budget and they want to reach people. But these are seismic changes in terms of traditional media being able to maintain their growth rates. Most of the traditional media are public companies under tremendous pressure to increase growth year after year." ( www.boston.com)

This research report focuses on three actors of the whole story; advertisers, readers and Magazine owners. The situation is being covered by looking at the market generally by these three perspective, hence the situation obtained brings forth the opportunities itself. The interesting turn is where we see newspaper opted for Internet and published their web-versions, leaving print as a choice for audience, but their smart ideas had underestimated forecasted results and they are not making much of revenue out of it. Hence accepting change and finding innovative strategies is required as per current scenario.
6. Results and Recommendations

Any new medium form develops, competes, survives, and flourishes by providing convenience or gratification to consumers. In doing so, it may affect the already existing media by offering ‘new solutions to old needs’ or to modern requirements. The war of any new medium with the one that existed before is not new. The simple word-of-mouth was replaced by the print media and people flocked to it. Then the electronic media took the place of the handy and accessible newspapers and access to information was made even easier. The radio and television served their purpose for a long time before Internet came over and substituted all mediums.

Why media consumption pattern among Magazine readers is changing?

In the time span of approximately one decade, Internet has occupied the unique position of assisting variety of communication and information distribution tasks all over the globe. Its rapid penetration in our lives and its enormous adoption by audience has resulted in changes in traditional media consumption patterns. While the dangers of Internet crashing and viruses remain rampant, this has not dissuaded public from being totally dependent on the facility.

At present, statistics reveal that Internet is rapidly cannibalizing the traditional media. All traditional media forms including TV, Print, Cinema, Radio etc are under threat. Some media players in traditional market have identified and accepted the change and merged the traditional form of media with Internet to give its attendees a new and added value. Many of the newspapers had started their web versions of the print paper in the mid 1990s soon after the Internet advancement.

Now in early 21st century approximately all Swedish newspapers have urbanized online versions (www.tu.se). For example, the most known online medium for news, and now entertainment after its ventures like Sufy’s Blog, is Aftonbladet.se founded by the newspaper with the same name in 1995. This has largely facilitated the consumers and has enabled them to follow the news and articles of their preferred newspaper.

Internet, with its rapidly increasing broadband penetration has become a reason of change in the media consumption patterns. Today, 81% of the households have Internet and a faster connection means a greater possibility to share the media range on Internet advertising (www.internetworldstats.com). The range of media services has increased and other mediums (newspaper for example) have adapted to the Internet trend, at the same time as webb-TV, blogs, communities etc has grown. Many advertisers have shifted from advertising only to direct selling and the online purchasing and this shift of trends has more than doubled since 2003(www.internetworldstats.com). Among the audiences, Internet characteristics like interactivity, time aspect and measurability etc have made it famous and easy to adopt. The online services are regarded important as a complement to print or broadcasting and an investment in knowledge for the future.
6.1 Interview Results

6.1.1 Interview Questionnaire

The questionnaire had general questions and was deliberately designed like that to initialize discussion, to avoid well prepared questions and well prepared answers, for the same purpose in person interviews were preferred but due to some interviewee busy schedule, mails and talk over the phone were also arranged. The general questionnaire consisted of following,

- Why is the advertisement content decreasing in Magazine?
- Is Internet a threat or Opportunity?
- How can Print Magazine adjust in this new environment?
- What is the future of Print?
- Where do you see Magazine in the next decade?

The questionnaire was arranged to initiate a constructive discussion of 30-45 minutes, considering the time that the professionals can give for an interview.

6.1.2 Results

Why are advertisement pages in Magazine declining?

All the interviews lead to a common conclusion that advancement and rapid adoption of new media-Internet is the reason for decrease and advertisement spend and decline in circulation for Magazine. The market situation forecast by analysts is that this decline will continue but will get stable at some point. Sales manager at Bonnier analysis agrees that this stability at some point will occur due to readers who prefer their experiences of Magazine reading, and such people will be fewer but will continue to exist.

What is the main factor of advertisers’ shift? / Which age group of readers is mostly shifting away from Magazine?

Advertisements tend to move to the medium that gives more effectiveness to them, and offer the biggest market share of audiences. This is why the advertisers are shifting with the shift of audiences towards Internet, and for the same reason Magazine is facing decline in advertisements. The issue of capturing target group can be resolved by advertising on website regarding the same interest area so as to capture the right target group. All analysts agree that the young people (18-35 years) are the ones that are shifting mostly from Magazine to Internet. This is the group that has a certain budget to follow and less time to spend. Young generation is moving to adoption of the Internet faster than the rest. The concept of shift of advertisers can be explained by following figure 21.
The above figure 21 is developed to explain the shift of advertisers and the volatility of the media consumers regarding media consumption. The media consumers tend to move to and fro between different media and sometimes consume two or three mediums at the same time. But with the development in one medium, the audience starts gathering towards its new value offerings and hence the advertisers in order to capture the largest audiences, prefer medium with the largest market share. But the important point is that no shift is permanent or impossible to reverse. The media consumption patterns are very unstable, so the media players needs to work together and figure out a way to survive and flourish better.

Media planner from Carat suggests that in future only those media will survive, that specializes more in niche market interest. As huge information expansion has caused less attention time spans, confusion and frustration is evident in audience. Hence every media should share and accept values offered by other media. Analyst from Carat also mentioned that in future, win-win situation for Internet and print both, would be specializing for a niche market interest, whether the solution is online or in print.

**Why the solution lies in Internet?**

The analysts believe that the decreasing circulation of Magazine and yet rapidly increasing adoption of Internet suggests that Magazine should seek Internet as an opportunity for its survival. Internet and Magazine should work together, as Internet also has its short falls, like untrustworthy content. Anyone can change or hide his/her identity on Internet and write anything hence the source of information becomes untraceable and opaque. Magazine can actually help
Internet in this regard, providing trustworthy and traceable information. Whereas, in Magazine, time delay, lesser dialogue and lack of RSS feeds etc. can be removed by Internet help.

A media planner from IUM shared her views and mentioned that Internet and Magazine should complement each other and web version should push users to buy print and print should push users to surf web. Yet another analyst from MediaCom mentioned that there are a lot of proofs and suggestions that when a Magazine is successful with its online venture, it may also increase the scope of the paper Magazine. Web creates greater dialogue and participation from the audience and thereby increases the loyalty to the Magazine and the brand.

6.2 Survey Results

A short survey was conducted for this research project that targeted media consumers. The total respondents were 750; it was kept under consideration that high percentage were the people in the youth category (18-30 years), as the interview analysis from the media planners suggests that young people are shifting rapidly towards new media. As people may select more than one option, hence percentages can be added up to more than 100.

What is your preferred medium of getting updates about your interest area?

<table>
<thead>
<tr>
<th>Medium</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magazine</td>
<td>38%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>23%</td>
</tr>
<tr>
<td>Internet</td>
<td>90%</td>
</tr>
<tr>
<td>TV</td>
<td>38%</td>
</tr>
<tr>
<td>Radio</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 4

Different consumers had different interest areas. But results reveal that almost 75% of this category mostly consumes any medium and especially Magazines for entertainment, and 48% for fashion.

Do you normally read Magazine?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Often (once or twice a week)</td>
<td>24%</td>
</tr>
<tr>
<td>Sometimes (once or twice a month)</td>
<td>45%</td>
</tr>
<tr>
<td>I used to read Magazine but not now.</td>
<td>33%</td>
</tr>
<tr>
<td>Only if somebody else buy</td>
<td>6%</td>
</tr>
<tr>
<td>Never</td>
<td>8%</td>
</tr>
</tbody>
</table>

Table 5
What do you enjoy most in Magazine?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Quality images</td>
<td>59%</td>
</tr>
<tr>
<td>Glossy presentation</td>
<td>30%</td>
</tr>
<tr>
<td>Related Advertisement</td>
<td>11%</td>
</tr>
<tr>
<td>The me-time experience</td>
<td>44%</td>
</tr>
<tr>
<td>Editorial content</td>
<td>50%</td>
</tr>
<tr>
<td>The belonging to some community (Identity of a group)</td>
<td>14%</td>
</tr>
</tbody>
</table>

Table 6

Do you think Internet will substitute Magazine?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>53%</td>
</tr>
<tr>
<td>No</td>
<td>31%</td>
</tr>
<tr>
<td>May be</td>
<td>10%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6%</td>
</tr>
</tbody>
</table>

Table 7

Consumers who believe that Internet can substitute Magazine justify their opinion with following arguments:

- Internet provides vast amount of information on a single topic, whereas in Magazine reader is restricted to one editor’s view.
- Magazine requires you to search the detailed information on the same subject from other sources, whereas, on Internet reader can find all the information on one platform.
- Information on Internet is not time and space dependant, all information is available anywhere and anytime and it’s cheap.
- Magazine has a time constraint to follow whereas Media consumers can acquire information from Internet prior to it being printed into the Magazine.
- High buying cost for Magazine vs. cheap availability of information on Internet.
- Magazine reading hinders multi-tasking, whereas, Internet facilitates it. (Follow links and watch movies at the same time.)
What attributes would you like to change, modify or add in Magazine?

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Un-availability of content on Internet.</td>
<td>20%</td>
</tr>
<tr>
<td>High Price.</td>
<td>68%</td>
</tr>
<tr>
<td>Un-interactive experience.</td>
<td>14%</td>
</tr>
<tr>
<td>Information Delay (as Magazine publishes either once a month or once a week).</td>
<td>25%</td>
</tr>
<tr>
<td>Lacking activity 24/7</td>
<td>14%</td>
</tr>
<tr>
<td>Not having an option to involve in the process (absence of RSS field).</td>
<td>11%</td>
</tr>
<tr>
<td>I want to know what others think about what I am reading.</td>
<td>17%</td>
</tr>
<tr>
<td>High percentage of Advertisements.</td>
<td>24%</td>
</tr>
</tbody>
</table>

Table 8

Others were of the view that Magazine is pleasure reading so content on Magazine should be more specific to certain readers rather than certain news, as news and updates are available and more readily accessible on Internet.

Is there a possibility that Blog can compete with Magazine?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>35%</td>
</tr>
<tr>
<td>No</td>
<td>30%</td>
</tr>
<tr>
<td>May be</td>
<td>20%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>15%</td>
</tr>
</tbody>
</table>

Table 9

6.3 Future Recommendations

The demarcation of ‘whose service you sell and to whom you sell it’ or ‘who is paying you and what you are being paid for’ or simply ‘customers and consumers’, is of significant value in revenues generation. It helps in keeping the priorities and preferences in block frames, which in turn helps media retailers to trade off between values in critical situation of declination and competition. But for Magazine, this demarcation is very crucial. According to analysts from Carat and IUM, the readers and advertisers adds equally in its revenue. So it’s important that whatever business solution we implement it should be win-win situation for all actors in network: readers and advertisers to create a competitive profitable situation for magazine owners.

To understand internet as an opportunity, magazine owners should understand the internet consumption behaviors and its landscape. Magazine owners would have to communicate to readers on all levels in a magazine life cycle, so that they can have the confidence of being involved in the process. For this it is suggested to follow ‘Information-Provision Tree’ (Figure
22) and to divide all the audiences in four categories depending on the levels of information provision,

1. Normal Web Visitors
2. Premium Subscriber
3. Supreme Subscriber
4. Print Readers

The strategy is to provoke curiosity among readers, because internet has a problem of engaging visitor for a shorter time span on one location (website) and then every web manager is in the process of making his web content attractive enough to bring back the visitor. Hence the levels of information are being created and accordingly the visitors are left with the decision of which level of information he/she wants to achieve. As readers now, want to be above all in terms of information consumption, hence this strategy is believed to be effective.
Normal Web Visitor – Level 1 Communication

This category will include all the visitors, unique to website or the normal surfer, this level of website would also give quantitative measurement about visitors of website.

Values to Visitor

It is suggested web visitors are to be communicated when the editorial plan is being managed for any edition of magazine, there should be a web community, where all audiences (unique readers and web visitors) can participate in a dialogue about the particular article. Only articles topics with a noticeable high quality image about the issue in the article would be displayed to announce and explain the content that the article could entail. The article with an explanatory image should be discussed on the home link, through tools of internet (RSS feeds etc) editors can discuss with their readers as to what do they expect of the particular article content. Editor’s article in magazine as to what readers say would initiate a two way dialogue and also it would make visitors a part of the process.

All the images of big advertisements and special offers (coupons and free stuff) included in the print magazine would be displayed on the front page so that visitors can be educated with the values that they would acquire with the print magazine.
Premium Subscriber – Level 2 Communication

On the website, visitors should have the choice to subscribe free to the website to become a premium member of the web community. This category would provide quantitative measures for the unique visitors of the web community.

Values to Premium Subscriber

They will have free abstracts from the editorial content to read and a flash preview for the new edition for magazine, before it is released in market, they can see what web visitors are discussing on the front page and they can also make comments in the community of premium subscribers, where they will communicate among each other about the abstract and the flash preview of the magazine. Moreover they can see editor’s introduction, there would be links available for editor’s personal blog, his writings about his experience with working on this edition of magazine, and links to editor’s previous work (articles). This would give a more personalized form of communication with the editor of the magazine, creating unique experience of magazine family bond by increasing familiarity among reader and editor. Premium subscriber would have the provision to the content available to all visitors but any normal visitor, if wants to get provision to the experience of premium subscriber, he would have to sign in a unique visitor or premium subscriber.

Supreme Subscriber – Level 3 Communication

This category includes subscriber that have paid for their subscription. This category would provide measures to as to how many are readers to the magazine.

Values to Supreme Subscriber

They would have the provision to read almost all from the web version of the magazine, the subscription fee would be less than the print version of the magazine and they would have offer on buying print version of less price than original. They would have the provision on content for the premium subscriber and the normal visitor, but no one else would have access to the content that they write or read. They can read the magazine before it is launched in market and could make critical comments on the article content, the editor try to justify himself in response to criticism and if the criticism is positive than he will change the content of the article as per the readers’ suggestion but only in print version, and would let the reader know that he appreciates the criticism and would has changed the content likewise in print. This act will compel the reader to buy the print version and as he will see that he has the offer to but it in fewer prices than the decision is going to be favorable to print magazine.

Moreover the web version of the article would have links to various blogs related to that particular article; hence the web magazine would rate blogs and would include them in its supreme community. In turn magazine would have its release information on the blogger’s blog. With this act reader would not have to search in the chaos of information explosion available on
net and would have the links that are rated more and have the quality content about the issue. For the blogger it would increase its unique visitors.

The magazine can also make agreements with advertisers that it will provide rating for advertisers product on its web community for its supreme subscriber, for example for a fitness magazine, the magazine would rate ten fitness equipments, but the advertiser of the product rated above would have to give ‘rabbat coupons’ with the print version of the magazine and this information will be shown to the supreme subscriber, about the rating of the product and the coupons available in the print.

Print readers

This section of the web will be complement to print edition, there would a community of print readers, where print readers would enter the publishing number of their magazine edition and would sign up to the Supreme subscriber community and will enjoy the social community of magazine, would have dialogues among themselves and with the staff of magazine similar as Supreme Subscriber.

Editors’ Content

Magazine has two sectors, one advertisement and one editorial. The editorial section is in control of editor while advertisements are influenced by market trends. The power of magazine is in its editorial content so it should be used carefully during manipulating certain situation or if trying to influence readers’ minds. For the web editor’s content should be so designed that it enhances the sale for print, when he changes the content, he should mention on the web that content changed in print. The words and phrases should be well checked that they are in favor to the print magazine. The editor while writing about his experience working with this edition of the magazine should mention words and phrases that strengthen print.

For Advertisers

This venture will have as much values for advertisers as for readers. Most importantly it will remove the objection of immeasurable effectiveness. The web version will give quantitative measure for effectiveness accurately. The advertisers would be given choice to advertise on web, in print or in both. They would have offers if they would advertise in both. The magazine (print and web) would act as bridge transferring message between advertisement and interested audiences.

Magazine Release

There should be certain steps taken before the release of the new edition. The editor in chief should write a letter in a form of blog available to all surfers but directed to readers only. This letter should entail information regarding highlights of included content in the magazine. Moreover he should appreciate his readers in participating in the content making print content
better. The letter should be a blog so that it appears on the search; the link to this letter should also be a part of the magazine website available to all surfers, so to provoke them to increase their ‘level of communication’. The letter content should be so designed that it directs readers to the website.

Similar letters from article’s editors in the form of blogs should be included, giving their introduction and their writing experience details and inviting the readers to read their article published in print.

All these links must be available on website for the magazine and also on those blogger’s blog whose blog is rated above in supreme community of the website.

This proposed plan will make magazine information dynamic, interactivity would be introduced in magazine; giving an option of creating dialogue among readers and editor. The readers will have the confidence of being the part of the communication and the family. The advertisers and readers would have the choice of getting information. This is believed to create bright future prospects for print magazine. It is also important to bring into consideration that this strategy has not been tested, due to time and budget constraint. As this strategy is planned by analyzing media consumption behavior by audience, hence it is believed to work. For future reference, this strategy must be experimented for its success scale and monitored for its economical value on smaller before implementing it on larger scale.
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Appendix

List of Popular Swedish Magazines

The most sold Magazines in Sweden, as of 2004, are:

1. Se&Hör
2. Hänt Extra
3. Elle (The Swedish edition of ELLE)
4. Vecko Revyn
5. Cosmopolitan (The Swedish edition of Cosmopolitan)
6. Bilsport
7. Hem Ljuva Hem
8. Slitz
9. Hänt Bild
10. Frida
11. Hennes
12. Plaza Kvinna
13. Äntligen Hemma
14. mama
15. Solo
16. Plaza Interiör
17. Ökej
18. PS!
19. Vagabond
20. Bilsport Classic
21. Hem Ljuva Hem Trädgård
22. Wheels Magazine
23. Veckans Vimmel
24. Allt om Kök och Bad
25. Power Magazine

The organisation-published membership Magazines with the widest circulation, as of 2004, are:

1. Vår Bostad
2. Kommunalarbetaren
3. Dagens Arbete
4. Stiftidningen
5. Svensk Golf
6. Villaägaren
7. PRO Pensionären
8. Röda Korsets Tidning
9. Pedagogiska Magasinet
10. Lärarnas Tidning
11. Veteranen
12. Turist
13. SKTF-tidningen
14. Handelsnytt
15. lön & jobb
16. Öppet Hus
17. SEKO magasinet
18. Svensk Jakt
19. Svensk Jakt Nyheter
20. Ny Teknik
21. Sunt Förnuft
22. Båtliv
23. Byggnadsarbetaren
24. Land Lantbruk
25. Barn

NORDICOM report (www.nordicom.gu.se).

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
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<td>1</td>
<td>Consumer Magazines¹: Number of titles and total circulation per issue in millions 1997-2007</td>
<td></td>
<td></td>
<td></td>
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1. Including family, women’s, men’s, youth, and special interest Magazines, published at least quarterly. Consumer Magazines with audited circulations only, with the exception for Iceland and certain Norwegian titles (see note 4).

2. All periodicities other than weekly: from bi-weeklies up to quarterlies.

3. Circulation July-December each year.


5. In Sweden, a number of organizational Magazines are also included in the consumer Magazine category (as “special interest Magazines”). These organizational titles have more than 85% of circulation as membership copies, whereas the rest are sold as single-copies or by subscriptions.

6. The dip in circulation in 2000 is due to the fact that Turist, the Magazine of the Swedish Tourist Association, was not included.