

# Ads & IDEAS®

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JAMES G. ELLIOTT CO., INC. | New York | Los Angeles | Chicago

## A Broad Perspective on the Print Landscape

### President's Letter

Tony Silber has been a keen observer of the magazine industry for a long time. His perspective is not limited to just one sector, but includes all significant developments across the entire industry. In his position as Vice President of FOLIO, he frequently talks with senior people about their challenges and opportunities, their views and their concerns. Tony graciously agreed to share his thoughts with the readers of Ads&IDEAS®.



**ELLIOTT:** Tony, of all the people I know, you have the broadest perspective on the print landscape. You often interview senior people in the commercial B2B, consumer and the association print world. So what are the hot trends this year in each of these three sectors?

**SILBER:** There are several major trends in play now that have a direct impact on magazine media. One that affects all corners of the magazine-media world is in digital advertising. This revenue source has generally increased in importance for all media brands, but not in growth from the macro perspective. Just two companies—Facebook and Google—are thriving on digital advertising. They control more than 50 percent of the entire multibillion-dollar spend, and virtually all of the growth. This duopoly is an existential threat to any business that relies on advertising. Another problem with digital advertising is fraud. Robot traffic, phony engagement statistics, and tech middlemen that claim a huge piece of the spend are all challenges that have not been resolved.

On a more sector-specific basis, the most important trend in B2B media is the transformation of the business model. The traditional model is one where media companies aggregated an audience using content, and sold that audience to advertisers. The new model is for media companies to use content to develop insights into audience behavior, and then sell those insights to advertisers as part of lead-generation and nurturing programs. In short, B2B media companies are shifting from content businesses where data is an offshoot, to data businesses that use content to generate data.

All that said, I remain amazed at the resilience of the print-magazine business in many markets, especially niche markets, including enthusiast and association/non-profit/alumni categories. We're 23 years into the Internet era, and they're still significantly untouched.

In the association media realm, the challenge continues to be to sync up economic drivers between the overall association management and the association media departments. There's a tension there—mission versus margin. It's a universal dynamic, resolved only in degree depending on the organization.

**ELLIOTT:** What are the biggest fears that you are hearing from folks in the three sectors that our community should be worried about over the next year or so?

**SILBER:** In the mass-consumer sector, the duopoly is acknowledged, but it still feels like an outlier fear. It shouldn't be. If Facebook and Google dominate the advertising industry, then everyone else is a niche participant. Everyone else is just like the polar bear caught on a melting piece of ice. I hear a lot of talk about how strong media brands will retain advertising strength, and while I believe that in concept, publishers would do very well not to be dismissive of the actual facts. Facebook and Google—two companies—have combined revenue of more than \$100 billion. That's at least double the size of the whole magazine industry.

In B2B media, the biggest fear (and also the biggest opportunity) is around marketing technology. There is a threat that the highly evolved marketing technology available directly to marketers could disintermediate publishers. Marketers now often have pretty good content-creation skills, and their own sophisticated websites, and social media as a distribution channel. So the old role of B2B media companies of aggregating that audience has been diminished. With the ability to map engagement and buyer behavior and communicate accordingly, marketers will either pull back from major spends with B2B publishers or look to them for other services.

In the association world, the biggest concerns center around the "mission versus margin" dynamic described above, as well as two other things: lack of resources, and the sense that they're often behind their for-profit brethren in publishing prowess.

**ELLIOTT:** Are you seeing any interesting innovations that we should keep our eyes on?

**SILBER:** I see a new focus on the consumer, in particular on reader-side revenue. Subscriptions are becoming a growth driver, and there's a whole lot of innovation occurring around that basic revenue stream, including membership models. That's a major area for innovation. People like Don Peschke and This Old House, among many others, have great membership offerings.

Packaging print with other products, premium digital access, auto-renewal, faster customer service—all those things are percolating in positive new directions for magazine media. Another promising development is a shift in focus. Magazine companies always used to put their print magazine in the center of the wheel—it was the hub, and ancillary products were out on the spokes. Now, the consumer is at the hub, and a variety of products, including the print magazine, are the spokes. That's a huge change in understanding of the business.

**ELLIOTT:** What stage of growth do you think the magazine industry is in at this point? Are we redefining ourselves or we just waiting for the inevitable decline?

**SILBER:** We're definitely redefining ourselves, and actively adjusting to new realities in media consumption and monetization. The magazine business as we know it will morph, but it won't go away and it won't shrink and decline. The critical question is whether the tech behemoths are always going to be a step or two ahead. Some of the user services that we see from Google and Facebook are unbelievably compelling. When I'm driving on the interstate, far from home, and I need to stop at a Home Depot or a Wal-Mart or a Dunkin' Donuts, for example, I go to Google or Apple Maps, and find all of those and lots more via a simple search. That's paid advertising. It has to affect regional media businesses. When I want to find the latest news, I go to Apple News and Google News. And there it all is, via premium media brands. But convenience for the consumer also equals less revenue for the content creator. Still, media companies are very smart, and many of the best of them are experimenting, expanding, playing a long game and watching for opportunity.

**ELLIOTT:** You will be holding the FOLIO: Association Media Summit on March 28, at the National Press Club in Washington, DC. Tell us a little about that event. From a content standpoint, what do you expect the take-home to be?

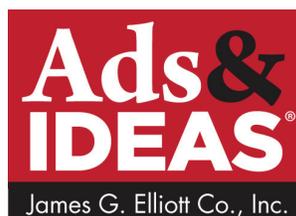


*Tony Silber, VP of Content, FOLIO: and Min*

**SILBER:** We're thrilled about this upcoming Association Media Summit. It addresses all of the critical issues in association media as described in the answers above. We'll empower our attendees with specific strategies to address resource constraints, and the "mission-versus-margin" challenge, and how to collaborate among the various economic drivers within the organization. The faculty represents some of the most accomplished professionals in the field. And, importantly, we'll provide a vital opportunity for folks to network. We all get caught up in our own jobs, in our own verticals, in our own ecosystems. There's nothing more important than getting that broader perspective from time to time, and checking what we're doing against what other folks are doing when faced with similar challenges.

**ELLIOTT:** Thanks, Tony. ■

*Tony Silber is Vice President of Content for Folio: and Min. Previously, he served as general manager of Folio:, Min, Expo and Audience Development, overseeing sales, marketing and content strategy, and vice president of content for PR News. In 2003, Tony launched M10, the executive-level magazine and information service for the magazine industry. Prior to M10, Silber was publisher of Folio: and Circulation Management when they were owned by Primedia.*



## ATTENTION ASSOCIATION READERS:

Use the VIP code **JGEVIP** to receive the special rate of \$500 (vs. \$675 regular rate) to register for the **FOLIO: Association Media Summit** being held March 28th at the National Press Club in Washington, DC.  
<http://www.foliomag.com/go/2017-association-media-summit>

## Company NEWS

The James G. Elliott Co., Inc. has been selected by Kantar Media to handle all sales activity nationally for enhanced listings in the SRDS database.

Since its founding in 1919, SRDS has been at the center of the media community. Today, it is the leading search engine for media opportunities and data for magazines, newspapers, television, radio, digital media, direct marketing and out-of-home media.

SRDS salespeople are located in all Elliott Co. offices.

For 7 years, Samir Husni (Mr. Magazine™) and the Magazine Innovation Center have brought industry leaders together for a three-day think-and-do experience centered on print. To see what is planned at ACT7 on April 25-27, 2017 in Oxford, MS, go to:

<http://www.maginnovation.org/act/agenda/>

We hope to see you there!