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National Mags Hope to Find Bright Spot in Regional Ads

Firms Like Media Networks Sell Pages for Publishers on 'Spot-Market Basis'

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NEW YORK (AdAge.com) -- It's not just start-ups and newspaper refugees fighting over local marketing and media -- national magazines have planted a stake in local turf as well. Publishers are hoping that regional ads in magazines can provide their industry with a very welcome bright spot, even though the fight for local ad spending is only getting more bruising.

While targeted ads in national magazines carry a higher cost to reach a thousand readers, they run up lower overall costs and include less waste.

Last year regionally targeted ads, which look like any other ad in the subscriber copies that get them, actually took a bigger hit than magazine ad pages on the whole, which fell 11.7% last year, according to the Publishers Information Bureau. National equivalent pages, as they're called, fell 18% in 2008.

The recession, however, is encouraging marketers to look harder still for efficiencies, and while targeted ads in national magazines carry a higher cost to reach a thousand readers, they run up lower overall costs and include less waste.

"In previous down markets, we have traditionally ended up," said Rob Moore, VP-sales and marketing at Media Networks, a division of Time Inc. that sells regional pages in 40 different magazines, both Time Inc. titles and competitors. A rival, the Media Max Network, offers targeted ad pages in Condé Nast magazines. Media Max could not comment by press time.

"We take national titles and localize," Mr. Moore said. "We give the appearance of a national buy in national books and we're able to bring it down to a spot-market basis."

Flat is good

Revenue at Media Networks, which also sells digital and other ads, held fairly steady last year, he said. "I've never seen a down market like this, nor has anyone, but I'm fairly confident that we will stay flat."

Flat in 2009, it almost goes without saying, would be a victory for most. Despite all the interest, local-media spending is actually threatening to keep falling even after the recession lifts. Local ad revenue will decline to \$144.4 billion in 2013 from \$155.3 billion last year, posting a 1.4% compound annual decline, according to a February forecast by BIA Advisory Services, a specialist in research on directories, small-business advertising and local media spending.

Local ad spending in traditional media, from newspapers to cable TV, will sink to \$112.4 billion in 2013 from \$141.3 billion last year, the forecast said, citing a continued retreat by the classified ads newspapers have depended on. Interactive has a better shot at growth, perhaps reaching \$32.1 billion in 2013 from \$14 billion in 2008.

John Chandler, senior VP-chief marketing officer at the Mass Mutual Financial Group, has been increasing his company's reliance on local advertising since last year. The new emphasis, which points consumers to representatives in their own markets, includes cable TV, regional buys in The Wall Street Journal and targeted ads in national magazines.

Although Mass Mutual isn't cutting its media spending, Mr. Chandler said, the financial meltdown has encouraged local print buys in a different way. "The biggest difference is the amount of transparency and detail that we're trying to build into our messaging," he said. "We can put more specific information into a print ad than anywhere else. We can provide that little laundry list of disclosures. That all supports the societal cry for transparency among financial-services companies."



MEDIA NETWORKS, INC.