Top magazines gain 3% in 2002

By R. CRAIG ENDICOT

magazines scarred and dabbed back to past growth in 2002, even though the all-important advertising page count declined for the second year in a row. Results, while promising, were hardly dramatic, according to a Advertising Age's 14th annual M magazine 300 report. The report, calculated gross revenue growth of 3.1% to $29.40 billion from the elite publications for the year, year-on-year gross revenue rose 3.4% and gross circulation dollars (up 2.2%).

The ad-page tally, however, remained adrift, dropping 4.4% atop a disastrous 15.1% decline in 2001, according to the compendium of 232 consumer and 68 business publications that range from A.O.L Time Warner's People at $1.2 billion gross revenue, up 6%, to Reed Elsevier's Publisher's Weekly at $67.9 million, down 6.6%.

The rebound from 2001—the ten-year mark for magazines—set the industry on a more solid footing to expand in 2003. In 2001, the Top 300, held in thrall by recession and the events of Sept. 11, declined 3.1% in called ad revenue, representing a 6.9% slump in ad revenue and agrowth in circulation revenue of 3.2%.

Publishers this year increased their ad-page count an average 6.2%, up from a 5.7% hike in 2002 for one-time b&w ad, a key measurement monitored by A. D. Age in this report. They also have shied from fiddling with subscriptions and newsstand prices, holding the line on both. In 2002, sub prices grew 3.3% and newsstand prices 6%, tandem moves that boosted circulation revenue 2.4% but lost readers. In 2002, sub growth for the Top 300 notched a 0.1% gain to 316.66 million, up 6.6%.

The rebound from 2001, however promising, was hardly sterling, as the business data, while hardly stunning, improved on the 10.4% slump in ad revenue and 10.5% decline in pages for 2002 by business publications in the Top 300. Consumer magazines easily outperformed their business counterparts in the Top 300, generating 5.7% growth in ad revenue on 1% fewer ad pages in 2002. In circulation, consumer magazines rose 2.3% in gross revenue in 2002 as subscribers flattened out (up 0.2%) and newsstand buyers slipped 2.8%, business pubs fell 0.5%. In gross circulation revenue as their sub count fell 1.8% and newsstand copies plunged 11.8%. Corporate cutbacks in ad spending and rising unemployment have hurt business publications among the Top 300.

SEVERAL CASUALTIES

The shaky economy proved pernicious to a host of Top 300 magazines. In 2002, Primedia closed Teen and Skin Diner; Reader's Digest at the hands of shareholders; Ziff Davis Media darkened Ziff Davis Business Smart and Yahoo! Internet Life; Bauer Publishing Co. axed Soap Opera Update; Mc C's Capital Publishing; Gannett's TV Guide closed. A.O.L Time Warner terminated Mutual Funds and Sports Illustrated for W omen, and Bertelsmann's

Publishers this year increased their ad page rates an average 6.2%

ended its run with Rosie. Closings have continued in 2003, and include Red Herring Communications' Red Herring, Hachette Filipachi M edia's U. S. Travel Holiday, Hearst Corp.'s Victoria and AARP's My Generation. In 2002, 13 publications fought back declining ad pages by reducing page rates, ranging from a 2% dip at Reader's Digest Association's Reader's Digest to 50% at Primedia's Soap Opera Digest. In 2003, 19 of the Top 300 cut ad rates, and by mid-2003, 12 of those had yet to hike back to pre-2001 levels.

For the third year in a row, People doomed the spot, with $173.6 million in gross ad revenue, up 8.7%, contributing most of its $1.20 billion gross revenue take. Sibling publication Sports Illustrated rose from N o. 4 position in 2001 to wrest the No. 2 spot from G iant-Size TV Guide International's TV Guide. Most of it's $939.4 million gross revenue, up 9.2%, came from that side. TV Guide's gross revenue was $904.5 million, down 5.4%, with most of its decline due to a lower ad take. TV Guide collected $52.5 million gross from circulation, a dip of 2.5%, credited to a 24% plunge in single-copy sales that cut newsstand purchases below one million for the first time in the history of this report.