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McHUGH EXPERT INTERVIEW

Increasing Association Magazine Circulation Income: An Interview with Richard L. Barwis, IV, Cornerstone Media

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INTRODUCTION

Associations own many valuable publishing assets including membership magazines. Many associations fail to maximize circulation income from their magazines. This interview will explore ways to increase paid circulation as well as a number of other topics of interest to association publishers.

Richard L. Barwis serves as an advisor and subject matter expert for me and contributes to my management audits of association publishers. Richard's company, Cornerstone Media, was the advertising sales representative for the Project Management Institute, where I served as Interim Publisher. Richard is also the author of *How to Build Association Advertising Sales Revenue with Magazines, Web sites & Electronic Media*. At the end of the interview, there is more on Richard's background.

Q Before we get too far, what is happening to the print membership magazine in terms of its predicted demise? Are most associations still publishing their membership magazines in printed format?

A Demise of print? Not likely, at least not anytime soon. But publishers are under pressure to hold down costs, yet they must deliver information to the reader in the format the reader wants to receive it. We're suggesting publishers offer their members the option of receiving the magazine in print or in a digital format.

In the research we've done, and in reviewing research by others, we've observed that choice appears skewed toward print by older members and digital versions by younger members.

This is a generalization, not a hard and fast rule, however it seems to be the growing trend.

The same applies to newsletters. Some members are perfectly happy receiving electronic editions, while others prefer ink on paper. Associations should make a point of offering their newsletters in electronic versions, and promote the benefits to the reader. This will also assist the organization in capturing useful member email addresses. Distributing e-newsletters is more economical than print and postage and can save a significant amount of money.

Q What can you tell us about digital editions and circulation audits?

A Digital editions of magazines do not have to carry the same advertising as print versions to be counted toward total circulation figures, according to the Audit Bureau of Circulations board of directors. However, editorial content, images and photography must remain the same in both print and digital versions in order to be counted as part of total circulation.

Digital editions that meet these criteria will be able to qualify as paid circulation, and credited toward the rate base in ABC measurements. The rule changes are intended to accommodate the realities of digital publishing, according to ABC president, Mike Lavery, including tight deadlines for digital editions, which some advertisers may not be able to manage. These rules also acknowledge advances in digital publishing technology.

Q How does an association make the determination that it is not maximizing paid circulation income with its magazine and that it should make an effort to increase circulation?

A Measuring the size of the market to establish the universe of prospective members is a good place to start.

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Contact list companies to find the counts of people in lists that have similar demographics and/or interests to your existing members. All nearby and direct competitors should be analyzed to find the number of members they have that are prospective members for your organization.

Q Can an association survive without its primary vehicle, the magazine coupled with membership?

A For many associations, the magazine is a key benefit of membership, often cited in member research as the #1 benefit. Typically, the reason for becoming a member of a trade, professional, or special interest group is the opportunity to share ideas, acquire specialized information, network, find employment, and in some case achieve certifications.

I would compare an association not having a publication to being a radio broadcaster without an antenna to reach out and connect with listeners. Likely it's not much of an association, maybe more a club, if it doesn't have a membership information vehicle, in the form of a magazine, or newsletter. If the group is connecting exclusively in online chat rooms, or Yahoo groups, it's more a "user group" than an association.

Q What is the role of a reader survey in increasing paid circulation? Is a reader survey similar to a general membership survey?

A The "Reader Survey" is designed to determine which of your content subscribers read, how much time they spend with the magazine and/or website, the type of articles members want, and how they perceive the quality and depth of the material presented. This data can prove enlightening to editors as it reveals what information members seek. This will prove beneficial in creating a product containing material people want and are willing to pay to receive.

The general membership survey is designed to determine member satisfaction of the association. This research helps identify what benefits and programs members desire, and how effectively the organization is delivering those benefits.

Q What role does list acquisition play in increasing paid circulation?

A If circulation development activities are directed exclusively to existing members/subscribers, the magazine circulation is likely to shrink 10 percent a year.

Every year new people come into a field and people leave, through attrition, career change, retirement, etc. It's critical to have an ongoing circulation development program that connects with fresh, qualified prospects. Accurately targeting prospective subscribers is a critical component for successful circulation development. List acquisition plays an important role in the effectiveness and outcome of a circulation development project.

One of the best ways to fuel the search for new members is via qualified lists, typically offered by list houses, and in some cases available through state licensing bureaus.

Q What can you tell us about using other promotional techniques such as group subscriptions and cooperative agreements to increase paid subscriptions?

A Carefully identifying prospective subscribers outside the existing member channel is key to building additional paid circulation. Here are some proven tactics:

Group Subscriptions

Identify and target promotion to build group subscriptions where there would be a single contact responsible for payment and renewal of multiple copies. Groups can be offered discounted subscription rates as an incentive.

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Groups could include school districts, universities, libraries, corporations, and government agencies.

Cooperative Agreements

Cooperating with other organizations can enable them to expand their member benefits by offering the opportunity to receive your organization's magazine at a specially reduced rate.

This can also provide a method to acquire members for your organization when members of the cooperating organization see the benefits your organization offers.

Bundles/Packages

Bundling is another technique that can prove highly effective. If you have a book, or can assemble a special selection of books that are of interest, offering a book, or a package of popular titles, combined with a magazine subscription offer, possibly with a special discount, can give prospective subscribers incentive to buy.

Don't Overlook "Expires"

It's possible a member may not want to continue with active membership in the association, but may consider continuing to receive the magazine. In this case, a specially priced, "lapsed membership offer" is mailed to "expires" who are no longer receiving membership renewal notices.

The Use of Premiums

One valuable lesson I learned is the advantage, and the disadvantage, of using premium items to build subscription sales. When I was publisher of a leading publication in its market, we needed to provide circulation that was competitive with free, controlled circulation publications to attract advertisers. While my magazine had mostly paid subscribers, it also had thousands of free, controlled subscriptions.

We undertook a project to convert the free circulation to paid. Initially we tested a promotion expounding the benefits of our publication--better editorial being the key benefit, a fact proven by the results of syndicated readership surveys.

Then we tested subscription offers with premiums, including: coffee mugs, calculators and even telephones. These mailings were effective, but the lesson learned over time was that it was necessary to employ a premium incentive to get those subscribers to renew. As a result of this experience I concluded that premiums should be homegrown: special publications, directories, books, or other items that are produced in house can be just as effective and reduce the added expense of employing premium incentives to obtain renewals.

Q Do conferences and tradeshow have a role in increasing paid circulation? How?

A Yes, indeed, conferences, tradeshow and symposia provide a target-rich environment for building subscription revenue. Exhibiting at industry-related conferences is a proven tactic that gives the magazine additional exposure in the marketplace and generates leads for future mailings. If your organization produces an event, exhibiting at this event is fundamental—a "no-brainer."

Offering customer service at the conference provides the opportunity for attendees to deal with address changes, have questions answered—and most appropriately enables attendees to meet editors and key authors. Since the magazine is often the #1 benefit of membership, it's important to have the magazine front and center.

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Q How should an association use its website to increase paid subscriptions?

A If you are not exploiting the association website you are essentially “leaving money on the table.” The organization's website should support subscription sales, enabling non-members to subscribe and members to renew their subscriptions. The website can also show visitors a sample of the magazine allowing them to see the type of articles it contains.

Q What about putting magazine content online simultaneously with the print edition?

A Since people find the web most useful for gathering information, it only makes sense to turn your existing information into another revenue stream. Offering a limited amount of free content on the website can include a selection of features and articles from the magazine, in addition to older white papers and fully amortized research, or abstracts of these materials.

This content should be accompanied with subscription offers and promotion citing subscriber benefits such as having access to content not available to non-subscribers.

Through the use of secure PDF files, you can allow site visitors to “view only” and not print the material, or allow the user to view the material a specific number of times, and prevent the file from being transferred to another user's machine.

In some cases your content can be highly profitable when offered as print on demand once you have developed the supportive technical infrastructures. Pricing per download can range from \$5 to over \$25 for highly specialized technical papers.

Q An issue that arises frequently is that every paid subscription costs the association a possible membership. Is a new member acquisition financially more important than increased paid circulation?

A If the association is offering what prospective members perceive as “benefits of value” then the people who subscribe to the magazine can be the best prospects for membership development. The idea that offering a subscription is undercutting membership is a bit shortsighted; the magazine is the association's best ambassador and a proven lead-generating tool when properly used.

If the association only has a magazine to offer as a member benefit, then perhaps that association should explore what other benefits members want, and can use, and offer something of value beyond a magazine subscription.

If the association is afraid their magazine is cannibalizing membership, that organization may have some deeper issues to think about than subscriptions cannibalizing membership revenue.

As a note of caution, for many associations the magazine is a key benefit of membership, often cited in member research as the #1 benefit.

Thus, approaching circulation revenue enhancement must include cooperation with the membership department, since the magazine can be the most, or one of the most, important benefits for member renewals and new member acquisition.

Q How does one determine if the cost of pursuing increased paid circulation is worth it?

A This is not the million-dollar question, but it is one that packs circulation seminars at Folio shows. The answer is actually quite simple: Subscription-building activity, including the number of renewal efforts, is

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based on economic viability. The cost of subscription acquisition should not exceed the revenue derived.

Q How can Cornerstone Media help associations increase paid circulation?

A At Cornerstone Media, we're working with associations to create membership development promotion, as well as circulation programs.

The circulation development programs discussed here each require different approaches and styles of promotion. What works for a renewal will not likely be effective as a new name/subscriber promotion.

An email campaign is distinctly different from standard direct-mail campaigns. Carefully crafting these promotions is extremely important to ensure success—they must be designed to cause the recipient to take action and buy.

Many organizations are running lean and lack staff with the time and knowledge that's required to operate a circulation development project. Though well intentioned, some try to do it themselves. Perhaps some are simply unable to convince management of the importance and value of obtaining experienced help.

We work with the publication team to design, help execute, monitor and analyze programs to ensure they get done, achieve goals—and are not inadvertently pushed to the backburner due to pressing day-to-day tasks, issues and commitments.

ABOUT RICHARD L. BARWIS, IV

Richard Barwis co-founded Cornerstone Media in 1992. He has served as publisher for five publications, launched new media, re-built struggling media and has been project manager for literally hundreds of media projects. He creates media kits, designs, produces print and digital media and is expert at helping organizations identify and exploit revenue opportunities.

He has sold literally millions of dollars of advertising for publications ranging from The Wall Street Journal to PM Network, the monthly magazine for the world's largest project management association, where he increased advertising revenue more than 650 percent.

Barwis authored a book containing specific steps for leveraging print and online media to enhance communications with members and capitalize on revenue opportunities. "How to Build Association Advertising Sales Revenue with Magazines, Websites & Electronic Media" is written for association executives charged with managing the publication component of their organization.

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ABOUT JOHN B. MCHUGH, PUBLISHING CONSULTANT

John B. “Jack” McHugh, a 40-year veteran of the publishing business, is a long-time successful publishing consultant. He is the author of the *McHugh Publishing Guide Series*—54 practical papers on all aspects of publications management, which can be ordered at his website. He also publishes the *McHugh Expert Interview Series*, 11 interviews with publishing leaders on various publishing specialties, which are available free at www.johnbmchugh.com.

In the book publishing business, McHugh has worked as an executive for Houghton Mifflin, Wadsworth, and Saint Mary’s Press. McHugh is also an experienced association publishing executive. For seven years, he was Publisher and Director of Programs at the American Society for Quality. For a two-year period, McHugh served as the Interim Publisher at the Project Management Institute.

McHugh has advised a variety of association publishers including: AASHTO, Alliance for Children and Families, ASCD, ASM International, ASTM, AWHONN, Boy Scouts of America, International Employee Benefit Foundation, NSTA, Police Executive Research Foundation, SAE, SMACNA and SNAME. McHugh has also worked for commercial publishers such as Butterworth Heinemann, Cardiotext, Kendall Hunt, and Llewellyn Worldwide.

Jack McHugh’s specialties include association/nonprofit publishing, book publishing, executive recruiting, journal publishing, rights and permissions, organizational design, and startups.

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