

TIPS FOR LAUNCHING A MAGAZINE

Hotsheets

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In general, most magazine launches are driven by passion for the editorial content. The question is, how do you create a viable & profitable business based on a passion? On average, magazine start-ups take three to five years to become profitable. By researching the following items prior to launching, you'll have a good indication as to how successful the magazine will be, and when.

EDITORIAL MANDATE & READER BENEFITS

Define your editorial mission statement. It's the reason each issue is published. How will your reader benefit by reading every issue and why will they look forward to future copies? Ideally, the editorial should be something that can't easily be found elsewhere and be independent from advertiser's influence. This will result in strong editorial integrity, earn reader loyalty and attract advertisers.

Niche is better than general interest. Service journalism is better than literary or non-service editorial.

MARKET RESEARCH & ANALYSIS

Being the first in a category does not necessarily guarantee success because you would be responsible for creating a new market. To determine your market size and characteristics, researching the competitors in your field (including US and International) will provide critical information. Review their editorial mandate and reader benefits, advertisers, subscription prices and advertising rate cards.

Secondly, get a list recommendation and market analysis from a list broker. They can research what magazine subscriber lists are available to rent, as well as other types of lists such as compiled B2B, trade show & event attendees, catalog purchasers, charity donors (usually on a trade only basis). Seeing what the numbers are in each will help determine potential market size for your new magazine. These list profiles may also include demographics, geographic (by province or city) and how the list was obtained. This information will give you an informed projected circulation level.

Thirdly, contact a newsstand distributor to find out what similar magazines they carry, how many copies they sell and where they sell them geographically and in what types of stores (yes you can get that info!). They can also let you know if your publication would sell well on the newsstand or not.

Finally, circulation audits and readership studies may also be available to review. Contact BPA, AAM, and Vividata to get competitors' current and past audit numbers to see if there are any trends worth noting.

WHO IS THE AUDIENCE?

What is the male/female ratio? Where do they live: urban or rural? What's the average age and what do they do in their spare time? Is there a reader life span (i.e. children's magazine)? Where do they shop? Travel? Education? Income? Is this a group that advertising wants to reach?

BUDGETS, PUBLISHING MODEL & BUSINESS PLAN

Biggest decisions that affect costs are: print quantity, print quality, issue frequency and whether to go paid or controlled or mixed circulation.

The largest expense tends to be printing, followed by postage, art & editorial, circulation, ad sales commissions (hopefully!) and staff (or accounting, admin, management). Rarely are magazine expenses fixed from issue to issue. Fluctuations occur because of circulation levels, ad pages, book size, using freelancers, etc.

The top three revenue streams are advertising, subscriptions and newsstand sales. Revenues also fluctuate for the above reasons as well as perhaps seasonality, the economy, etc.

Most paid consumer magazines rely on advertising revenues (around 60 to 65%) the balance circulation (30%) and digital (10%).

Are there companies or services that match the editorial content? Do they have marketing budgets?



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When determining advertising rates and CMPs for full page, ½ page, etc., consider including a classified section or offering to polybagging outserts, blow-ins and bind-in insert cards.

Other revenue sources, likely in the long term, could be trade shows or events, TV, radio, podcasts, an annual or SIP, establishing editorial contests and/or awards.

If possible, load a “Lighthouse” type publishing model that includes all costs, revenue and circulation stats for three to five years. This will provide a solid overview of the business and can be easily revised for numerous scenarios you might consider, such as increasing frequency, decreasing print run, paid or controlled circulation, etc.

A comprehensive business plan should outline all of the above: the editorial plan, readership demographics (and how to obtain them!), expenses and revenue. It should also include how success will be measured (tangible and intangible), what could make it vulnerable (usually economic),

CASH FLOW IDEAS – PRE & POST LAUNCH

The most common reason magazines fold is because they’ve run out of money. A comprehensive business plan should outline the three to five year picture and vulnerabilities and options to consider when the tide turns: look for another partner, investor, association and/or advertising partner.

The reason advertisers in print don’t pay up front is because their ad has not yet been produced. You can’t drive a new car off the lot until you’ve paid. However, there may be a category of advertisers that could pay up front, such as classified ads, smaller size ads, or when offering a percentage discount incentive.

A BUNCH OF RANDOM TIPS, IDEAS & CONSIDERATIONS:

- Canadian sells better in Canada (true for advertising & readers!)
- Find out if grants and/or subsidies are available
- Canada Post has special publication mail and addressed admail rates
- Federal or provincial tax benefits and/or savings
- Determine if your business could benefit by establishing a not for profit, charitable, association or foundation status
- If looking for a partner, best if they are strong in an area of publishing that’s different from yours
- Use freelancers whenever possible for the launch phase
- It’s VERY expensive to do your own photo shoots (food stylists, etc.)
- Don’t skimp on fact checkers or copy proofing
- Get trademark and legal status
- Arrange accounting (outsource bookkeeping) – this would also help with receivables
- Consider an advisory board
- Have a contingency plan if/when you run out of money
- Work closely with your most important allies and costs, i.e. printer, advertisers
- Talk to as many publishing people/experts in each area and ask questions: we’re all here to help our industry thrive!



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