

Print Magazine Sales Guarantee Frequently Asked Questions



General Questions

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1 What is the Print Magazine Sales Guarantee?

The magazine media Print Magazine Sales Guarantee is an industry-wide money-back or space-back guarantee of advertising performance, a first for any industry. With this bold new initiative, magazine media puts its money where its mouth is, elevating its accountability and promising that advertising in print magazines will increase an advertiser's brand sales and provide a positive ROI for all qualified print magazine investments.

2 What do you mean by industry-wide?

The Print Magazine Sales Guarantee was approved by the MPA Board of Directors and is supported by MPA's qualifying membership, representing 72 percent of the reader universe. We are an industry of advertising aficionados who were weaned on advertising promises from honorable brands. We knew that we would never have to see that lonely Maytag Man and we could always return those L.L. Bean boots, 24/7, 365 days a year. We took those advertising promises seriously and we see our sales guarantee as a way to double down on the proven and unique ability of print magazines to connect with consumers and serve as the cornerstone of a cross-platform buy to elevate an advertiser's ROI.

3 Why has the magazine media industry decided to do this and why now?

We have been able to prove (through The MPA Magazine Media 360° Brand Audience Report) that magazine media audiences are growing—and growing fast (up 10% Y-O-Y in first-half 2015)—across all print and digital platforms (including, and especially, mobile and video), reflecting the resonance of magazine brands for consumers throughout the content ecosystem. Advertisers are now recognizing (and benefiting from) that consumer vitality, with significant increases in advertising investments on our digital platforms.

At the same time, despite the fact that print audiences have held steady, advertising in print magazines has not. This recent downward trend ignores and disregards the empirical research and extensive impact studies that have proved countless times and in myriad ways that advertising in a print magazine, by virtue of its tangibility, permanence and singular ability to engage consumers without distraction, plays a unique role and has a unique value in any multiplatform advertising buy. The white paper "What Can Neuroscience Tell Us about Why Print Magazine Advertising Works?" released in October 2015, takes previous evidence a step further by explaining the brain science behind how and why people absorb and react to content consumed in the print format differently—with more memorability and emotional connection—than when consumed in any other format.

So, like any good marketer who has the proof to back up its claims, we're about to get naked. We knew that to break through all of the noise in the world of advertising and media, we needed to do something bold. More important, as advertisers grow increasingly concerned about the impact and accountability of their multiplatform investments, our decisive and confident move to guarantee results should be welcome relief.

4 What makes the industry confident that this will work?

Time Inc., Hearst Magazines, Condé Nast and Meredith Corporation have all conducted similar programs over the past several years with uniformly positive results.

In fact, since Meredith Corporation launched its formal print magazine sales and ROI guarantee in July 2011, all of the 35+ campaigns conducted—without exception—have shown that advertising in a print magazine drives both sales and ROI. For the initial brands, which included Kimberly-Clark and Tyson Foods, the ads helped produce sales increases of between 2% to 47%. Average ROI was \$7.45 for every \$1 spent.

5 Why is this newsworthy?

It is the first time in media that an industry has guaranteed sales results as an industry.

6 Didn't the newspaper industry and Parade already do this a couple of years ago?

No. There have been various sales guarantee programs over the years (including from some newspaper companies), but this is the first and only time this kind of industry-wide program has been launched.

7 Aren't magazine brands and publishers behind this simply because they see this as a way to increase ad spend?

Yes...and what better way than to guarantee that an advertising spend will produce results? Research has proven again and again that print magazines play a unique and important role as the cornerstone of a multiplatform advertising buy. We are putting considerable skin in the game by guaranteeing that it works.

And it's a great time to remind advertisers of this when they themselves are already acknowledging that perhaps it was unwise to move so massively to digital at the expense of print rather than with print's support. As WPP CEO Sir Martin Sorrell acknowledged in an interview at the Cannes Lions International Festival of Creativity in June 2015, as advertisers rush to take advantage of the power of digital platforms the "pendulum swings too far. ... There's some really strong evidence that engagement with traditional print is greater than engagement with so-called new media." Pablo Del Campo (Worldwide Creative Director, Saatchi & Saatchi) reiterated this sentiment in a recent interview when he said, "We are seduced by digital media and it's not necessarily because it's more effective. I feel it's because it's new. ... (The shift to online) has gone too far. Print is still powerful."

8 How does an advertiser's brand qualify for the Print Magazine Sales Guarantee?

The Print Magazine Sales Guarantee is available to all advertisers who meet the following two conditions in their campaigns:

First, the products and brands that are the subject of the campaign must be sold in a channel or advertising category that has one or more syndicated research firms (for example, Nielsen Homescan or Kantar/IRI panels, Nielsen Catalina Solutions or IMS Health) tracking sales data on the granular basis by household or person required to calculate the sales impact of the campaign.

Second, the advertiser buys a minimum of 150 GRPs (against adults 18+ across a magazine media company's title[s]) for the qualifying brand/products within a 12-month period, with that total buy representing an ad revenue and/or ad paging and/or share increase (TBD by individual title or magazine media company) for the title(s) included in the "guaranteed" campaign.

9 Can advertisers take advantage of this program with any magazine media brand or company?

The Print Magazine Sales Guarantee is available from all magazine brands within the same company, as long as those brands can deliver the requisite GRPs (150 against adults 18+) within a 12-month time period.

10 How can it be an “industry-wide guarantee” if some companies or titles don’t qualify?

The participating magazine media companies represent the vast majority of the “industry” (delivering 72 percent of the reader universe). And, to be clear, the unique power of print to impact consumers and drive sales is just as present in print magazines that lack the scale to participate in the Print Magazine Sales Guarantee program as it is in titles or companies able to deliver the requisite GRPs.

11 How does the Print Magazine Sales Guarantee work?

If the incremental sales attributable to a campaign with consistent messaging (average sales per Test Group Household less average sales per Control Group Household multiplied by total households exposed to the campaign) is less than the campaign investment itself, then the difference will be rebated to the advertiser in cash or future ad pages or dollars, up to the full amount of the investment. In other words, to the extent that a positive ROI (an ROI greater than \$1 such that every dollar of advertising has produced more than a dollar in sales) is not achieved, the publisher will rebate the difference between the total campaign investment and the total incremental sales achieved by the campaign to the advertiser.

12 How is the ROI measured?

The advertising ROI is the ratio of sales per dollar spent in media. In the case of the Print Magazine Sales Guarantee, it is calculated as the incremental sales across the households penetrated by the Print Magazine Sales Guarantee titles (based on household-adjusted MRI data) divided by the total Print Magazine Sales Guarantee campaign investment. This ROI also can be interpreted as the incremental sales dollars produced by \$1 of campaign investment. Additionally, to the extent that this ROI is less than \$1, it can be viewed as a negative return on investment, as it means that for every dollar of ad investment, less than one dollar of sales was returned.

13 Who pays for the study?

The magazine media company.

14 Does the Print Magazine Sales Guarantee apply to all advertising campaigns in print magazines?

No—just the campaigns that meet the program criteria.

15 Which categories does the Print Magazine Sales Guarantee cover and why?

Categories covered are those for which credible, granular, third-party sales data can be tracked by household or person and collected on a current basis, such as: Food, Beauty, OTC Drugs, Household Goods, Healthcare, Pet Care, and Retail.

In total, these categories account for well over half of the advertising spend (62%) across all media as well as in print magazines (61%) specifically, so are a representative sample of the behavior of all products in print magazine advertising.

16 When will you offer the guarantee for other categories?

The moment granular third-party sales data at the household or person level for a new category is available, we will expand the program to include it, as it’s our goal to offer this program as widely as possible.

17 How and why was the minimum 150 GRP (adults 18+) commitment determined?

The 150 minimum GRP was driven by the need for enough scale to get accurate measurements to determine lift as well as the sheer costs of the test, which the publisher covers. We are, however, investigating ways to prove campaign results efficiently for lesser buys, which will allow us to expand the guarantee.

18 How do you anticipate marketers will react to this guarantee and do you think they will increase print buying?

The unique positive impact that print has on consumers cognitively and emotionally, and the distinct ability of print magazine media to improve the performance of other media, has been known for years. However, particularly with new research reinforcing both those effects, the fact that the guarantee removes all risk for the advertiser makes it pretty difficult to ignore this as a business proposition. In fact, it's hard to understand why advertisers would not take advantage of this offer, particularly as they and their agencies have been recognizing recently that the rush out of print may have been at their own expense.

19 Doesn't all media get better ROI with a bigger buy?

There is certainly a "tonnage" effect to media buys that may imply a relatively better ROI the more you expose a given group of consumers to a message. However, "better" doesn't necessarily mean "good," let alone "positive." In fact, as Nielsen has found in its analysis of hundreds and hundreds of campaigns involving all different categories of media, the highest average ROIs were for magazine media—the print platform at \$8.68 and magazine media digital platforms at \$7.35 versus \$2.89 for premium digital non-magazine brands, \$2.59 for portals and ad networks and \$2.44 for television. Moreover, if the print magazine media campaigns weren't substantially positive, the industry wouldn't be able to make this kind of very fearless guarantee.

20 Why don't you guarantee digital advertising ROI?

We would love to, particularly since Nielsen research demonstrates that digital ROIs for magazine brands exceed those of other digital advertising vehicles. In fact, a number of our member companies, including Time Inc. and Meredith Corporation, have conducted integrated (print + digital) studies to positive results. We do not have the volume of studies conducted for the needed benchmarks an industry-wide guarantee requires but we are monitoring the progress made and hope to roll out an integrated program soon.

21 Why aren't other media doing this?

No organization or industry is going to show its cards unless it has a royal flush. No need for a magazine media poker face—just look at our numbers. It's harder for other media because their ROIs are less robust on average, and the risks that an ROI will be negative is higher, in some cases significantly so. But don't take our word for it—ask them.

FOR MORE INFORMATION PLEASE CONTACT

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