

Masthead

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AD SALES ROUNDTABLE '09

Our expert panel negotiates on church and state, multi-platform publishing and the tastefulness of boat parties in recessionary times.

Interview conducted, edited and condensed by Marco Ursi

Selling magazine ads has never been harder. Pages and revenues are down, while the list of demands from advertisers and agencies continues to grow. To gather intelligence from the sometimes closed off world of advertising sales, *Masthead* gathered three industry veterans—Brian Stendel, president of Keystone Media and sales representation for *Food & Drink*, *The Beaver* and *BC Magazine*, Jane Bradley, publisher of *Parents Canada* magazine (Family Communications), and Randy Craig, director of advertising and marketing for *Cottage Life/Explore* magazines (Quarto Communications)—for a long lunch at The Rivoli in Toronto and picked their brains about the brave new world of sales.

Masthead: Let's start with the big picture. How bad is it out there?

Jane Bradley: You can't rely on your core advertisers anymore. You used to say, "How many pages are you in?" Now it's, "Are you in at all?" Advertisers are either shifting their dollars out of print and experimenting with other media, or they're just reducing their dollars, period. We've come back to grassroots and power selling. You can't count on anybody.

Masthead: What's happening at Cottage Life, Randy?

Randy Craig: For us, it's about relationship development and idea development with our core group of ad-



Our 2009 Ad Sales Roundtable panel: Brian Stendel, president of Keystone Media and sales representation for *Food & Drink*, *The Beaver* and *BC Magazine*; Jane Bradley, publisher of *Parents Canada* magazine (Family Communications); and Randy Craig, director of advertising and marketing for *Cottage Life/Explore* magazines (Quarto Communications).

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AD SALES ROUNDTABLE

vertisers, because they're going to be with us through the good times and the bad. We know that the automotive industry was a core advertiser for us; they've always been our biggest group since we started *Cottage Life*, and we're going to see a big hit from them this year. But there's always going to be vehicles that make sense for the cottage market and we're going to start seeing that business come back—slowly, but it will come back. The relationships we develop—whether it's with ideas or new opportunities to integrate our website or our consumer shows—those are the things that establish us as a player.

Masthead: Brian, what are we feeling out there?

Brian Stendel: I'm old enough to have been through three of these recessions and it always feels like it's the worst one when you're in the middle of it. They're all bad. You see colleagues losing their jobs, you see clients losing their jobs, you see magazines forced to cut, and it's never fun to live and work in that sort of environment. But we'll get through this. Advertising reps are not magicians. The advertising market is down. We can't make pages happen. It's a matter of protecting the investments and properties we have, so we can emerge at the other end of this and get strong again.

"You can't just sell a page anymore"

Masthead: Is this decline we're seeing just about the recession, or is bigger than that?

Brian: It's clearly bigger than the recession. It isn't that magazines are less desirable; there's just a lot more to choose from. I was a media planner back in the 1980s and there were only a handful of local stations, a couple of networks, no specialty channels—the Internet wasn't invented. Magazines seemed to manage just fine. But back then, magazines were looked at differently. We had a rate card and the rate card was sacrosanct. Nobody went off rate card; nobody even asked us to go off rate card. It's been changing all the way from the 1980s. It will always change and it seems it will always get tougher.

Jane: But that's why magazines have to increase their brand extensions. If the advertiser wants a show, your magazine is involved with, or has title sponsorship of, or owns a show. If they want Web, you have a really great brand on your website. They don't just do a magazine buy anymore; they want everything, including ROI. You have to be experts in so many different media.

Randy: You can't just sell a page anymore. We haven't been doing that for a long time. It's really about creating programs that identify the way your products fit with their products and pulling it all together.

Masthead: But for a lot of publishers, a page is all they have to sell. What would you suggest to those publishers?

Jane: Reader interests aren't going away. For women's service magazines, women still want to

look good during a recession. With parenting magazines, parents still need advice and they still need to parent well. It's all about the reader. And that's why the page is still relevant—that environment is still relevant.

Brian: I also disagree a bit with what Randy said. Certainly the advent of value-added—packaging across titles and packaging with other types of properties—has been going strong for the last 10 or 15 years. But most of our advertisers are still

Randy: Ideally, they want some sort of connection to what our messaging is in the magazine. A lot of advertisers use cottage imaging in their ads. We get a lot of advertisers that will create ads just for our magazine, with a cottage vibe, so that it feels right with our reader.

Brian: Every person who is developing a media plan for a client wants that plan to look special. There are media innovation awards nowadays; that was unheard of 20 years ago. It's also driven

TOP GAINERS, ROP AD PAGES, 2008 VS. 2007

Title	Percentage gain	Actual new pages
1. More	46.1%	138.58
2. Moneysense	11.5%	15.93
3. Westworld Alberta	9.0%	14.67
4. Famous Magazine	8.6%	20.33
5. Glow	8.4%	49.51
6. Westworld BC	7.7%	12.16
7. Profit	7.6%	13.88
8. Toronto Life	6.1%	57.24
9. Canadian Business	6.0%	40.95
10. Elle Canada	4.2%	39.97

(Source: Leading National Advertisers)

TOP DECLINERS, ROP AD PAGES, 2008 VS. 2007

Title	Percentage loss	Actual lost pages
1. Cool (Fr.)	-47.4%	-36.84
2. Renovation Bricolage (Fr.)	-43.6%	-91.67
3. Cote Jardins (Fr.)	-40.0%	-34.12
4. Madame (Fr.)	-39.8%	-151.50
5. Teen Tribute	-37.3%	-16.67
6. Carp	-37.2%	-99.51
7. Homemakers	-34.4%	-178.86
8. Tribute	-33.9%	-49.66
9. Canadian Home & Country	-27.9%	-102.13
10. Les Idées De Ma Maison	-24.6%	-286.98

(Source: Leading National Advertisers)

buying a page. If we had to create special and unique situations for every advertiser out there, we'd have gone bankrupt a long time ago.

Jane: It depends on the brand. *Cottage Life* lends itself to all the different ancillary brands.

Randy: There's no doubt there are still lots of print plans being done, but there's also no doubt that advertisers are asking for more and more. If the question is: "Are we worried for the future if people are just selling pages?" I'd say we should be. There are more media choices and more opportunities and advertisers want more integration. I can't tell you how many plans we've got on that we wouldn't have gotten on if we hadn't come up a concept or some value or some integration.

Masthead: Randy, you did the Hyundai ad with the three covers in *Cottage Life*, the first Canadian magazine to pick up that idea [which originated in *The New Yorker*]. That's an example of what you can do just using the magazine. What else do advertisers want in terms of ideas and innovation?

on our end. When you sell an interesting campaign or multi-pronged campaign, you tend to retain those clients.

Jane: I think what we've all noticed, just to bottom line it, is that the difference between this year and last is that the "booking a page" part of it is decreasing and the "I need an outside of the box idea" is increasing. I think we're becoming creative agencies.

"If you're trying to fool the reader, it's wrong."

Masthead: When does all the innovation and creativity go too far? For example, the Starcom MediaVest agency recently placed ads in *Style at Home* and *House & Home* that interfered with editorial, provoking some outrage from editor-types and some cheering from the media-buying community.

Brian: The agencies are always going to come with these ideas. They'll send them out there and there will always be people who say yes. It all goes back to reader confusion. If you're trying to fool the reader, it's wrong. I'm all for protecting the reader

and sometimes the reader can be pretty gullible. But if it's a partnership that's fun and isn't going to dupe people into getting editorial confused with commercial messages, then I'm all for it. I thought the Swiffer one was kind of fun. I don't think anybody is suddenly going to do anything differently because of that or not trust *House & Home's* editorial because of that.

Randy: *House & Home* has been innovative in the way they've handled advertiser integration for years. They created multi-page sections for advertisers that looked like very much like editorial. They were flagged as being special promotional sections, but they were done beautifully. They looked almost as good as the editorial, but it was brand integration. The Swiffer idea just took it that much further. Is it clever? You bet. Does it put pressure on other magazines to do the same thing? Absolutely. Is it going to put pressure on House & Home to do it more often? I think it probably will and that'll be their decision on how they move forward with the next one. We didn't see a whole lot of magazines jumping on that bandwagon.

Masthead: When church and state are mixed, don't those values start becoming diminished across the industry?

Jane: If you're a fashion magazine and you have a shoot, you use your client's clothes and cosmetics and give them a credit. We do it at *Parents Canada* and fashion magazines do it as well. Is that church and state?

Brian: That's way crossing the line in my view! It is absolutely designed to dupe the reader.

Jane: But it's not, because you're showcasing a lot of different products. But if your advertisers happen to have great products, then why would you exclude them?

Brian: I would never recommend excluding them or including them on the basis of what advertising they're running. But in most cases I understand they're being included because they are advertisers and readers are definitely getting a message from an advertiser, not from an editor.

Randy: What would *Food & Drink* be without bottles of liquor promoting great cocktails?

Brian: Absolutely. But *Food & Drink* would never go ahead and run a particular bottle because they're running an ad in the magazine.

Jane: I'm not saying that! I'm saying the editor knows which advertisers are running in the magazine. They also have a relationship with that advertiser. They wouldn't exclude them because they're running an ad in the magazine.

Randy: We have to feature products and services all the time. That's what cottagers look for in the magazine. We're going to talk about products that advertise and we're going to talk about products that don't advertise.

Masthead: The editors are making the decision?

Randy: Sure they are.

Brian: In my years at *Toronto Life*, we realized that

a large percentage of our readers believed our restaurant reviews were tainted by commercial interests. And we even ran an ad once that said our restaurant reviews are not for sale. We constantly had to remind people that there was integrity. We tried to separate the ads so they didn't appear right next to the reviews. But we couldn't say no to the advertiser or tell the editor not run a review just because somebody is advertising. So even that message got confused in a product that had the highest level of editorial integrity.

"They're not selling space, they're selling ideas."

Masthead: Let's talk about selling the Web. Is it a whole different game? Have you encountered sales staff that don't know how to sell the Web?

Jane: If an advertiser is going to cut back in print, you still might want to keep them around and

you can go on and on. Then you have to get the impressions because you're measured. It's taking time away from the print side of things.

Brian: What percentage of your revenues are coming from the Web?

Randy: Overall it's a small portion, but if we took it all out and we didn't have those components, we'd see a drop in magazine revenue for sure. It's the combination that allows us to get a lot of the business we get.

"It is weeding time"

Masthead: What's happening in competitive sets? When a recession comes on, do advertisers decide to cut certain books out? Do things get more nasty?

Jane: I think things get tougher. We're in the parenting category and we're the third one out. We

"I'm all for protecting the reader, but if it's a partnership that's fun and isn't trying to dupe people, I'm all for it."

have a relationship with them through the site. It's smaller dollars but at least it's a relationship. I think most sales reps have embraced it. Ours certainly have.

Randy: I think you have to embrace it. If you don't, you're going to be the last one in. A lot of the agencies have separate departments now that just plan for Web. It's really important for the sales rep to work both sides. They have to go in and talk to their regular media planners and include a Web component. They also have to get in and talk to the Web-specific planners and go in with web-specific ideas and metrics and all that. Today's magazine rep needs to wear a lot of different hats and they have to be a lot sharper than the old days. They're not selling space, they're selling ideas.

Masthead: Any tips or strategies for selling the Web?

Randy: We try to put a Web component together with every single proposal. We don't always get it, but we get a lot. To sell it independently, you should go to Web sales school to learn all the dialogue and the right jargon, and to understand how those media-specific Web buyers are buying the medium. You've got to be able to talk turkey with those people or else they're going to send you down the hall to talk to the magazine planner.

Jane: A Web program can be very complex. If you have a great idea and you sell it, then what? Then you have to do it. And they're often so complex: databases, lead generation, contesting, blogs...

launched just before the recession hit. We've had two good years under our belt, thank goodness! Advertisers make a choice: Either you're an essential magazine or you're non-essential. They have fewer dollars to spend.

Brian: It is weeding time, though. *Toronto Life* brought me on board in the early '80s because they were worried about the *Globe's Toronto* magazine and what it could do to their business. We were going head-to-head with *Toronto*, *T.O.* magazine, *City & Country Home*—we had a really competitive set and they were all gunning for us. We took a lot of blows, we lost a lot of people and we lost money, but we made it to the other end and the other guys didn't. All of a sudden it was a brand new world, we had no competitors and things started booming again.

Randy: Sometimes categories get too saturated. We've seen it in the States. A lot of décor books have folded—it's a great category when times are great, but when times are tough, they start falling.

Brian: It helps if you have a lot of money in the bank from the good times or a very generous and supportive parent in times like this.

"Once you're a whore, you're always a whore"

Masthead: How much discounting is going on right now?

Jane: If a magazine starts selling based on fear, I call it desperate selling. You really de-value your brand. And when you're out of the recession, you can't gain the respect back.

Brian: When you have a recessionary environ-

ment like this and everybody's fighting to keep their share, I have to tell you we're killing each other right now out there in the industry. Everybody is trying to keep their head above water and agencies know that they can play this game, whether they need to or not, and maximize value for their advertisers because people are willing to cut rates incredibly.

Randy: But it's not magazine rates alone. The CPM on websites is dropping like a rock and it's the same with television.

Brian: It's always hard to raise your rates after you cut them. Once you're a whore, you're always a whore.

Masthead: It must be tempting to cut rates at this time, though.

Jane: It is. I received an RFP today and it stated very clearly, "You're cutting your rates by at least 8% from 2008."

Brian: I got an RFP last week saying, "We're looking for aggressive pricing. Buy two, get one free, for example."

Jane: "We're looking for, we're looking for, we're looking for" is the mantra of advertising agencies these days.

Masthead: When and how do you say no to an advertiser? I can't go that low, for example.

Jane: Every magazine has a cost breaking point, where they can't afford to run the page. But if you ever get to that point, then you're really de-valuing your brand. They're only buying you based on a CPM level. It makes you look cheap!

Masthead: Is there a way to say no that keeps the door open?

Randy: "There might be one thing we can't do but here are ten things we can do. Let's talk about those."

Brian: Instead of saying no, you say, "Yes, but..." Yes, but I want this to be a non-cancellable agreement. Yes, but we can't guarantee you any position on this.

Jane: I think you earn respect by saying no sometimes.

Brian: When it comes to price, I work on the assumption that the moment I discount a price, everyone in the industry knows I've done it. I would never give a discount to one guy that I wouldn't be willing to give to another.

"The hard part is we're all saying the same thing"

Masthead: Back to this point about offering value. Can you give an anecdote of how you make that argument to a media planner, particularly when it comes to say, editorial value? What have you done in the past that's worked and resonated with the planners so that, in the end, they actually decide to spend more with you than a competitor?

Brian: In my media planning days, I created a matrix and put a value to variables such as production, editorial, circulation and created a weighted

CPM. I would rate each category one to 10 and come up with a final score. But it is inherently subjective.

Masthead: Do you think media planners still do this?

Brian: We had more time back then. [Laughter]

Jane: The problem is that media planners are deluged with magazines and very few are relevant to them, as people. To ask a media planner to actually read your publication and spend time with it when they're getting so many is tough.

Randy: The hard part is we're all saying the same thing. We're all talking about how great our editors are, how we were Magazine of the Year last year—they keep hearing the same things from just about every magazine rep. So how do you chisel it all down?

"We're looking for, we're looking for, we're looking for' is the new mantra of advertising agencies."

Masthead: What's working?

Randy: I think you have to find your point of difference. Whether it's my sales person as a rep, as a person, or the publication and its benefits. If we're all saying the same thing, then I gotta find something that's unique to us.

Brian: The acronym USP for "unique selling proposition" has been around as long as the trees. If you start looking desperate, you will ultimately fail.

Masthead: How far do you go attacking, dissing and tearing down the arguments of your magazine competitors?

Randy: I don't go down that road ever.

Jane: Neither do I.

Brian: Neither do I. However, I do create documents that are strictly objective comparisons of one magazine to another—year it was founded, total number of readers, cost per thousand—and allow the planner to interpret those charts on their own. You never curry favour by putting down the competition.

Jane: There's ways of suggesting how wonderful you are without ever comparing yourself to your competitors.

Masthead: For example?

Brian: Run a cost ranking in PMB. It inherently is comparing 80 magazines to each other. What could be more of a competitive-looking document?

Jane: You can say, "We have very unique distribution." You're comparing yourself to the competition without attacking them.

Randy: I prefer to say what magazines we complement. So for example, if we'd like to tag along a *House & Home* plan, I'll say, "Here's what we add to that." To me, that's a better way of selling than saying, "We're better than *House & Home*." I'd rather say, "Together, we're fantastic."

Brian: I do the same thing with *BC Magazine* and *Vancouver* magazine. If *Vancouver* is getting business and it's something that isn't inherently city-oriented, I say, "They cover the city like nobody else. If you want to reach the rest of the province, add us." It's hard to be the third or fourth magazine in the category and say you're better than everybody. You better bring something to the table that the other magazines can't offer.

"This is such an opportunity to stand out."

Masthead: Are there any outdated selling strategies?

Randy: I dunno, the three martini lunch still works for me. [Laughter]

Brian: Is it seemly to be throwing parties and doing client entertaining nowadays?

Jane: There's a way of doing it that looks like you're still being cautious and not being silly. I was out with clients for lunch last week, and I asked, "Who's invited you out lately?" "No one." This is such an opportunity to stand out.

Randy: I think five years ago, media planners had the luxury of picking and choosing how many parties they wanted to go to. We've been running our *Cottage Life* boat trips for a long time and you sometimes got the sense that people thought of it as just another outing with media people. But in the last couple of years, we've noticed people being appreciative of what we do. To Jane's point, when everybody else isn't doing it, it's a great time to do it.

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