Once again, the publishing industry finds itself in turmoil because of the emergence of a new digital technology. Not so long ago, magazine, book and newspaper publishers, as well as major media companies (TV, radio and entertainment) ruled their industry segments with little interference from outsiders. Then, seemingly overnight, distribution channels that had taken years to establish were undermined by Internet interlopers like Amazon and Apple, which crossed over into the book and music industries, respectively, and by sites like Craigslist and Monster.com, which took over classified advertising, once a major source of revenue for publishers.

While some publishers waited to let the dust settle, others dove head first into the Internet soiree in an effort to retain readership and, more importantly, to develop their own new revenue streams from advertisers. Unfortunately, the results turned out to be disappointing for readers and publishers alike, especially from a business perspective, since online revenues have not come anywhere near making up for lost revenue in print.

With the introduction of Apple’s iPad, the game has changed yet again, opening up new opportunities for publishers but presenting new challenges as well. In this article, we will focus on the impact of tablets on magazine publishers.

THE OPPORTUNITY

Two things are different this time around with the introduction of the iPad.

First, the iPad (and other tablets) and smartphones are mobile devices, which means that users expect and demand a media-rich experience on a simplified user interface wherever they are. Second, the sheer volume of iPads in the marketplace makes them impossible to ignore. In the first year after the iPad was introduced in April 2010, Apple sold more than 15 million tablets, with estimated sales of 3 million to 4 million per month in 2011, for a two year total of 40 million to 50 million and 90% of the market. Add in all the other tablet manufactures (note HP just launched Slate), and you know this is a hot market that has so far shown no signs of cooling off.

While publishers must evaluate the merits of entering the mobile market for themselves, the iPad and other tablets present a tantalizing opportunity, but one that will require a different approach from print publishing. In 1964, Marshall McLuhan coined the phrase, “The medium is the message.” Although McLuhan was referring to television at the time, that comment can also apply to the iPad and other tablets. With their touchscreen interfaces and high-resolution screens, user-friendly tablets are designed to not only deliver news, entertainment and information, but to engage readers and create an exceptional, often interactive media-rich presentation, as opposed to one that relies heavily on passive text. Few print publishers today possess the assets or personnel to deliver a rich media experience, however. Whether you start by creating a simple flip-book style approach or a more extensive user experience depends on your existing technology, workflow and staff bandwidth to meet the foreseen challenges.

Overall, magazine publishers must evaluate who their readers are in print and in digital media, with an eye on potential ad revenue. They can then decide the best course of action to take for editorial, production and delivery within their existing infrastructure for content management, workflow, standards and technology.

The good news is that tablets are an infinitely better format for display advertising than the Internet. Think about how seamlessly well-designed ads mesh with the editorial content of magazines such as Food & Wine or Car and Driver. Then imagine those ads coming to life on an iPad, with video, 360-degree perspectives, designer interviews and the ability to share the ad with friends, along with the capability of making a purchase with a single click.

Glossy magazine publishers in particular stand to gain back subscribers and attract new readers based on the vivid experience that the iPad and other tablets deliver to readers. Leading digital magazines — Elle, Robb Report and Nylon — are looking forward to increase subscription revenue as well as ad revenue with their innovative tablet editions.

New Platform Means New Opportunities and Challenges — for Magazines

By Terri Pagan and Don Rau
THE CHALLENGES

The biggest challenge for print magazines will be to create a digital experience that readers find so thoroughly engaging that they are reluctant to leave the app or site. It begins with understanding what consumers are looking for when they read the mobile issue (it's not the same as in print). Each issue must not only be engaging and enjoyable to read, but also must invite reader participation. This is where initial research will pay dividends, by helping insure that a publisher's first mobile edition is embraced by its target audience.

Internally, the magazine publisher must assess its existing capabilities in terms of technology and personnel and determine what more is needed to join the mobile market. The first impulse might be that the print product can be morphed into a digital issue. You just revise the layout to fit the iPad/tablet template, reformat the content, set the ads and images, add a little rich media, distribute and, ta-da, you now have a digital issue ready for the mobile market. Well, not quite.

Initially, a publisher can manually lay out, reformat and distribute the issue. However, this takes time, is hard to manage, will require valuable resources and will eat into your profit margin. So you need to define a long-term strategy that fits into both your business plan and your publishing market. Integrating new policies, procedures and technology into the workplace is not an easy task. But if you get it right, you stand to achieve a new business model that will help retain customers and expand your subscriber base.

WORK FLOW: AUTOMATION VS. MANUAL

Most publishers expend an enormous amount of time, resources and technology to produce each brand, with mixed results when it comes to ROI. So the thought of integrating another piece of technology and adding or training staff into the workflow process sounds expensive. And for the most part it will be, depending on your approach and the timeline you dictate. However, with mobile advertising revenue projections growing rapidly, plus the staggering sales volume for the iPad, other tablets and smartphone, some big winners stand to dominate the market.

The amount of effort required to automate a portion of the workflow or the entire process will depend on the nature of the existing workflow, current staff skills and installed technology capabilities. Although software tools can turn pages into digital formats, the end result is usually the static pages of a flip-book, which will not result in the engaging experience users desire. To create a unique tablet issue with pages of rich media means changing the way pages are visualized and built to fit various tablet templates and requires developing new workflow efficiencies.
EFFICIENCY

Publishers will be challenged not only by the new media channels, but also by how to remain as lean and efficient as possible. In many cases the new digital channel will lead to increased costs for training existing staff and hiring new employees with the knowledge base required to address and exploit new media channels. In addition, content management solutions can help create a managed workflow to maximize efficiency and shave time off the publishing cycle. Enterprise multichannel publishing solutions like Wood-Wing’s Enterprise Solution provide publishers with the ability to manage the various aspects for print, Web, tablets and other distribution channels by developing and supporting the vast array of interfaces required to meet the ever-changing distribution requirements, applications stores or HTML5 widgets.

STANDARDS (AGAIN)

After many years and much effort, the print magazine industry has finally settled on PRISM standards. Now, with the introduction of new media channels such as tablets and smartphones, we must confront the lack of consistent standards for back-end XML and output, as well as standards that cover emerging mobile devices and operating systems. For developers and publishers, it is increasingly difficult to keep up with the newest device technology while managing a fast-paced production environment. This might be the most difficult area for publishers to address and it illustrates the need for a valid business case for an enterprise software solution that puts the burden on the software manufacturer to maintain compliance with each mobile device.

Today, the only “standards” in tablets are for the iPad, which creates a real dilemma for publishers. HTML5 does promise to be cross-platform, with all the bells and whistles one expects for the new tablet format. But it remains to be seen how well HTML5 will deliver on its pervasive promise. One only has to look at how simple HTML has had to be coded differently for different browsers to see what could happen.

THE REWARDS

Before publishers can capitalize on the benefits of this new media platform, they need to address several key questions:

• Is now the right time to enter this market?  
• What is the most cost effective business strategy (short vs. long term)?  
• How long will it take (initial setup and recurring issue)?  
• What is my overall investment and return on investment?

ENTERING THE MARKET

It’s easy to say that now is the time to at least begin to formalize a strategy for entering this market. With the iPad having launched just over a year ago, the stage is still being set. Yet many major publications, media companies and startups are vying for market share and forging ahead with cross-media digital publications.

BUSINESS STRATEGY

This depends on a number of factors, primarily the frequency of the publication, current technology, staff capability and future vision. If the publication is a one-time run or long duration, you can use a simple set of software tools to get the job done. Shorter production duration means fully automating the process, which can be expensive, especially if the solutions are not the right fit. So choose your business strategy wisely.

TIMELINE

While time maybe of the essence, in the long run cost may determine the overall success.

ROI

You probably got burned by your initial investment with the Internet. Despite all the hype touting Web traffic and content is king, advertising dollars never fully materialized. To a certain extent, that can happen here as well. Put the brand into perspective for risk vs reward. Are you willing to rush a specific brand into production? At this point, readers are willing to explore your digital issue and advertisers are inclined to take a risk with you to help them understand the market as well. On the other hand, if you wait too long and the market becomes saturated with other publications in your space, you are going to have a difficult time converting loyal readers to your brand.

BOTTOM LINE

Get going by at least conducting some research, defining a business strategy, determining what you’re willing to invest in both technology and staff. Also, set a timeline to launch into the mobile market. Not every brand needs to jump into the mobile market today. Being the first to market sometime has its rewards and sometimes it pays to wait a little longer. Just like the stock market, it’s hard to time the market.