NINE YEARS AND COUNTING:
THE CANADIAN MAGAZINE INDUSTRY
FACES THE INTERNET

by

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Nine Years and Counting: The Canadian Magazine Industry

Faces the Internet

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ABSTRACT

This project report discusses the status and relative importance of web properties to Canadian magazines nine years after the first magazine website appeared in the industry.

The report starts by describing, in overview, the history of the impact of other media on magazines, including film, radio, television and the Internet. Canadian magazine publishers’ attitudes towards their web properties is then detailed, from the early days of online magazines in 1994 to the present. Topics discussed include the trend toward integrating print and web functions, the editorial content of the magazines’ websites, measures of success used for the web and current attitudes toward the Internet as a competitive medium.

Western Living and Vancouver magazines are examined as case studies. Web plans were designed for each magazine as a means of applying the information gathered in this project report, and illustrating the demands of a publisher in regards to his/her web property. The report concludes with a discussion of the status of magazine publishers and their web properties in 2003.
Dedication

To Knitting in the Buff, my solace.
# Table of Contents

Approval .................................................................................................................. ii

Abstract ................................................................................................................... iii

Dedication ................................................................................................................ iv

Table of Contents .................................................................................................... v

I. The Impact of Other Media on Magazines .......................................................... 1

II. History of Magazines Online ............................................................................ 8
   A. The Early Days ................................................................................................. 8
   B. The Graphic Internet ...................................................................................... 10
   C. Websites Become Brand Extensions ............................................................. 11

III. Canadian Magazines Online .......................................................................... 14
   A. Design and Method ....................................................................................... 15
   B. Survey Results .............................................................................................. 16
      1. Online content ......................................................................................... 16
      2. Integration of Print and Web .................................................................. 17
      3. Measures of Success .............................................................................. 21
      4. The Print Killer? .................................................................................... 22

IV. Western Living and Vancouver magazine: A Case Study ............................ 25
   A. The Magazines ............................................................................................. 26
   B. Web history of Western Living and Vancouver Magazine ......................... 27
   C. Development of the Web Plan ................................................................... 30
      1. Sources of Information .......................................................................... 30
I. The Impact of Other Media on Magazines

Over the past nine years, magazine publishers have been facing up to the latest technological and market challenge: the Internet. Their responses to this challenge can be contextualized by considering the historical obstacles the industry has faced since its inception. Publishers’ responses to the Internet have been reminiscent of their reaction to other new media throughout history, namely film, radio and television; some responses have been unique to what the Internet, as a distinctive technology, represents.

For the magazine industry in 1994, the Internet represented the emergence of a new competitor for advertising dollars. Like television and radio before it, the Internet was a new medium capable of delivering audiences to advertisers at a lower cost and with quicker immediacy. More than television or radio, however, the design and delivery of content via the Internet more closely approximates the magazine publishing experience.1 This parallel process has allowed print magazine publishers to take advantage of the new medium by repurposing existing content online. But it has also opened the door to new online competitors and engendered a greater fear that readers would soon be abandoning the old fashioned—and environmentally costly—print version of magazines for the constantly current information available online. In addition, the reduced costs of producing an online magazine (web magazines do not have paper, printing or distribution costs) have made print

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1 Cindy Goldrick. “Spinning webzines: Every magazine, no matter where it’s published or what its size, has a new media opportunity to explore.” Marketing, 23 October 1995, 21.
publishers fearful that the web was a medium that needed to be conquered if they were to survive.\footnote{Quint Randle. “A Historical Overview of the Effects of New Mass Media Introductions on Magazine Publishing during the 20\textsuperscript{th} Century.” \textit{First Monday}, September 2001. \url{<www.firstmonday.org/issues/issues6_9/randle/index.html>}, 20 Aug 2002.} A survey conducted by \textit{Folio} magazine in early 2001 indicated that, next to circulation economics, the integration of print and digital media was the top concern of magazine executives.\footnote{Bob Moseley. “The Year’s Top Worry: Circulation Economics.” \textit{Folio}, 1 Jan 2001. \url{<foliomag.com/ar/marketing_years_top_worry/index.htm>}, 30 Oct 2002.}

Magazines first grew popular in the 1850s, but were considered a medium of leisure.

As long as people were preoccupied with earning a living and pushing back the frontier, so long as leisure and literacy were not widespread, so long as transportation was rudimentary and uncertain, magazines lived precariously.\footnote{Randle, <www.firstmonday.org/issues/issues6_9/randle/index.html>.
}

Until the end of the 1880s, magazines relied solely on subscription revenues or the wealth of their publishers to cover expenses; they seldom contained advertising. However, at the end of the 19\textsuperscript{th} century, the mass production of consumer products and the evolution of brand names began to accelerate. This provided opportunity for magazine publishers: magazines could be a vehicle to showcase merchandise as well as ideas.\footnote{Randle, <www.firstmonday.org/issues/issues6_9/randle/index.html>.
} By 1900, major advertisers were pouring money into all of the popular magazines. Paired with changes to the physical appearance of magazines—new dry plate processes meant that pictures and photos could be printed as half tones, so that magazines were designed objects rather than just collections of text—magazines

\footnote{David Reed. \textit{The Popular Magazine in Britain and the United States 1880 – 1960}. Toronto: University of Toronto Press, 1997.}
became an important medium for both advertisers and readers. The presence of advertising also meant that magazines soon became dependent on advertising dollars to produce their pages: any threat to this advertising base was a threat to the survival of the magazine. Such threats often came in the form of new, competing media.

The first new competing medium to affect magazines was film in 1904. (Note that because of the wealth of information available on American magazines in this time period, most of the statistical information cited in the following will be from U.S. sources.) The effect, it turned out, was more positive than negative: whereas movies stole leisure time, between 1911 and 1938, 60 consumer magazines and 90 trade and in-house publications were created in the U.S. that addressed film, cinema, movie stars and productions. Magazines spurred interest in the public and private lives of movie stars. A study at the time showed a strong relationship between the number of movie theatres in a city, and the circulation of Red Book. The magazine, still in circulation today, featured stories on celebrity. These statistics support the theory that similar subject matter can create a complimentary, rather than a displacement effect between media. Today, weekly per capita movie attendance has dropped to one third of what it was at its peak in the 1940s, but there remains an unending interest in movie stars. High circulation U.S. magazines such as People (4.1 million) and Rolling Stone (1.2 million) feed consumer interest in movie celebrities. This was the first demonstration of a new medium complementing or benefiting the magazine industry. As was later demonstrated with the advent of

television—and the Internet—the introduction of new media can have beneficial after effects: one medium feeds interest in the other.

Radio was the next medium to challenge magazine publishers. The first radio station with commercial sponsors and programming went on air in Pittsburg at the end of 1920. NBC formed the first formal network in 1926.\(^9\) While film had a positive effect on the magazine industry, radio quickly became a sink for advertising dollars, a threat that publishers took seriously.

By the late twenties, radio was rapidly becoming an important competitor for advertising appropriations; the gross advertising carried by the networks jumped from $4,000,000 in 1927 to $10,000,000 in 1928 to $19,000,000 in 1929. Magazines recognized the threat; the *Saturday Evening Post* ran many articles about stage and screen but paid the scantest of editorial attention to radio.\(^10\)

By 1940, more than 28 million U.S. households had radios, giving radio a penetration rate of greater than 80 percent.\(^11\) At the same time, publishers stepped up to the challenge with better looking products: new print technologies meant that magazines could stress visual elements and offer better looking advertisements to readers and advertisers. In the 1930s, this emphasis led to the development of such picture magazines as *Life*, *Look* and *Colliers*.

In the 1940s, general interest magazines dominated the market, and by 1946, magazines had 12.6 percent of the total advertising market share in the U.S.\(^12\) Television was first introduced in 1949; because four-colour ads were not an option until colour televisions became more affordable in the early 1960s, television did not

have an immediate impact on the magazine market’s advertising base. The main medium to suffer was radio. Radio stations lost national ads, but they adjusted their strategy and focused on the local and regional market. General interest magazines flourished in the 1950s and ‘60s.

As the cost of colour TV sets decreased, television penetration increased to 97 percent of all households by 1969. Television became the enemy of general interest and picture magazines, siphoning away readers and advertising dollars. The result was a surge in special interest or niche magazines in the 1970s, giving advertisers a way to target very specific audiences. Magazines adapted to the new medium by using it to their advantage; according to “Mr. Magazine” Samir Husni, television fed an interest in hobbies or sporting events for specialty publications. “If I watch mud wrestling on ESPN and want to see more, I get a magazine. TV’s fuelling it all,” says Husni.

Husni holds the opinion that the Internet is driving consumer interest in magazines the same way cable TV did.

The Internet and cable television have driven a demand for more information on more obscure things. So, as niche marketing is carried further, magazines become “more human.”

Another variable is important to look at in examining the influence of the Internet on magazines. At first appearance, the web appeared to be a great leveller in

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14 Dubbed “the country’s leading expert on new magazines” by the Chicago Times, Samir Husni has dubbed himself “Mr. Magazine,” and trademarked the title. He is often sourced in the U.S. as a leading expert on magazines. Husni is a Professor of Journalism at the University of Mississippi.
16 Husni, Oxbridge Communications: 1999.
the publishing community. An opinion piece postulated that regardless of budget or circulation, the web put large circulation magazines on par with any low budget publication by giving all titles the same access to the same international network of readers.\(^{17}\)

Of course, such a theory overlooked the large budgets that could be poured into online publishing by large circulation magazines. Larger-budget sites had the finances to build websites that gave visitors a vast volume of content for online users, and were thus more likely to attract visitors. It also overlooked brand loyalty and brand prestige.

The Internet offers many of the benefits of print, radio and television combined: it can be designed to look like a print magazine, and feature live audio and video streaming. It also competes for advertising dollars and consumer time, just as television and radio have and still do.

In the U.S., Internet penetration is at 60 percent, with 63 million Americans averaging three hours a week surfing the web. The Internet Advertising Bureau, an organization that tracks advertising on the Internet, reports that $2 billion in ad revenue was spent in the third quarter of 2000, an increase in 63 percent over the third quarter of 1999.\(^{18}\) Much like the entertainment publications that followed the introduction of film, a spate of magazines came into existence the focused on, and served, the dot-com industry.

\(^{17}\) Goldrick, 21.
However, the attack on the World Trade Center and the Pentagon on September 11, 2001 changed the advertising market for magazines, television, radio and the Internet across the board. Jennifer Bradley Reid, online editor of *Toronto Life*’s web presence, torontolife.com, says that web magazines were hit hard by the crisis. “The bottom dropped out of online ad revenues. After 9/11, and post-NASDAC crash, the [online] advertising model [was] no longer very appealing. A lot of ad servers went under. We were looking at all kinds of ways to keep the site afloat.”

Magazines publishers are now saying that the advent of the Internet has yet to take a serious hit on the publishing industry for advertising dollars. However, it was more than 20 years after the advent of television that its full impact was felt by mass-market consumer magazines in the ‘60s.

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20 Bradley Reid, 10 October 2002.
II. History of Magazines Online

A magazine website in 2003 would likely be very different from its original version in 1994, with both technological and financial considerations playing a role in its genesis. The history of this transformation from early days on the web, to the present online status of Canadian magazines is relevant to the preparation of a web plan for Transcontinental West’s web properties.

A. The Early Days

As content providers, magazine publishers were in a unique position to take advantage of the Internet in its early days. For magazines, content, in the form of text and images, was readily available to reproduce online. *Shift*, Canada’s first magazine to go online, repurposed its print content in its early years. By 1996 many magazines were launching sites that were also mirror versions of their print products.22 Explains Bradley Reid,

The way to get people online is to offer content, so magazines and newspapers were uniquely positioned to take advantage of that, because they already produced content. The issue then was to make sure it was timely, that is that people would need to come to your site often to get relevant information.23

The first ventures seemed to test the medium for what it could accomplish. It was a few years before anyone took it seriously. In the 1995 report, *A Question of Balance: Report of the Task Force on the Canadian Magazine*, the task force reported that they heard “different views on the importance of the ‘information highway’ to
the future of the magazine industry.” Some publishers felt that it could be an
opportunity for advertisers to target individual consumers, while others felt that
consumers could bypass all the ads while searching for particular articles, never
having their eye caught by an ad as they flip through the pages of a magazine.24 At
this point in time, when publishers were asked to name the biggest challenges to the
industry in 1995, the Internet was not on the list.25

In the early days of the web, online reproductions were considered extensions
of the magazine; in most cases, the magazine was reproduced without paying writers
for second rights to their works, thereby keeping costs down. Some magazines paired
up with Internet providers to provide content for their portals; in 1995, Maclean’s
went online by connecting with Compuserve, and providing full text of their articles
to more than three million Compuserve subscribers.26 The stories were provided to
subscribers on Sunday night, before the magazine hit the newsstand. Much was made
of the ability for subscribers to download Maclean’s back issues and photos; they
could also talk to each other and to the magazine’s writers and editors via Maclean’s
Forum.27

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22 Alicia Androich. “Sink or Shift: Will we ever curl up with a magazine site or will publishers take a
bath trying to make us?” Ryerson Review of Journalism, Spring 2000, 64-69.
23 Bradley Reid, 10 Oct 2002.
26 David Chilton. “Maclea’s Magazine online goes global: 3 million Compuserve subscribers.”
27 Chilton, 11.
B. The Graphic Internet

As the strengths and weaknesses of the medium became better understood, publishers began to develop content that fit with the strengths of the web: its timeliness and international reach. As publishers better understood the difference between the online user and the print user, publishers started to use their sites to strengthen their brand, giving their online readers new content rather than that recycled from the magazine. Alex Beckett, website manager of the Canadian Business site in 2000, said, “There was an awareness that sooner or later we had to get more serious about the web and having a brand that is an information provider, not just a magazine.”

Improving the content for these sites necessitated major budgets. For example, Today’s Parent magazine put $30,000 into its site when they launched in 1996. But as the web was slow to provide return on the investment in building these sites, publishers soon ceased to sink large budgets into a product that was only returning small amounts of revenue. Today’s Parent online editor Dan Bortolotti noted, “You can’t provide a service to readers if you’re just pouring money down the tube. Nobody wants to talk about the fact that they’re losing their shirts.” In 1999, Shift magazine site accrued $100,000 in revenues, but had expenditures of $500,000. It is

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28 Androich, 65.
29 Androich, 66.
30 Androich, 69.
31 Androich, 69.
perhaps not surprising that the website of *Shift* in 2003 was stripped back to a basic site, with just one and a half staff members running the operation.  

C. Websites Become Brand Extensions

Where other businesses have been exploring branding opportunities for several decades, it took magazines longer to realize they had a brand that they could extend, and that they could extend it via the web. According to Gary Garland of Magazines Canada, a marketing collective of leading consumer titles, it has only been in the past five or ten years that publishers have started tapping into the equity lurking behind brand names.

Brand extension via the Internet can result in earning extra revenue for the magazine, but it also serves to expand a magazine’s market presence, attracting new subscribers and new advertising opportunities. Jim Spanfeller, executive vice president/publishing director of *Yahoo! Internet Life*, is of the opinion that the web and print title feed each other, increasing traffic to both electronic and paper pages, thus increasing real-world subscriptions. “All kinds of independent research has shown that magazines are the most efficient way to drive traffic to websites, and, conversely, that a partnership with a similarly named website can be an incredibly

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32 Mark Moyes, Personal Interview, 15 October 2002. Note that the majority of magazines I spoke with stated that current budget information was confidential.

33 William Shields, “The Brand Thing: Forget the monogrammed mugs. There are far more lucrative ways to leverage your magazine’s good name.” *Masthead*, Jan 1999: 8 – 11.

34 Shields 8 – 11.
effective way of driving subscriptions.”

For many magazines, declining revenues make the decision to branch into television, radio and the Internet a necessity; multimedia formats offer a choice of vehicles for advertisers, and over the long term can provide an additional source of revenue. Folio magazine, an American publication for magazine management, now produces a newsletter, Ancillary Profits, that offers “opportunities and ideas” for magazine publishers to expand their brand.

The opinion of the industry is clear: brand extension boosts visibility and the bottom line for the print publication. Mitch Dent is co-publisher and COO of Today’s Parent Group, one of the most successful spin-off franchises in the country, with a media fold that includes magazines, newsletters, sampling packs, social marketing, TV programming, and a comprehensive website, all aimed at new parents. With a background in packaging, and not publishing, Dent recognized that brand extension was a natural solution to Today’s Parent Group’s cash-strapped early years. Dent says, “When you stop thinking you are in the business of publishing magazines and start thinking of yourself as having a relationship with an audience, then it’s a matter of asking, ‘Where does that audience go for information?’”

Chatelaine’s former publisher, Lee Simpson, noted the magazine had no other choice but to look outside the magazine for revenue funds in the late ’90s:

“Considering the situation today—the whims of legislators and the cost of paper—it’s

a very foolish publisher that would ignore this entirely. You can hit your head against a brick wall, or do lots of research about readers and build business.”

Given that brand extension is critical for magazine survival in 2003, it follows that a web presence that enhances the brand of the magazine is critical. The case study to follow (see Chapter IV) will illustrate how financial limitations play a strong role in what shape this website will take in form and content. What is necessary and what is achievable, given current market realities, may be very different things.

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III. Canadian Magazines Online

Magazines have survived through the ages by adapting in the face of competition from film and radio, television and the Internet. In Canada, magazines have also had to survive competition from the much-larger American market, though the federal government has attempted to remedy this some through structural intervention and direct financial support.

From its beginnings as an early adopter of the Internet, the magazine industry in Europe and North America developed a web strategy that treats the web as an asset that it can use to extend the brand identity of print magazines.

As a means of discovering the Canadian industry’s current attitudes towards its web properties, I asked a series of questions to the publishers and web editors of four major magazines: *Shift*, *Toronto Life*, *Chatelaine* and *Chart*, each representing a different facet of the Canadian magazine industry. Until March 2003, when it ceased publication, *Shift* was a national magazine on digital culture. It is particularly important to the survey, as it was the first Canadian magazine online in 1994, with a large dedicated website budget. At its demise in 2003 (and several owners later) the magazine had a much scaled-back and smaller budget website. *Chatelaine* is a national women’s magazine. Its importance to the survey lies in the fact that Chatelaine.com boasts over 500,000 unique visitors a month, and is considered to be the most successful Canadian magazine website. *Chart* is a national music magazine that truly capitalizes on its website for

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40 Sarah Dobson. “Bake Off! Up against a resurgent MochaSofa.ca, Canada’s leading women’s site, Chatelaine.com, is proving it’s got all the right ingredients.” <marketingmagazine.com>, 30 Sept 2002.
brand extension; it draws attention to its content beyond Canadian borders. As a music magazine, its content is relevant to an international audience, and chartattack.com has been cited by MTV and Jay Leno. *Toronto Life* is a city magazine serving Toronto, Ontario, and contributes to the study as a magazine with a website that had modest beginnings. Now a large service-oriented website, torontolife.com is an example of a magazine website that has a break-even budget, and the sole goal of extending the brand of the print *Toronto Life* in the Toronto market.

**A. Design and Method**

While the following is not quantitative research, and could not result in numeric answers to be measured and weighed, I chose to gauge publishers’ in-the-field reactions as a means of polling the state of the industry. Just as magazines rely on words on the page to tell a story to their readers, I relied on magazine publishers to portray their experiences with the web as a means of taking a snapshot of these publishers’ attitudes toward their web properties in 2002. Because written Canadian sources on the effect of the Internet on the magazine industry are sparse, this information was necessary to develop the website plan for *Vancouver* and *Western Living* magazines that is described in Chapter IV of this project report.

Because the magazines are not local, staff was interviewed via telephone. The publishers/editors were provided with the same standard questionnaire in advance of the scheduled interview to ensure that they had a chance to review their thoughts prior to the interview.
The questionnaire is reproduced for this document as Appendix A. The questions use various means to determine what the measures of success are for each site; all publishers were unwilling to give the exact budget of their site, and most were unable to provide their precise traffic numbers. Information garnered from these questions was synthesized in the discussion following.

B. Survey Results

The results of the questionnaires could be synthesized into four major categories:

1) online access to content;
Should magazines provide free access to their print articles via the Internet?

2) the integration of print and web;
Who accomplishes the tasks required for website maintenance—onsite staff or offsite web developers?

3) the measures of success each title uses for its online properties;
If the web has yet to turn a profit for publishers, what measures of success are they using to monitor their website’s performance?

And 4) their attitudes toward the Internet as a competitive (or synergistic) medium.
New media has the potential to threaten magazines; does the Internet complement, or compete with their print publication?

1. Online content

Some magazines believe that putting partial content from the magazine online is the best way to encourage readers to subscribe to the print copy, while others felt that giving away their articles for free deterred online readers from purchasing the real-world
magazine. *Shift* favours the inclusion of partial content. It currently posts approximately 50 percent of its articles online. *Toronto Life* prints its service journalism from the magazine on its site. Torontolife.com editor and *Toronto Life* associate editor Jennifer Bradley Reid justifies this approach by noting that non-service features are not in demand. *Chatelaine* prints highlights from the current issue, and supplements the content with original stories, quizzes and forums. *Chart*’s co-publisher Edward Skira does not put print magazine copy online because he believes it could take away from magazine sales.

> We sell our magazine, and we realized if we put it entirely online, what’s the point in buying it? That’s been our philosophy from day one. The web would have its own content, and the magazine would have its own. They certainly play off each other. If we have an article on the website about Coldplay, we will refer to the fact that they were on the cover [of the print magazine] in September and vice versa. We have a section in the magazine about new developments going on on the website, so that they cross-pollinate each other.

2. Integration of Print and Web

The creation and maintenance of web properties of all the magazines studied have become an integral part of their operations. Two years after the crash of the online advertising market in April of 2000, the main goal of the sites is to perform as a promotional vehicle rather as revenue generation from advertising. In all cases, advertising is still an integral component on the site, but it is no longer the only means of

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41 Service journalism refers to articles that instruct or teach a reader about an issue; for example, they provide a service to the reader by letting them know the best places to travel in southeast Asia, or they tell Toronto residents how to find the bargains on Queen Street.  
42 Bradley Reid, 10 Oct 2002.  
revenue. Other sources include selling content, subscription sales and sponsorships.

Advertising is seen to be more as a buffer than a revenue source: it prevents too much haemorrhaging of money from the site.

The manner in which integration of web and print media takes place can be illustrated by how web opportunities have affected the skills required by staff as well as their orientation to the jobs. Rick Boychuk, editor of Canadian Geographic, says the task of an editor has evolved to include television production and web programming. No longer are pitched ideas seen solely as print story ideas; they are assessed for documentary or web applications almost at the same time. "I think the big change that’s occurred in the years I’ve been here is the rapidity with which great ideas pitched as magazine stories are reconceived as great documentaries or applications on the web."45 Terry Snow, Owner and President of World Communications sees the Internet as having an impact on his editorial staff now and in the future.

The editor today has to be the brand manager, and in that role has to think about all media channels. In the future, we may construct a management team where the brand manager, print manager, electronic manager and the events manager all report to one person who is responsible to see that the brand promise is delivered consistently throughout all media. And that's a big swing from where we were three years ago when an editor oversaw the magazine and an Internet team oversaw web activities. I believe that smarter publishers who want to build brand value over time need to control a brand from one point person.46

Having "one point person" controlling both web and print often means that existing print magazine staff work on the site in addition to their regular job descriptions.

At Chart, each of the four editors, plus the photo editor and the graphic designer have website responsibilities, with their web hours totalling approximately 60 a week. At Toronto Life, one and a half staff are dedicated to the site, with both staff members having other editorial responsibilities for the print magazine. Shift is somewhat of an anomaly, with an editor dedicated to shift.com, though online editor Mark Moyes does some writing for the print magazine. Like many other technologies that were intended to make work faster and easier, the introduction of the Internet has increased the workload of existing staff, rather than increased the number of employees in an organization.

Another illustration of print-web integration came to light in how magazines were finding ways to extend the life of the stories they produce for the magazine. Chart’s Skira said that the web impacts both how the magazine uses its stories, and the content of the magazine itself. Chart gets “double duty” from the stories in the magazine:

Everything on the site is original content, and it's also original from the magazine itself. What we will do is essentially double dip. If we have an interview with Coldplay, who was on the cover in September, we'll actually pull two interviews out of the same interview, and one will go on the website, and one will go in the magazine.

Perhaps most interesting is that the web properties of both Toronto Life and Chart had an impact on the content selected for the print version of the publication. Both reported that they have revised the editorial mix of their print publications because they could take advantage of the web’s timeliness, and the print medium’s timelessness. Skira says that Chart adjusted its content once its website, chartattack.com, became a

significant component of Chart’s operations. News briefs were shuffled to the website, and longer features were saved for the magazine, where people were more comfortable reading longer pieces of work. Chart worked to emphasize the strengths of each medium:

The magazine has a long lead time. We’ve got to get it to the printers, we’ve got to mail it out. In the magazine, we used to have a lot of news coverage; that’s all gone out of the magazine at this point, because by the time people get it, the information is four to six weeks old. The website is excellent because you can put something up within five minutes, everybody in the know will know about this information. We make sure that the website has the news, the tidbits, the kind of thing that is current, but in a couple of days will be useless. The magazine is designed to be more timeless, even though we have a date on it. The information is still valid six months from now. We try to play up the strengths of each medium. 50

Toronto Life’s Bradley Reid concurs that the print magazine has evolved since Toronto Life put more emphasis on its website. Shorter reviews were taken out of the print magazine because they were deemed more relevant and timely to an online reader. “Being online allows us to cover events that have a short lead time,” she says. “We can find out about them at the last minute, and we’re able to fit them online, where the monthly schedule [of the print magazine] is prohibitive. That’s why movie reviews are online and not in the magazine.” 51

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48 Bradley Reid, 10 Oct 2002.
50 Skira, 9 Oct 2002.
51 Bradley Reid, 10 Oct 2002.
3. Measures of Success

*Chatelaine* has a business plan in place to see a profit from its website by 2003. *Shift*, *Toronto Life* and *Chart* now see the web almost entirely as a promotional vehicle for the print publication, with the financial goal of producing a break-even, or near break-even budget each year.

Torontolife.com, for example, works with a budget that comes close to breaking even; any profit at the end of the year is sunk back into improving the site itself. Explains Bradley Reid:

> We're projecting a very small profit for 2003, which will just end up being reinvested into the site, because we're operating on a shoestring. So the answer is the site doesn't make money. Anything it makes has to, by necessity, go back into the site. 52

So what are the measures of success for a site whose goals are not related to the bottom line? Skira says that the revenue generated by the *Chart* site from subscriptions and single-issue orders is one way they measure success of chartattack.com, but visibility for the magazine is the other key factor.

> The revenue that's generated from all the different sources, [is] first and foremost [our measure of success]. But secondly, it's visibility and status. We are only nine people in this office, but [online] we look bigger than we really are. The site makes us look like we're a fairly large organization because there's a lot going on. 53

At *Shift*, the measure of success was the increase in visibility of the print magazine. With a magazine that at one time had distribution in the U.S., but had to pull back to just Canada (and has since closed its doors), the website was considered critical.

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52 Bradley Reid, 10 Oct 2002.
for continuing to keep visibility in international markets and to attract subscribers. Says Moyes,

> Part of it [the value of the website] is to promote the awareness of the brand on an international level. Shift.com has a more international readership than the magazine does, so we have a lot of people from the States, but also from Europe. You can subscribe to the magazine, but it isn’t distributed outside Canada. The numbers are growing, which is always good. And, responses we get from people because it’s international; that hopefully brings people to the magazine that wouldn’t be familiar with it, so that’s one of the measures that we use.  

At Toronto Life, the largest site of the three, the mandate is still to break even; the site is successful because it develops the brand of Toronto Life, not because it creates a profit centre for the magazine. Bradley Reid states that brand extension was the top reason for the existence of the site.

> About a year ago, the bottom dropped out of online ad revenues. The advertising model is no longer very appealing. We were looking at all kinds of ways to keep the site afloat. We were considering content arrangements with other sites, and ultimately with time and reflection we’ve determined that we don’t want to get into that business. What we want to do is support the stuff we do well, and we have a strong brand, so we want to bring people to our site; we don’t want to send them to some other site to see content.

4. The Print Killer?

So what happened to the fear that the Internet was going to kill magazines as a viable medium? Folio magazine has declared that it was an unwarranted threat, that editors have reported little relationship between online content and lost print readership. Online readers tend to look for shorter news briefs for their limited surfing time;

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54 Moyes, 15 Oct 2002.
magazines as a medium have longer, in-depth feature stories. Donna Palmer, publisher of *The Atlantic Monthly*, always felt that the threat was unwarranted. "It doesn't affect us because we don't compete in the sound bite arena."\(^{56}\)

For the most part, the Canadian online editors interviewed for this study also believed that the Internet was not the threat it was once made out to be. Paula Gignac, publisher of Chatelaine.com, characterized the website as deepening their relationship with the reader of the print magazine, thus making the print-web relationship a synergistic one.

> It’s never been about cannibalization here. I think that was a brief process here at *Chatelaine*, but that changed very quickly. It’s to deepen and extend the relationship of the magazine online.\(^{57}\)

Skira of *Chart* reported that the web boosted *Chart*’s presence in the market, rather than adding competitive pressure.

> We went online [in 1995] to boost the visibility of the magazine. We initially went online in the early days when the web was kind of hot, and we thought it would be a new tool for us to do what we do, which is produce content. We saw it as an interesting new vehicle that could allow us to do that.

And while some magazines, such as *Shift*, have been scaling back with their web properties, *Chart* continues to grow its site. International sales of subscriptions have grown since they have been online, as Skira explains:

> We’ve just intensified what we’re doing. We really didn’t think when we first started that we’d be selling magazines in Malaysia, for example, and the website certainly has allowed us to do that. It’s become a strong sales tool for the print publication.\(^{58}\)


\(^{57}\) Paula Gignac, Personal Interview. 15 Oct 2002.

\(^{58}\) Skira, 9 Oct 2002.
For Skira, the Internet was never a threat to their magazine: it was a tool to further extend their brand.

I never bought that [the Internet will kill print]. I still don’t buy that. A magazine is portable, a magazine has better quality at this point, and it’s easier to read. I think that it still has strong advantages. Radio didn’t kill newspapers, TV didn’t kill radio, on and on. Everybody can go exist. The ‘net has its strengths, and it has its weaknesses, and that’s what we’ve been trying to play up.\textsuperscript{59}

Toronto Life’s web property had a different genesis. Originally run by a contractor outside of the editorial team, the first iteration of the website posted restaurant and movie reviews and little else. Toronto Life realized the website reflected poorly on the print product, as the quality of the content online didn’t match what was in their print product. They chose to emphasize their brand extension and have considered the web to be an asset rather than a threat. Says Bradley Reid,

\begin{quote}
We realized there was an opportunity for us to provide a much better service. Three years ago, we got together with the person who ran the website at the time, and decided to do a redesign of the site, invest some money, and look into ways to make sure that the online product of Toronto Life was good as the print product.\textsuperscript{60}
\end{quote}

While Mark Moyes at \textit{Shift} says that he doesn’t feel immediately threatened, he has a difference of opinion.

\begin{quote}
I look forward to the day when electronic, whether it’s the web or some other format, kills print because we’ll save all those trees. But that’s not going to happen until portable technology becomes better.\textsuperscript{61}
\end{quote}

\begin{flushright}
\textsuperscript{59} Skira, 9 Oct 2002. \\
\textsuperscript{60} Bradley Reid, 10 Oct 2002. \\
\textsuperscript{61} Moyes, 15 Oct 2002. 
\end{flushright}
IV. Western Living and Vancouver magazine: A Case Study

If a magazine were to relaunch its website to take current economic conditions, staffing levels and current status of other Canadian magazine web properties, what would this web plan be? In the summer of 2002, *Western Living* and *Vancouver Magazine* commissioned me, as part of my internship, to draft a planning document, in conjunction with a fellow intern, for the relaunch of the magazines' web properties.

Two conditions guided the planning.

1) The information gathered by Canadian magazines online should be taken into account as a means of assessing the current market environment, and that

2) the publisher of *Western Living* and *Vancouver* was only willing to enter into a new web venture that resulted in a break-even budget.

With these two guiding principles in mind, a web plan was developed for both magazines.

Several cautions were put in place before the plan was developed. The first was the financial and time limitations for both magazines. While a website for each magazine was boundless in its possibilities technically, the plan had to be executable using existing staff, and required revenue generation to cover all expenses. The second caution was that the final product, the website, should enhance the brand of *Western Living* and *Vancouver*; the existing websites in their “business card” format (there is little for users to access at the site other than contact information and two to three articles) were not desirable.
Translating the mandate and philosophy of *Vancouver* and *Western Living* to the digital medium—while maintaining a break-even or revenue-positive budget—was a challenge, but there are opportunities in having a strong online presence. This case study outlines the plan for each magazine’s website development.

**A. The Magazines**

*Western Living* is a 33-year-old regional publication owned by Transcontinental Media. Editorially, it covers homes and gardens, food and wine, travel and leisure, and stories “that resonate with our readers and the places that get them excited.” 62 The magazine has a readership of 810,000 readers in Western Canada, with separate editions for Victoria, Vancouver, Saskatchewan, Calgary, Edmonton and Winnipeg. The magazine is largely distributed by controlled circulation to upper-income households across Western Canada, with a small proportion of magazines available on the newsstand; the magazine has recently begun promoting paid subscriptions.

*Vancouver Magazine* is a 36-year-old city magazine, also owned by Transcontinental Media. Editorially, it covers the city of Vancouver, with reportage on business, politics, crime, civic and neighbourhood issues, homes and garden features, shopping, recreation and dining. It has a readership of 300,000, with the majority of its distribution achieved through controlled circulation to upper-income households in the Lower Mainland; 10,000 to 14,000 copies are on the newsstand, and, like *Western Living*, the magazine has started promoting paid subscriptions.

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62 *Western Living* media kit 2003.
Transcontinental Media also publishes two publications that are affiliated with the Western Living and Vancouver brands. They are relevant to this case study for their online potential. Western Living Designs, Builds & Renovates (formerly Design Source) is a resource guide that focuses on current trends in design. It has a controlled circulation of 80,500 copies distributed to upscale condominiums, architects, home owners, interior designers and architects in Vancouver, Calgary, Edmonton and Winnipeg. Its advertisers are similar to those in Western Living, with an emphasis on interior design.

Guest Life Vancouver is an annual hardcover visitor’s guidebook distributed through luxury hotel rooms in Vancouver. Guest Life is a line of in-room hotel books published by an American group, Desert Publications Inc, which Transcontinental (then Telemedia) negotiated with in the summer of 1999 to publish a Vancouver edition.

B. Web history of Western Living and Vancouver Magazine

Until May 2002, Western Living did not have a website for the general public. When it was owned by Telemedia\textsuperscript{63}, its website was intended for advertisers and clients, and it listed the magazine’s circulation, editorial mandate and advertising rates.

In May 2002, a basic site was launched to coincide with the editorial redesign of Western Living magazine. The goals of the site were simple: development of the site needed to be inexpensive (it cost $5,000 to build), and maintenance of the site needed to be simple, so that it could be managed by Western Living staff. While both of these goals were met, the site accomplishes very little for the magazine; it acts as an online business
card, allowing online users access to real-world contact information. Two articles from
the print magazine are posted in full every month: a column by “The Wests,” and
“Backroads,” a travel piece about the less-travelled west. A table of contents for the
current issue appears, as does a contest that runs monthly, titled “Mysterious West.” The
latter is the main reason for a subscriber to visit to the site, as visitors can enter a monthly
draw through an online form. Because the site was developed on a shoestring budget, the
design of the site is basic and could be improved. On average, westernliving.ca gets 823
users a month.

*Vancouver* magazine, however, was a pioneer for Canadian magazines online.
Closely behind *Shift* as the first to go online, *Vancouver* produced Vancouver Village in
1995, an online magazine that was fairly literal in its translation of the magazine from
print to Internet. It archived articles from the magazine online in categories rather than by
issue date; for example, information about the bars and restaurants in the city was under
the category “Taxi,” and feature articles about social issues in Vancouver were under the
category “Physical City.” 64

*Vancouver*’s website now exists as vancouvermagazine.com. At one point, only
excerpts or “teasers” from current articles from the magazine were online, with directions
for surfers to purchase the current issue for the rest of the article; now, entire articles
from the current issue are online. An older navigation system is in place, making it
challenging to navigate as a user; it is frustrating for the staff to update, as they must send
their articles out of the office to be put online (the *Western Living* site is designed so that

63 Transcontinental purchased *Western Living* and *Vancouver Magazine* from Telemedia in March 2000.
magazine staff can update the articles in-house). At one time, the site was intended to be a visitors’ guide to the city; using content from back issues of the magazines, listings of local services, descriptions of local neighbourhoods, and reviews of local bars and shopping districts were presented as an online city guide. Unfortunately, because the architecture of the site is out of date the usability of the site has diminished. For example, the “Where the Buys Are” feature, an article reprinted directly from the magazine, is pasted into the site in a long and deep column; the feature isn’t searchable, nor is it clearly labelled. As it stands, a user would have to scroll down long lists of material to find specific stores in Vancouver. With vancouvermagazine.com in this state, several members of the staff (including the Editor and Advertising Manager) consider its existence to damage the brand of *Vancouver*.

One overriding problem for both sites is a lack of ownership: neither editorial nor the business department have directive to maintain a site that reflects the quality of the print publication. Editorial staff update the site in addition to their print responsibilities, and without financial support to overhaul the sites to make them dynamic and interesting to users, the sites are uninteresting and quickly put together each month. To establish a proper online presence, it is critical that web properties be treated as integral components of the publishing endeavours put forth by Transcontinental West. For editors, this means deciding what information is best presented in the print format, and what can be repurposed and presented online. For the business department, this means offering an integrated online/print marketing solution to advertisers as well as online-specific advertising options such as contests, surveys and advertorials.
C. Development of the Web Plan

1. Sources of Information

In developing a web plan for *Vancouver Magazine* and *Western Living*, data was collected from several sources. Interested staff members were interviewed (including *Western Living* editor Jim Sutherland, assistant editor Jacqueline Moore, veteran food writer Jamie Maw, production manager Michael Wolodko, advertising managers Maryse Lalonde and Janet Macdonald, and *Vancouver Magazine* editor Matthew Mallon). Staff members were asked for their wish lists for the site, and if they felt the website was important to the magazine. The latter was intended to determine if the staff felt that web properties were important to their daily work at the magazine and to the magazine’s success.

Websites of city and regional magazines from across North America were analyzed to identify potential best practices for westernliving.ca and vancouvermagazine.com. The website creator and editor of iemoney.com, another Transcontinental magazine, was interviewed for insight into her successes and failures with the venture. Finally, information was gathered from potential third-party web partners, such as Spring Street Networks for online personals for potential website enhancements and revenue generators.

City and regional magazines were studied on a qualitative basis to determine how other magazines in *Western Living* and *Vancouver Magazine*’s genre were managing their web properties. The circulation department from Transcontinental’s office in
Toronto was polled for statistics on the importance of the website in recruiting subscriptions, and to determine if those numbers could be increased through a more secure or attractive site.

As well, conclusions were drawn from the information gathered from other Canadian magazines were be applied to this plan. These include:

1. The website should be used a promotional vehicle to extend the brand awareness of the print magazine.
2. Rather than reprinting stories online, print magazine articles can pull double duty.
3. Costs for the website must be kept within reason.
4. Following this, costs can be kept within reason by using existing staff to maintain the sites. The workload for existing staff must be kept within reason.
5. Measures of success for these websites cannot be reduced to merely monetary terms.

From the information gathered, it was determined that there were three options for the *Western Living* and *Vancouver* sites.

*i. Option 1*

The first option was to maintain the status quo; each website would remain as an online business card, alerting online users to the presence of the magazine, providing contact and subscription information with basic content and minimal upkeep. Option 1 is the least expensive but also provides the least return for the magazine in terms of revenue and

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65 Spring Street Networks is a New York-based company owned by *Nerve* magazine. They have developed an online personals company that has clients such as Salon.com, Bust.com and TimeOutNY.com.
visitor traffic; visitor traffic drives revenue in terms of advertising dollars, as well as
other revenue-producing options such as personals.

The current incarnations of westernliving.ca and vancouvermagazine.com are built on the business card model. Traffic figures reflect this: for the month of July, 2002, *Western Living* had only 823 unique visitors, a number that is too small to encourage advertisers to purchase space on the site, and likely implies that there is little reason for readers, or those who might be interested in “western living,” i.e. life in western Canada, to visit the site. *Vancouver’s* traffic is better, with 15,860 unique visitors in July, 2002. However, it is telling that 13,387 of those visitors used the site only once. The site as it is currently designed is not useful enough to merit repeat visits. It is speculated that those looking for information about Vancouver can reach vancouvermagazine.com quickly through a search engine, but realize that it is not useful for this purpose upon arriving at the site and do not return.

**ii. Option 2**

The second option was to transform these sites into “brand enhancers,” providing value-added content for web users and regular readers of the magazines, as well as information for potential and current advertisers.

Option 2 recognizes that the majority of visitors to a magazine’s website are its readers. Many city and regional publications take this form for their online publishing. There is the opportunity to convert newsstand buyers into regular subscribers via the website (pop-up windows and special offers to encourage online users to subscribe to the print magazine are common for online city magazine sites) and current subscribers can be offered further reading from the magazine they already receive, such as additional
recipes, extended Q&As from a piece that already ran in the magazine, or wine pairings to accompany the month’s recipes. This additional content can be created with little additional cost; by repurposing existing interviews, recipes or sources that the writer or editor already has on hand, the content of the magazine can be extended online for those readers who want more. The result is increased traffic, providing better numbers for advertisers to purchase online advertising space.

This second option also provides a value-added feature for advertisers who now rely on web surfers to find their wares. In the case of Western Living Designs, Builds & Renovates, advertisers have indicated that they would advertise in the print version of the magazine if they knew that there would online representation as well. One advertiser said that his customers searched online for suppliers before they went out to the stores to purchase home design materials, and without having a link to his site through a Western Living Designs, Builds & Renovates website, print advertising would not be useful to him. In this instance, not having an effective online presence was detrimental to the magazine.

iii. Option 3

The final option was to create a “brand extension” online; the website reaches beyond the purpose and scope of the magazine itself, by elevating the status of the brand through its usefulness to the user (for example, a site that is a portal for users looking to know everything about the city of Vancouver, at vancouvermagazine.com).

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66 Email correspondence from Alex Southam, advertising sales representative, to Maryse Lalonde, 5 Jul 2001.
Option 3 is appealing for attracting more visitors to the magazine than just its readers. *Time Out NY* and *Toronto Life* have designed sites that fall into this category: Each site is a centre for information on the city within which they exist. From shopping to what’s going on that weekend, each site is a comprehensive and qualified source of information for readers and non-readers alike. There are subsidiary benefits to having a site this large for the magazine; a useful and thoughtful site reflects well on the magazine, and extends the brand into a larger community, with the hopes of encouraging subscriptions to the print magazine. These large sites also generate much more traffic, making them appealing for online advertisers. However, launching such a site is costly and could take many years before it reaches a break-even or profitable point. For these reasons, proposing a site such as this for *Western Living* or *Vancouver* would fall outside of the mandate given.

### 2. Goals for the Websites

With these three options in mind, several goals were laid out for each site. These goals were:

- To provide brand enhancement for *Vancouver* and *Western Living*
- To match revenue and expenses for the site, so that the total budget has a break-even balance or better
- To recruit subscriptions and reduce related costs by encouraging users to subscribe online
- To provide an online experience that matches the quality of the print publications
• To be a source of qualified information about Vancouver (on vancouvermagazine.com)
• To be a source of qualified information about the best of western living: food, wine, recipes, homes, gardens people and places (on westernliving.ca)
• To act as an interface for advertisers to download production specifications, readership and circulation information and editorial calendars

Because the foremost mandate from the publisher was to produce a site that would have a break-even budget, Option 2 made the most sense for both publications. It could accomplish the goal of brand enhancement with little additional cost, and is manageable within existing staff constraints (though likely would be most effective with the addition of a part time staff person). Option 1 would equate to carrying on with the status quo of the current websites, and Option 3 would require a significant budget to support it. Neither is desirable, and therefore, this plan focuses on the tenets described in Option 2.

3. Website Editorial Content

Editorial content for Option 2 would be relatively inexpensive and easy to maintain (a description of this editorial content follows), but interesting to visitors and encouraging of them to make return visits. A reduction in costs would be seen by running some stories from the print magazines, but also by running interviews, recipes, travelogues, etc., that see the print articles pulling “double-duty” for the web.
What should vancouvermagazine.com offers visitors? It is recommended that it be a resource for Vancouver residents and tourists to:

• subscribe online to the print magazine,
• search current entertainment listings,
• browse the current issue: table of contents, some feature stories, plus double-duty stories,
• browse restaurant reviews and restaurant-award winners, and find maps and links to the restaurant’s site,
• link with www.guestlife.com/Vancouver as a qualified information source about Vancouver for tourists,
• email reviews to friends and family,
• easily navigate trademark Vancouver features such as “Where the Buys Are,” “Real Estate Guide” and “Bars & Nightlife,” and
• connect with fellow Vancouverites via a trusted personals service.

As well, it should be a resource for Vancouver advertisers to:

• download readership and circulation information, and the editorial calendar via password, download the advertising rate card and media kit,
• find FAQs, and
• get instructions on posting ads to the Vancouver FTP site for the production department.

What should westernliving.ca offer visitors? It is recommended that it be a resource for Western Canadians to:
• subscribe online,
• browse the current issue,
• find extended sources on where to buy locally from the home design features in the print magazine,
• find the complete content from *Western Living Designs, Builds & Renovates*, plus an advertisers' showcase for every advertiser in the magazine with links offsite,
• find bonus information on the homes, people and travel routes featured in the magazine (including additional photographs and maps, pricing and specifications, as well as links to websites with more information). This area would also include feedback sections for Mysterious West and the Wests,
• submit reader tips and reviews on where to go, what to see, and where to stay in Western Canada. This section would allow for easy input for the user, and would be vetted by an editor to ensure the pieces submitted are free of libel and not otherwise duplicated on the site.
• write letters and post feedback to stories in the current issue,
• find recipes\(^67\), food and wine pairings and links to suppliers, and
• email recipes, sources and stories to friends and family.

The site should also be a resource for *Western Living* advertisers, and the items outlined under *Vancouver*’s advertisers would apply here as well.
D. Integration of the Website Into Transcontinental’s Publishing Endeavours

Discussions with Chart and Toronto Life indicate that in order for a website to be a success for the magazine, it must be taken as seriously as production of the print magazine itself. By treating web properties as peripheral to the workings of the day, rather than an integral part of it, both Western Living and Vancouver’s sites suffer in the quality of content and its usefulness to the user.

For the development of the web plan, several areas were flagged for ways that the staff at Western Living and Vancouver could incorporate the website more effectively into their processes, and thereby draw more users to the site, making the website a more integral part of the properties of Transcontinental. These suggestions include:

1. **Putting the URL on the folio and front cover**

   Print publications have the advantage of real-world advertising for their site that their online competitors do not; by referencing the website on all materials, readers are more likely to visit the site for subscription renewals, or material beyond the printed page. In the article “Plugging your website is good business,” Marc Frons, editor and chief technology officer at SmartMoney, reports that cross-promotion between website and print—which includes printing the URL in several locations, and devoting a page in the magazine for a table of contents of the website—generated 1,000 subscriptions weekly.

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67 Conversations with the Western Living staff have indicated that there are often too many recipes to print in the print magazine, and that there is high demand for the recipes. The website is a logical place to provide more recipes from the Food section each issue.
for his magazine. Says Frons, “The magazine is a powerful tool for a website, and vice versa.”

2. Incorporating the website into every function of the magazine.

All sponsorships, sponsored events, advertisements and mail-outs should be connected to the website, and should direct readers and participants to the site for more information. In particular, subscription renewals and promotions should encourage users to renew online, thereby reducing business reply card mailing costs and renewal mail-out costs in the future. *National Geographic* uses this technique, despite the fact that strong brand recognition directs users to their site with little promotion. References to their website are placed at the end of articles within the magazine, with house ads appearing in the print magazine as well as on their television broadcasts.

3. Placing house ads to promote online features

Studies show that print advertising has major impact on web traffic. *Yahoo! Internet Life* conducted studies to track the effect of print advertising in their magazine on their web traffic; one study showed that when the magazine hit the newsstand, there was a dramatic spike in traffic on its website. Another study focused on advertisers, and discovered that when the magazine hit the stands, traffic to the advertiser’s site would spike, and again

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decline as the magazine became dated. House ads—advertisements that promote the website in the print magazine—are an important way of driving traffic to the website, thereby making the site more appealing to online advertisers.

4. Running online promotions with advertisers.

One of the secrets to Chatelaine.com’s success is the links it makes with advertisers for online promotion. By creating interactive contests and microsites for their advertisers, the advertisers develop a close and involved relationship with the site, encouraging long-term commitment. For example, Ford became involved with the site four years ago with a microsite on Chatelaine.com (ford4women.chatelaine.com). Claire Pharand, advertising manager at Ford in Oakville, Ontario told Marketing, “Chatelaine.com offered an extremely interesting partnership. They are very proactive. They’re very acute to the activities we have through the year.”

With Western Living and Vancouver, some contests from the print publications are already linked with Transcontinental’s online properties, but not specifically with vancouvermagazine.com or westernliving.ca. Readers of the magazines are encouraged to go to MochaSofa.ca, Transcontinental’s women’s portal. This is useful for the company as a whole, but doesn’t promote the brand of Western Living or Vancouver. If users were directed to westernliving.ca or vancouvermagazine.com, demographic information could be gathered about online users through these contests, thus making this information available to sales representatives who wish to pitch online advertising packages.

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70 Steil, 1 January 2001.
Developing contests in conjunction with advertisers is another means of generating loyal relationships with those advertisers for both the print and web versions of the magazine.

5. **Conducting surveys online, either for the benefit of the advertiser (gathering consumer data) or for the benefit of the magazine (gathering reader/user data).**

Both editorial and advertising info can be gathered via the website. *Men’s Health* magazine posed the question “Who do you find strangely sexy?” on their website, and used the results to bolster their story in the print-world magazine. E-newsletters are a means of drawing recipients back to the site and encourage them to participate in polls; prizes also encourage participation, and the aforementioned house ads are another means. For advertisers, contests and prizes could be tied with customer polls, thereby gathering valuable consumer information for the advertiser; offering this function on the site for the advertiser builds a relationship with them that moves beyond straight sales/placement.

6. **Establishing web links with like-minded organizations.**

Finding compatible advertisers and like-minded organizations with which to trade web links can build traffic to the *Vancouver* and *Western Living* sites. *Vancouver’s* reputation as a trusted source of information on Vancouver would make it a useful link with hotels and tourist organization; even more so with *Vancouver’s* affiliate, *Guest Life.* Links result in more traffic to the sites, both through direct hits and through search engine ranking

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71 Dobson, 30 Sept 2002.
(links between sites are traceable by search engine bots, thus making one’s website more likely to appear on the first page of a search result).

7. **Compelling readers to use the site to get what they need.**

Subscribing to a magazine online is often easier and quicker than via traditional means such as a business reply card or by telephone; online visitors who are already interested in subscribing to a magazine will do so, and those considering a subscription can be given incentives to subscribe online through free offers. A subscription received online reduces costs to Transcontinental (business reply costs are eliminated, as are direct mail costs).

8. **Compelling advertisers to use the site to get what they need.**

Media kits and advertising specifications can be placed online, and either accessed via password (for confidential material such as advertising rate cards), or by general access. Printing/postage costs are reduced and traffic numbers are increased.

E. **Revenue Generation and Expense Management**

With a mandate to develop a web plan that had a break-even budget, it was important to consider the revenue-generation possibilities for the sites, as well as ways to reduce related expenditures, both for the site and, if possible, the print publication. The justification for each revenue generation and expense management possibility will be described here.

The publishing proposition traditionally follows a standard business model. Each
publication within a stable of magazines must be break-even or better to be successful, unless the magazine is sustained by the deep pockets of a philanthropist or a granting agency. However, the generally recognized non-profitability of online properties means that websites are often measured for their success rates by other means. According to Rob Garrett, president of AdMedia Partners, “Practically no one is making money.”

This situation forces investors to look elsewhere for signs of a site's viability. While “hits” was the unit of measure in the early days of the web, unique visitors, page views or page impressions, and visits are now the most common metrics of web success, and they are the ones audited by audit bureaus and web trends measurement bureaus. There is some debate as to the importance of unique visitors vs. page views; Dana Chinn, director of Internet business projects at 101 communications and a member of American Business Media’s Electronic Media Committee, says that a website’s relevance to its audience is better measured in page views than audience figures. The longer unique visitors stay in a website—and increase page views—the more well designed and successful the site is.

Chinn’s opinion is that magazines need to figure out what they are trying to accomplish with their web properties before they can map out their measures for success. According to Chinn, “The question is, ‘What is the strategy?’ If the strategy is for the website to be its own business unit, or if the strategy of the site is simply to serve the print subscribers, the metrics of success can be very different.”

Of course, different metrics are needed for each audience that is involved in the life

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73 Silber, 1 Jan 2001.
74 Silber, 1 Jan 2001.
75 Silber, 1 Jan 2001.
of a website. Advertisers need one set of metrics, e-commerce another, and editorial another set.\textsuperscript{76}

With this preliminary research in mind, several areas were focused on as means to produce revenue for each site. These proposed revenue sources flowed from the presumption that the site would be an attractive and user-friendly site; these ideas would not be feasible if the websites were to remain in their current states. Also, until there is effort put into driving traffic to the sites, these sources of revenue would not be feasible, as all rely on “eyeballs” visiting the site.

1. Advertising

More magazines are working creatively with their online sponsors to create advertising opportunities that are as useful for the online viewer as they are for the advertiser. At chatelaine.com, the advertisers have a close and involved relationship for the packages developed online. Using cutting-edge technology, personalized microsites, an extensive customer database, and interactive contests, \textit{Chatelaine} has been developing a site that is creative in how it attracts advertisers and interests readers.\textsuperscript{77}

Because web traffic for the website would be just starting to build, stage one of the web plans calls for selling five banner advertisements to charter advertisers at a low introductory rate of $200 a month.

\textsuperscript{76} Silber, 1 Jan 2001.
\textsuperscript{77} Dobson, 30 Sept 2002.
2. Paid listings, Sponsorships and Contests

Sponsorships with advertisers have the ability to deliver both a worthwhile product to the online and print reader, and to build strong relationships with advertisers for both print and web. Edward Skira at Chart explains how he works the magazine’s connections with the music industry to benefit both the print magazine and their website.

For October we had Avril Lavigne on the cover. Part of the deal with the record company, in return for putting her on the cover, is that they would give us 50 copies of our issue signed by her. And we’ve turned around and gone to fan [web]sites around the world, and offered them a free signed copy in turn for putting up a jpeg of the cover with a link back [to chartattack.com]. That’s our guerilla street marketing approach. We also asked that the label put the jpeg with link on the official site, which they are going to do. We’ve obtained a web chat with her for the end of the month, which we will make sure that every fan in the world knows about.78

The web offers a direct connection to the readers, previously unavailable to magazine publishers, that offers great promise in building a stronger relationship between the online reader and the print version of the magazine. It is a connection that is also appealing to advertisers, and thus provides opportunity for revenue generation for the site. Both Western Living and Vancouver offer a number of service-oriented features, such as restaurant reviews, best buy guides and Western Living Designs, Builds & Renovates, that would attract people to the website for their usefulness. To maintain their usefulness, it is important that they are comprehensive, and therefore all advertisers should be offered a free basic listing in each directory. But as a revenue generator, fees could be charged for links and/or email addresses ($50/year), company descriptions ($100/year) and the company logo or photo ($250/year). The Vancouver Courier does
something similar online with its Restaurant Guide; the top section of the web pages is
restaurant reviews, while the bottom section is paid advertising. In the paid ad section,
each listing contains basic contact information, a logo, picture and a link to a website
and/or PDF of the restaurant’s menu.

For the purpose of the web plan budget, a conservative estimate was placed at 15
advertisers buying a complete listing—link, company description and logo for
$400/year—for each online component of the Restaurant Guide, *Western Living Designs,*
*Builds & Renovates,* and *Where the Buys Are,* totalling $1000 a month in revenue for
*Vancouver* and $500 a month for *Western Living.*

As web traffic builds, it should also be possible to get companies to sponsor an
entire section of the website. For example, *Salon.com* has *Lexus* sponsor its
“Masterpiece” arts column on the site. Contests are another stream for revenue, and while
the majority of contests are filtered through *MochaSofa.com* at present, they could be
directed to *westernliving.ca* or *vancouvermagazine.com* and run in conjunction with a
print campaign. *Mochasofa* charges advertisers $5,000 to run an English-language contest
and charges $5,000 a month to sponsor a particular channel, such as food, family or
health. While it’s impossible to estimate the demand for these contests at
*Transcontinental West,* it is an option that can be considered once the website has the
traffic numbers that merit such a promotion.

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78 Skira, 9 Oct 2002.
3. Revenue from Users

While some magazines have a pay-per-use model on their online sites (Wall Street Journal and Salon.com have this revenue model), this is likely not viable for the purposes of this web plan. Because both Western Living and Vancouver distribute the majority of their circulation via controlled means, it is unlikely that readers would pay a fee to access more information online.

Online personals have become a method for generating income and traffic from a website. In particular, two companies have dominated the urban singles market (this would be of interest to Vancouver magazine more than Western Living magazine): LavaLife, based out of Toronto, and Spring Street Networks, based out of New York. When approached to provide personals service for Vancouver’s online presence, a representative from LavaLife expressed that the company was not interested in developing a west coast presence. On the other hand, Spring Street was extremely interested in pursuing a relationship. They have already made links with the Georgia Straight, and while numbers were low, they attributed the lack of traffic to poor promotion on the part of the Straight.

Spring Street projected a first-year revenue of $222,954, with Spring Street’s take of the revenues being 60% of that gross. That left $89,182 for Vancouver. For the purpose of the web plan, it was assumed that these projections were overly generous; instead we took a conservative estimate of these projections and knocked them down to 10% of Spring Street’s projections: $8,918, still a significant contribution to the bottom line when trying to produce a break-even budget.
Selling content intended for the Internet (never having appeared in the print editions of the magazines) is another way that some magazines generate funds for their websites, though the Canadian magazines interviewed were split in their opinion on whether this practice was good for the brand. Skira of Chart said that selling chartattack.com’s daily music news to Sympatico’s site was a major source of funds for chartattack.com.\(^79\)

Bradley Reid of Toronto Life, on the other hand, felt that selling content to other sites diluted the Toronto Life brand that they were trying to promote through the site itself:

> We were considering content arrangements with other sites, and ultimately with time and reflection we’ve determined that we don’t want to get into that business. What we want to do is support the stuff we do well, and we have a strong brand, so we want to bring people to our site, we don’t want to send them to some other site to see content.\(^80\)

If articles from the magazine were to do “double duty” as is done through Chart’s website, it is possible that some articles would be useful to sites such as mybe.com (for qualified tourist information); however, it seems it would be more advantageous to direct users of tourist sites such as mybc.com back to the vancouvermagazine.com website, or westernliving.ca site.

As mentioned in the section, *Putting the URL on the folio and front cover*, subscription generation from the web is another possibility for revenue generation. According to Folio’s “Plugging your website is good business,” online subscription generation via print advertisement has the potential to generate significant income\(^81\).

While both Western Living and Vancouver are currently distributed as controlled circulation magazines, the publisher has begun the process of converting at least some of

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\(^79\) Skira, 9 Oct 2002.
\(^80\) Bradley Reid, 10 Oct 2002.
those controlled circulation numbers to paid subscriptions. As it is set up right now, both the *Western Living* and *Vancouver* sites are not able to process credit card numbers securely; a purchaser enters their address and then calls a phone number to provide the company with the purchaser’s credit card number. To take true advantage of subscription generation online, both sites would need a secure component added to their sites. This has the benefit both of revenue generation (subscription costs), and expense reduction (no business reply card costs, standard in subscription renewals via the mail).

**F. Savings from Print Operations**

Producing a break-even budget for both websites must include expenses saved from operations of the print magazines. While the majority of *Vancouver* and *Western Living* magazines are distributed via controlled circulation, paid subscriptions are desired and promoted by both magazines. It has already been mentioned that business reply card costs are saved when subscribers and potential subscribers are encouraged to enroll via the websites.

According to information collected by my colleague, Matt O’Grady, from the circulation department at Transcontinental in Toronto, the investment in acquiring a paid subscription is significant. Using *Vancouver* as an example:

- 10,000 subscription cards are placed in newsstand copies
- Response rate from these cards is 2%, or 20 orders
- Total Gross Revenue on 20 orders: $354.00

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81 Jenkins, 1 Sept 2002.
• Cost of Printing inserts: $9.00 per thousand, or $90
• Cost of Inserting cards: $9.18 per thousand, or $91.80
• Cost of Reply Card Postage: $8.12
• Total Acquisition Cost: $189.92

Currently, *Western Living* and *Vancouver* receive nine and seven subscription orders a month online, respectively. With house ads promoting the site as an easy place to subscribe or renew a subscription, and a website that is worthwhile to visit, it is assumed that online subscriptions could be increased and thus be another form of revenue for the site, and a reduction in expenses for the print magazine.

Online media kits are another option for savings; queries from potential advertisers can be directed to a page within the site, where the user can download (via password, provided by a *Western Living* or *Vancouver* sales representative) and print the publication from their desktop. Of course this would not eliminate the need for a print version of this sales tool, however, it could reduce overall print and mailout expenses dedicated to moderately interested queries. Media kits represent a substantial investment for *Vancouver* and *Western Living*: in 2002, $14,000 was spent on printing costs alone. Add to this the postal cost of sending out the media kit ($2.15 per piece), and a reduction in this bill via the web could have a significant contribution to the website’s bottom line.

**G. The Bottom Line**

Based on potential revenue and estimated savings, a Pro Forma income statement was generated by my colleague for this proposal. We sent out a request for proposals to
design companies in town to develop the website, and selected three finalists for the site. For the purpose of this Pro Forma, one company was selected to calculate design costs. With this Income Statement, it was estimated that vancouvermagazine.com would pay back its design investment within the first year, and westernliving.ca would pay back its investment in the design of the site within the first two years of operation.
V. Conclusions

Like other new media before it, the introduction of the Internet threatened the magazine publishing industry as another medium that could take away readers and advertising dollars. In the early scramble to compete with the web as a new media form, many mistakes were made. Large budgets were sunk into elaborate websites in the hopes that revenue sources would soon follow. As a revenue generator, the Internet has yet to produce significant incomes for magazines.

However, through that process, publishers learned how this new medium could be of benefit to their industry as a promotional vehicle. With scaled back websites, magazine publishers had a means of connecting quickly, directly and intimately with the readership that had remained at arm’s length in the past. Online reader forums, new online content and reader interactivity built a brand connection previously unrealized by magazine publishers.

The web has had a direct impact on the editorial content of the print magazine. Longer features were less successful with online readers, but the web’s quick turnaround time meant that news briefs were popular. Following that, as Skira of Chart magazine pointed out, the long lead time of print magazines meant that many news articles were out of date by the time the magazine hit the newsstands. Shifting this content from the print to the web made better use of both media.

Perhaps the greatest impact of the Internet has had has been on the staff of magazines. As Rick Boychuk, editor of Canadian Geographic pointed out, in some cases editors require new skill sets, and in some respects, have become producers. Stories can
be spun out to the web, and each piece that comes into the magazine for publication can be thought out for web possibilities: can it be an audio clip, a video clip or an additional sources page? Are there other parts to this story that would be useful to readers online, once they’ve finished reading the print version of the magazine?

Measures of success are also different for an online venture. While publishers will likely be reluctant to continue to carry money-losing web ventures, break-even websites may have other successful components that merit continuing their operation, even if profit is not being drawn for the company. These measures should include the increase in visibility provided by the web, and the usefulness to the readership for practical sections such as subscribing online, and entertaining sections such as local sources for purchasing items profiled in the print magazine.

These measures of success can be spun out into a new web plan for *Western Living* and *Vancouver* magazines. A well-designed site is successful with the readers when it delivers the quality and caliber of information expected from the print magazine. A well-planned site is successful with the publisher when it accomplishes these goals and holds a break-even budget. With careful steps taken in the evolution of the site, both are possible.
Appendix A

Questionnaire for Magazine Publishers

1. Why are you online? What are the goals of Shift.com?

2. How long has Shift.com been around?

3. Can you give me a brief history of the site? (various iterations along the way that led to what the site is today)

4. Did the site start large and keep growing, or was there an evolution to get it where it is now?

5. Approximately how much of each issue do you reprint online?

6. How many unique visitors does Shift.com attract in a day or month (depending on what stats you have available). Is there a relationship between the number of unique visitors and the amount of content on the site?

7. Were there any stops or starts as you built the site? ie. parts of the site that were abandoned because they weren’t working, or new elements that were added?

8. What is the revenue model for the site? Is it meant to break even? Does it?

9. What is the budget for the site?

10. What are the main sources of revenue and main expenses for the site? How many staff work on the site?

11. Is the site successful? What are your measures of success for the site?

12. How important is subscription generation for Shift through Shift.com? How many subscriptions are generated online?

13. Who are your competitors online? Are they different than in the print world?
14. How do you think an online presence for magazines has changed over the last 7-8 years?

15. Is there any fear that the Internet will kill eventually print?
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