MAGAZINES MONETIZING THEIR DIGITAL PRESENCE:
THREE STRATEGIES, SOME SUCCESS

by

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**ABSTRACT**

This report examines the online strategy of content expansion, a web-publishing strategy used by some magazines that can help draw traffic and have a positive effect on advertising revenue and achieve web monetization. The report begins by assessing the various elements that have historically impeded magazine publishers from monetizing their online properties and the reasons content-focused website redesigns have become routine. The report then introduces and analyzes content strategy and the role it plays in audience discoverability, with specific attention given to the content expansion strategy and its role in monetizing both content and audiences. The three publications examined in this report are united in their identification of a financially failing digital presence and their use of a content expansion strategy in the hope of reverting the trend.
The number of people in my life who deserve gratitude are almost too numerous to name. For this, I consider myself fortunate.

Thanks to my incredible family, Maria, Allen, Shannon, Derek and Melinda, for their unwavering support, despite my decision break their hearts and move across the country for school.

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INTRODUCTION

Whether magazines are in print or digital format, they have two audiences: readers and advertisers. While each audience has different interests, the publication must satisfy them both simultaneously. If readers stop reading, advertisers will cease to advertise. If advertisers cease to advertise, there is no way to fund the publication’s production.

The traditional ad sales model used in printed magazines where advertising pays for editorial has not transitioned easily into the digital environment. There are two reasons for this. In general, magazines have not distinguished themselves sufficiently in the digital environment to attract enough users (paying or not) to interest advertisers. Neither have they attracted users in such a way that those users are highly valued by advertisers. As a result, in exploring the online environment, magazines have been going through a period of experimentation by continually reinventing their digital products in an attempt to increase audience numbers and enhance advertiser perception of the value of the product and its user base. A magazine must engage the desired reader with content, thereby attracting advertisers and ultimately satisfying the main objective of the publication: connecting the two audiences.

The challenge is considerable. In an attempt to attract advertising dollars, publishers are being forced to reevaluate their digital business models. Reevaluating digital business models brings all areas of a publication under question: Is the site equipped for mobile readers? Is the content drawing enough readers? Does the site’s architecture aid or impede its usability and search function? How can the site better please advertisers? Are editorial goals being achieved online? How do all the working parts fit together?

This report examines the online strategy of content expansion as an attempt by magazines to address the web monetization problem. It presents three case studies
to augment the analysis: *Newsweek Daily Beast*, a merger between an American national weekly news magazine and a young, digital-only news aggregator; *bcliving*, a lifestyle, web-only publication; and *The Atlantic*, a literary and ideas magazine. All conclusions about the publications within the case studies are drawn through the analysis of publically documented activities and information. These conclusions do not represent the actual intentions of any publications mentioned within the report, but are rather the result of a close examination and comparison of the three sites by the author.

*Newsweek Dailybeast, bcliving, and The Atlantic*, were selected for investigation for three main reasons: they demonstrate that the web monetization problem is an industry-wide concern affecting all magazines with all topics, publishing frequencies, platforms and even lifespan; they employ varying uses of the content expansion strategy to deal with the same problem; they fall on a spectrum of success and failure after their respective reinventions.
CHAPTER ONE
MAGAZINE PUBLISHING ONLINE:
FREE CONTENT AND THE FINANCIAL CRISIS

1.1 LIMITATIONS AND DATA
Monetizing web properties has been a struggle for magazine publishers worldwide since they first migrated to the digital platform. The inability to monetize is not for lack of trying. For instance, new business models, best practices strategies, and audience-tracking tools are often being developed and implemented by magazine publishers online. One of the challenges is that since “the tools available to measure readers of digital publications are far more precise than anything that has ever been available for print publications, [...] digital publications continue to struggle to monetize their audiences.”\(^1\) Worse than lacking revenue, many online publications are actually losing money. Despite the fact that “[t]he number of users flocking to online sites every day continues to increase,”\(^2\) in 2009 the Canadian digital side of the magazine industry suffered a net loss of 3%.\(^3\) However, the Pew Research Center’s Project for Excellence in Journalism predicts that between 2011 and 2015, “revenue from digital advertising in the United States [a digital market that is also suffering] is expected to grow by 40% and to overtake all other platforms by 2016.”\(^4\)

So if readers are more frequently interacting with online content, how and when will publishers see these projected digital ad revenue increase? What have online magazine publishers been doing wrong? How did they get to this problem in the first place?

1.2 FROM PRINT TO ONLINE: THE ARRIVAL OF THE FREE CONTENT CRISIS
An examination of the historical context and the inherent difficulties new technologies introduce sheds light on the future of digital advertising for magazines. Over approximately one hundred years, the print magazine format has been developed and, some might even say, perfected. However, with the advent of the Internet, people began increasingly to spend their time engaging with a
different medium. Magazines were forced to follow their audiences to this new platform, but were faced with the challenge of creating products that surpassed what individuals and institutions were creating and making freely available. Magazines began by using the web as an advertising medium for their print products, but as others began to use the web as a primary content delivery medium, so magazines followed suit.

“By 1996, many magazines were launching sites that were mirror versions of their print products,”5 but unlike print, content online was offered for free. However, content costs money to create and distribute; and websites to host that content cost money to create and maintain, and early online strategies were simply not able to offset rising operational costs. Matt Kinsman and Stefanie Botelho explain, “content has always been considered a loss-leader among publishers. However, in the glory days of print, advertising and circulation revenue easily paid for long-form, in-depth content of limited frequency.”6 Like their print predecessors, web publications looked to advertising to solve their financial needs. As Kinsman and Botelho say, “that [hasn’t been easy] in the digital age, in which digital advertising, for the most part, isn’t enough to cover the expense of a constant stream of original content.”7

1.3 FREE CONTENT: THE PAYWALL SOLUTION

To address the advertising shortfall, some publishers have looked to readers to supplement that revenue. Publications such as such The New York Times and The Onion have implemented a paywall on their websites. The paywall model essentially mirrors the subscription purchasing model of print circulation.

Mashable.com defines the paywall as

a system that prevents Internet users from accessing webpage content (most notably news content and scholarly publications) without a paid subscription. There are both "hard" and "soft" paywalls in use. "Hard" paywalls allow minimal to no access to content without subscription, while "soft" paywalls allow more flexibility in what users can view without subscribing.8

While charging users for their content consumption could potentially be an effective method for magazines to combat the digital financial crisis at least in part,
the free-content-precedent is a significant barrier to their achieving success in monetizing digital publications. With the overwhelming wealth of content and information online, audiences can often satiate their informational curiosities elsewhere where they are not charged for usage. The struggle for publishers is to add obvious value that readers are willing to pay for. Currently, while a paywall could bring in more circulation revenue, it could also interfere with usage, decreasing the digital audience. For many, “the gain in subscription revenue [would] not offset the lost advertising dollars” (caused by the need to lower advertising rates to reflect a dropping readership).

The paywall model seems to rely quite heavily on an enormous brand image and significant web traffic. Ken Doctor, author of *Newseconomics* “estimates that 5-10% of readers will pay for content. If you’re *The New York Times*, 5-10% can equal hundreds of thousands of people. If you’re *Newsday*, then you may have some trouble finding enough readers to pay.” It seems too ambitious for the average independent magazine publisher to expect enough users to pay for usage to make it an effective digital business model. In fact, according to the 2009 Nordicity study, “nearly 80% of digital-only publications [in Canada] rely solely on some form of advertising for 100% of their revenue.” While not for everyone, the introduction of the paywall model at places like *The New York Times* and *The Onion* does tell us one important thing: many publishers are suffering – from the largest to the smallest. But because the paywall strategy is not a universally successful solution for all publishers, how is the average independent publisher to offset the costs of digital and free content?

1.4 LIMITATIONS OF ADVERTISING AND AUDIENCE MEASUREMENT

The average digital publisher must also turn to audience development and advertising to produce revenue. Yet they are hindered in doing so in part, it seems, by the limitations of audience measurements online. CPM, or *cost per mille*, is an audience measurement tool traditionally used by the print publishing industry and it has been transferred over to the digital world. CPM tells advertisers the dollar amount it costs to reach 1000 readers (cost of the advertisement divided by total circulation, multiplied by 1000). CPM allows advertisers to compare one ad sale
with another, determining which medium apparently offers the best value, at least in terms of audience numbers. While the CPM is somewhat speculative, given that not all readers will notice an ad, it has nevertheless been accepted by the publishing and advertising industries. When advertising came to the internet, CPM was extended to online platforms. Matt Kinsman and Vanessa Voltolina point out, “the revenue potential on the Web is not as much as in print per thousand users,” as “advertisers, generally, do not value the audiences to digital publications as highly as they do for the readership to print publications.”

There are several reasons why CPM does not translate well from print. Most derive from the increased capacity to track user behaviour online, beginning with how the user arrives at the site, how long s/he spends looking at a page, where s/he goes next and how long s/he spends, whether s/he clicks on an image, and so on. Given this tracking, new advertising purchasing criteria have been developed, such as cost-per-click (CPC) or cost-per-action (CPA). Further, digital ads are linked to the advertiser’s homepage, and the number of users that click on the ad (continuing towards a sale) can also be tracked—both by magazines and by advertisers. Using CPC and CPA advertisers can pay for and/or observe (since many magazines continue to set rates based on CPM) how many users take action. This kind of data places a much heavier burden on publishers selling advertising space. To give a sense of that burden, Joseph Turow notes that users who click on ads (to proceed towards a purchase) are actually fewer than 1% of those visiting a site.

At this point in time, at current industry rates, for many magazine publishers, CPC, CPA and CPM rates set by magazines—particularly when compared in cost and result to a multitude of online competitors—limit the number of advertisers willing to invest in magazines and do not, therefore, generate sufficient revenue to pay for needed investment in editorial and operations to run a viable magazine.

Whatsmore, “combined, Google, Yahoo!, Microsoft, Facebook and AOL will take in $23.9 billion in ad revenues, representing nearly two-thirds of total digital ad spending this year.” Companies can advertise more cheaply, and with greater
measurable success, with Google adwords, for example, than in any magazine. Combined, these represent a significant barrier in securing advertising revenue.

To address the difficulties of the above dynamics, at least in part, many publishers (for example, Rodale and Martha Stewart Living Omnimedia) are going beyond display advertising and exploring new, more advanced avenues of advertising, such as custom content marketing, 360 marketing, and targeting. Targeting, one of the many avenues being explored by digital advertising, is considered by some experts to be the key to the future of digital revenue. Targeting is a new method of online advertising that uses a combination of user data and interests to deliver advertising to users who are more likely to be interested in a specific advertisement. Targeting collects and uses a sizable wealth of consumer data to target users based on interest. Big companies such as Facebook and Amazon utilize user data (account details such as date of birth, or “Likes”) to offer a highly specified audience to advertisers – a tactic that has been very effective. Sam Barnett is the CEO of Struq “the leading specialist in ad personalization globally and across all devices.”

In an interview with The Telegraph, Barnett states,

[Targeting] technology is based on complex algorithms that learn human behaviour by modeling and adjusting to patterns and trends, in real time. We can target our ads based on user intent using complex data like time of day, frequency of viewing and basket size to make specific and personal ads that achieve far greater results than standard display advertising. Plus, we only target people that we know have an interest and are most likely to buy.

While it is a promising approach, this level of targeting requires the purchase and implementation of sophisticated technology. The financial investment required for independently running such a site structure is outside the means of many magazine publishers.

Additionally, many publishers may still be skeptical of the new technology and the privacy concerns surrounding the data it collects on users. Government policy has yet to set any firm legislation on the issue. However, the companies responsible for internet browsers (Mozilla Firefox, Microsoft’s Internet Explorer, Apple’s Safari, and Google’s Chrome, to name a few) have all heard the call of concerned users. Each has implemented a Do Not Track application that users may turn on to prevent the collecting and tracking of data. In its launch of Internet Explorer 10, Microsoft chose to enable the Do Not Track application as a part of the browser’s
default settings. While the decision brought criticism from the advertising world, Microsoft stood by its decision, stating “we think it is progress and that consumers will favor products designed with their privacy in mind over products that are designed primarily to gather their data.” It is likely that publishers are waiting until the controversy is decided before investing their advertising efforts in a method that may or may not survive. This leaves the independent digital periodical publisher with the task of discovering new approaches to traditional methods of advertising.

1.5 TECHNOLOGY’S ROLE IN AUDIENCE ATTRACTION AND RETENTION

Because the average online publication relies almost entirely on advertising revenue, but most publications are struggling to monetize on their digital properties, current methods and techniques must be evaluated and adjusted where they are determined to be ineffective. As the key to producing ad revenue online is through attracting and retaining a sizable and desirable audience, two vital elements required to secure that audience are discoverability and usability. At its most basic, discoverability refers to the ability of users to locate a webpage through search, while usability refers to the ease of use of a website and the quality of interaction between user and site. Technology plays a large role in promoting site discoverability and usability. If current technological tools are determined to be inadequate or outdated, they must be replaced, often leading to website redesigns.

The tools used to host and operate a website are integral elements to a site’s discoverability and usability. For instance, a more sophisticated content management system (CMS) can help increase site traffic in a number of ways [...] semantic technologies and text mining can improve tagging and keyword optimization. [After upgrading their CMS,] sites such as cyberpresse.ca, monvolant.ca, and technaute.com have seen traffic increase by 30%. Improved site search and related content capabilities can help keep users on your site longer and make them more engaged.

Improving a site’s discoverability and usability means increasing the likelihood of user attraction and retention. The 2008 FOLIO survey of business-to-business publishers found that 17 percent of web publications surveyed noted CMS advancements as their largest technological expenditure. The number of
publishers investing in CMS improvement indicates many believe it to be an important investment that will provide improved returns.

In addition to increasing discoverability, usability, and overall traffic, CMS investments can also optimize the effectiveness of a site’s taxonomy. Traditionally, taxonomy refers to the hierarchical organization of a website’s editorial content, grouping and housing information of similar subjects under a unified heading. This is achieved and presented to audiences online through the use of a navigation or menu bar, seen at the top of a webpage. But taxonomy can also be applied to the management of SEO (search engine optimization), social integration, and advanced advertising capabilities. Taxonomy uses “terms (or categories) for navigation elements, ad serving, site search, and related article recommendation [...] It is a way to add additional layers of structured information to your editorial assets so that you can do more interesting and profitable things with those assets.” For example, suggesting articles of possible interest that have similar archival tags, such as “Others who read this also read,” or, “You may also be interested in.” By way of back-end taxonomy and tagging, web publications can increase engagement per user, making the site more profitable click by click. Content taxonomy is a fundamental element of any digital strategy that, when used properly, makes content navigation intuitive and user-friendly, and boosts discoverability.

In addition to considerations of CMS and taxonomy, a third technological tool that is increasingly important for audience expansion and retention is to equip a site for mobile access. More users are consuming media through mobile devices than ever before. For example, bcliving estimates that 18% of its visitors access its site through mobile platforms. Sites that are not outfitted for mobile access are often frustrating for mobile users, and when usability becomes a barrier, readers tend to move quickly on to other information or entertainment sources. In the battle for audiences, publishers cannot afford to operate clunky sites with poor user experience.
As user and advertiser demands increase and technologies become more advanced, publishers are forced to reevaluate their goals, their measure of success, and assess what their web properties are (or are not) achieving. Magazine publishers have devoutly adapted to audience and advertiser demands, following readers and keen advertisers to the online platform, developing and testing new advertising strategies, and staying current with new digital tools. Technology takes publishers a certain distance in attracting readers to a site, but once readers arrive, they must be kept interested with compelling content. Thus, the other major area of audience attraction and retention concerns content and content strategy.
CHAPTER TWO:
CONTENT EXPANSION

2.1 INTRODUCTION

Chapter One argued there is a financial shortfall in operating digital periodicals. Unlike with print magazines, digital periodicals have not been able to charge sufficiently for advertising to cover editorial and production costs. Various technological tools have been developed to augment publishers’ advertising revenues. While they hold some promise for the future, they are not the ultimate solution. The content expansion strategy - increasing a site’s overall content volume or coverage - is receiving some attention as an overall strategy for increasing the financial viability of digital periodicals. To effectively comprehend content expansion, a few fundamental elements must first be understood: the greater concept of content strategy; why content volume matters; the kinds of content that please search and link-sharing platforms; and how content volume can aid in advertising strategies and boost revenue.

2.2 CONTENT STRATEGY

Content is the editorial product produced by the publication. Interesting, effective content “lies at the heart of a successful digital strategy,”28 as it is the single reason magazines have the attention of audiences in the first place. Digital publishing can no longer survive as the afterthought of print. If online publishers hope to engage and retain a specific, desired audience, than they must also strategize their digital content with the care they would for a print product. Digital publications (whether they be the counterpart of a print product or a digital only venture) require their own mission statements, editorial calendars and content strategies. To take full advantage of the online platform, digital strategies should be developed independent of the needs of print. Due to the substantial financial investment required in developing and implementing new digital strategies, putting time into creating fully developed content strategies is a must.
Content strategy is an integral part of the reinvention process. In her 2008 article, “The Discipline of Content Strategy,” Kristina Halvorson states:

Content strategy plans for the creation, publication, and governance of useful, usable content [...] Its development is necessarily preceded by a detailed audit and analysis of existing content.

[...] At its best, a content strategy defines: key themes and messages; recommended topics; content purpose (i.e., how content will bridge the space between audience needs and business requirements); content gap analysis; metadata frameworks and related content attributes; search engine optimization; and implications of strategic recommendations on content creation, publication, and governance.^[29]

Many publishers are discovering that a well-planned, digital-first content strategy with its own goals and objectives is the only way to achieve success online. As more and more studies are conducted on what is needed for financial success online, magazine publishers are testing a variety of new content and organizational strategies to increase online revenue. As publishers increasingly accept that their websites are an unaffordable financial drain and make motions towards solving their problems, some are expanding the editorial areas they cover. This tendency is called content expansion and this section will examine its dynamics.

2.3 CONTENT EXPANSION

Content expansion is a web-based content strategy wherein publications experiment with their digital editorial by expanding their content coverage in ways that a print counterpart never could. Publications that employ content expansion as part of their digital strategy recognize that,

in order to attract lucrative advertising accounts, websites must have a substantial number of unique visitors who are engaged with the content. This is no small task to be sure, particularly for magazines. For example, editorial for print and the web are different, in so far as the latter needs to be “read” by search engines and appeal to audiences who generally scan content, rather than read it. Producing an engaging magazine website requires editors to re-imagine their magazine brands in terms of content and form.^[30]

Reimagining a publication requires considering a wealth of editorial areas the publication historically may have never covered. With too narrow an area of content coverage, many publications cannot interest audiences and advertisers on a scale large enough to monetize. Each publication, of course, must decide for themselves what types of content fit logically within their editorial framework.
2.4 CONTENT QUALITY, SOCIAL, AND SEARCH

Increasing the volume of content through expansion requires thoughtful strategic planning and should never neglect quality. When deciding how to expand content coverage, publishers must consider what social media and search engines – arguably the two most important internet platforms aside from websites themselves - value in order to increase site discoverability. Since social media is where readers spend a lot of their time. As the Pew Research Centre estimates that 65% of adults use social media, occupying the digital social space is becoming imperative.\(^3\) Social media allows users to curate their own content stream by selecting who to follow and what content they wish to share with members of their social network. For digital periodical publishers, gaining followers or “likes” on social media can drive traffic and link sharing through these online communities. Link sharing is effectively a user’s social endorsement of a product.\(^3\) The only hope a publication has of inspiring this type of user-generated endorsement is by producing quality content of interest to users. New categories of editorial topics therefore must interest readers if they hope to capitalize on this major area of visitor potential.

Conversely, a search engine is an internet database run by algorithms through which users can search topics of interest by entering keywords in the engine search bar. Through algorithms, search engines attempt to list sites in order of relevance and importance to the search request. The higher the PageRank (level the website appears in Google’s search results), the greater likelihood the site has of being visited through search. Quality content has not always been easy for Google to prioritize. For years search results have been polluted by content farms - sites that “link-bait” and produce low quality content with the express purpose of monopolizing search. In an attempt to combat this low quality content, Google has become notorious for making changes to its search result algorithms. In early 2011 and 2012, the Panda and Penguin algorithmic updates were launched (respectively). These algorithms were designed to

“reduce rankings for low-quality sites—sites which are low-value add for users, copy content from other websites or sites that are just not very useful. At the same time, it will provide better rankings for high-quality sites—sites with original content and information such as research, in-depth reports, thoughtful analysis and so on.\(^3\)
Google understands that the company’s future depends on the happiness of its users and their perception of the value and quality of its search results. Therefore, like social media, what search engines value is also determined by its users. Web content publishers must heed this information and turn it into actionable content expansion strategies that meet the demands of users.

2.5 AUDIENCE AND ADVERTISING

Matt Robson, SEO specialist for Hearst Magazines, emphasizes the ways in which content expansion that pursues user demand can increase traffic and overall unique visitors:

Mainstream publishers could do a much better job in increasing the amount of content that they offer that is specifically going after existing demand. Traditional publishers are reluctant to change their brands to be more demand-driven, with less focus on exclusive content and more focus on meeting search demand.34

This focus on demand does not mean that publishers should only focus on demand-driven content, but rather add it to their existing strategy in order to receive more unique hits generated by search engines. The idea is to expand the publication’s reach in frequency, volume, and topic, thereby attracting more readers – the complete opposite of the niche strategy.

These are the reasons, for example, that many companies are adding aggregation (news, video, or otherwise) to their digital strategies: the content is cheap or even free, it increases the websites online real estate, interests new readers, and can ultimately increase revenue. But demand can mean a variety of things other than aggregation, depending on the publication and the audience it is trying to please. For other publications, demand means publishing shorter, snappier articles, employing bloggers, and even covering new subjects. However, magazine publishers need to be aware that while “conventional wisdom holds that online content should be written and edited to cater to short attention spans,” other publications “are finding that certain readers are interested in long-form journalism online and that the longest pieces can actually drive the most amount of traffic.”35 Determining the types of content and the subject matter the publication will expand requires intense consideration of audience desires. Where and how the editorial coverage is expanded will be unique to each publication. Audience
demand plays a large role in the expansion strategy, but attracting advertisers deserves consideration as well.

In an article for *FOLIO* magazine, Matt Kinsman and Vanessa Voltolina discuss the dynamics of content-volume strategies as they relate to advertising for online publishers:

“Volume matters. To sell to big advertisers, who will be willing to pay more, you need salespeople to do that—it’s an agency level sale. Most indie music Web sites are selling low CPM to mostly endemic advertisers. There is a lot more revenue potential in non-endemic advertisers. [...] The revenue potential on the Web is not as much as in print on a CPM basis. Having a lot more inventory to sell makes a huge difference.”

For some publishers, the solution is outsourcing their advertising to an ad agency. Ad agencies can pool together the resources or editorial inventory of their advertising clients and leverage that size to offer better rates, procuring larger sales for smaller publications. But many traditional web publishers still choose to sell their advertising in-house. In order to become more attractive to lucrative advertisers, publishers have to offer a greater probability of reader exposure. For independent publishers, content expansion allows a single publication to increase its editorial inventory, and is a method that can potentially expand its advertising market.

2.6 **CONTENT CHANNELS:**

**INCREASING AUDIENCE AND ADVERTISING SIMULTANEOUSLY**

Content “channels,” as distinguished from the usability and design focused menu categories, are a content focused approach to editorial content categories across platforms. Content channels are a less technologically sophisticated but highly effective method of interest-targeting that magazine publishers are increasingly making room for in their content expansion strategies. Channels organize content based on large category topics, breaking them down further into subtopics. These content channels function like mini-publications within the larger framework of the publication: a large brand image comprised of a variety of more niche-like subsections.
Websites that utilize category channels can segment their advertising real estate by topic to offer advertisers a more narrow, topically interested reader (referred to as “audience segments”). While the most ideal advertising sale for publishers would be cross-site, having the option to purchase in a category-specific section can result in a sale where there might not have been one otherwise. Furthermore, publications can build customized advertising packages, allowing advertisers to buy into one or more of the categories they are interested in.

As a result, many digital magazine publishers having been expanding their editorial coverage to include new subject matter through new channels. This has two potential effects: it can expand their audience reach, or at the very least, increase page views; it can attract the interest of new advertisers. For example, if a fashion magazine were to add a content channel on the subject of travel, the publication could draw new interest from travel-related advertisers that are also interested in reaching that magazine’s demographic. Thus, publishers are using content expansion in an attempt to expand both their audience and advertiser reach, and to ultimately produce new revenue. If done properly, this method of editorial expansion online will still reflect the publication’s interests, voice, and editorial mandate.

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With the above background in place, the next section examines three publications that appear to be informed by a content expansion logic: The Newsweek Daily Beast Company, beliving, and The Atlantic. However, as each publication’s business model is unique, it is important to note that these publications have executed content expansion in different ways. In overview, there are two elements that vary between these publications: the way the product is packaged for that publication’s reinvention, and the ultimate success or failure of that reinvention. Each section will examine the history of the publication to understand its beginnings, its initial online presence, and its subsequent redesigns - all of which emphasize an implementation of content expansion executed through the use of channels.
CHAPTER THREE
THE NEWSWEEK DAILY BEAST MERGER

3.1 INTRODUCTION

Of the publications being analyzed in this paper, the amalgamation of Newsweek and The Daily Beast is the only one that sought content expansion through a classic merger (or maybe in this digital case, neo-merger). Additionally, the merger was the most high profile.

This section seeks to analyze the decline of print, and the battle publications must face to transition into the digital age. Brand development, content expansion and digital pursuits are huge contributing factors for being able to compete in the challenging publishing market. Effectively, this chapter is used to demonstrate that while expanding scope and content coverage is, as a trend, a direction in which many publications are headed, simply expanding content and coverage is not the complete solution. As mentioned, content expansion is an effective route towards discoverability and profit, but it is hardly a complete business model. The specific strategies and goals of each business will ultimately be unique to that publication. The merging of Newsweek and The Daily Beast demonstrates an attempt to decrease overheads and merge brands and content.

3.2 NEWSWEEK

Newsweek is the poster child for the hard-hit realities of newsweeklies in the digital age. The publication, the second most popular newsweekly in America after Time, has existed since 1933. Newsweek touts itself as a publication that “provides comprehensive coverage of national and international affairs, business, society, science and technology, and arts and entertainment.” Over the last half decade, however, it has been hemorrhaging money. In 2009, Newsweek, which had been owned by The Washington Post Company since 1961, attempted a full-scale redesign from graphic layout to editorial. Most notably, the redesign featured increased analysis and commentary, hoping to attract more readers and
advertisers. Unfortunately, this redesign did not have the payoff the company had hoped for. Despite its attempts, the publication did not see an increase in sales.

On August 2, 2010, The Washington Post Company sold Newsweek to Sidney Harman for $1 plus all liabilities, rumored to be valued at over $50 million. The financial failings of Newsweek were leaked to The Daily Beast (with which the title would later merge). Ironically, The Daily Beast published the gory details in August 2010, just a day after the publication was sold:

As with many weeklies, Newsweek’s financial freefall is jarring. Revenue dropped 38 percent between 2007 and 2009, to $165 million. Newsweek’s negligible operating loss (not including certain pension and early retirement changes) of $3 million in 2007 turned into a bloodbath: the business lost $32 million in 2008 and $39.5 million in 2009. Even after reducing headcount by 33 percent and slashing the number of issues printed and distributed to readers each week from 2.6 million to 1.5 million, the 2010 operating loss is still forecast at $20 million.

Unknowingly prophetic, The Daily Beast article goes on to predict that a media merger would be the only way to rescue the publication from inevitable extinction.

Harman’s Newsweek lacks what is necessary for a turnaround: the synergies of another media company. “The right strategic partner can potentially provide scale and synergies on the digital platform,” the [Washington Post Company] memo states. Additionally, if another media company bought Newsweek [...] then the murderously inefficient $55 million in general and administrative costs that Newsweek carried in 2009 (covering everything from finance, accounting, and rent to legal, HR, and IT) could be greatly reduced by sharing resources. Standalone magazines no longer work.

3.3 THE DAILY BEAST

Founded in late 2008, The Daily Beast was created by InterActiveCorp (IAC) and Tina Brown, former editor of Vanity Fair, The New Yorker, and Tatler. The Daily Beast was originally constructed as a website “dedicated to news and commentary, culture and entertainment [...] The Daily Beast curates the web’s best content and offers fresh works from its own talented roster of contributors.”

Brown had a clear plan for competing in the already flooded digital news market. During the first few months of its life, The Daily Beast had no advertising, choosing to gradually introduce ads into their web content in early 2009. Instead, Brown began by focusing on content and editorial strategies:
What’s been lacking for the overwhelmed but smart reader is an intelligent guide [...] The time is right to do a site which cuts through the noise and cuts through the clutter. Rather than worthy “eat your peas news,” The Daily Beast will offer political, cultural and celebrity coverage with “a unique editorial sensibility.”

As part of that editorial strategy, The Daily Beast employed a variety of big names in publishing, from executives to contributors. When it came time to implement advertising, Brown leveraged her status to broker advertising relationships, “targeting higher end advertisers . . . who have a natural affinity with publications where Tina worked before.” Steadily building their following, “with nearly 5 million unique visitors a month after just two years, The Daily Beast [had] evolved into a site that predominantly, offer[ed] original journalism.”

Further, being supported and partially owned by the giant internet company IAC helped substantially. “Caroline Marks, general manager of the new site and a former Comcast Interactive Media executive, said [The Daily Beast] would rely on advertising and sponsorship revenues, but would benefit from promotion from Ask.com, IAC’s search engine, and traffic deals with other portals.” From the beginning, The Daily Beast had all the makings of a successful start-up: high profile staff, ample media buzz, existing advertiser relationships, and the deep pockets of a massive investor.

3.4 THE MERGER

After frequent whispers, in November 2010, Tina Brown announced that the two news outlets, the traditional Newsweek and the “highly opinionated Daily Beast,” were merging their content.

The Daily Beast’s animal high spirits will now be teamed with a legendary, weekly print magazine in a joint venture, named The Newsweek Daily Beast Company, owned equally by Barry Diller’s IAC and Sidney Harman, owner (and savior) of Newsweek.

Yet despite the glowing description, in the same press release, she also describes the merger as “a challenging media experiment.” Of the changes this would create editorially, Brown said:

Working at the warp-speed of a 24/7 news operation, we now add [to The Daily Beast] the versatility of being able to develop ideas and investigations that require a different narrative pace suited to the medium of print. And for
Newsweek, The Daily Beast is a thriving frontline of breaking news and commentary that will raise the profile of the magazine’s bylines and quicken the pace of a great magazine’s revival.55

It seemed that Brown and her partners were confident in their choice to combine the analytic journalism of Newsweek and the 24-hour news coverage of political, cultural, and celebrity focus of The Daily Beast.

Possibly due in part to the longevity and immense brand image of Newsweek and the celebrity of Tina Brown, or possibly to the questionable financial state of both publications, the merger received enormous criticism from the media. David Carr, journalist for The New York Times, attacked the merger with sarcastic fervor, stating it “makes little financial sense [and] includes not much in the way of editorial synergies – is it The News Beast or The Daily Week?”56 Critics were quick to predict the failure of this new union.

3.5 **OUTCOME**

As it turned out, the logistics of the merger didn’t make much sense. While officially changing the name of the company (The Newsweek Daily Beast Company), the title of the publication never actually changed. Although newsweek.com was rerouted to its new home at The Daily Beast, (thedailybeast.com/content/newsweek), the website’s masthead still appeared as “The Daily Beast,” with little to no evidence of Newsweek’s presence. Outside of advertisements for subscriptions to the print edition of Newsweek, it was hard to tell whether the publications were even affiliated.

With a little digging, The Daily Beast readers might find their way to Newsweek’s content, but it’s doubtful many stuck around long enough to discover it. Conversely, the print edition of Newsweek remained the same. The integration of these two products was only really discovered in their editorial calendar, which revealed the two products shared, more or less, the same topical coverage. To downsize overhead costs, the two publications physically combined their resources. But instead of amalgamating content and brands as claimed, The Daily Beast essentially absorbed the digital presence of Newsweek, sequestering it to a small corner of the site, and Newsweek in print apparently ran business as usual.
Are they two separate publications, or one? Where are the lines drawn? Or more aptly, when will they blur? The greatest flaw seems to surround issues of public and advertiser perception. While called a merger, the print edition of the Newsweek brand remained much the same, taking on none of the brand image of The Daily Beast, and The Daily Beast website does not feature much of Newsweek. The products barely changed. Presumably, both the digital and print products were difficult for the in-house advertising sales staff to market. It is likely that the product was sold to advertisers with the choice of purchasing one, the other, or both as a package. With little-to-no continuity between them, one strong possibility is that the two combined as a package were not perceived by advertisers to offer much advantage and were therefore likely difficult to sell. While some publishers are having luck selling sell niche products to advertisers (such as Canada Wide Media’s most successful title, BCBusiness), others like Newsweek Dailybeast appear to be going after maximum numbers through bulk advertising, with both methods seeing varying degrees of success and failure.

Just two years after the merger, on October 18, 2012, The Newsweek Daily Beast Company announced that Newsweek would run its last print edition in December 2012. As of January 2013, Newsweek would be completely digital, available only in tablet form.

Newsweek Global, as the all-digital publication will be named, will be a single, worldwide edition targeted for a highly mobile, opinion-leading audience who want to learn about world events in a sophisticated context. Newsweek Global will be supported by paid subscription and will be available through e-readers for both tablet and the Web, with select content available on The Daily Beast.

Again, this move was met with media criticism. In an article for Ad Age, Michael Learmonth points out, “Newsweek and The Daily Beast are meant to be compatible, but one could argue The Daily Beast is the very thing killing Newsweek. It’s the kind of site that will make it impossible to charge $24.99 a year for a digital subscription.” Learmonth makes an apt observation. Aggregation and other news sites that offer free content are causing revenues to dwindle for traditional news outlets.

Yet it would be surprising to see this as the conclusion of evolution at The Newsweek Daily Beast Company. To be sure, the relationship between Newsweek...
and *The Daily Beast* will be one to watch. It remains to be seen whether the company decides to integrate the brands more closely, distance them further, or fold one altogether. This new iteration of the company is likely not the last, as it is clear it has yet to develop a strong, saleable digital business model. In her press release regarding the digital-only shift, Tina Brown confidently asserts:

This is not a conventional magazine, or a hidebound place. It is in that spirit that we’re making our latest, momentous change, embracing a digital medium that all our competitors will one day need to embrace with the same fervor. We are ahead of the curve. A magazine that will soon turn 80 will now be, when all the changes are unveiled in February, a vigorous young publication all over again, taking its readers to territory that is new and uncharted.58

With the media world watching, Tina Brown and the IAC are likely to have more in store for the future. As ASME’s Sid Holt said, “every magazine has a different way forward,”59 and the leaders at the Newsweek Daily Beast Company appear committed to discovering that path for their publications.
CHAPTER FOUR
BCLIVING

4.1 INTRODUCTION

In 2012 Canada Wide Media relaunched bcliving, a digital-only, lifestyle publication for British Columbians. BCBusiness is the largest title owned by Canada Wide Media and has received several digital redesigns during its existence. Some of these redesigns have been well documented by previous Master of Publishing project reports. Changes made to BCBusiness are, as a trend, then learned from and applied to Canada Wide’s other digital properties. This report uses the lessons learned from BCBusiness’s redesigns to draw conclusions about the motivations for changes made to Canada Wide’s most recent redesign: bcliving. Insight for this section is primarily drawn from Paola Quintanar Zarate’s 2009 Master of Publishing project report, in addition to my time spent as an intern at Canada Wide Media in 2011.

4.2 DIGITAL HISTORY

Canada Wide Media Ltd. is a multi-title magazine publishing company based in Burnaby, British Columbia. Canada Wide is “the largest independently owned magazine publishing company in Western Canada [that] provides a diverse range of media services and products, ranging from high-end printed publications to the latest in digital media.” Over the years, the evolution of Canada Wide’s Digital Media Department (DMD) has been nothing short of dynamic.

In his 2009 Master of Publishing project report, Adam Gaumont explains the history and function of the DMD:

In January 2007, Canada Wide established the Digital Media Department in order to re-launch the websites of its then three major editorial products (BCBusiness, TVWeek, and GardenWise), as well as a corporate website (Canadawide.com) [...] The department is also responsible for generating online-only content, e-newsletter and social media marketing, digital advertising sales, graphic design, and website support for all in-house titles.
From early on, Canada Wide Media has recognized that its web properties need to be as dynamic as the Web at large. Revising workflows to strengthen and refine digital business models has become a defining attribute of, and competitive advantage to, Canada Wide Media. The company set its focus on the site of its largest title, BCBusiness, which - like many web counterparts of its day - was “conceived more as a marketing tool, did not offer a significant source of income, and lacked the proper infrastructure for later growth.” Later in 2007, “in conjunction with [a] consulting company, Canada Wide Media developed several strategies based on its existing resources, needs and future plans, focusing always on the main purpose of the web strategy at Canada Wide: to use digital media as a new tool for delivering content, expanding brands, and increasing audiences, thereby creating a new source of revenue for the company.”

4:3 **BCB: THE DIGITAL LITMUS TEST**

As Zarate explains, the old BCBusiness site simply did not count with the technical resources to offer real solutions for clients, nor did it offer the company a viable business model for growth. The solution, then, was to create a new website that served advertisers and audiences equally by communicating a powerful online representation of the brand, and by reflecting the modern times in which interaction and dynamic media are the norm.

BCBusiness Online would be the first to utterly follow this template; in other words, it would be, with its lessons and successes, a litmus test for shaping new strategies for future sites. Advertisers were already looking for opportunities to reach online audiences by packaging their print campaigns with online initiatives.

The timing was right. Shortly after the 2007 re-launch of BCBusiness Online, Canada Wide created several other websites using the same content management system – Drupal – selected for its flexibility, ease of use, backend continuity, and advertiser and audience attraction. These websites were TVWeek, GardenWise, and GranvilleOnline as well as the corporate site for the company, Canadawide.com.

The third redesign of BCBusiness Online (affectionately referred to as BCBusiness 3.0) came in June 2011 under the leadership of the Director of Digital Media, Shannon Emmerson, and Digital Editor John Bucher. The redesign sought to
“expand the title’s reach, usability, and influence. The site’s cornerstone is an architecture designed to boost discoverability and coherence of content, ease of navigation, and integration of social media [...] Since 2009, BCBusiness has attracted wide praise for the quality of its editorial, both online and in print, receiving some 30 nominations for National Magazine Awards, Western Magazine Awards, and Canadian Online Publishing Awards.”

Updates to BCBusiness Online were executed from 2007 through 2011, and when the site received accolades and presumably successful web traffic and revenue, the company applied similar updates to its other digital properties.

4.4 THE DIGITAL PROPERTIES OF CANADA WIDE MEDIA

Canada Wide has a number of digital properties, some of which are the digital spaces of their print counterparts, including BCBusiness Online, GardenWiseOnline, TVWOnline (of the recently renamed and previously titled TV Week) and YouThink. Others are web-only ventures, including bcliving, and GranvilleOnline (though the latter was originally born from print, later to-be web-only).

In an attempt to downsize costs associated with web properties, and to provide a stronger product to advertisers, and to increase web traffic and overall digital revenue, Canada Wide Media decided to amalgamate four previously independent web properties under the singular bcliving brand. In 2012, bcliving fully absorbed the content and brands of GranvilleOnline, GardenWiseOnline, and TVW, and continued to host content from BCHome and Wellness Matters.

Canada Wide Media executed a unique redesign strategy: though the company amalgamated these five web properties under the bcliving brand, it still retained the brands of those web properties, each functioning as a sub-brand, so to speak. So while the content of these properties is served under different categories within the bcliving brand, these categories serve, in general, as the web property of the original publication. For example, the original TVWOnline domain, www.tvwonline.ca, redirects to www.bcliving.ca/entertainment. While the bcliving
banner remains, a sub-head to the right of the page displays the masthead of TVW and declares it the originator of that section’s content. To better understand the motivating logic, the individual publications and their audiences should be examined.

**GARDENWISEONLINE AND BCHOME**

In its 2009 rate card, GardenWise magazine was touted as BC’s number one selling garden magazine, which published six issues a year to a readership of 123,000. Magazines Canada describes it as a “publication wholly focused on meeting the unique needs and interests of British Columbia gardeners – from novice to master ... [and also] embraces a wide range of subjects – from plant and garden profiles to insightful gardening tips and trends to valuable seasonal information.”

GardenWise existed in print for over a decade and had its own rather successful domain, GardenWiseOnline. Print and web content for GardenWise was entirely original, produced by a variety of in-house staff and regular contributors.

Like the other publications that have since amalgamated with the bcliving site, GardenWiseOnline has retained its own sub-brand under the leading brand of bcliving. Except, in May 2012, four months after GardenWiseOnline was folded into bcliving, GardenWise magazine and its sister publication BCHome were folded into the same print product, re-titled BC Home and Garden. BCHome was hitherto a print-focused product and did not have its own web property, although much of its content was published digitally on bcliving. Prior to joining BCHome, GardenWise had an audience of predominantly female homeowners over the age of 35, with a mid-high household income. Presumably, BCHome had the same (or at least a very similar) audience. The web portion of BC Home and Garden now exists as a section within bcliving.

**GRANVILLEONLINE**

GranvilleOnline – devoted to sustainable living and related underground, niche culture in Vancouver – was also originally a print publication: Granville Magazine. Canada Wide Media decided to fold the print edition and continue the magazine as an online-only publication. The GranvilleOnline rate card describes the publication as
Vancouver’s source for information on local city living in Vancouver, B.C. A compendium of resources and perspectives on all things Vancouver to help you eat, play, work, shop, and live more locally and connect with your community. Learn about Vancouver people doing Vancouver things that enrich and enliven your city, as well as Vancouver news, food, arts, culture, entertainment and events as well as transportation, shopping, sustainable living and more.\textsuperscript{70}

*GranvilleOnline* was produced using almost entirely original content.

**TVWEEK**

The 2009 rate card for *TVWeek* states:

> For more than 30 years, B.C. readers have relied on TV Week as their trusted local source of entertainment news. TV Week brings our readers a fresh and exciting mix of timely entertainment and lifestyle editorial, ranging from our weekly list of the top 10 things to do around town and personal profiles of favourite local celebrities to the latest news from Hollywood. As always, readers continue to count on our authoritative guide to what’s on television, trusting us to help them navigate the increasingly complex multi-channel universe.\textsuperscript{71}

Content for *TVWOnline* came from a few different locations: articles optimized from the print magazine by the digital department staff, original blog content, and purchased from Zap2It — a TV, film and entertainment publication, owned by Tribune Media Services, a company that “provides entertainment, news and features content that reaches over 100 million consumers worldwide every day, through print, online and on-screen media.”\textsuperscript{72}

**BCLIVING**

*bcliving* is a web-only lifestyle publication produced by Canada Wide Media Ltd. *bcliving* was originally launched in 2010 as the *BCLiving Games Guide*, a companion guide for things to see and do during the 2010 Winter Olympic games in Vancouver.\textsuperscript{73} It continued to exist after the games as *bcliving* under the continuing direction of editor Lisa Manfield. It also published content from a variety of sources, including sibling publications that didn’t otherwise have a web presence like *BCHome* and *Wellness Matters*; articles that lined to and promoted online content on *GardenWiseOnline* and *GranvilleOnline*; as well as original blog content and articles.
Previously four independent web properties and brands, in early 2012, Canada Wide media amalgamated these sites under the singular *bcliving* brand. With the above descriptions in place, it can be understood what the sites were like before the amalgamation, but what lead the company towards the decision to combine them in the first place? In her 2009 Master of Publishing project report, Paola Zarate explains,

> Original content is one of the most valuable assets at Canada Wide; with more than fifty magazines, the company owns an extensive archive of original content. The creation of online magazine sites would provide great opportunity to repurpose that content, making much of it available in different formats and therefore profitable again.\(^74\)

Perhaps what Canada Wide did not properly anticipate, however, was the limited capability of that repurposed content to attract both online visitors and advertisers, and the costs involved—both editorial and operational—to create original web content. To make matters worse, the company sought to establish and profit from its new magazine sites at a time when the publishing industry, and digital publishing in particular, faced a devastating economic downturn (as noted earlier with the Nordicity Report statistic of 3% decrease in Canadian advertising downturn in 2009).

To help address the need to increase web traffic and corresponding web revenue, Canada Wide’s Marketing division hired third-party consultant NVI – also used during the last *BCBusinessOnline* relaunch – to “create a new digital editorial product [...] with the express purpose of increasing PageRank.”\(^75\) NVI is a web strategy and digital marking consulting company based out of Montreal, Quebec. NVI offers customizable services for its clients and promises better performance, greater discoverability, and the best possible ROI (return on investment).\(^76\) The results of NVI’s assistance with *bcliving* suggest that the company was hired to assist in the architecture, design, and content strategy of the *bcliving* site. Subsequent to this consultation, Canada Wide brought three of its other existing online titles under the banner of *bcliving*, eliminating the stand-alone domains of *GardenWiseOnline*, *GranvilleOnline*, and *TVWOnline* (*BCHome* and *Wellness Matters* always and continued to publish their content under the *bcliving* banner).
The 2012 bcliving Media Kit touts that “The name says it all! bcliving is about living the good life in BC. We are the province’s go-to resource for inspired everyday living. The only local site to bring you the best of West Coast living, bcliving features quality, on-trend content from both leading web writers and top print magazines in the province on 7 popular lifestyle topics in BC: Food, Health, Home, Garden, Entertainment, Style, and Travel.”

4.6 OUTCOME

In 2009, Paola Zarate commented on the niche nature of Canada Wide Media’s digital properties:

Most magazines produced by Canada Wide are consumer and trade titles that serve very specific niche markets. In an interview, Samantha Legge, the Vice President of Marketing and Digital Media at Canada Wide, emphasized that the magazine sites would continue to feature the same kind of content as the magazines themselves, in order to keep the target markets well defined and make easier the integration of productions under the same brand.

This assertion by Legge indicates that Canada Wide had previously envisioned niche publications as a core piece of its content strategy and business model. The amalgamation of some of these products in 2012 suggests that Canada Wide discovered the niche model did not work or had ceased to work for them online – at least in the lifestyle category.

Placing all of these titles and all of their content under one brand (and site) was likely a very deliberate and strategic move on the part of Canada Wide Media. There are a number of ways in which expanding the bcliving site through the amalgamation of titles, their content, and the implementation of content channels, could have a positive effect on the site’s discoverability and bottom line.

First, Google favours sites that offer more original, regularly published material. Theoretically, by having the content of four sites folded into one property, bcliving will draw higher search results and therefore have a greater number of unique visitors.

Second, all inbound traffic from each publication’s existing audience (i.e., TVW or GardenWise print, site, or e-newsletter readers) will be redirected to the bcliving
homepage. While their initial interest in the sub-brand publication is what brought them there, having the publications and their various topics of interest housed within the same site increases the likelihood a reader might find something else of interest. A GardenWise reader may end up coming across content in the Health section and follow his or her interests through the site as he or she pleases, resulting in more page views. There is a great potential to multiply engagement per user, which did not exist prior to the relaunch of the supersite when the publications and their subsequent subjects were housed separately.

The use of multiple channels under the bcliving banner opens up a variety of new sales strategies that provide sales staff with greater options to offer advertisers. Sales staff can offer advertisers complete “run of site” opportunities where they can advertise to the varied audiences that find their way to the bcliving site. But they can also offer advertisers specializing in different products opportunities to reach audience segments. The advertisers might only wish to reach readers in the Garden section of the publication, as opposed to Entertainment or Health. The ability to customize the audience they wish to reach substantially increases the chances that advertisers will purchase ad space.

It is evident through the literature on BCBusiness, specifically the project report of Paola Zarate, and the continued redesign efforts, that Canada Wide Media is pursuing a model that will please readers and advertisers, while simultaneously monetizing their web properties. Trials, redesigns, and forward-looking experimental digital innovation allowed Canada Wide to find seemingly the right strategic model for them. As has become evident through this paper, the balance and execution of strategy differs from publication to publication.
CHAPTER FIVE
THE ATLANTIC PROPERTIES

5.1 INTRODUCTION

As The Atlantic magazine and TheAtlantic.com are owned by a company of similar name, The Atlantic Media Company, stylistic cues will be used to distinguish between the different entities. TheAtlantic.com will be used when referring to the website, The Atlantic, in italics, when referring to the magazine, and The Atlantic Company, in roman, when referring to the interests of the company as a whole. Additionally, The Atlantic Monthly (appearing occasionally in quotations) refers to an old incarnation of the magazine, which changed its name to The Atlantic in January 2004.

In regards to the two independent domains, TheAtlanticWire.com and TheAtlanticCities.com, the “.coms” will be dropped in favour of The Wire and The Atlantic Cities where appropriate.

5.2 HISTORY

Under editor James Russell Lowell, the first issue of The Atlantic Monthly was published in November 1857. As Cullen Murphy, past managing editor describes, the magazine was founded before railroads crossed the North American continent, before Abraham Lincoln came to his presidency, when slavery was a very real part of society, and before Darwin’s Origin of Species was released. With the original “bill[ing] as a journal of literature, politics, science and the arts,” one of the original purposes of The Atlantic Monthly was to provide intellectual nourishment to Americans, “to serve, so to speak, as the nation’s dining room table.” And as Murphy emphasizes, this monthly magazine came at a time when Americans desperately needed a platform for progressive thought.

The Atlantic Monthly’s Declaration of Purpose, which was printed in its first issue, reads as follows:
In politics, *The Atlantic Monthly* will be the organ of no party or clique, but will honestly endeavor to be the exponent of what its conductors believe to be the American idea. It will deal frankly with persons and with parties, endeavoring always to keep in view that moral element which transcends all persons and parties, and which alone makes the basis of a true and lasting prosperity. It will not rank itself with any sect of anties: but with that body of men which is in favor of Freedom, National Progress, and Honor, whether public or private.\(^{83}\)

*The Atlantic* also has a publication history worth boasting about. It was the first to ever publish Mark Twain; owns handwritten drafts of poetry by Robert Frost; ran dispatches from civil war battlefields written by Nathaniel Hawthorne; ran pieces written by Martin Luther King Jr. while in prison; and even bought and published “Fifty Grand,” Ernest Hemingway’s first published work. But despite its incredible past, Murphy asserts, “one thing that *The Atlantic Monthly* is not is an antiquarian enterprise, a museum piece.”\(^{84}\)

### 5.3 MULTIMEDIA COMPANY: THE EVOLUTION OF A BUSINESS MODEL

Murphy’s assertion is particularly significant because over “the last few years, *The Atlantic* has been undergoing a gradual evolution from a magazine publisher to a multimedia company.”\(^{85}\) So great has been its recent success that, in October 2011, “the company marked a very modern milestone: digital advertising revenue exceeded print advertising revenue for the first time. [The share is split] 51% digital, 49% print, [and was not a result] of a decline in print.”\(^{86}\) Surprisingly, just three years prior in 2008, their total digital advertising revenue was only 9%.\(^{87}\)

But this feat did not come without effort. In 1999, David Bradley purchased *The Atlantic* from Mort Zuckerman and founded The Atlantic Media Company.\(^{88}\) However, it took years to put the new ‘media company’ namesake into actual practice. David Bradley “has compared his quest to put *The Atlantic* on a sound financial footing to the sleuthing of Inspector Clouseau. Various ploys, from improving the quality of the magazine’s paper to raising and then lowering the cost of a subscription, all failed”.\(^{89}\) Finally, their digital-first evolution began in January 2008 when *TheAtlantic.com* brought down its paywall, offering all content from print issues (from 1995 on) for free, as well as blogs and other web-only content. Their logic at the time, as stated by the website, was to hopefully convert online...
readers to print subscribers, and ultimately, use the site as an experiment to see how big the audience could be.90

5.4 THE ATLANTIC WIRE: GOING AFTER DEMAND

The next huge change to The Atlantic Company’s online strategy came in September 2009 when it launched TheAtlanticWire.com, a sister-site to TheAtlantic.com, that was to focus on op-ed and news aggregation. “A small team of full-time staffers was tasked to synthesize and analyze the takes from the U.S.’s leading commentators in rapid, pithy blog posts that liberally quote (and link to) their sources.”91 The Wire made a huge difference to the game The Atlantic Company was trying to play. The Wire, as an independent domain borrowing on The Atlantic brand, allowed The Atlantic and TheAtlantic.com to keep their original mandate, while providing a new platform on which to expand their focus and appeal to their readers.

In an article titled Inside the Atlantic, Lauren Indvik, associate business editor of Mashable.com, outlined the two important things The Wire did for The Atlantic Company and its brand: “It has further established its editorial team as curators, helping readers cut through the mass of content put out on the web and in print each day; and it has placed The Atlantic Company in the news game for the first time.”92 She goes on to quote Justin Smith, president of The Atlantic Consumer Media, who confirms the logic behind the company’s decision to move into news aggregation: “The web is a news medium, and you can’t compete ambitiously on the web if you’re not in the news flow. [Before The Wire], TheAtlantic.com’s strategy had been to do next-day analysis. Now we are set up to do that analysis instantly.”93

5.5 THEATLANTIC.COM

Adding The Wire marked the first real divergence from The Atlantic’s original print mandate, as well as its desire to provide different content to its readers. But this was just the beginning of their internal volume expansion.
As *The Atlantic* becomes broader and faster, it’s also going deeper. In February [2011], *TheAtlantic.com* launched a redesign that divided its content into topic-specific channels: politics, business, culture, international, science & technology, national and food. (Culture and food have since been replaced by entertainment and health).

Staff members were assigned to cultivate specific sections and deepen the scope of online content, and ultimately, expand their audience. Gabriel Snyder, editor of *The Wire*, states: “We’re more focused on unique [visitors] than pageviews. We have a real incentive to grow our audience. The bigger our audience gets, the bigger the site becomes, and the more our parent company is willing to invest in us.” But amid all the content expansion, *The Atlantic* has done an impressive job staying true to itself. Jay Lauf, vice-president and publisher of *The Atlantic* “refutes the notion that long-form journalism, a trademark of the magazine, is less effective on digital platforms. Some of *The Atlantic’s* longer pieces, he points out, have racked up 80,000 likes on Facebook.”

### 5.6 *THE ATLANTIC CITIES: EXPANDING CONTENT*

In an interview, Bob Cohn, editorial director of Atlantic Digital states, “about a year ago we started looking at how the [economic] crash was going to reshape American cities.” Richard Florida, senior editor at *The Atlantic*, was contributing intelligent, unique pieces to The Atlantic on social and economic issues affecting America and the world. Florida is also “one of the world’s leading public intellectuals on economic competitiveness, demographic trends, and cultural and technological innovation.” In addition to his role at *The Atlantic*, Florida is the author of several bestselling books and has also been a contributor for *The New York Times*, *The Wall Street Journal*, *The Washington Post*, *The Economist*, *The Globe and Mail* and *The Harvard Business Review*. He is also an American Urban Studies professor at the University of Toronto. Of Florida’s writing at *The Atlantic*, Cohn continues, “We found that Rich’s work in print was very smart and popular, so we began investigating whether there was more we could do.” Noticing the importance of Florida’s work and the demand for him throughout the world, *The Atlantic* discovered an opportunity for digital content expansion.
So in September 2011, The Atlantic Company launched another digital expedition, TheAtlanticCities.com, a stand-alone domain designed to explore urban issues around the U.S. and abroad. As is revealed by its mission statement, “The Atlantic Cities explores the most innovative ideas and pressing issues facing today’s global cities and neighborhoods. By bringing together news, analysis, data, and trends, the site is an engaging destination for an increasingly urbanized world.”

Regarding advertising potential of the new site, Cohn stated, “this is a big editorial opportunity and a big business opportunity. There are a lot of good b-to-b websites [covering the subject of cities] but in the consumer space, only a few large brands like The New York Times and Wall Street Journal did an occasional story. There weren’t consumer sites dedicated to the topic of cities and suburbs.”

Developed under the esteemed brand of The Atlantic, offering coverage on global urban news and analysis, The Atlantic Cities appears to target a primary audience of forward thinking, urban development professionals, such as architects, government employees, designers, engineers, and politicians, but also people who reside in and are interested by cities. This target demographic is not only a market with high-paying jobs, but also a market that spends a lot of money professionally in development contracts. “We didn’t go out originally trying to sell this as a single-sponsor project, but Dow is heavily invested in this space and was willing to make a significant commitment,’ says vice president and publisher Jay Lauf.”

While The Atlantic Company was taking a risk in producing an editorial product that had never been attempted, it could have confidence in its lucrative, vertical interest demographic that a variety of advertisers would likely be interested in reaching. It found this in The Dow Chemical Company,

a diversified, worldwide manufacturer and supplier of products used primarily as raw materials in the manufacture of customer products and services. The Company serves the following industries: appliance; automotive; agricultural; building and construction; chemical processing; electronics; furniture; housewares; oil and gas; packaging; paints, coatings and adhesives; personal care; pharmaceutical; processed foods; pulp and paper; textile and carpet; utilities; and water treatment.

The eagerness of Dow to participate as launch partner is proof that The Atlantic Cities successfully secured a sound match of a desirable audience and wealthy
advertisers looking to reach them. Expanding the scope of The Atlantic’s editorial coverage appeared to be working.

5.7 QUARTZ.COM

On September 24th of 2012, The Atlantic Media Company launched its latest title, Quartz.com. Quartz is a business and finance publication, described as “a digitally native news outlet, born in 2012, for business people in the new global economy. We publish bracingly creative and intelligent journalism with a broad worldview.” Aside from being the first of The Atlantic Media Company’s digital ventures to forgo the company namesake, the most interesting and innovative element is that the site was built primarily for the devices closest at hand: tablets and mobile phones [...] Our design began with the iPad foremost in mind, and we modified it from there to suit smartphones and, finally, personal computers. Your experience with Quartz should befit the hardware you visit us with and shift as seamlessly as you do from phone to tablet to laptop and back again.

This development strategy at Quartz is even greater testament to how fully The Atlantic Media Company values a digital first strategy. What’smore, Quartz has received substantial media buzz for its impressive early metrics. During the first three months of its existence, the site received a staggering amount of unique visitors: 840,343 in October, 858,183 in November, and 1,400,000 in December. Like with the launch sponsorship of The Atlantic Cities by The Dow Company, the Quartz launch was also able to secure launch sponsorships, but this time in greater numbers, featuring Boeing, Cadillac, Credit Suisse and Chevron. Described as an ‘atypical’ approach to advertising, Quartz is said to feature sponsored content as an “essential part of the site itself,” offering a branded-content section called the Quartz Bulletin. This new business and finance focused content is enormously outside the pre-existing editorial coverage of traditional Atlantic content and advertising strategies. While still in its fledgling stages, the expansion of content through Quartz demonstrates The Atlantic Media Company is a fierce competitor in the realm of digital publishing innovation that truly sees the value in content and digital experimentation.
5.8 OUTCOME

The Atlantic Company has effectively reinvented its digital content strategy and business model. It developed new channels for releasing in-demand content, effectively acquiring new readers and advertisers. In November 2011, Jeremy Peters noted that “over the last five months, Quantcast measured global monthly visitors to TheAtlantic.com at 5.4 million [and another] 1.3 million monthly domestic visitors to The Atlantic Wire.” As of December 2011, The Atlantic Company’s three digital properties are said to attract a monthly audience of 11 million” (predating statistic releases for Quartz).109 This once-traditional, thought-driven print publication known for its lengthy editorial pieces arrived at digital stardom after entering two markets that finally brought them discoverability online.

The first: the traffic-heavy news market. As so many users look to the internet for news, The Wire opened The Atlantic Company to a new demographic. The Wire would curate up-to-the-minute news, aggregated and otherwise, carefully selecting stories that fell among its present editorial interests, while preserving the integrity of in-depth, opinion journalism found in print and on TheAtlantic.com. In developing The Wire, the company capitalized on The Atlantic’s brand, reputation, and existing following, resulting in increased page views, and a more engaged audience. Like the combination of Newsweek and The Daily Beast, The Atlantic Company saw the logic behind combining the efforts of long-form journalism with up-to-the-minute news coverage.

The second market The Atlantic Company discovered led to an independent domain, The Atlantic Cities. The global urban-news market, hitherto untapped in the consumer domain, was a logical extension of some of the content The Atlantic (and TheAtlantic.com) had already been producing. Since its senior editor Richard Florida was already an expert in the field, The Atlantic Cities was prime for development. This progression of editorial content has allowed The Atlantic Company to become a leading web authority on a special interest. A similar sourcing of un-tapped markets is also seen in the development and growth of Quartz.
The choice to use separate domains for these products allowed the company to expand its editorial focus without clouding the highly respected editorial mandate of *The Atlantic*. Further, by retaining “*The Atlantic*” in the title of its new property, and using crossover content between *The Atlantic Cities* and *The Atlantic/TheAtlantic.com*, it created an unquestionable continuity between its independent but united products.

Additionally, the package it was able to present to advertisers encompassed The Atlantic Company’s properties in their entirety. Certainly the company would not turn down an advertiser who only wished to appear on *The Wire* or *The Atlantic Cities*, but, as publisher Jay Lauf explains, “advertisers see the value of being able to surround their target audiences in different platforms.” Dow, *The Atlantic Cities* official launch sponsor, began as a digital-only sale. However, after seeing plans for an upcoming infographic on the topic of cities in the print edition, Dow chose to buy ad space in print as well. As Lauren Indvik explains, “one of the most interesting aspects of *The Atlantic*’s digital success is the unexpected effect it has had on print [...] In fact, *The Atlantic* sold more print ads in October [2011] than it had in any other month since David Bradley acquired the title in 1999.”

Its method of content expansion and its execution of channels organized the content internally under one brand, but also externally through the use of separate domains. While its treatment of content expansion has taken on an unusual form, The Atlantic Company’s properties have been an effective method of expanding editorial scope and readership while simultaneously retaining the original mandate of *The Atlantic* and its web counterpart, *TheAtlantic.com*. *The Wire*, *The Atlantic Cities*, and *Quartz* were an intelligent way to evolve The Atlantic Company brand and strengthen not just its digital future, but also the business model and revenue of the entire entity.
CONCLUSION

Amid the competition for discoverability on the internet, the implicit user demand for free content, and the devalued perception of online advertising space, publishers are in a challenging position. Since the arrival of digital, publishers have continually taken hit after hit, being forced to invest time, money, and human resources into new products hoping to reverse their dwindling annual revenues. More often than not, these reinventions require multiple iterations before a reliable content and business strategy is found.

Due to the dynamic nature of the web, it is difficult to retain a strategy for more than a few years. As the internet continues to develop and take shape, the conventions that guide it and methods that dictate its use shift and change. While internet experts and publishing strategists attempt to provide the world with guidelines and best practices for web success, it seems progress and change are just a few steps ahead. The constant changing nature of the internet inevitably leads to a shift in strategies, one continually following the other, as is demonstrated by the shift by many publications from a niche strategy to volume expansion.

Those who wish to be a competitive force on the internet must be open to change and risk-taking, such as those taken by The Newsweek Daily Beast Company, Canada Wide Media, and The Atlantic Company. At this stage in the development of online commercial sites, trial and error are the cornerstones of progress, no matter what platform or industry one is in. While no one model can provide the solution, new, experimental strategies must be considered by each individual publication so as to best minimize costs and increase revenue, while producing a valuable editorial product. The review undertaken in this paper suggests that certain publications are finding that by expanding the content their editorial products they can increase their audience, thereby increasing their chances of increasing their advertising revenue.
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