Tablet Magazines and the Affects on the Magazine Industry

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Abstract

The purpose of this study is to determine the affects tablet magazines have on the magazine industry. It includes research on past and present circulation trends for print and digital magazine consumption. Interviews of industry professionals were conducted, giving their insight into the development and consumer attitudes toward iPad tablet magazines. An online survey questioning subscription, functionality and general views of both tablet and print magazines was distributed as well as an in person case study that allowed users to physically navigate, observe and compare an iPad magazine and its print counterpart. The results of this study can be used to predict the impact of a recent technological introduction—the iPad magazine and its affects on the current and future magazine industry.

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Chapter 1. Introduction

The past few decades have been filled with revolutionizing technological advancements. Setting the stage in the 1960's was the release of the Internet; eventually transforming how the world interacted and consumed information and entertainment. In April 2010, there was yet another revolutionizing invention; the touchscreen iPad developed by Apple Inc. Unlike its smartphone forerunners, the Apple iPhone and Google Android both of which integrate touchscreen interactivity; Apple's iPad has a much larger touchscreen. While both devices utilize the same technology, the iPad is most similar to that of a computer, having access to design, text editing and various other editable programs. This new development has allowed magazine publications a new and innovative method of delivery that has the potential to transform how consumers view magazines.

Apple Inc. has undoubtedly played a significant role in technology innovation. Chief Executive Officer, Steve Jobs announced in August 2011, "We're thrilled to deliver our best quarter ever." So what does a record-breaking number of 9.25 million iPads, almost triple the number sold during its debut in 2010, signify for magazine publishers? Publishers have realized the popular growth and convenience of electronics and for years have been publishing complimentary online content for their digital readers in order to keep a substantial audience. In a society where the majority of reading is transitioning from printed to electronic formats, the potential to increase readership via tablet magazines is a major opportunity. The uniqueness shown in tablets and mobile devices to easily navigate, transport and access information should suggest electronic publication readership to be increasing; yet, it is not. This study asks: How does the introduction of tablet magazines affect the magazine industry?

It was believed the release of the iPad would forever change how magazines, books, and newspapers were consumed. When *WIRED's* first iPad edition sold more than 100,000 copies, tablet magazines were thought to have arrived at last. However, following its initial success, along with many other publications such as *Vanity Fair*, *GQ* and *Glamour*, tablet magazine sales have been quickly dropping (Elgan, Mike.) This begs the question of whether or not the magazine industry should even consider the option of tablet magazine subscriptions. Many aspects of technology are advancing, but the popularity of a tablet magazine is not.

Each individual has a unique reason for purchasing a magazine. Motives vary from leisure, information and education to color, design and imagery; each area of interest must be equally accessible through use of a tablet. When designing a product where impulsive purchases are a large source of revenue, understanding reader demographic is vital to generating revenue. In this case, impulse refers to the event of a consumer buying a magazine while in a check out line as opposed to going to a store specifically to purchase a magazine. With tablet magazines, publishers do not have the convenience of physically displaying their product to consumers on a daily basis. Consumers looking to tablet magazines are hoping for two features; an experience similar to what a printed magazine provides and enhanced digital features that allow content to be viewed and interacted with. In order to make tablets a viable alternative, designers are studying various magazine elements to establish how they should be replicated in digital form. Full-page images, vibrant colors, and aesthetically pleasing design are the basis of digital magazines. In addition, 360-degree views of products, interactive commercials and videos have been integrated into tablets to provide an enhanced positive user experience. What consumers are not interested in is paying for issues on a

monthly basis; ultimately paying around $60/year, as much as two times that of a yearly print subscription. Unfortunately, this revenue stream is the only current option available for many electronic magazine applications.

The physical aspects of the iPad need to be considered as well. The touch screen feature allows the user to 'flip' or 'swipe' through the digital magazine, mimicking the original flip of a print version. This allows the user to be comfortable and in control; little background knowledge is needed to navigate and operate the device. Additionally, placed amid articles and advertisements, various icons can be 'tapped' to view supplementary information. Unlike print versions, iPads have the ability to be viewed in landscape (horizontally) or portrait (vertically,) thus giving the user two options for comfort. For this reason it is particularly important to keep layouts similar for navigational purposes.

The purpose of this study is to analyze tablet and print magazine readership, usability and aesthetics, ultimately grasping the popularity of tablet magazines, specifically the iPad, and their affect on the print magazine industry. Print magazines have not seen any sizeable damage since the introduction of the tablet. That isn't to say digital versions cannot play a significant role in helping magazines gain a larger readership. Analyzing consumer attitudes and insights of tablet magazines, as well as researching purchasing trends in print and digital media will help gain insight into where the majority of magazine readers will exist. Will most stay with print? Switch to digital? Or could it be possible to support both media? Additionally, questioning consumers regarding their opinion of the necessary elements needed to create an appealing magazine as well how often they purchase magazines of either

media, will assist in determining how tablet magazines are affecting the printed magazine industry.

Chapter 2. Review of Literature

Upon the release of a new product, Apple is continuously able to create an unprecedented amount of interest. "Less than a week after its announcement, a Google search for "iPad" resulted in more than 13 million hits. And, I watched more than a dozen new results being fed, in real time, from Twitter and other sources in the few moments I spent on that search page," recalls WhatTheyThink's senior editor, Cary Sherburne (Sherburne.) The device has the ability to make available any information or entertainment source. Being able to view that content anywhere should be made easy. With its lightweight, almost magazine-like build and large touch screen design this is possible.

The much-hyped creation of tablet magazines led publishers to pour millions of dollars into the iPad application in anticipation of it revolutionizing the industry of magazine and newspaper consumption (Peters). With an astounding number of initial tablet magazine sales by *GQ, WIRED* and *Popular Science* it seemed to be true. Before Apple's release of the iPad, there had never been a tablet magazine that included touch screen interactivity, full-page imagery, or vibrant graphics. But after preliminary success, sales of following editions dropped. iPad sales for *WIRED* went down to 22,000 for October and November, respectively. Magazines in which content was not geared toward technology, digital devices or recent inventions saw a loss of around 20 percent. *Vanity Fair* sales dropped from 10,500 to 8,700 downloads; *GQ* from 13,000 to 11,000; *Glamour* from 4,301 to 2,775 (Elgan). It came as no surprise that iPad magazine genres focused on science, technology and computers held the highest digital readership, with titles such as *Popular Science, WIRED, GQ, and Men's Health* (Rodriguez).

Being the first of its kind, the interface of the iPad's tablet magazine inevitably produced several unsatisfactory features. Navigation proved difficult for readers to follow while unnecessary scrolling and limited text added to reader frustration. The *Times* app filled the screen with photos, made text viewable only after scrolling to the bottom of the page, and only placed selected text from the print version online. *GQ* turned picture captions off while *Popular Science* used an excess amount of design making reading impossible. In order for the iPad to do for magazines and newspapers what the iPod did for music, publishers will have to create products that take full advantage of the iPad's display and interface (McCracken).

While the supposed digital magazine revolution was occurring, print magazine subscriptions were surprisingly feeling very little of technology's negative side affects. Statistics complied by the Audit Bureau of Circulation (ABC) detailed trends in printed magazines. Over the past 40 years they followed and documented circulation of the top 100 magazines. Single-copy circulation and subscription circulation sales were presented. Figures showed that, for the majority, single-issue circulation was consistently decreasing between 2000 and 2010 while subscription circulation was on the rise between the same years ("Historical Subscriptions/Single Copy Sales"). This could reflect the population's desire to save money, seeing that subscriptions are generally cheaper than buying "per issue." Having this background knowledge of print magazine circulation, offering yearly digital subscriptions would seem like a logical first step to increase the audience for tablet magazines. This is, observably, one of the many alterations publishers of tablet magazines need to overcome before iPad magazines become as attractive to consumers as print already is.

Various other attributes in need of enhancement are barely discernible. The single step of having a printed magazine arrive automatically every month may seem negligible; however, when a digital issue is not automatically downloaded each month, readers cannot understand why. Thomas Baekdal, creator of multiple online magazines and website, including The Canvas Community writes on his website, "even compared to the web, downloading seems to be a hassle. When visiting any website users don't have to first download the entire site to their desktop computer before reading any of the articles. It's just there; live, in the cloud" (Baekdal). In regard to Apple's iTunes Store, searching for iPad magazine apps is nearly impossible. Books, Podcasts, Movies, Music, they all have their own homepage tab. Seeing that consumers are only somewhat interested in digital magazines it would seem essential to make every step prior to downloading a digital issue as easy as possible, yet there has been no further development of an iPad magazine tab for the Apple Stores home page. Furthermore, Apple does not present an option to view all magazines on a single page. The only way to search for an iPad magazine is to physically type the magazine title into the search bar. This is a seemingly complex process opposed to print delivery and instant online articles.

In order of importance, design functionality, lack of automatic downloading, and poor searchability all fall behind the issue of price. Whereas puzzling design aspects may inconvenience readers, similar pricing between single-issue print and digital issues have readers outraged. Based on a Condé Naste survey "users expected to be able to purchase a yearly subscription to digital magazines, an option many magazines are still wrangling over (Moses)." Jeremy Peters of the *New York Times* observes, "Being able to sell subscriptions through the most popular tablet device on the market is no small matter for publishing

companies, which have always relied on subscribers as the cornerstone of their business. With limited exceptions, most magazines rely not on newsstand sales, which are impulsive and irregular, but on subscriptions" (Peters, Jeremy W).

Historically, print magazines could be purchased on a single-issue basis via newsstands for about four or five dollars. A yearly subscription averaged around 10 to 20 dollars, dropping the per issue price to approximately one dollar. For the majority of available iPad magazines, purchasing on a single-issue basis for one year can ultimately cost anywhere from $254 for *Time* magazine to $35 for *GQ* ("IPad vs Magazines"). This is where iPad publishers have gone wrong. "If you look at the Apple store," said David Carey, president of *Hearst Magazines*, which offers five publications on the iPad, "the most common reason people give an app a low rating is that it lacks a subscription option. They want to subscribe, and they don't like the idea of paying $4.99 a month" (Peters). "People understand intuitively that a print issue involves the chopping down, trucking and processing of trees, the use of expensive inks and heavy labor-intensive manufacturing, packaging and distribution. They also understand that none of these costs are necessary for an electronic edition distributed over the Internet" (Elgan). If charging more for an electronic version continues, the magazine-buying public will feel taken advantage of.

If tablet magazines are to have a significant future, the best model is for them to be significantly cheaper than paper. Allowing readers to view high-resolution magazines for free would be nice, but it poses the risk of paying customers switching to free electronic versions. The best answer is somewhere between the current prices and free. Once a lower price is established, a higher readership should be expected. With the opportunity to show 360-

degree views of products, links directly to company websites and customer interaction within digital commercials, the opportunities for advertisers to innovate are abundant. Capitalization for tablet magazines should be vastly superior advertising (Elgan). In an *AdWeek* article entitled "Mags Get Pushback on iPad Pricing" author Lucia Moses writes, "Magazines are pinning their hopes on the iPad…to help offset a decline in circulation and ad revenue." This is a great example that expresses how advancements in technology work to help print publishers. Previous president of Hearst, Cathleen Black, now chairwoman of the division, states, that the debate between digital and print magazines in "not an 'either-or' proposition…it's both," reaffirming the fact that people often set digital and print up against each other when in fact it is the most beneficial for both to work together ("The 'How' of Quality").

Mike Elgan suggests a pricing method for *WIRED* magazine, "$6.00 on the newsstand, about $1.00 per copy with a subscription and maybe 75 cents per issue for the iPad version." As previously mentioned, the real money will come from innovation in advertising. "Publishers should not rely on the assumption that readers want to be merely readers," writes Jeff Jarvis, a highly respected media thinker, journalism professor, and author of *What Would Google Do*? "They have proven a will to create and share. What makes the tablet special is that one can interact with content – just presenting content is lazy." Apple's newest release, the Flipboard for iPad, was clearly created with the previous statement in mind. Think of the device as 1/3 social media, 1/3 web browsing for the most up to date news and 1/3 magazine. The new program gives publishers yet another innovative way to deliver news with a magazine-style layout. Each article or advertisement includes a link either to the company's website or Facebook. If the reader enjoys the article it is simple to send to a

friend via email or post on their Facebook wall. Flipboard connects any user to their social network and gathers all the important information from friends it thinks they will be interested in. It is always up to date because it updates when friends update. Therefore, it is easy enough to share and reply right within the app ("Magazines on IPAD").

"I think the real problem is that people just aren't interested in these apps," noted Khoi Vinh, former design director of *New York Times.com*. That is because most iPad magazines are nothing more than delivery mechanisms for print content — what Condé Nast calls "digital replica editions." He continues with, "In spite of all the added video and three-dimensional rotations and other nonsense, the core thinking behind a lot of these apps is still very, very print-centric" (Kansara). With the combination of an effective digital pricing structure, per issue, high advertising innovation and integration of up to date, social media features, the iPad magazine has the chance to expand and improve business success.

Chapter 3. Methodology

To determine the popularity of tablet magazines and their affect on the magazine industry, this study conducted Elite and Specialized interviews, historical research, descriptive research in the form of surveys, case studies and content analysis. Predicting the direction of future consumer purchasing trends for tablet and print magazines is a very subjective undertaking. For that reason, the research done for this study was much different than it would be for a more scientific investigation.

One method used to assist in the research of the affects of tablet magazines was talking with industry professionals in Elite and Specialized interviews. These interviews vary dramatically from an average survey due to the interviewee's position in the industry. They are typically experts on the subject and heavily involved in the developmental stages of their organizations' product. Interviewing industry experts is a valuable way to gain insight. Due to their expertise, unique opinions can further support the knowledge gained from literature review. According to the famous communication theorist, Lewis A. Dexter, who devised this process, Elite and Specialized interviewing gains expert knowledge in a way that maximizes the amount of useful information. The format of the interview is tailored to the interviewee, therefore; the interviewer needs to prepare open-ended questions that can later be revised and expanded on as research continues. Because an elite interview occurs in the form of a conversation, the researcher must go into the interview with full comprehension of the topic. Dexter outlines the six steps to a good interview, they are as follows: open the interview with a general question, avoid leading questions, avoid "why" questions, avoid "either/or" and "yes/no" questions, accept the interviewees definition of the situation, and

encourage the interviewee to structure the account of the situation, and make the interviewee sense that the information provided will make a major contribution to the study (Levenson.)

Speaking with people involved in the development of both print and digital magazines is a fundamental step in this study. Getting inside opinions on what is currently happening with tablets and the changes being made is important in understanding where the future of tablet magazines is heading and the part they will play alongside print magazines. The interviewees this study was able to speak with were Bob Kanell, Director of Operations for Sports Illustrated and Tyler Imoto, Digital Advertisement Operations Manager of the Lifestyle group for Time Inc. During the interview, questions consisted of: Please describe the business challenges iPad magazines are facing. How do consumers view tablet magazines, what functionality issues are being dealt with? What is your company doing to enhance various features and user interactivity? How are tablets like the iPad affecting the print magazine industry? What is your opinion regarding the price of individual digital issues compared to print?

Looking at historical research and past circulation numbers of consumers' magazine reading habits is another helpful way in gaining essential information. Historical research involves analyzing past research and trends and applying in to the present question in order to determine future trends (Levenson). This research method was extremely helpful in gaining statistics of past circulation numbers as well as popularity numbers of print and digital magazines and how often both are normally read. This research was, for the majority, done through The Association of Magazine Media. Unlike newspapers and television, magazine audiences are growing at a faster rate. Adults under the age of 35 showed a 3.8 percent

increase in readership between the years of 2006-2010. Additionally, when digital readers were asked to compare digital magazines to similar content on websites, results showed that interactive magazines were four times more engaging than websites. "Both advertisements in print and digital magazines have more value," say consumers. They consider the ads to be "helpful and interesting" and have the least negative impact on the readers experience when compared to advertisements on television, radio, e-mail inbox, website banner, ect ("Circulation for all ABC Magazine"). By pulling out relevant material, the study was able to get a clear picture of how magazine sales and circulation has varied and how it might continue. It also helped define the pros and cons associated with both print and digital magazines.

Descriptive research is another research method essential to this study. By conducting surveys and case studies on a number of people for their opinion on digital versus print magazines, predictions can be made about what should be done in the future to further enhance reader satisfaction. Descriptive research studies gather outside information that cannot be gathered by interviews or historical research. Two methods of descriptive research were carried out for this study: a sample survey of tangibles and a case study. A sample survey of tangibles is a type of survey that takes the opinions and thoughts of a sample group that reflects the views of the population as a whole (Levenson). The survey asked a sample of 77 Cal Poly Graphic Communication and other college age students about their opinions on magazine tablet and print usability, per issue price and subscription options and general attitudes toward tablet magazines. The case study gathered results from a smaller group of 10 Graphic Communication students, who were asked to download and review one of two iPad digital magazines: *WIRED* or *GQ* and their print counterparts. Graphic

Communication students were asked to partake in the case study based on location convenience.

The sample survey was conducted through surveymonkey.com so the large number of respondents' answers could be easily tallied and analyzed. In order to reach the needed amount of people, invitations were sent out through personal emails specifically to the Graphic Communication Department and to college age peers via Facebook. The questions asked on this survey were as follows:

Print Magazines

1) How often do you read print magazines?
    a. 2-3 times a week
    b. once a week
    c. once a month
    d. rarely/never
2) How many magazines do you subscribe to?
    a. 0
    b. 1-2
    c. 3-5
    d. more than 5

Tablet Magazines

3) Do you own a tablet (iPad, Kindle, Nook, etc)?
4) Would you buy a digital magazine for a tablet (assuming you owned one)? (Yes/No)

5) How much would you be willing to pay for a single issue?
    a. less than $2.00
    b. $2.00-$3.00
    c. $3.00-$5.00
    d. more than $5.00
6) What features are you looking for in a tablet magazine? (Mark all that apply)
    a. vibrant colors
    b. full page photographs
    c. ease of navigation
    d. interactivity
    e. informative content
    f. external links
    g. other (explain)
7) Are yearly subscriptions or single issues more appealing? (single/yearly)
8) If so, should yearly subscriptions be automatically downloaded at regular interval through your iTunes store? (Yes/No)
9) Would a digital issue be more appealing if the option to 'like' or 'share' articles with friends or post on their wall was available? (Yes/No)
10) If you owned a tablet would you rather subscribe to a magazine via tablet, or printed version or both? (Tablet/Print/Both)

Using the case study method of descriptive research, the group will give feedback on ease of navigation, interactive features from the tablet magazine. Each study is administered on a one-on-one basis where the tester has access to an iPad, follows the steps given to them and

after fills out a short survey. The steps and questions for the case study were the following quantitative questions:

Steps

1) Please go to the Apple Itunes Store and download *WIRED* magazine for tablets.
2) Flip through the pages and make note of navigation, color, graphics, and interactivity.
3) Repeat step 2 with the print version
4) Fill out the short survey.

Survey

1) Was the digital version price reasonable? (Yes/No)
2) How was navigating through the magazine, articles and advertisements? Explain.

   Print

   Digital
3) What interactivity was there? Did it make the experience more/less enjoyable?
4) Please name a few differences/similarities between the digital and print versions regarding graphics, photographs, and color.
5) Would you continue to buy tablet magazine issues (after your experience with this one/assuming you had a tablet)?
6) Which version did you enjoy more (print/tablet)? Explain.

These questions aided in determining which features stood out to users, the importance of navigation and impact of aesthetic design.

In order to quantify the qualitative data the final research method required is Content Analysis. Content analysis takes the qualitative data collected throughout the study and turns it into solid quantitative data that can be used to support future predictions of tablet magazine readership (Levenson). Because the research from this study was largely based off of thoughts, views, and opinions of others in the industry, the final step of content analysis is essential to the validity of future predictions. Communication researcher Bernard Berelson believed the key words when describing content analysis were: objective, systematic, quantitative and manifest. Objective describes the importance of content specificity. The categories of content analyzed must be defined so precisely that different people can analyze the same content and get the same results. Systematic means that the selected content must have been based in a predetermined, unbiased manner. The quantitative aspect of content analysis is taking the thoughts and opinions from descriptive research and Elite and Specialized interviews and expressing it in a numerical form. Lastly, manifest relates to the presentation of the research conducted. The way in which it is presented should allow anyone with zero prior knowledge on the subject to understand what was concluded from the study and how to conduct it themselves (Levenson).

Given that this study required a large amount of qualitative research, content analysis was an important part of the process. By categorizing the results into past circulation numbers of print and digital magazines, their relative current popularity among survey respondents, both positive and negative features of each media, and consumers' desired pricing range, the study was able to outline the impact tablet magazines have on the magazine industry. Tablet magazines have advantages over print versions with interactivity and touchscreen attributes but developers have not quite found the exact solution to satisfy and entice their readers. In

obtaining these results it assisted the study in developing future predictions about how the industry will or if they will incorporate tablet magazines into their industry and the best way to develop and promote the idea.

Chapter 4. Development of Study

This study found answers to questions about the affects digital magazines have on the magazine industry. This section of the study presents the results in three parts: Historical Research, Elite and Specialized Interviews and two surveys. Historical Research includes past statistical analysis presented by outside sources. Elite and Specialized interviews were conducted with industry professionals who have valuable insights into the magazine production process of both print and digital; knowledge that mass consumers does not. The surveys reveal the opinions and views of potential magazine consumers. These results are helpful to determine what the market wants and the future trends of magazine consumers.

Historical Research

Since the iPad was released on April 3, 2010 there has been a number of conducted studies regarding its advertising effectiveness, impact on society, and hardware developments, to name a few. Looking at past events and explorations can be very helpful in concluding the impact of tablets on the printed magazine.

One important factor regarding the two media is consumer accessibility. If a consumer does not own a tablet, they are not able to access a tablet magazine. Whereas anyone interested in reading a magazine can do so without hassle. This puts tablet magazines at a clear disadvantage to print in terms of consumer accessibility. According to the Apple Inc. website, the price of an iPad comes in at around $500 dollars ("IPad"). The amount of money put into an iPad is much steeper than only purchasing a print magazine; be it subscription or monthly. The fact that many people are not willing to invest in such a device makes accessibility to an iPad that much more difficult than it is for print. Regardless,

growth in magazine applications for the iPad since April 2010 has increased more than 10 fold ("Keyfacts…Factbook") This upwards trend drives us to believe the amount of consumers purchasing iPad magazines are likely to raise even more in the coming years. This isn't to say digital sales are at the same competitive level as print. Print still has a significant lead on the consumer population.

The second advantage of print is their presence in supermarkets. Statistics in the Association of Magazine Media's Handbook for 2010-2011 reveal that 10 percent of magazines are sold single copy, averaging to about 2.73 billion dollars in 2009 (Magazine Handbook). This suggests single copy sales to have a bigger gross profit margin than subscriptions. The reasoning behind these numbers comes from customers at supermarket checkout lines easily being able to flip through a magazine, check for attractive content and decide whether or not they wish to make the purchase. The physical issue is accessible in many locations, eagerly awaiting a consumers' impulse buy whereas digital magazines do not have this luxury.

Interviews

One important viewpoint that this study needed to understand was the aspect of the advertising section of a magazine. To receive insight, this study interviewed Tyler Imoto. Imoto is the Digital Advertisement Operations Manager of the Lifestyle group at Time Inc. His job includes filling ad space for online magazines such as *Real Simple* and *Health*. This also includes ads for mobile devices and iPad apps. Since a large amount of a magazines' revenue comes from advertisers, his first hand insight helped a great deal in determining the

possible direction of magazines in the years to come. A few main points Mr. Imoto brought up were the importance of subscriptions and price of advertisements.

The reason subscriptions are so valuable comes with the advertising ability of direct marketing. When a customer subscribes to a magazine, they give their name and other personal information. Magazines can then cross reference the given information to see which advertisements or products the customer would be most interested in. For example, Time Inc. is able to charge advertising agencies more for an ad if they can cross-reference the product being advertised with the customer if they have a record of buying that particular product or similar items. The fact that a few digital magazines are still in the process of offering yearly subscriptions limits them from the crucial ability to directly market individual subscribers. Until advertisers are able to personalize ads to their digital audience, consumer's only option is to purchase pricy issues each month. At around four dollars per issue, the likeliness of this purchasing method to continue month after month is slim.

Online advertising sells for far less per ad than printed ad space, therefore; promoting any company products or service online is much more preferable. This comes as no surprise considering the small physical size of most online ads when compared to print ads. It is important for tablet advertising to define a pricing model for their ads. Tablets have the ability to create much larger, unavoidable ads, similar to those seen in a printed magazine, with the addition of interactivity and multimedia. That being said, tablet price ranges could have the potential to be comparable to print advertisements.

One method advertisers are working with is print and digital packaged offers. Because online ads are relatively cheaper, this is a huge incentive for anyone to choose this option. This is why any visited website is filled with dozens of ads. If advertisers choose not to sell their ads to print publications, those publications will not be able to generate the needed amount of revenue. The packaged offer is able to accommodate companies with both digital and print publications while tastefully using digital to drive more print ad space. Mr. Imoto also mentioned that the iPad is not ubiquitous; "Everyone *likes* the idea of a tablet and a digital magazine; a portable device right at their fingertips, but it does not seem to be a necessary device like the T.V or radio was. Though digital sales rise every year, print is still dominating the magazine industry."

A second critical opinion necessary to this study was that of Bob Kanell's, Director of Operations for Sports Illustrated at Time Inc. Mr. Kanell is in charge of the digital and mobile sections for Sports Illustrated. Because Kanell is so closely involved with digital creation, his knowledge into the future of print and tablet magazines was extremely informative. "Advertising is an important phase in the development of a successful tablet magazine," said Kanell. Advertisers' need a large-scale audience in order to both want the magazine job and to be profitable. As of now, iPad magazines fail to provide advertisers with a large enough audience. Time Inc. also focuses largely on focus groups that research to see how consumers like to read. Do they like to swipe both left and right, then up and down for a lengthy article? How many bells and whistles are sufficient for each page; can there be too many? When does it make sense to leave the current page and link to a page online?

Mr. Kanell provided additional insights into what Time Inc. is doing to make tablets more enticing to the consumer market. He concluded that most consumers like receiving both digital and print and enjoy having the option when to choose which format they'd like to read. To enhance the value of a subscription, Time Inc. is presenting all their products and letting their readers choose between print, iPad, Nook, Kindle, Android, etc. This way, consumers can access whichever platform they want, therefore expanding the value of the subscription. They are also working on tiered pricing. A subscriber can pay 'x' amount of dollars and get access to a certain amount of content. With this option, there is no expensive commitment needed. The main point Kanell conveyed was that currently there has been no measurable impact on the print industry since iPad magazines were introduced. "The tipping point into wholly digital consumption will not be seen in my lifetime but it could be, and most likely will be, in yours," Kanell expressed. In order for this to come about though, the cost of the iPad device will have to drop, portability of the device improved and various designs and sizes created. Basically, the iPad will have to become an indispensable device to overcome print.

Surveys

For this study, two types of surveys were conducted: one survey was administered online while the other was given in person after the subject compared and contrasted a print and iPad magazine. The online survey was meant to gather the subjects' magazine reading habits, their attitude toward tablets and their magazine applications. The in-person survey was meant to compare the physical aspect of the two regarding feel, navigation, graphics and interactivity. Both surveys helped to gain a better grasp of how consumers felt toward print and tablet magazines.

The online survey gathered information based on the subjects predisposition, or attitude towards tablets, specifically the iPad, and printed magazines. Seventy-seven college students or recent college graduates completed the survey presenting their views on tablet magazines. The online survey first asked a few questions regarding consumer-reading habits of print magazines. When asked how often they read a print magazine the majority of respondents either read once a week or once a month, totaling 75 percent. While 19 percent rarely or never read and five percent read two to three times per week. A little over half, or 53 percent said that they had subscriptions to one to two magazines while the other half, 41 percent had no subscriptions. Seeing that the average respondent is a college student with an ever-changing address, this is a reasonable outcome. A few outliers subscribed to three to five magazines at two percent as well as two percent subscribing to more than five.

The following questions addressed subjects' attitudes toward general tablet usage and their magazine applications. As expected, only a small percentage of 20 percent owned a tablet: iPad, Kindle, or Nook. If these same subjects were to own a tablet, specifically an iPad, 61 percent said they would buy a digital magazine for it. As of now, many monthly digital issues cost about the same price as a print issue. This has come as quite a frustration for many, seeing that there is no shipping or printing involved. Therefore, it did not seem out of the ordinary for 51 out of 77 respondents to say they would only buy a digital magazine if each issue were under $2.00. A large part of the remaining answers said the highest they would pay were between two and three dollars.

When asked what features they, as consumers, were looking for in a tablet magazine, the number one chosen category was ease of navigation. The two categories that came as the biggest surprise were external links and interactivity, coming in last place in regards to important features. This tells us that while a tablet magazine might seem like an excellent idea, if interactivity and external links; two features print is incapable of having, are not what consumers are necessarily looking for when purchasing a tablet magazine, the only feature of higher quality than print is possibly more vibrant colors. If tablets and tablet magazines are still not ubiquitous, it begs the question, "are digital magazines necessary"?

Regarding the subject of subscriptions, an overwhelming majority would rather have a yearly subscription over purchasing a monthly issue. Seventy-seven percent also like the idea of having their yearly subscriptions downloaded at regular intervals through their iTunes library. As of now, not all digital magazines offer the option to purchase a yearly subscription; those that do, such as *WIRED, Time,* and *GQ* to name a few, are seeing some of the best tablet readership results. Inferring that yearly subscriptions have higher potential to gain readership. If it were possible to have each digital issue automatically downloaded it would be very similar to a print version being shipped to one's front door. Until then, each month the user must go to the App Store and download the latest version.

The last, and most important question of the survey asked the general question of which version they would be most likely to subscribe to: tablet, print, or both. Print and both tied at 37 percent while tablet followed behind at 24 percent. This shows that given the chance between the two, consumers enjoy print over digital. But, if it was possible to receive both, it would be equally desirable as print. The dual print/digital subscription is currently an option

the magazine industry is working on that may be able to boost tablet magazine sales and keep print at a stable competitive level.

The in-person survey allowed the subjects to have an intimate experience with either a *WIRED* or *GQ* issue and give short answer responses based on how they felt about the overall experience of each device. The first question compared ease of navigation between print and digital. Of the ten respondents all found the navigation fairly straightforward once they understood the concept of when articles and/or pages scrolled up and down or left to right. A few had never experienced an iPad magazine and found it confusing at first but said by the end of the experience they more or less had it figured out. Four subjects found the swiping motion of flipping through the pages made it easier to avoid obtrusive advertisements and articles they were not interested in reading. When navigating a print magazine the main obstacles were subscription inserts falling out. Four subjects also mentioned how the large number of advertisements sometimes made it difficult to find a certain article and did not add much to the experience.

The second question asked the subjects what interactivity they encountered and how it affected their overall experience. Each subject responded positively to the addition of interactivity. Features included 'tappable' buttons exposing additional information on the article, videos embedded into advertisements, and direct links to an online site.

The testers were then asked to compare and contrast the two versions in regards to graphics, photographs, and color. All ten agreed the color in advertisements and articles was more crisp and vibrant on the tablet. Interestingly all ten also said when the print is viewed on its

own the colors and graphics stand out just as well. It was only when looked at side by side that they could see a difference. Two testers made observations mentioning 'print had room for more content' and 'print is more cluttered that its digital counterpart.' This begs the question of whether the iPad layout, with fewer ads and smaller pages, occupying less content per page, is a more appealing option than that of a print magazine.

Given the chance of owing an iPad and the option to purchase a magazine for it, all but two said they would while one said they would always prefer print and the other would consider it if the price was cheaper. Surprisingly though, the majority of subjects, when asked which version had an overall more enjoyable experience, chose print. Many "enjoyed" the digital version, but the combination of the novelty feeling of flipping through pages and greater amount of content, held these readers to stick with print.

Overall, historical research assisted the study with past and present circulation numbers of both print and digital magazines. The interview provided insight on the important factors of a magazine: how to keep a high subscription rate and the importance of advertising for a magazine company. The surveys revealed otherwise unknown consumer attitudes and perceptions about the similarities, differences and pros, cons of print and digital magazines.

Chapter 5. Conclusion

This study set out to determine the future of the magazine publishing industry after the introduction of a tablet—Apple Inc.'s iPad. What it discovered is that there is a multitude of variables to be considered when introducing a new device to an already existing market. Drawing from the many research methods this project explored, it concluded that, although a large portion of consumers seem to enjoy reading magazines on an iPad, print still has a firmer hold on the magazine industry.

While this study shows print magazines as an overall more enjoyable and popular method of conveying magazine content, portable tablets such as the iPad are showing huge potential. Within 80 days after the release of the iPad, three million had already been sold. Taking a look at the online survey results, a total of 61 percent said they would purchase a digital magazine if they owned a tablet. While purchasing a digital issue for the iPad may be a simple task; it is the overall price of the iPad that has consumers hesitating to make the purchase. Only 20 percent surveyed were owners of portable tablets. This survey mainly focused on the iPad, and as of now the average price is around $500. This is a much larger investment than purchasing subscriptions or single-issue print magazines. A second concern regarding price was the fact that a single issue for print and digital were the same. Consumers realize there is no paper, postage or ink costs involved with digital and are therefore not willing to pay as much for an iPad issue. The majority of respondents said if they were to purchase an iPad magazine they would likely hope to pay $2.00 or less for a single issue.

A second aspect this study was concerned with was functionality of the iPad magazine when compared to its printed equivalent. Of the ten participants who had a chance to handle the two different issues there seemed to be no distinct navigational advantage with one over the other. While a few who had never used an iPad before struggled at first, it soon became apparent how best to use the device for that particular magazine. Though the learning curve for using a tablet version of a magazine may be small, it is an aspect printed magazines never have to deal with. Any given magazine title may also have one or two unique navigational components, a feature that could either confuse or intrigue a potential consumer. Bob Kanell, Director of Operations for Sports Illustrated at Time Inc. commented that their focus groups are constantly researching how consumers like to read. Do they like swiping left to right and up and down, or, when does it make sense to leave the page and link to an online site. Many in person participants commented on their increased enjoyment when viewing iPad advertisements compared to print. With iPad ads there was interactivity, more vibrant colors and no paper inserts periodically falling out. Although the swiping motion of a digital magazine somewhat resembles the physical feeling of flipping through magazines pages, all participants agreed they rather flip through pages rather than swipe. With these results it can be concluded that for the survey population, iPad magazines are indeed enjoyable but are still not victorious over print.

Subscriptions were a main concern for Digital Advertisement Operations Manager of the Lifestyle group for Time Inc. Tyler Imoto. Consumers who have yearly subscriptions are more valuable to publishers because of the information that comes along with their specific subscription. This information allows magazine publishers to include unique advertisements to every individual. The advantage to unique advertising is that publishers get to charge more

for each ad. This is why it is important for digital magazines to define a price for advertisements. "As of now, the scale of the audience for tablets is not large enough to get the attention of advertisers…there has been no significant migration in advertisers to digital," Kanell concluded. Results from the online survey showed that almost half: 40 percent, did not subscribe to any print magazines, while the other 50 percent subscribed to one or two. When asked how often the respondents read print magazines, almost 28 percent said they read once a week. At 48 percent, the bulk of the responses selected were 'once a month.' This shows that although not everyone is consistently picking up and reading or subscribing to a magazine, there is still a lot of interest in them, even with the introduction of tablet magazines.

Lastly, overall consumer opinions on magazines for the iPad were considered. The final question on the online survey asked: 'If you owned a tablet, would you rather subscribe via tablet, printed version, or both?' Remarkably, even if one did own a tablet, print still held more favorable votes. Print came in at 38 percent and tablets at 24 percent. The other 38 percent said they would like to have both. The in person survey yielded similar results. While many enjoyed the tablet experience, overall opinions leaned toward print as their preferred method of obtaining magazine content.

The conclusion of this study is; although tablet magazines will take a portion of the magazine market, print still holds the majority of consumer interest. The technology of portable tablets is very much a popular invention and has the potential to gain a much larger audience than it currently holds. Firstly though, the iPad must become ubiquitous in order for its digital magazines to compete with the ubiquity of print. That means both the iPad

itself as well as its digital magazines must drop in price. With the current popularity of print, programmatic design in tablets will need to be expanded upon; graphics, navigation, interactivity and physical experience must become significantly more appealing if it is to ever overthrow print. Until more sophisticated digital features are implemented into the iPad, tablet magazines will continue to be second to the print magazine industry.

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