

# The SA magazine industry goes boom

Every new entrant anticipates an exit, writes ANNELIZE VISSER.

IN THE BRIEF HISTORY of the South African magazine industry, the news stand has never been as crowded as it became in 1996. There was a proliferation of new titles and increased frequencies (and a few notable exits) from an industry that is notorious for attracting many and rewarding few.

TML's magazine division launched *Out There* and *Elle* (the latter in partnership with global giant Hachette Filipacchi Presse), acquired *Longevity* and lost *Playboy* after the girlie market crashed under pressure from the anti-porn lobby. Natmags invested R215 million in a new Cape-based printing plant and increased the frequencies of *Drum* and, through their acquisition of a 50% stake in Touchline, of *Sports Illustrated* and *Kick Off*. Opinions vary on the viability of Touchline's next project, a local edition of international health and fitness men's title, *Men's Health*, to be launched in the first half of 1997.

Penta was liquidated and resurrected in a dramatic rescue by SMC Capital and Independent Newspapers with newcomer Sheldon Cohen in charge. Republican Press/Perskor lost *Scope* but launched *Next* to compete for the weekly mass market and spread panic in the women's category by announcing it would launch *Marie Claire* in May. Rumours abound that Conde Nast will join the international players whose foray into the South African industry is, along with market fragmentation and investment in the so-called emerging (black) market, the major cause of the explosion on the news stand.

The competition has never been so fierce in an overtraded market where every new entrant anticipates an exit and every new arrival stakes its survival on stealing a bite of someone else's slice of pie. Against the background of increased demands on the same pool of adspend and readership base, there is less for everyone. Or, if you're a publisher, there is niche. But it's hard to find two publishers who agree on what niche publishing means. Is less really more, or is it just less?

Is a niche magazine the same thing as a special interest consumer magazine, as *New York* magazine consultant Martin Walker claims in the November/December 1996 issue of *MagFocus*? Or are they entirely separate things, as Natmags' research manager Barbara Cooke insists in the same issue, locating niche in the market and special interest in specific titles that straddle market demographics? Is special interest a subset of niche, as Sheldon Cohen believes? Is niche just something publishers

resort to to cover their embarrassment at not achieving as large a readership as they would've liked? Or does niche reflect the consumer's revolt against the insult of sameness on the one hand, and offer an excuse to small-circulation titles to charge high advertising rates, as Associated Magazine's Jane Raphachly claims?

TML's Gisèle Wertheim Aymès prefers the word "focused" to "niche". And Republican's Roy Minnaar answers a question with a question. If we launched a men's title, he asks, would you call that niche or special interest? Frankly, who knows?

For readers and advertisers, the explosion in the magazine industry means more choice. But choice can be as bewildering as change. Marketing managers note with regret that media buyers remain largely preoccupied with numbers and quantity measured in cost per thousand, as opposed to the still unfamiliar currency of a narrowly targeted audience. Frustrating for the new niche players is that established brands in the women's category still consistently exceed the 100,000 mark while Natmags' trio of mass market weeklies continue their spectacular growth. "If you think about it, the mass market is also a niche," said one publisher a little despairingly.

After initial resistance, advertisers are now paying more to reach *Elle's* "small but relevant" readership than for the large audiences delivered by *Cosmopolitan*, *Femina* and *Fair Lady*, says Gisèle Wertheim Aymes, who dismisses these rivals as "much of a muchness" when it comes to choice. "In the woman's category there are good quality general interest magazines but apart from *De Kat*, *Elle* is the only focused title."

*Out There* and *Elle* shared a nice haul of awards at the Specialist Press Association Pica Awards ceremony in November, and in December *Elle* won an award from the International Press Distributors Association for the best launch of 1996. It was also the most extravagant launch the industry has seen, and critics fear that TML's lavish spending on its magazines will discourage others from joining the industry.

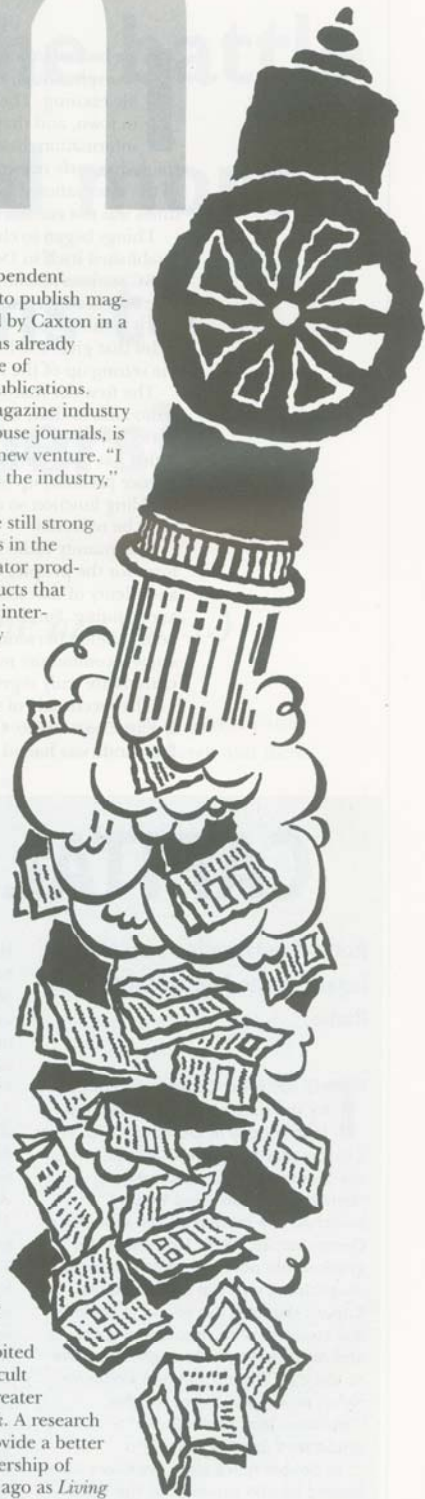
It didn't however discourage Sheldon Cohen from leaping in to rescue Penta when it collapsed halfway through the year under a debt burden reputed to be many millions. Consensus is that Penta grew far too quickly, launching new titles whose development the income from the existing titles couldn't sustain. The new Penta is owned by a consortium

of SMC Capital and Independent Newspapers, whose right to publish magazines is being challenged by Caxton in a protracted dispute that has already caused the closure of some of Independent's regional publications. Cohen, who enters the magazine industry via stints in comics and house journals, is full of enthusiasm for his new venture. "I believe in our titles and in the industry," he says.

"The mass products are still strong but people are finding less in the lowest-common-denominator products and looking for products that address their lifestyle and interests. That's the reason why we see specialist or niche products as an attractive place to be. It is driven by readers who want more choice and by advertisers who are moving away from cost per thousand and looking more carefully at weight versus target." Too carefully, perhaps, Cohen admits. For most media buyers, size still counts.

Cohen predicts more entrants and exits in 1997, but reiterates Penta's commitment to the five titles remaining in its stable. The company withdrew from *Student Life* before the deal and subsequently closed *MegaLife*, which had been "tainted" by a long relationship with the Health & Racquet group.

Cohen's plans include a new look for *De Kat* and *Tribute*, with more pages for *De Kat* and more glamour for *Tribute* whose 10th birthday will be exploited for brandbuilding events; cult status for *Big Screen* and greater frequency for *Keeping Track*. A research project is under way to provide a better understanding of the readership of *Living*, relaunched a while ago as *Living Africa*, but to date unable to shake off the free-distribution label left over from the



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days when *Living* was tossed over garden gates in affluent suburbs.

One of Cohen's first tasks at Penta was to restore the morale of angry, uncertain and bitter staffers. His next priority is to consolidate. "We will try to be sensible and not do what Penta was doing before," he says.

Natmags' entry into niche publishing came via a 50% stake in Touchline in April, resulting in increased frequencies for *Sports Illustrated* and *Kick Off*. Touchline will bring in international titles *Runner's World* and *Men's Health* in 1997.

Meanwhile Natmags has scored more points in the mass market it dominates, increasing the frequency of *Drum* in September, a move preempted by Republican's mass weekly *Next*. By December *Drum's* circulation had grown to around 120 000 per issue (almost half a million per month); Roy Minnaar claimed figures of 90,000 per issue for *Next*.

Natmags' chief executive Salie de Swardt reports promising returns on a heavy investment in *True Love*, and lower circulations for *Fair Lady*, for a nevertheless healthy *Savie* and for *Women's Value*, whose former editor Rieta Burgers raised the coverprice in order to offer fewer, more. (*MegaLife's* Alice Bell has succeeded Burgers who retired in 96).

The pressures on circulation come from a generally downward trend, a reduction in buying power and possibly from emigration, says De Swardt. "As new titles nibble at the readership and advertising base, it becomes a challenge to maintain ad revenue and grow it." The international input is also greater, with *Marie Claire* clearly directed at *Fair Lady's* market, he says.

"The women's market may be overtraded, but there is always room for a good product," says Dr Gerrit Velthuysen, Perskor's general manager, distribution, of his group's investment in *Marie Claire*. "*Marie Claire* is generally accepted as the top magazine in its category. We decided that we wanted it in our stable because it would complete our existing portfolio; it addresses a market in which Perskor has never been involved. This is not just another woman's magazine."

Velthuysen anticipates a "fight to the finish" in which the market will determine who and what survives. And Roy Minnaar, Republican's editorial director sounds equally gungho. "Lots of overseas magazines are coming in now - some will succeed, some will fail dismally," he says. Minnaar cautions that international publishers who consider South Africa a backwater and a "soft spot" shouldn't automatically assume that their products will be better than those produced by the highly skilled local industry.

After 40 years in the industry, Minnaar has heard the market referred to as overtraded more times than he cares to remember. "The fact that the market is overtraded is irrelevant," he says. "We can't allow our company to become stagnant. We'll simply pinch readers from somebody else." Although Minnaar denies it, rumours persist that Republican will do some of the pinching on its own turf, closing less profitable titles to make way for new, more competitive ones.

Niche is being used as an excuse to charge mass market prices for niche advertising, says Jane Raphaely of Associated Magazines, which entered the niche market through *Cosmopolitan Fashion* in 1990 and *House & Leisure* in 1993. "But I do think there is a tendency towards fragmentation and specialisation in South Africa as a whole. We see more specialist stores opening up, more clutches of creative pockets of enterprise, more people making a living catering for individual tastes. Worldwide there is a revolt of consumers against being insulted by sameness."

Raphaely cautions that in the frantic competition between old and new titles, magazines may lose sight of their readers and focus only on circulation. "The publishers who will thrive in the next decade will be those who have the courage to single out an audience and cater for them," she says. "Advertisers will have many more choices and more tightly targeted audiences. But I believe our magazines should remain above 100,000 circulation, given their past performance and the loyalty of our readers. I also have confidence in *Fair Lady*. It is the strongest established brand in its language group."

Threats to the industry include a lack of time which is "worse than a lack of money," she says. Younger graduates who traditionally spent part of their first salary cheque to subscribe to their own magazine, now emerge hopelessly enthralled by the Internet. "Emigration is another threat. It takes educated, literate, potentially affluent people with families out of the market, and they're the ones the advertisers want."

Raphaely sees enormous opportunities for growth among black and coloured readers. "They are mostly upwardly mobile and will turn to magazines that give them the information they need to satisfy their aspirations," she says, citing the healthy circulations currently enjoyed by motoring magazines.

Raphaely predicts that *Marie Claire* will not only find it hard to follow *Elle* into an overcrowded section of the market, but that the two international titles will be "big trouble" for each other. *Marie Claire* isn't filling a need or a gap in the market, she says, emphasising that Associated's new product, to be launched once the dust has settled on the company's newlybuilt headquarters in Cape Town, will "conform to our two requirements: it must fill a gap in the market and find a market in the gap".

At best the present flurry of activity in the magazine industry represents a positive response to the end of isolation and political funk. It means local publishers accepting the challenge from new international rivals, participating in global trends like market fragmentation and realising at last that the black market - once eternally the "market of the future", has arrived here and now.

But however compelling the sight of an industry gearing up to "fight to the finish" over limited territory, it is equally interesting to consider that when an explosion takes place in a confined space, cleaning up is always messy.

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