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A STUDY OF READERSHIP OF “FREE DISTRIBUTION” MAGAZINES IN AFFLUENT COMMUNITIES

Executive Summary

I. Introduction

In September, 2006, nine city and regional magazines – all members of the City & Regional Magazine Association (CRMA) -- reported the findings of a landmark study of the readership of “free distribution”* magazines in nine of the nation’s most affluent markets.

This study was designed to provide a definitive, unambiguous answer to the question, “**if a publisher distributes a free magazine – even a very expensive looking free magazine – to prospective readers who have neither asked for it nor expressed an interest in it, will it be read and valued?**” The study was designed and conducted by Monroe Mendelsohn Research (MMR—www.mmrsurveys.com) which is considered by many as the research authority in the affluent marketplace.

Findings from an earlier study conducted in 2005 by Monroe Mendelsohn Research (MMR) for Emmis Publications in Atlanta, Dallas and Los Angeles demonstrated that **the answer to this question was “no”** in these three markets.

The findings of this larger, follow up study confirm and expand upon this conclusion.

As the findings of this follow-up study again document, “free distribution” magazines -- no matter how expensive looking – once more prove significantly less likely to be read and less valued than magazines that are paid for or requested.

* “Free distribution” magazines are defined as magazines whose primary distribution base is neither paid for nor controlled, e.g., developed as a result of direct reader request. Such publications are typically distributed in bulk to building lobbies, restaurants and other public locations or mailed without reader request to home or office addresses.

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These new findings again demonstrate that “free distribution” publications are also significantly less likely to be heard of.

As the survey documents, **nearly two of every three** residents (65%) of the affluent communities surveyed reported to MMR that they were **not aware of the existence of these magazines.**

Thus, not only are ads in these magazines not be seen by the majority of their intended audiences, the magazines themselves – despite their claims – will, more often than not, not even have been heard of by the majority of their intended audience.

Although results varied slightly from market to market studied, this conclusion was consistent across all markets surveyed.

A comprehensive sample of readers in nine very affluent markets

Commissioned by nine CRMA publications, including Boston Magazine, Chicago Magazine, D Magazine, Greenwich Magazine, Palm Springs Life, Philadelphia Magazine, San Diego Magazine, Texas Monthly and Westport Magazine, the study explored...

...readership and/or lack of readership of “free distribution” publications in the affluent zip areas they claim to reach and influence.

...differences (if any) in the way in which paid and/or requested publications, such as those published by CRMA publications, and “free distribution” publications, such as those published by Modern Luxury and Niche Media are read and valued in these affluent zip areas.

Markets selected to be surveyed included Back Bay (zip 02116) in Boston, The Chicago Gold Coast (zip 60610), Park Cities (zip 75205) in Dallas, Greenwich (zip 06801) and Westport (06880) in Connecticut, La Jolla (zip 92037) in San Diego, Palm Desert (zip 92260) in Palm Springs, Gladwyne (zip 19035) in Philadelphia and River Oaks (zip 77019) in Houston.

The survey methodology was the following:

- In each target community, a four page questionnaire containing a series of readership, reader involvement and demographic questions was mailed to a random sample of residents.
- Questionnaires were mailed on June, 2006 with a \$5 incentive to the randomly selected sample of residents in each of the target zips. Each was customized by market with respect to the magazine list surveyed but was otherwise identical.
- An alert post card was mailed just prior to the questionnaire mailing and a reminder post card was mailed following.
- The study mail-out quantity was 5,000 and tabulations were based on 1448 completed questionnaires (31.5%) received at the time the study was closed.

II. Principal Findings

Although each market surveyed had its own slightly different individual dynamic, the following findings proved common across all markets.

“Free Distribution” titles are less likely to be read!

Respondents in affluent zip areas prove to be significantly less likely to read “free distribution” publications than paid and/or requested publications.

The following comparisons illustrate this finding:

	CRMA sponsor titles	All “free distribution” titles	Free glossy titles*
Any readership	64.8%	22.3%	16.8%
Read regularly	22.9%	8.7%	5.9%

*Boston Common, Chicago Social, Connecticut Cottages & Gardens, Modern Luxury Dallas, Modern Luxury Houston, Panache, Riviera

“Free Distribution” titles are less likely to be known!

Despite the publicity surrounding the “free distribution” titles in the advertising community, respondents in the affluent zip areas surveyed prove significantly less likely to be aware of them.

When respondents were asked about the “free distribution” titles, many more of them reported they “never heard of them” compared to the CRMA titles.

	CRMA sponsor titles	All “free distribution” titles	Free glossy titles*
Aware of publication	95.2%	45.3%	35.0%
Never heard of it	4.8%	54.7%	65.0%

*Boston Common, Chicago Social, Connecticut Cottages & Gardens, Modern Luxury Dallas, Modern Luxury Houston, Panache, Riviera

“Free Distribution” titles are valued less!

Respondents in the affluent zip areas surveyed proved to be significantly less engaged with “free distribution” publications. Respondents also proved to value them less than they valued the paid and/or requested CRMA titles.

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As the following engagement scores illustrate...

...far fewer respondents in affluent zip areas give high overall rating marks to “free distribution” publications.

...far fewer respondents in affluent zip areas consider these “free distribution” publications informative, authoritative or even credible, fair and objective.

	CRMA sponsor titles	All “free distribution” titles	Free glossy titles*
Ratings (top two boxes)*			
Overall rating (excellent/good)	47.1%	12.8%	8.9%
Informative	45.3%	12.4%	8.9%
Authoritative	33.5%	8.9%	6.0%
Contains useful ads	37.3%	11.2%	8.5%
Relates to my interests	41.4%	12.5%	8.7%
Provides information not found elsewhere	37.3%	9.7%	6.5%
Is credible, fair and objective	39.2%	11.2%	7.7%
Worth spending a lot of time with	28.8%	7.5%	5.6%

In similar fashion far fewer respondents in the affluent zip areas surveyed believe that “free distribution” publications provide useful information on subjects of importance to their daily life.

	CRMA sponsor titles	All “free distribution” titles	Free glossy titles*
Usefulness* for information about:			
. local restaurants	49.2%	11.3%	7.3%
. shopping	39.8%	10.7%	8.2%
. travel	28.8%	5.9%	4.3%
. calendar: events/entertainment	44.7%	11.0%	6.4%
. local real estate	30.9%	6.6%	4.9%

* Based on respondents **Boston Common, Chicago Social, Connecticut Cottages & Gardens, Modern Luxury Dallas, Modern Luxury Houston, Panache, Riviera. If there is a “buzz” in affluent communities across the country, clearly “free distribution” titles are not the publications creating it.

Conclusion

When this study was conceived, it was believed that the findings might provide evidence that “free distribution” publications (particularly such glossy, oversized publications such as the *Modern Luxury* and *Niche Media* titles) were neither read nor valued as much in the affluent communities they claim to serve as publications that were paid for or requested.

Based on the findings of this study there is strong evidence that this assumption is correct.

As the findings demonstrate:

- . Respondents in affluent zip areas prove to be significantly less likely to read “free distribution” publications than paid or requested publications.
- . Readers of “free distribution” publications, in the affluent zip areas surveyed, prove to be far less engaged with these publications and to value them less than they valued magazines that are paid or requested.
- . Despite the hype surrounding them in the advertising community, residents in the affluent zip areas surveyed also prove significantly less likely to be aware of “free distribution” publications than they are of publications that are paid for or requested.

Bottom Line

In an article in *Advertising Age* last year, Christopher O’Connor, senior VP-group account director at MPG, posed the following question with regard to the proliferation of new, oversized, glossy, “free distribution” publications being launched in affluent communities across the country:

“Because they are given out for free,” he asked, “are people really interested in them?”

The findings of this study as well as the findings of the earlier study conducted by Emmis Publications prove the answer to this question to be “no.”

Although not a total washout in all cases, in all cases “free distribution” publications prove to be significantly less well read, significantly less valued and significantly less well known than paid or requested publications in the affluent zips studied regardless of size or geographic location of the community surveyed.

Thus, while it would appear that total readership has value regardless of whether the individual reading the publication personally paid for it, as respondents by a significant margin consistently confirm, **“if you distribute a free magazine – even a very expensive looking free magazine – to a prospective reader who have neither requested nor expressed an interest in it, it is far less likely to be read and valued?”** – CHARLES A. RODIN