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Germany



A big stage for major brands

Establishing and developing a brand name cannot be achieved purely by one-to-one communication. Brands need a public platform, and weekly newsmagazines are the biggest stage when it comes to print media in Germany. Together, STERN, Spiegel and Focus reach 12.3 million readers every week (MA 2008/I) – most of whom belong to brand-conscious, upmarket target groups – and by far lead the ranking of top-selling print advertising media. Simultaneously, they are developing into media brands of the digital age. The combined net coverage of STERN, Spiegel and Focus's Internet presence is already at 3.9 million users (ACTA 2007).



Content is an important channel

But thinking only in terms of media channels is deceptive. The formula "print is shrinking, online is growing" may sound plausible, but this generalization is questionable considering trends as they are represented by, for instance, NEON on the one hand and AOL on the other. Ultimately, it is the originality of the media's content and target groups that count. Content, today is more important than the media channel. And this process of differentiation is accelerating across all media channels – which applies to the Internet just as much as to printed media, television and radio broadcasting. The chart below will give you an impression of this differentiation in the print sector.

Weekly newsmagazines are successfully coping with the media shift and form a stronghold against the fragmentation of the media landscape so often lamented by the advertising business. This is particularly evident in the comparison between STERN, Spiegel and Focus and the overall market. In total, paid circulation was down by 36% per title looking at all nationally distributed paid magazines in Germany over the last decade, while the number of titles has increased significantly. The average seven percent minus that weekly newsmagazines have suffered – while the number of publications remained the same in this segment – is moderate in comparison. But looking at figures alone returns an incomplete picture. After all, it is no insignificant factor whether a certain circulation is reached at rising or falling cover prices. All the titles in the weekly newsmagazine section have been able to raise their prices in an adequate manner – leading to increasing sales margins, while circulation has remained basically unchanged. This is the economic basis for editorial independence and journalistic quality. Which, in turn, is an important criteria for



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advertisers: the fact that readers are prepared to spend a considerable sum on these publications is an indication of their appreciation and loyalty, both of which are beneficial to advertising efficiency and a positive image transfer. The fact that the coverage rates of STERN, Spiegel and Focus have decreased only moderately – even less than the circulation figures – fits into this picture. The likely explanation is that readers do not throw away what they value and have paid good money for – they hand it on to people they know. And even more so in economically and ecologically difficult times than in the untroubled days of the *Wirtschaftswunder* or the days of a carefree consumer society.

In general, the magazine market is performing badly in all its dimensions. Of course, there are a few high-quality segments that are doing equally well as the weekly newsmagazines – science magazines, for example.

But in most other segments, even though the real cover prices – adjusted by the inflation rate – are falling, the figures for circulation and coverage are going down, for some titles even dramatically, while the number of publications is continuously growing. Many experts in the industry blame this adverse development on the increasing number of "me-too" products with little profile of their own, and on the fact that editorial and PR contents are, in some cases, combined.

STERN's coverage is the highest

Within the segment of weekly newsmagazines, STERN is still by far the most widely read publication, while Spiegel is slightly ahead and comes first in terms of circulation. According to MA, STERN was able to raise its coverage among more educated target groups and in those with higher incomes. "The editors in chief have begun making careful adjustments to the magazine's editorial concept, changes that appeal to the superior target groups. Especially the magazine's editorial reports on politics, business, science, society and culture have been continuously developed", says Ove Saffe, managing director at the publishing house. These changes were not brought about radically, but came along as careful fine-tuning – and STERN, like no other magazine in Germany, manages to combine quality with mass-market quantity. The magazine's weekly readership of 7.4 million readers is proof of the title's high integrative power – across all age groups and milieus of society.

Many media experts, such as Markus Peichl, Chairman of the Lead Academy, have taken notice of these changes.

"STERN", he says, "did not get caught up in efforts not to scare off any reader. Instead, the magazine developed a modern form of story-telling and put a whole range of new ideas into practice." Good ideas that support high journalistic quality across different channels and a clear stance will be the future pillars of a media brand. And feedback channels that enable readers and users to participate actively will become increasingly important – and rightly so. But those who conjure up images of a general loss of the brand's significance – or the media brand's in particular – are certainly mistaken. The big stage for strong brand names in products and services will definitely be around for the next decades.

