



Ekonomi Media, Sesi 06

EKONOMI MEDIA MAJALAH

TUJUAN INSTRUKSIONAL KHUSUS:

Agar setelah mempelajari bab ini, mahasiswa dapat memahami, mendiskusikan dan terampil dalam:

- 1. Industri penerbitan majalah Indonesia**
- 2. Aliansi penerbitan global**
- 3. Ekonomi media majalah**

REFERENCE:

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- 2. ALBARRAN**, Alan B. (1996). *Media Economics: Understanding Markets, Industries and Concepts*. Iowa: Iowa State University Press/Ames. 227 pp.
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Penerbitan Majalah

- **Magazine have been an important source of news**, information and literature. Magazine have contributed to the transmission culture, while introducing new journalistic approaches and innovation. As a visual medium, magazines have captured history in their pages. Articles and photograph have informed generations of readers from the Civil War to the Gulf War, charting the growth of America and the collapse of Communism.
- **The growth of magazines as a mass medium** provided those who could not afford the high price of books the opportunity to read literature from some of the great authors of the world. In the USA and around the world, magazines such as The Saturday Evening Post, The New Yorker, Atlantic, Look, Life and Reader's Digest are but a few of the magazines that have educated and influenced thousands of readers throughout their publishing history.

THE MARKET FOR MAGAZINES

- **As with other media industries**, the magazines industry operates in several different markets. Magazine can be broken into identifiable submarkets, such as the markets for particular **categories of magazines** (i.e. consumer magazines, business/trade magazines and professional journals). We could also consider **the time frame**—whether published as a monthly, bimonthly or weekly—of individual publications as separate markets.
- **The magazine industry could also be analyzed** by examining the market for advertisers, as well as the market for publishing. Because of the number of potential submarkets to consider, and in order not to make the examination too tedious, this section will focus on the market for magazines in three broad categories: **1) the consumer market**, which will encompass all type of magazines; **2) the market** for magazine advertising, and **3) the market or demand** for magazine publishing.

1. **Consumer Demand for magazines**

Although total magazine circulation has been somewhat flat during the 1990s, most readers subscribe to the magazine they prefer, single-copy sales have fallen over the past decade. Some magazine success with single-copy issues such as annual Sports Illustrated swimsuit edition, and Playboy's annual Playmate of the Year issue (Standard & Poor's).

- **Consumers, or general interest magazines** are the most visible to readers. *Modern Maturity* is the leading monthly consumer magazine in USA in terms of total circulation. Other leading magazines include *Reader's Digest*, *TV Guide*, *National Geographic*, *Better Homes and Gardens*, *Good Housekeeping*, *Ladies Home Journal* and *Family Circle*.
- **Prices for magazine have remained** relatively stable over the past few years, except dependent on the IDR/USD change value.

2. **Demand for magazine advertising**

Of all dollars spent on advertising, magazine advertising has averaged 8%-10% of total advertising revenues in Indonesia.

- **Magazine advertising is dominated by ten categories** that account for most of total magazine advertising. The top categories, based on Standard & Poor's data, include automotive, cosmetics, and toiletries, direct response, business and consumer services, footwear and accessories, food, computers and office equipment, travel and hotels, drugs, and media & publishing.
- **The number of pages devoted to advertising** has grown among in-flight magazines, home magazines and general-interest titles, while declining in Sunday magazines, youth, metropolitan and civic titles.

3. **Demand for Magazine—acquisitions**

Publishing merger and acquisitions operated at a frenzied pace in 1980s. In USA some 584 transactions took place, with several major periodical magazines—such as The New Yorker, US News & World Report, and TV Guide—changing ownership.

Major Players in the Industry

- **There are numerous publishers in the magazine industry**, ranging from large-scale international conglomerates to small publishing houses producing single publications. The major firms operating in the magazines as a global players such as *Time*, *Life*, *Fortune*, *Money*, *People*, *Sport Illustrated* and *Entertainment Weekly*. Other major US publishers include Hearst (*Good Housekeeping*, *Esquire* and *Cosmopolitan*), the New York Times Company (*Tennis*, *Golf World*), Meredith (*Better Homes and Gardens*, *Ladies' Home Journal*) and Conde Nast (*Gourmet*, *Conde Nast Traveler*, *Architectural Digest* and *Bon Appetit*). Other non-US publishers include Hachette SA (*Woman's Day*, *Elle*, *Car and Driver*), Gruner Jahr (*McCall's* and *Family Circle*) and News Corporation (*TV Guide*, *Mirabella*).

Market Structure

- **In the US, magazine industry operates under a monopolistic competitive market structure**, which there are many sellers offering products that are similar, but are perfect substitutes for one another. This definition best describes the magazine industry, also in Indonesia.
- **The large number of individual publishers suggests** there will be several titles geared toward specific interests, yet each is somewhat unique in its presentation. The prices paid for magazines also indicate a monopolistic competitive structure, if magazines operated as an monopoly, prices would likely have risen at a higher rate, assuming a lack of reasonable substitutes. It is unlikely that the magazine industry will move away from a monopolistic competitive structure in the immediate future.

Market Concentration

- **No studies have been identified that examine concentration in the magazine industry** In order to get an approximate measure of concentration in the magazine industry, the author calculated the top four (CR4) and top eight (CR8) concentration ratios using the data from 1993 found in table 6.3.
- **We could anticipate similar findings using the Herfindhal-Hirschman Index (HHI)** because, with a large number of publishers, the individual market shares would be quite small when squared and added together. The low level of concentration in the magazine industry is another indication that the industry operates under a monopolistic competitive market structure.

Table 6.2 Magazine Circulation Leaders in the World

Rank	Magazine Title	Circulation
1	Modern Maturity	22,399,000
2	Reader's Digest	16,261,968
3	TV Guide	14,122,915
4	National Geographic	9,390,787
5	Better Homes and Gardens	7,600,960
6	Good Housekeeping	5,162,597
7	Ladies Home Journal	5,153,565
8	Family Circle	5,114,030
9	The Cable Guide	4,860,703
10	Woman's Day	4,858,625
11	McCall's	4,605,441
12	Time	4,103,772
13	People Weekly	3,446,569
14	National Enquirer	3,403,330
15	Playboy	3,402,617
16	AAA World	3,400,807
17	Sports Illustrated	3,356,729
18	Redbook	3,345,453
19	Prevention	3,220,763
20	Newsweek	3,156,192

Finance and Revenue of Magazine

- **Revenue Streams**

Consumer and trade magazines generally have a number of revenue streams: **1) paid circulation, 2) newsstand circulation, 3) advertisements** (classified and display), **4) mailing-list rentals, 5) reprints, 6) book spin offs the articles, 7) advertorial sections** (i.e., an advertisement with the look and feel of regular editorial material in the magazines), **8) special issues, 9) trade shows** (especially in the b-to-b segment, **10) export, and 11) franchising the magazine to foreign publishers** (who might translate the US editorial content and insert their own ads).

- **Advertising**

The advertising-editorial (ad-edit) ratio is an important barometer of a consumer magazine's economic health (Ha & Litman, 1997).

Fourteen of the top fifteen magazines (based on total dollar revenues) rely on three revenues streams: paid circulation, newsstand circulation, and ads. The exact ratio between these streams varies.

Magazine Business Model

Magazine sell advertisers access to readers, and the very successful magazines provide advertisers with direct access to desirable demographics. Ad rates are based on the cost per thousand of readers (CPM), and publishers guarantee advertisers a base readership.

An analysis of **Business Week** (a consumer not a trade magazine) highlights its advertising strategy. This title offers an exceptionally strong demographic base to advertisers in term of its readership's age, educational, occupational, and income levels.

Clearly, most of the major magazines in the world (including **Time, Jet, Latina, Forbes, Economist, Life**, etc.) developed similar strategies regarding national, regional, or international editions, Internet based sites, and global connections, especially as markets coverage and transportation hubs increase in efficiency.

THE IMPACT OF TECHNOLOGY

- **Printed books have been published since the days of Gutenberg.** However, the emergence of sophisticated computer systems and networks compelled publishers to reevaluate the prominence (and cost) of printed books. Theoretically, the electronic distribution of book content allows a publisher to keep a book in print "forever", expand the market for this book, and reduce significantly most (but not all) publication costs.
- **As of 2002, the electronic distribution of content** (via e-books, computer networks, PDAs, etc.) failed to entice consumers, although some librarians purchased e-books for their patrons to minimize the impact of the "one book, one use at a time" model.
- **However, many industry analysts believe consumer acceptance** of electronically distributed books will not occur before 2010 (and possibly not before 2020) because: **1) e-book readers are too small and too expensive; 2) reading long texts on a computer screen is not very appealing; 3) the printed books is cheap, portable, and remarkably easy to use** (no batteries; no access to electricity); and **4) by 2002 many large publishers privately de-emphasized the e-book channel of distribution.**
- **Book publisher is a global industry**, and many of the top US publishers are foreign owned. In 2002, the major export US books included: **Canada, the UK, Australia, Hong Kong, Mexico, the Netherlands, Taiwan, and the Philippines.** Most large publishers have international operations, sending sales representatives to Asia, Europe, Africa, the Middle East, and Latin America to sell English language books.

THE ECONOMIC FUTURE OF MAGAZINE INDUSTRY

- **Magazine publishers face a challenging future** as they attempt to hold on to both advertisers and consumers, control costs and enter new technological markets and international publishing opportunities. Publishers will be faced with meeting the demands of both advertisers and readers amid growing competition from other publishers and the electronic media.
- **Magazines that cater to narrowly targeted audiences** will be more attractive to advertisers in the immediate future. Publishers will continue to hone and improve the quality of their editorial divisions to be certain they are providing readers with material that serves their needs.
- **International publishing opportunities provide** additional markets for magazines, and this area will continue to expand.
- **The numerous special interest titles produced** by American publishers have found favor in many countries where the economy only supports broader-based, national magazines. American publishers also benefit from the fact that English is understood in most parts of the world, resulting in reduced language barriers for readers.

Soal-soal latihan/Tugas

Pertanyaan untuk Session 6

1. Jelaskan bagaimana struktur pasar industri penerbitan buku, di Amerika dan di Indonesia!
2. Jelaskan bagaimana pendapatan ekonomis dari industri majalah!
3. Jelaskan struktur pasar dalam industri majalah di Amerika dan di Indonesia!

Pertanyaan untuk Session 3 dan 4

1. Jelaskan pendapat saudara mengenai persaingan industri media secara lokal dan nasional di tengah-tengah persaingan global?
2. Ada dua media yang sangat mempengaruhi perilaku konsumen global yaitu film dan musik, dibandingkan dengan media-media lain. Jelaskan pendapat saudara mengenai power (kekuatan) Film dan musik Barat dalam mengubah perilaku budaya global dan dari aspek ekonomis industri film Hollywood dan musik berbahasa Inggris tersebut!

Tabel Perolehan Iklan Majalah dalam Miliar Rupiah				
No	Nama	Jan-Sept 02	2001	2000
1.	FEMINA	43.78	58.65	52.29
2.	TEMPO	34.17	38.95	35.39
3.	COSMOPOLITAN	23.47	24.61	15.69
4.	GATRA	16.29	22.47	15.62
5.	KARTINI	12.01	5.75	4.66
6.	DEWI	11.78	14.15	10.56
7.	GADIS	11.29	13.68	11.77
8.	ANEKA RIA	11.24	12.57	9.58
9.	SWASEMBADA	10.58	11.35	8.19
10.	AYAHBUNDA	9.33	11.76	8.64