Publishing
EXECUTIVE

The
INNOVATORS

Publishers That Are Cutting Through The Noise

Ken Olling
Co-Founder, Katachi

PLUS

■ **Q&A with *Garden & Gun* Publisher Rebecca Darwin**

■ **Fixing the Newsstand Supply Chain**

the ability to provide multiple languages in a single magazine issue. For example, say a small magazine publisher publishes in English, and after six months they see there's some degree of success and interest in a particular market. They can then add Russian, Chinese, or Spanish to it with no effort. And it provides that language directly into the same magazine and the same piece of content, so people that have their iPads set to Russian will automatically get the Russian version. This gives magazine publishers the ability to take advantage of being international, where typically the way that the magazine industry is broken up is very regional, and the magazine brands tend to license out their names to additional editorial organizations all over the world.

How are digital revenue strategies different from print?

Digital magazines are very different from print in many good ways because the revenue model is very different. In traditional print, your revenue model is cyclical. When you're in the physical newsstand you're making money, so you have these spikes in your revenue model. Whereas when you're dealing with digital magazines, your income becomes

cumulative, because your products never leave the newsstand—we actually sell more of issue one now than we did when we launched it. *Katachi* has sold about 90,000 copies and has about 1000 subscribers. We have had advertising in the magazine but the revenue primarily comes from single-issue sales.

I think we struggle with advertisers over the way they see interactive advertising. They value interactive advertising primarily along the lines of the web and clicks. We try to get our advertisers to understand that they have the opportunity to create a great experience that keeps the person in that experience for a very long period of time—kind of a strange mix between a promotional website and an advertisement. Most of the advertisers really don't understand this idea of getting someone to spend between five and seven minutes in a particular ad on the device, but I think they're starting to warm up to the idea.

Are there opportunities for real-time ad buying in digital magazines?

We're actually working on some ad network features in our system to allow for both advertising and direct purchasing.

It's a hybrid between in-magazine purchasing, content-marketing, and a shopping cart experience. The technology is all there and ready to go; it's not a particularly difficult process. The challenge has to do with fulfilling those orders, because magazines typically are not fulfillment companies. It requires them to make a lot of technical effort to integrate and tie up to some of these organizations.

How does data play into engaging content production?

In *Katachi*, based on our analytics, people spend eleven-and-a-half minutes reading the magazine per session. Based on that period of time they read a little bit over five pages in the magazine. It's quite a considerable amount of time that people are spending, and the customer that buys an issue will then, on average, buy 2.3 issues. So almost everyone will buy a single issue, like it, and buy another issue. The way that we've dealt with our content is that we've approached the editorial process so that we create editorial content that is a bit more evergreen, that has a bit more appeal over a longer period of time. Then you do end up getting a lot more sales because people see that they can go back to it. —A.H.

Everywhere, All of the Time

To meet the needs of digital fragmentation *Reader's Digest* embraces cross-platform collaboration.

Kerrie Keegan
Managing Director of Content Operations, Reader's Digest North America

It's certainly a sign of the times that a legacy brand such as *Reader's Digest*, which is now nearly a century old and is well known for its middle-aged demographic, has been garnering industry attention lately for the rapid pace at which it's unveiling new digital products. In an effort to understand how *Reader's Digest* has managed to maintain the appeal of its flagship print product while simultaneously filling the online marketplace with content-heavy apps and digital magazine editions, *Publishing Executive* spoke with Kerrie Keegan, the managing director of

content operations for *Reader's Digest* North America.

Keegan has spent more than 15 years in the publishing trenches, with experience across a range of creative, production, and management roles. Remarkably, she began her career at American Lawyer Media when the company was transitioning from manual paste-up methods to desktop publishing. "I've witnessed an extreme transition of technology over the years," says Keegan.

More recently Keegan played an in-

strumental role in the magazine's much-ballyhooed redesign, which made its public appearance with the January 2014 issue. Here she shares insight on *Reader's Digest*'s mission to make its evergreen content available on literally any platform a consumer may hope to find it.

Reader's Digest *has been garnering a lot of attention lately for its digital innovations. What do you think makes your digital division a leader in this space?*

I think what sets us apart, and what I think a lot of people may not know about *Reader's Digest*, is that we've always been early adopters of digital technology—and in a lot of cases, first to the table. For instance, we were one of the first publishers to introduce an iPad app. We were the first users of the new publishing technology we used to create our new mobile phone app. And I think these technological innovations have been really successful in allowing our company to stay fluid in the marketplace.

What are some of the projects you've been working on recently?

Reader's Digest has just unveiled a new redesign of the brand, and along with that, our digital portfolio was revamped. Part of that relaunch was introducing a new mobile iPhone product. And what was groundbreaking was the technology we used to produce it.

We wanted to focus on the functionality of the app, but we needed to find more efficient ways of producing it. So we updated our workflow to introduce a new-to-market Wordpress-to-DPS plugin. And we're actually pioneers in using this open-source platform to push our mobile editions through Adobe's digital publishing system. We worked in conjunction with Studio Mercury and the Mueller brothers, who've also done [digital applications and web-based projects for] *The New Yorker* and *Vanity Fair*.

I understand the recent print redesign was done in such a way that it would reference the redesigned digital edition. Is that right?

Right. When we were redesigning the

brand, we actually looked across all platforms and let them influence each other. So our print product is a clean and classic redesign. We've actually harkened back to older versions of *Reader's Digest* that were more streamlined, and the design is really unique and user-friendly.

So we expanded that across our digital platforms, and we've made some great improvements there. We also have new columns, such as "Finish this Sentence," which has deep roots in social media: A question is posted on Facebook, readers respond, and then those answers are actually used in the magazine.

Would you say there's a philosophy of innovation within the company?

Yes, that's been baked into our DNA since the launch of *Reader's Digest*. And one of the things we've done, and that I don't think a lot of publishers do, is that we expose our entire team to all platforms—our whole editorial and design teams contribute to all of our platforms. That's kind of a big thing, because editors can make decisions that are platform-specific with our content. A lot of other companies set their teams up to work in silos, so that their digital team, for exam- ▶

ple, will only be working on one product or platform. We also work very closely with vendors to enhance their technology and the software they're developing.

So you're saying that your editorial teams are working on digital and print products at the same time, and that everyone has their hands in both of those pots?

Yes, absolutely. Our editors will contribute to the magazine, and they'll also contribute to the website. They contribute bonus content to our tablet and mobile editions. And they're constantly kept current on the research and findings, to know how to distribute the content to the correct platforms. So yes, all of our editors and our design team work across platforms. Even our print designers, they'll work on the digital products. When we were concepting our mobile phone app and the tablet redesign, we included print designers, web designers, and digital designers, so that everyone could inform one another's products and platforms.

Can you talk a bit about how you're monetizing your digital content?

We still work with pretty traditional subscription revenue models. Our digital and print editions each have their own revenue models, and we've been testing some very successful programs since the *Reader's Digest* relaunch in January.

We're always looking at various subscription models across platforms. Our sister company, *Taste of Home*, has been really successful in leveraging a paywall on their website, and offering exclusive content for print subscribers. At *Reader's Digest*, we actually offer a six-month free trial to our print subscribers to try out our digital edition. And we've had really great success in converting them from print to digital through that incentive.

So, yes, we still have a lot of things in the works in terms of exploring new ways of bringing in revenue. We're constantly working on new ways to monetize, to bundle, and to offer different subscription models.

The editorial pages of your print edition have increased and your issue frequency has gone from 10 to 12 issues a year. Can you explain what led to that?

With our January 2014 issue, we focused on our most engaged subscription base, and we offered advertisers a new, first-to-market, premium print model and strategy. Our primary objective as a company was to eliminate all non-profitable circulation, and to focus on the three million most engaged consumers. So we wanted to enhance the quality of our core print product, and also the value of the proposition that we're delivering to both our readers and our advertisers.

We've actually eliminated the number of ads in the book, so that we have a higher editorial ratio; we went from a 50-50 to an 80-20 edit-ad ratio. We've also taken the initiative of increasing the user experience in both the print and the tablet editions, where we've actually spread out the advertising throughout the magazine so the pacing is better suited for our readers.

What are the biggest challenges you face in digital?

I think one of the biggest struggles is the competition for our consumers' time. So we're constantly looking for new and efficient products, like our iPhone app, to make sure that we reach them where they want to find us.

This idea of being able to reach readers wherever they are—is that something you specifically focus on?

Absolutely. That's really my job: to take the content that this team is producing—and we have very successful content that we've been producing since 1922—and make sure it's everywhere that people are looking for it. I think it's very important that publishers continue to do this. And I think the struggle is that with all of these expanding products and platforms, publishers need to remain efficient and agile enough to produce these products with whichever size teams they have. —D.E.

Ready, Set…Action!

Model Railroader Launches Paid, Video-Only Site For Train Enthusiasts

80-year-old *Model Railroader*, an enthusiast magazine for railroading hobbyists and the flagship title of Kalmbach Publishing, is anything but dated. The hobby magazine is embracing new content delivery channels with a strong focus on original video. Last year, that effort culminated in the launch of a video-only, paid website, Model Railroader Video Plus (MRVP).

The site is a natural progression for *Model Railroader*, says Kalmbach vice president of editorial and *Model Railroader* publisher Kevin Keefe. Video became an important part of *Model Railroader*'s strategy about six years ago, when Keefe put editors in front of the camera to do the product reviews and tutorials that they were known for
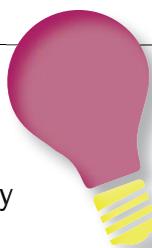
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