

R850m industry in conference spotlight

Customer magazines encourage better retail relationships and more sales, writes Adele Shevel for the *Sunday Times*. The customer magazine industry – titles published for particular companies – is worth an estimated R850-million a year in this country and is growing.



Customer titles are viewed increasingly as a turnover-enhancing tool and an effective, targeted advertising medium. This is based on research undertaken by research house ImagineNATION Alliance, which is due to be released this week at the first customer magazine conference in South Africa. It is taking place in Cape Town and will also host members of the international customer publishing arena.

Conservative figure

An executive director at New Media, Naomi Herselman, who initiated the conference, believes the industry is worth more than that figure. “That is a conservative figure,” she said.

The customer magazine market has grown in leaps and bounds internationally and South Africa is following suit, though it does lag in terms of the diversity of titles seen in the US or the UK.

“But we’re catching up,” said Herselman. South Africa has about 130 customer titles compared with 350 in the UK. Locally, the quarterly ABC figures for April to July 2006 showed an increase of 28% in the customer title category.

Different rules

Herselman said: “There are different rules. In a customer magazine you’re working for a client, you have to look for the client’s marketing objective. It’s about building loyalty, based on increasing feet through a door, and selling more products. It’s a different mindset.”

Irna van Zyl, editorial director at New Media, said customer magazines were becoming more creative and employing a better standard of writing, design and ideas.

“Magazines offer much more than direct advertising or above-the-line, which is geared towards building brands. They are geared towards building relationships and turning them into more profitable relationships,” Van Zyl said.

A recent article in the UK publication *Marketing* said customer magazines are a proven way of engaging customers directly on their terms. The largest circulating magazine (among customers and consumers) in South Africa is *Dish*, the DStv magazine. Its official ABC figures circulation figures are more than 1.3 million.

Most titles in retail

Both locally and overseas, the retail sector has the most titles. There are about 38 in South Africa. New Media’s managing director Bridget McCarney said this was because the sector maintains and has access to the best customer databases and can communicate directly with its customers. It also has access to the best distribution channels. She said the finance sector had the biggest growth potential because of the complexity of the messages these institutions wish to communicate .

The UK industry is worth more than £680 million with year-on-year growth of 10% and a projected value of more than £1 billion by 2011. Latest research in the UK by Millward Brown shows that sales jump by 8% after the magazine appears and loyalty to the brand jumps 32%.

Local research undertaken on the *Edgars Club* magazine shows that readers spend an average of 31 minutes reading it . Feedback shows that nearly half the readers visit the store after reading the publication. Nearly a quarter of the respondents said they bought a product, used a club benefit or bought a voucher.

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