

ABM Brand Extension Committee

Case Study Spotlight

This series of case studies explores how B2B media companies are growing their businesses through brand extension projects.

TOPIC: REPRINTS

The Opportunity: A strong, focused reprints program is an excellent way for B2B publishers to promote their brands and opportunities to earn significant revenues by leveraging existing content. Given the expense that most B2B publishers incur to generate content, a comprehensive reprint program can further monetize this investment.

Most publishers have formal reprint and permissions programs that sell reprints or grant permission to reprint or reuse content for a fee. Several have centralized departments, some have programs specific to individual publications, while still others outsource some or all of their reprints and permissions functions. The extent to which a publisher chooses to centralize and invest in a reprints and permissions program will depend upon the uniformity of the market for a publisher's individual publications and the specific attributes of those markets.

CASE STUDY #1: American Lawyer Media Grows Reprint and Permission Revenue More Than 500% in Four Years

Publisher: American Lawyer Media
Property: American Lawyer Media National Publications
Audience: Large Law Firm Attorneys
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Objectives: Create a high-margin revenue stream from reuse of published content.
Strengthen the brand identity of individual publications.

Background: American Lawyer Media (ALM) is a major publisher of news and information for and about the legal professional. ALM's key national publications, consisting of both magazines and newspapers (five publications with periodic supplements), focus primarily on the high-end business law market. Prior to 1999, ALM had no formalized reprints and permissions program. Incoming requests for permission to reuse content were directed to designated editorial or business contacts at each publication. Only one of these publications, a daily newspaper, had enough volume of requests to maintain a full-time production person whose primary job was to download and send pdf files of requested

articles to customers. Customized reprints that could be used by law firms as marketing tools were not actively marketed and were produced only when requested with minimal customization.

- Concept:** Establish value in the market for reuse of ALM key content by:
- Creating a formal, centralized system for responding to inbound permissions requests; and
 - Integrating within that system an aggressive outbound sales effort for custom reprints of content; and
 - Utilizing premium pricing for both permissions and reprints

Marketing departments of law firms frequently distribute brochures containing articles by and about firm attorneys to clients and prospects. Permissions contacts at the individual ALM publications frequently received and granted permission to firms to reprint and distribute these articles but were generating minimal revenues. Creating a centralized resource to handle in-bound permissions requests and outbound customized reprint efforts made the most sense for ALM's New York-based publications since the market for each of these publications has significant overlap, and allowed ALM's newly created reprint division to convert law-firm permission requests into higher-revenue producing customized reprint business.

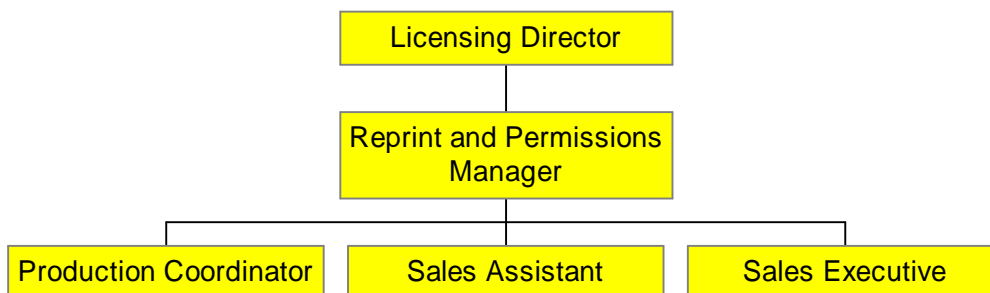
Execution: A reprint manager position was created and filled by a former advertising sales employee. Her compensation package was structured to include strong sales-based incentives. All permissions contacts at individual publications were directed to forward requests to the new reprint manager. The production employee at the one publication that had a full-time employee to handle permissions was reassigned to the new reprint department. The next steps were:

1. The reprint group worked with production and editorial to gain access to the servers containing all published files for the affected titles.
 2. The reprint manager negotiated with printing companies to achieve acceptable prices and turnaround schedules.
 3. A new rate schedule for permissions and custom reprints, both online and in print, was established.
- Business rules for permissions and customized reprints were established geared at promoting the display of ALM brands and logos. These rules restricted permissions by:
 - Prohibiting customers from integrating ALM content into marketing pieces developed by in-house marketing departments,

- Prohibiting the online display of articles other than those that were in the exact format as appeared in print, with the appropriate ALM brand and logo,
 - Limiting the number of photocopies that could be made of an individual article
4. Product options for custom reprints were designed and created, including black & white and color products.
 5. Market awareness was built through the development and distribution of marketing materials and in-house advertising.
 6. A system was set up for reviewing each edition of each of the five covered publications. The reprint manager, who also functioned as the reprint sales representative, regularly and diligently called, e-mailed or mailed each prospect covered.

By the end of the first year, the reprint group had successfully educated the market about customized reprint options. The reprint manager/sales representative had established relationships with the marketing contacts at the key law firms. More business started coming from in-bound requests as opposed to outbound sales calls. In addition, after the first year, the low-quantity permissions business was outsourced to Copyright Clearance Center, allowing the two-person in-house reprint group to focus on higher-value custom reprint business.

Resources: The establishment of the centralized National Reprint Group required the creation of one new position: the reprint manager/sales representative. This employee was paid a base salary, but was compensated primarily through commissions. The reprint production position was an existing one that was reassigned to the centralized division from one of the individual publications. Subsequently, two additional positions were added: an administrative assistant position in year three and an additional sales person in year four. The reprint and permissions group looks like this:



Best Practices: By consolidating resources and leveraging in-bound requests for lower-value permissions business, ALM was able to establish a thriving reprints and permissions division with a minimal outlay of additional resources.

ALM was able to establish value in the market for its content by eliminating free permissions, utilizing premium pricing, and otherwise limiting and controlling the use of ALM content. This also served to protect ALM's brand by preventing the use of ALM content in reprints and promotions prepared outside of ALM.

ALM was able to educate its law firm customers about the value of utilizing ALM content to market their firms, tapping into the evolving practices of law firm marketers who were seeking new ways to generate business.

ALM's knowledge of its market and awareness that its key publications rely on a discrete market for advertisers, readers and reprint customers led to the conclusion that a centralized in-house reprints and permissions department was in the company's best interest.

By outsourcing the lower-revenue producing parts of the business such as photocopy permissions and online permissions, ALM has now successfully redirected in-house resources to the higher-value customized reprint products.

Establish and maintain long term relationships with repeat customers who now use our service on an ongoing basis.

Enhance relationships with current and potential advertisers.

Success Measures: Reprint and permissions revenue has increased more than 500% since 1999. Prior to the organization of the centralized reprint and permissions division, revenues from reprints and permissions were approximately \$280,000 per year. In 2003, we estimate revenues reached \$1.5 million, with an operating profit of nearly 70%. Here are year-by-year revenues:

1999: \$280,000
2000: \$405,000
2001: \$627,000
2002: \$1,100,000
2003: \$1,500,000

Also, by requiring that all ALM content be distributed only in a prescribed manner geared towards maintaining the quality of our content and

maximizing exposure for ALM's brands, ALM succeeded at achieving two additional goals:

- Promoting our brands and ensuring quality in the display of our content
- Expanding our role as the marketing partner for our key law firm advertisers

Case Study II: Gruner + Jahr USA Outsources Reprints to Increase Profits And Brand Exposure for the Annual *Inc. 500* Issue



Publisher: Gruner + Jahr USA

Property: *Inc. 500* Annual Issue

Audience: Companies on the *Inc. 500* list

Contact: Daniel Rubin, Senior Vice President

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Background: One of the top-ranked magazine publishers in America, Gruner + Jahr USA reaches one of the largest readerships in America, selling nearly 200 million magazines each year. Gruner + Jahr USA's seven core titles--[*Child*](#), [*Family Circle*](#), [*Fast Company*](#), [*Fitness*](#), [*Inc.*](#), [*Parents*](#) and [*YM*](#)--are leaders in the business, fitness, teen, parents and women's service markets. *Inc.*, the only major business magazine edited exclusively for CEOs of fast-growing companies, delivers real solutions for today's innovative company builders. The annual *Inc. 500* issue ranks privately held companies according to sales growth over the past five years. With 75% of all new job creation in the U.S. coming from small businesses, the *Inc. 500* is an index of the companies and industries that are driving the economy. Over the years, the *Inc. 500* has identified the next generation of world-class companies with Microsoft, Stonyfield Farms, Timberland, Oracle, Princeton Review, Morningstar, E*Trade, Intuit and Domino's Pizza all appearing on the list before they became industry powerhouses.

Objectives: For the first 21 years of publication, *Inc.* magazine managed the reprint program for the *Inc. 500* special annual issue in-house. During the economic boom of the late '90s, the *Inc. 500* saw consistent growth in reprint revenue. However, the revenue declined over the last three years as the economy stumbled. The objective was to reverse this decline in reprint revenue, increase profits, lower costs and expand the brand exposure for this special issue.

Concept: G+J USA and *Inc.* realized that reprints were not one of their core competencies and decided they weren't staffed properly to capitalize on the reprint

revenue potential of the *Inc. 500*. In the late '90s, the magazine only needed to do a moderate amount of proactive marketing to achieve high reprint sales numbers. But *Inc.*'s management realized that in today's market, they were competing with other media avenues and selling to companies with greatly reduced marketing budgets. They needed a progressive reprint service firm that would commit to the objectives and revenue goals of the *Inc. 500* and commit the necessary resources to attain those goals. Based on the successful results their current reprint service was providing on their other publications, G+J USA chose Reprint Management Services (RMS) to tackle this challenge. RMS realized that to accomplish the revenue and profit goal, they would need to develop a comprehensive strategy that would include the marketing, pricing, product line, production, reporting and resource aspects of the program.

With 500 companies on the list, RMS knew it would be imperative to contact them all in a very short period of time to capitalize on the excitement of being chosen for the list. In addition, it was very important for *Inc.* and RMS to work closely together to coordinate marketing efforts for cross-selling opportunities.

Execution: Once the financial goals were determined, the next step was to develop a creative and detailed plan to maximize the sales and exposure for the *Inc. 500*. That plan included:

1. Meeting with the *Inc. 500* staff to learn all aspects of the internal *Inc. 500* marketing and sponsorship efforts. Determine best methods to reach the *Inc. 500* companies through these efforts. RMS produced sample reprints and an order form for winners' packets.
2. Reprint Packages – RMS developed reprint packages that included a combination of marketing products to suit different needs. Pricing was set in an effort to promote the sales of these reprint packages.
3. RMS Team – RMS assigned 10 representatives to the *Inc. 500* project, so that each of the 500 winners on the list would be contacted in a timely manner.
4. Electronic Marketing – RMS used their exclusive electronic reprint product, the NXTprint, to market reprints to the *Inc. 500* winners as well provide another electronic usage tool for the *Inc. 500* winners to purchase.



www.nxtbook.net/stage/rms/199_y2marketing

5. Weekly Meetings – The RMS team met weekly to track sales results, discuss sales strategy and react to market needs.
6. Reorder Program – A structured program that contributed to the increased reprint sales many months after the issue first came out.
7. Conference Attendance – RMS representatives attend the *Inc. 500* Conference to market reprint products to attendees.

Resources: Since *Inc.* outsourced the complete reprint project to RMS, *Inc.* devoted no resources to the project. Instead, *Inc.* was able to dedicate staff members to other magazine responsibilities. RMS resources included sales reps, the marketing department, a print designer, a web designer, the production staff and a project manager.

Success Measures: The revenue and profit goals established for the *Inc. 500* issue were achieved almost three months earlier than the previous year when the program was managed in-house. RMS was able to increase the number of sales and items in each product category. In addition, they created revenue from electronic usage where none existed before. This increase of reprint products in the marketplace provided significant brand exposure for the *Inc. 500*. All of this coupled with the reduced operating cost for the program made outsourcing the right decision for G+J USA.

Best Practices: First, determine whether you or your current reprint vendor has the resources to commit to your publication(s), whether for your regular frequency issues or any special issues you publish. Next comes a commitment to apply those resources to your program. Working together to establish goals and coordinate a game plan to reach those goals will result in increased reprint profits and will amplify the exposure for your brand.

CASE STUDY III: Mercor Media Outsources Reprints and Doubles Revenues

Publisher: Mercor Media

Property(s): Six Trade Magazines, Web Sites, and Research

Audience: Building, Construction, Engineering and Related

Contact: Dick Ryan, General Manager

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Objectives: To increase revenues and improve margins for existing publications. To expand the publications' brand recognition, credibility and prestige. To offset the increasing investment made in generating editorial content. Other objectives included maintaining editorial integrity, reducing business risk and improving the overall customer experience.

Background: Mercor Media was seeking ways to generate ancillary revenue for its stable of six trade publications (*Aggregates Manager*, *Bridge Builder*, *CE News*, *Craneworks*, *Lift Equipment* and *Structural Engineer*) and their associated Web sites. Previously reprints and other ancillary products were handled in-house by the individual

publications. There was no outreach to prospects. Requests for reprints were forwarded to the production department, adding to the workload of an already overburdened staff. Publication salespeople routinely gave away reprints and other ancillary products as value-added merchandising in ad contracts, resulting in lost revenue opportunities. There was little or no consistency to the reprints generated and the client experience was rarely positive.

Concept: Outsource responsibility for the reprint program to a third-party vendor. Reduce headcount and/or reassign those previously responsible for reprints to other more productive tasks within the organization.

Execution: The first step was to locate a professional marketing organization that specializes in marketing & sales, design, layout, production, billing and collection of reprints. Mercor solicited recommendations from industry veterans and contacted several potential vendors. Mercor selected PARS International Corp. as its reprint partner and negotiated a revenue-sharing agreement under which royalties would be paid to Mercor on the gross sales price of the reprint (excluding shipping & handling, sales tax and other non-revenue items such as photographer re-use fees). Circulation arranged for first-bound issues to be drop-shipped to PARS International directly from the printer. Production provided duplicate sets of materials (Quark files) on CD-ROM and/or DVD.

Resources: This project required no investment, other than minimal staff time to effect the transition. Mercor designated a liaison to the reprint vendor to answer questions and expedite materials.

Best Practices: PARS International employs dedicated reprint sales specialists who are supported by researchers and sales assistants assigned to the individual publications. Traffic managers facilitate the flow of materials from both client and publisher, ensuring that all files are on hand to process each job order. Salespeople negotiate photo reuse fees (if any) and bill them directly to the client as a non-commissionable line item. Royalties are paid on a monthly basis and are accompanied by samples of each job billed. Detailed publisher status reports recap sales contacts and results from each issue. This intelligence is useful for both sales and editorial. More than once a prospective advertiser has purchased significant quantities of reprints after telling the publication's salesperson that they have no budget or won't advertise because they don't get enough coverage in the publication. Editorial uses the reports to gauge interest in particular topics, products categories or reports.

PARS International creates a superior customer service experience. All orders are processed quickly and professionally using a better grade of paper stock than the original publication. This results in outstanding reproduction and a finished product that enhances the brand image of the publication. Editorial integrity is maintained since a third party not directly associated with the magazine handles the sale of editorial content.

PARS International represents other publications in the category, so they can also leverage existing customer relationships to increase sales. Reprint specialists have broad

category knowledge, at times functioning as a PR clipping service for companies who receive mentions in multiple publications.

Finally, since reprint sales are often ego-driven, PARS International contacts prospects within three days of initial publication, thereby taking advantage of the euphoria and excitement the prospect feels after being featured in a national magazine.

Success Measures: This project was successful for Mercor by several measures:

- 1) The publisher more than doubled net revenue from reprints and ancillary product sales.
- 2) Costs were reduced significantly and valuable (and limited) resources were reassigned to more productive tasks.
- 3) Turnaround time has been cut nearly in half and rush orders can now be delivered in as little as 24 hours.
- 4) The overall customer experience has been greatly improved, as has the quality and consistency of the product.
- 5) Circulation has found a new, highly targeted, low-cost source of new subscribers by adding a subscription inquiry line at the bottom of all reprints.
- 6) Brand recognition has improved for all publications as the result of the marketing efforts of the reprint vendor (phone calls, e-mails, faxes and mailings) and reprints carrying the magazine brands circulating in the marketplace, particularly at trade shows.