

# Fear not for The Bulletin, says Premier Magazines

*The most significant event in magazine publishing this year occurred when Kerry Packer's ACP magazine publishing group signed a deal with U.S. media giant Time Warner Inc to create Premier Magazines. According to management from both sides, the fate of one of Australia's oldest publications, ACP's The Bulletin, rests in good hands*

**D**uring the week commencing February 9, 1998, a \$100 million-plus deal was announced between Australian Consolidated Press (ACP), a subsidiary of Australia's largest magazine and television empire, Kerry Packer's Publishing & Broadcasting Ltd. (PBL), and the biggest magazine publishing empire in the U.S., media and entertainment giant Time Warner Inc.

The 50/50 partnership is a joint venture magazine publishing house in Australia called Premier Magazines. It has responsibility for six Sydney-based titles which come to the table from both parties in the deal: *Time* magazine and *Who Weekly* from the Time Inc group of magazines, and *The Bulletin*, *New Weekly*, *Australian Gourmet Traveller* and the recently launched *Wine* magazine from ACP's stable.

Premier is not ACP's first joint venture, nor is it likely to be its last. ACP already publishes *Elle* in Singapore with French group Hachette Filipacchi; *Cleo* in Thailand with the *Bangkok Post*; and *Cosmopolitan*, *Harper's Bazaar*, *Mode* and *She* in Australia and New Zealand with U.S. publisher Hearst Magazines International. Apart from the joint ventures, ACP also publishes almost 50 wholly owned magazines in Australia including *Woman's Day* and *Australian Women's Weekly*.

Premier's managing director is Time Inc International's vice-president Marty Gardner who relocated from New York to Sydney to head the operation and will report to an equally balanced ACP-Time board.

The joint venture company will eventually employ 200 people at Time Inc's North Sydney headquarters. Relocation of the 70 staff on the four magazines being transferred from ACP will take place during the next six months.

Though Premier operates as an independent publishing house it also benefits from ACP's administrative, financial and publishing services, and Time Inc's editorial services.

The biggest fuss about the joint venture has concerned its effect on Australia's 118-year-old icon *The Bulletin* which has undergone its first shift of management control during its 37-year ownership by the Packer family. The naysayers pointed to obvious overlap between each company's weekly newsmagazines (*Time* and *The Bulletin*) and gossip titles *New Weekly* and *Who Weekly*, and suggested that a merger of titles was on the cards.

The greatest angst was reserved for *The Bulletin*, perhaps because of its position as a central part of Australian life for the past 118 years.

ACP has owned *The Bulletin* since 1960 but it was established in 1880 by J F Archibald, and fellow journalist John Haynes. Their somewhat idealistic aim was "to establish a journal which cannot be beaten – excellent in the illustrations which embellish its pages and unsurpassed in the vigour, freshness and geniality of its literary contributions. To this end, the services of the best men in realms of pen and pencil have been secured."

Some of those "best" men included Archibald, said to be the magazine's most successful editor, artist Norman Lindsay who penned a host of cartoons, and writers Banjo Patterson and Henry Lawson.

The fact that merger rumours sprung up probably had a great deal to do with the recent lacklustre performance of *The Bulletin* and its gossip stablemate. Audit Bureau of Circulation figures for the six months to December 31, 1997, stated that *The Bulletin's* average weekly sales had dropped 9,259 copies to 91,771 compared to the corresponding period a year before. *New Weekly's* sales were down by 19,245 copies to 194,078 during the same period. Contrast that with the circulations of some of PBL's successful titles – *Australian Women's Weekly* in excess of one million and *Woman's Day* approaching that mark – and you begin to understand the fears.

But management from both sides said that merger plans, particularly for *The Bulletin*, were completely unrealistic. They flagged their more honourable intentions by stating that *The Bulletin* would continue to incorporate its condensed version of *Time's* weekly newsmagazine rival *Newsweek*. It is probably worth noting that though *Time* and

*Newsweek* compete in the U.S., in Europe they share distribution and production facilities.

Ultimately, it makes good business sense for *The Bulletin* to be supported by its former rival, now stablemate. Most of ACP's energies were concentrated on the higher performing, best-selling women's and gossip titles while, according to former staff, *The Bulletin* was not given the same resources. Hopefully, that will change.

Both *Time* and *The Bulletin* have distinctive styles, *Time* as Australia's window on the world and *The Bulletin* its newsweekly, informing Australians about Australia and also the world with the *Newsweek* content. Indeed, independent research suggests that only about 14 per cent of readers subscribe to or buy both *Time* and *The Bulletin*, so the advent of control by Premier magazines is more likely to prove the incentive to head off any competition between both magazines.

Both ACP and Time Warner have stressed that joint management of the six publications will see each more effectively positioned so that they complement each other rather than compete. This is of particular relevance to *The Bulletin* which is a strong branded property in its own right but needs greater investment to ensure future growth.

Media buyers said that both parties bring strengths to the venture: Time Inc has the recognised brands, international experience and skills in selling magazine subscriptions; ACP is the Australian specialist.

The joint venture more than doubles *Time*'s size in Australia which until now has been a small market for the U.S. media giant compared to its operations in the U.S., Europe and Asia. The tie-in with ACP puts it in a better position to launch local titles in areas such as cooking, general interest, homemaker and travel. In fact, Premier's management has said that there will be

at least one launch this year and in future new titles will include local versions of other *Time* publications.

Premier may also set up a group advertising sales facility in order to offer joint selling deals and promotions across all titles. If all goes according to plan, the joint venture could double the \$100 million revenues of the initial six titles in the next five years.

Premier Magazines' establishment represents the most significant change to Australia's magazine industry this year and shows that there is still room for expansion in some niche areas. Despite being pressured by competition for advertising revenue and rising paper costs, the magazine industry remains a viable one. It accounts for roughly \$340 million in national advertising, or 5.8 per cent of total adspend (Commercial Economic Advisory Service data) and magazine sales rose by 3.2 per cent to \$417 million in the first half of 1997 compared to the previous year.

## PBL and Time Warner's top selling magazines

<b>Titles (by circulation)</b>	<b>Owner</b>	<b>Circulation 30/6/96</b>	<b>Circulation 30/6/97</b>
<i>Women's Weekly</i>	PBL (Packer)	994,753	1,004,191
<i>Woman's Day</i>	PBL (Packer)	990,677	962,442
<i>TV Week</i>	PMP Communications (50%); PBL 50% (2)	442,853	400,923
<i>Cleo</i>	PBL (Packer)	263,353	247,196
<i>Who Weekly</i>	Time Warner	230,469	234,775
<i>Cosmopolitan</i>	PBL (Packer)	237,579	224,816
<i>New Weekly</i>	PBL (Packer)	220,593	199,259
<i>Dolly</i>	PBL (Packer)	174,722	177,205
<i>Picture</i>	PBL (Packer)	177,317	164,099
<i>Time Australia</i>	Time Warner	153,437	153,515
<i>Australian House and Garden</i>	PBL (Packer)	113,046	108,511
<i>Bulletin</i>	PBL (Packer)	100,949	96,842
<i>She</i>	PBL (Packer)	100,596	93,227
<i>People</i>	PBL (Packer)	104,971	89,716

**Note:**  
(1) Industry convention dictates that the circulation of *TV Week* (jointly owned by PMP Communications and PBL (Packer)) is attributed to PMP Communications.