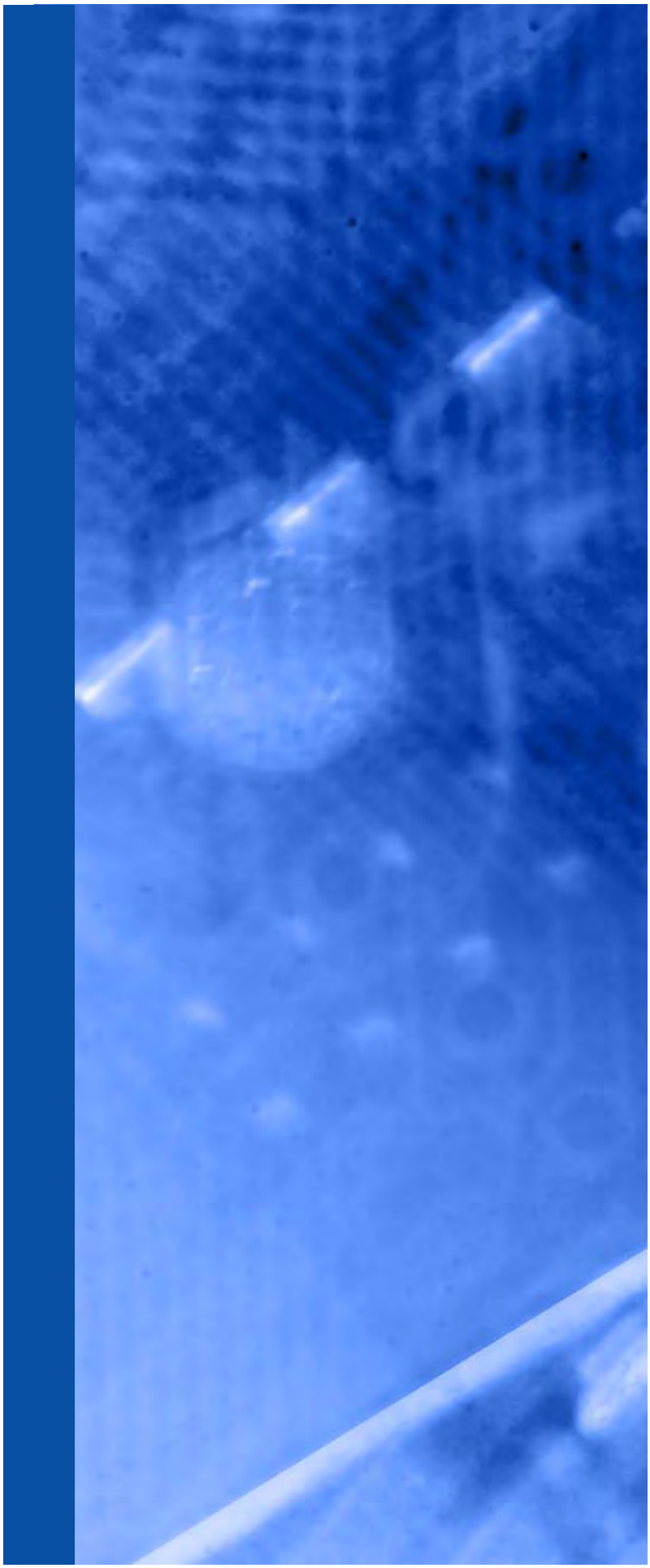

Research Report

Digital Magazine and Newspaper Editions

Growth, Trends, and Best Practices

May 5, 2008

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THE GILBANE GROUP

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Introduction

Over the past six years, there has been continuing interest in the adoption of digital replica editions in the magazine and newspaper markets. This has driven a sizable increase in online users of periodicals' content as well as rate bases.

Dramatic changes in online advertising, broadband penetration, and other factors make this an excellent time to assess the state of the digital editions market and to predict its future trajectory.

In compiling this study, the authors have interviewed over 100 industry stakeholders, gathered data from our data sponsors — Audit Bureau of Circulations and BPA Worldwide — and from our vendor sponsors — Advanced Publishing, Olive Software, Nstein, Nxtbook, Texterity, YUDU, and Zinio — read many online publications, and visited numerous Web sites to try to produce the most comprehensive industry report published in the last five years.

One of the goals of the study has been to compile a set of cases that depict the best practices employed in the industry today, to serve as models for other publishers that are considering the development of digital replica editions or other digital forms of their content. We have also taken an objective look at the state of the technology supporting digital magazine and newspaper publishing, as well as the content management technology necessary to support next-generation digital initiatives. Finally, we have spoken with publishers about their strategies for developing digital replica editions and their other Web publishing and cross-media opportunities.

After our research, here is what we cover in this report:

Compiling the Numbers

- What has been the growth in the number of publications (by category) offering digital editions?
- What is the percentage of digital subscribers vs. traditional subscribers?

Identifying the Leaders

- What are the current industry best practices regarding production, distribution, and marketing of digital editions?
- What are key newspaper and periodical publishers saying about the future of this technology?

Forecasting the Future

- What are the opportunities and threats to digital editions posed by the trend towards atomization and aggregation of content?

- What are the opportunities and threats posed by demand for original online content under the same brand umbrellas as digital editions?
- What is the effect of the growth of online advertising on the business drivers for digital editions?

Outline

This report is divided into five sections, which are as follows:

- **Section One: The Data** – Summaries of the data that we compiled from a combination of audited sources (BPA and ABC) and our sponsoring vendors, together with rationales for aggregating data in this emerging market.
- **Section Two: Best Practice Cases** – Case studies of successful digital edition deployments, along with descriptions of the technologies offered by the vendors that they used, which sponsored this study. We offer our conclusions on best practices represented by each of these case studies.
- **Section Three: Buyer's Guide** – an explanation of features, functions, technologies, and interfaces offered by the majority of digital edition providers today, along with some hints on how to pick the right ones for your needs.
- **Section Four: Visionaries** – we had the good fortune to capture the thoughts of five widely respected publishing industry visionaries regarding successful uses of digital editions and their place and trajectory in the publishing market; we share their insights here.
- **Section Five: Conclusions** – we conclude the report with our observations and predictions about the digital edition market.

While individual publishers and vendors tend to use the terms edition and version interchangeably, for the sake of consistency and to avoid confusion, we have elected to use editions and digital replica editions throughout this report.

We wish to thank our sponsors for their steadfast support of this study and for their diligence in helping us to interview some truly amazing industry executives. We also thank all of the people that agreed to be interviewed for this study and those people who provided data and other insights into the development of this fast-moving market.

Section One: The Data

Adoption Data

Growth is Impressive

One question that most industry observers ask is "How many digital subscriptions are out there?" We have gathered audited data from our Data Sponsors, Business Publishers Association (BPA) and Audit Bureau of Circulations (ABC), and unaudited data from our vendor sponsors, who together hold a very large market share in the digital publication technology marketplace. First, some definitions and qualifiers:

- This study covers digital replica magazines and newspapers only. It does not include publishers' Web sites or RSS feeds, blogs, etc.
- The data gathered cover magazines and newspapers published largely in North America, although selected European activity is included in these numbers. Because many publishing companies are multinational, it is almost impossible to provide accurate geographic data on where digital editions are created and read. The scant amount of audited data is insufficient to make any statistically valid generalizations of differences between the European and North American adoption or usage patterns. We hasten to add that digital subscribers are found throughout the world in even the most remote locations. Indeed, one of the driving forces behind the growth in digital replica magazines is the capability to reach readers located in geographically remote areas.
- The unaudited data from our vendor sponsors are highly confidential and therefore will be presented only in aggregate. The goal of this study is to analyze the factors driving the growth of the overall market, not to rank or compare individual vendors. We have collected sufficient page and transaction data to help rationalize the distinct publishing activities of each vendor and to develop a model for analyzing the overall market sizes and growth.
- Each sponsoring vendor has unique business models and tracks different operating metrics. When there are sufficient data to present findings in aggregate without compromising the confidentiality of one or several vendors, we will do so. However, when certain results are too specific to one or more vendors, we will report trends in general terms and hope to bring more specificity to those results in subsequent editions of this report.
- We distinguish between business-to-business publications and business-to-consumer publications. The data include publications of types that are not typically counted in audited reports, such as advertorials (magazines where the editorial content is less than 20%), some hybrid magazine/catalogs, a very few one-time publications, and some "adult magazines." We have asked detailed questions about the proportion of each of these types of publications and are confident that their numbers are statistically insignificant. And, of course, all of these types of publications represent growth opportunities for digital publications now and in the future.

We first present the audited data:

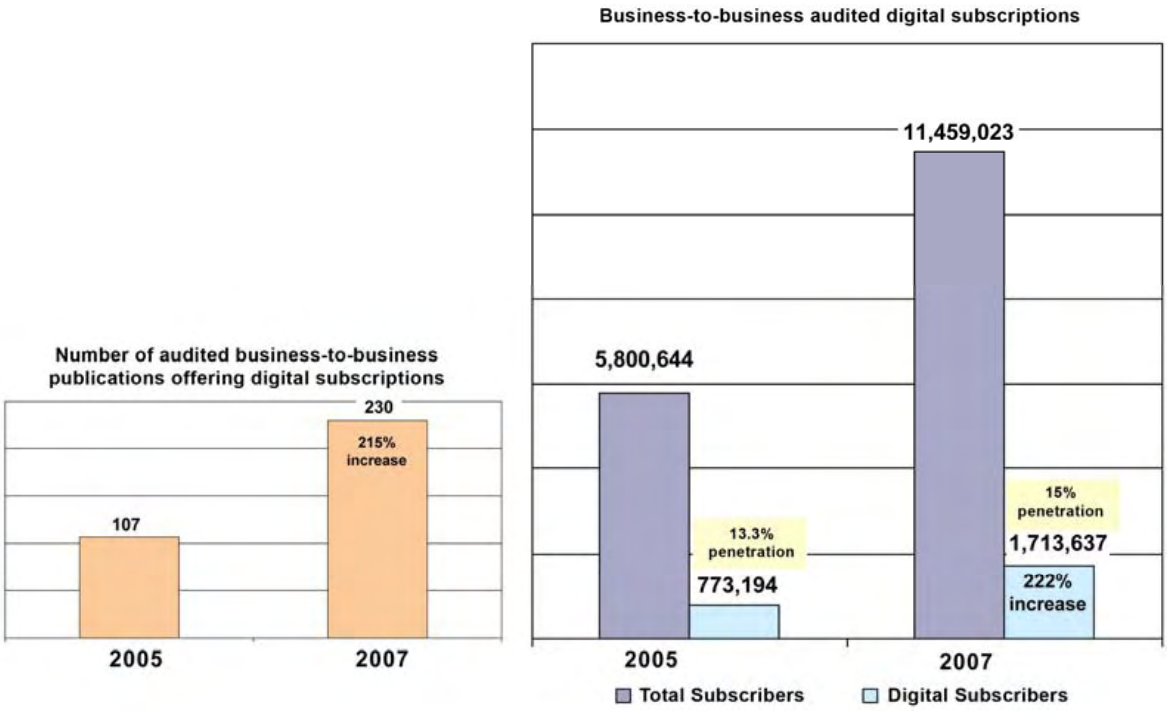

Figure 1: Increase in Audited Business to Business Digital Publications

Figure one describes audited digital publishing activity for business-to-business publications over the two-year period from June 2005 to June 2007.

- The number of publications reporting digital replica editions for audit purposes grew from 107 to 230. That represents a growth of 215% for the period.
- The number of digital subscriptions grew from 773,194 to 1,713,637, representing growth of 222%.
- The penetration of digital subscriptions compared with the total subscriptions also grew, from 13.3% to 15.0%, demonstrating increasing acceptance of digital editions.

There were limited data on growth of the penetration based on the number of years that the digital edition has been offered. While not statistically significant, it appears that the percentage of digital subscribers grows by about two percentage points per year (i.e. from 10% to 12% to 14%) in the business-to-business segment.

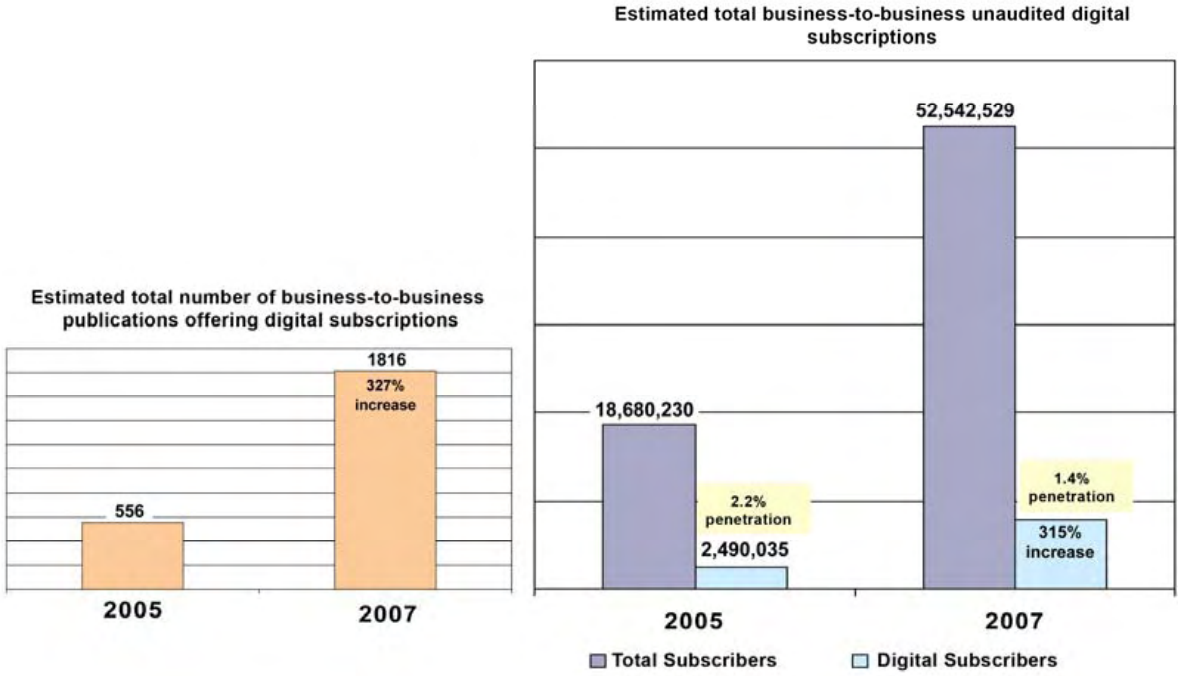

Figure 2: Increase in Unaudited Business to Business Digital Publications

When we add the unaudited activity to the equation, the number of publications offering digital replica editions increases to 556 in 2005 and grows to 1,816 in 2007 — an increase of 327%. Similarly, the number of digital subscribers increases from 2,490,035 to 7,855,749, an increase of 315%.

Based upon discussions with data providers and publishers, we have taken the conservative assumption that penetration rates for unaudited titles are similar to those of audited publications, even though most experts agree that penetration rates are likely higher with smaller, more specialized, and unaudited digital magazines.

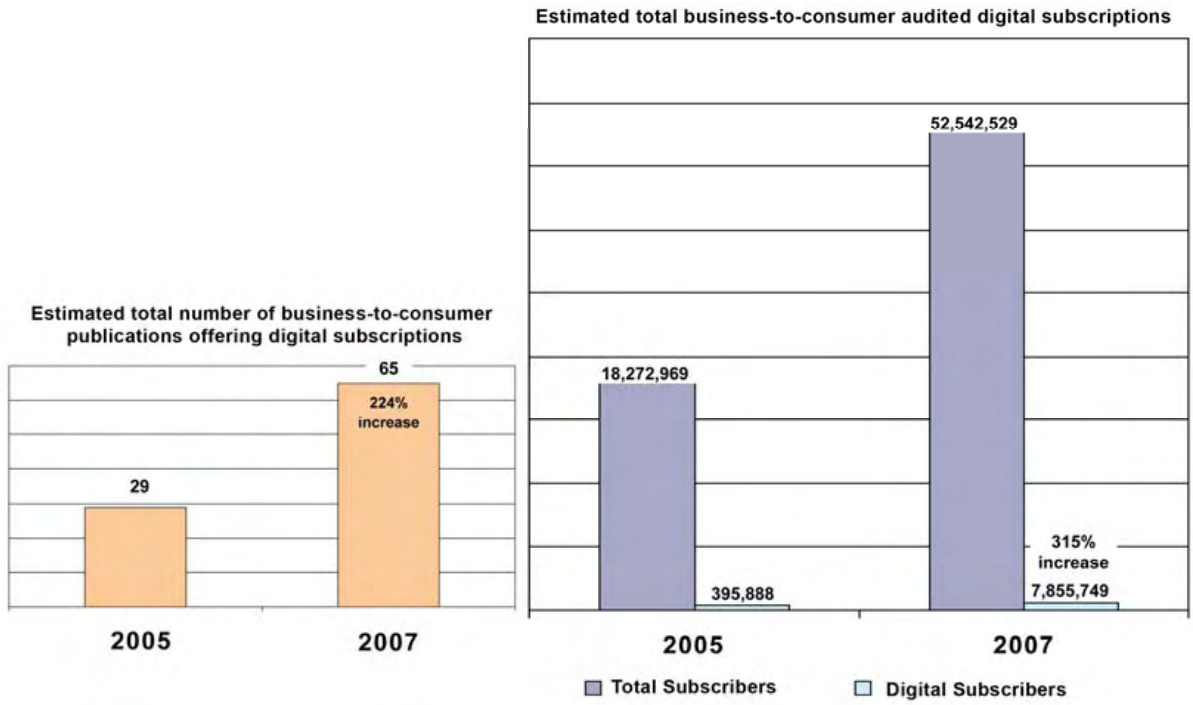

Figure 3. Increase in Audited Business to Consumer Digital Publications

Graph three describes audited digital publishing activity in business-to-consumer publications over the same two-year period.

- The number of publications reporting digital replica editions for audit purposes grew from 24 to 65. That represents a growth of 224% for the period.
- The number of digital subscriptions grew from 395,888 to 564,988, representing growth of 143%.
- The percentage of digital versus print subscribers decreased from 2.2% to 1.4%.

Clearly the B2C numbers are very different from the B2B data. We will analyze these differences later in this section of the study.

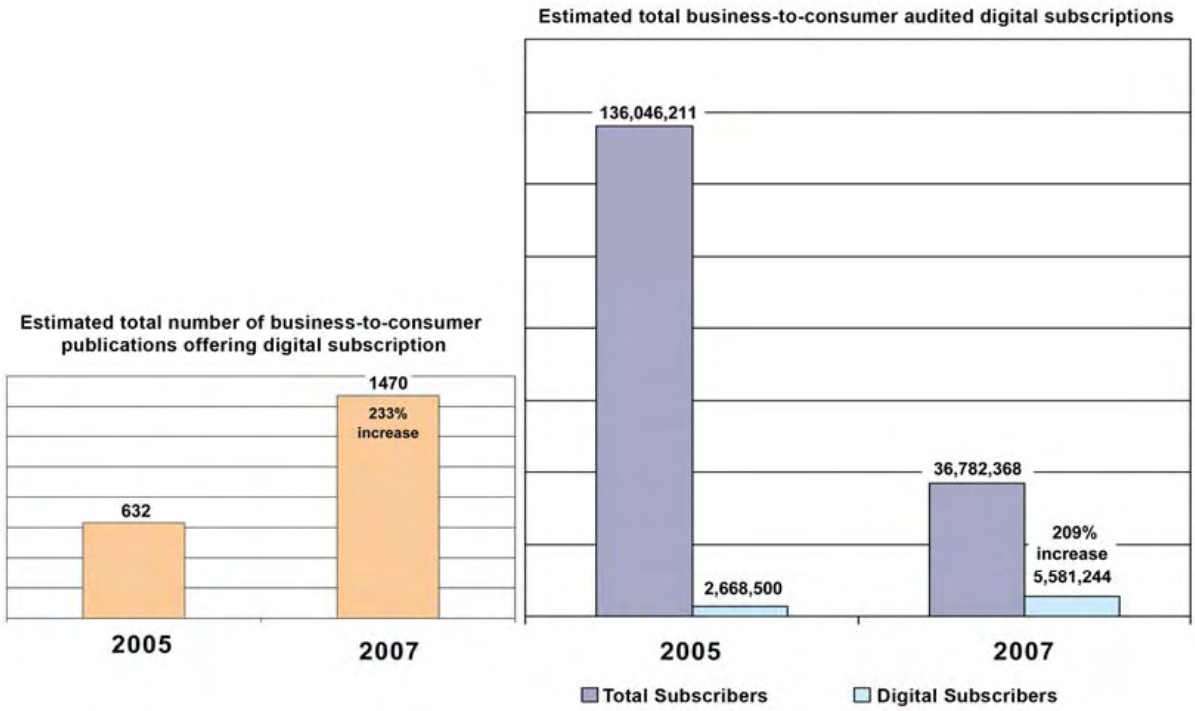

Figure 4. Increase in Unaudited Business to Consumer Digital Publications

Adding the unaudited activity to the equation, the number of publications offering digital replica editions increases to 632 in 2005 and grows to 1,470 in 2007 — an increase of 233%. The number of digital subscribers increases from 2,668,500 to 5,581,244, an increase of 209%. Consistent with our B2B analysis, we have taken the conservative assumption that penetration rates for unaudited titles are similar to those of audited publications.

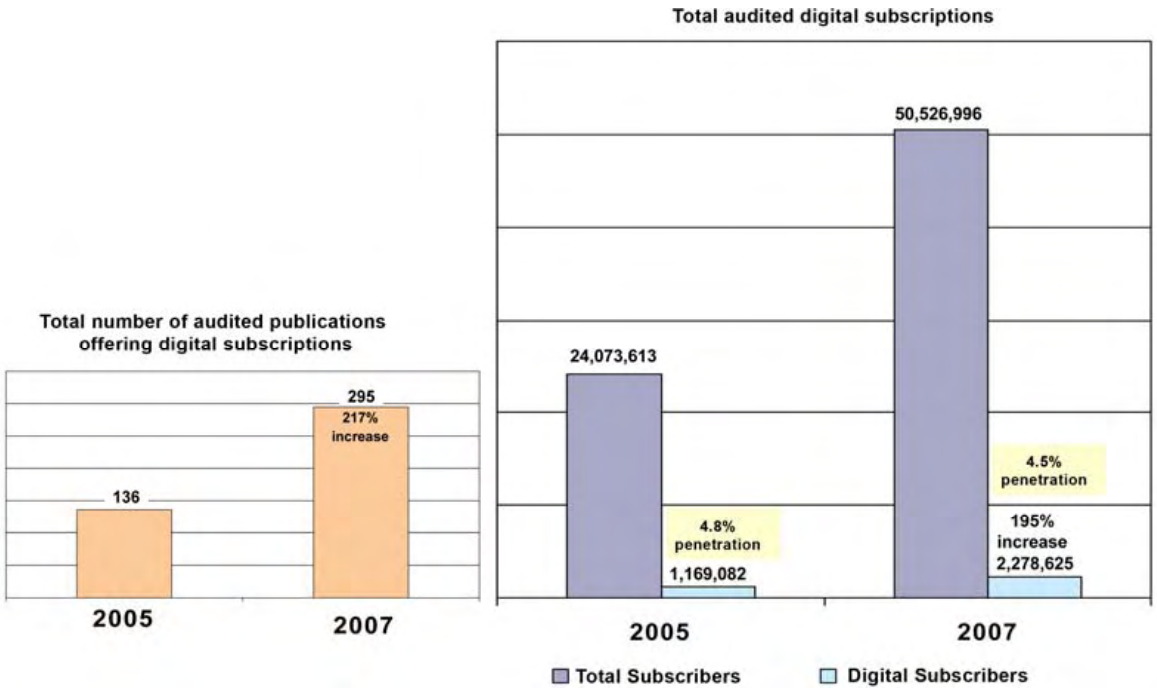

Figure 5: Total audited digital subscribers

When we combine the data for B2B and B2C audited digital subscribers:

- The growth in publications offering digital subscriptions was 217% over the two year period. Audited digital editions grew from 3.2% to 6.9% of all audited titles, leaving plenty of room for future growth.
- The number of digital subscriptions grew from 1,169,082 to 2,278,625 representing growth of 195%.
- The percentage of digital versus print subscribers decreased slightly from 4.8% to 4.5%.

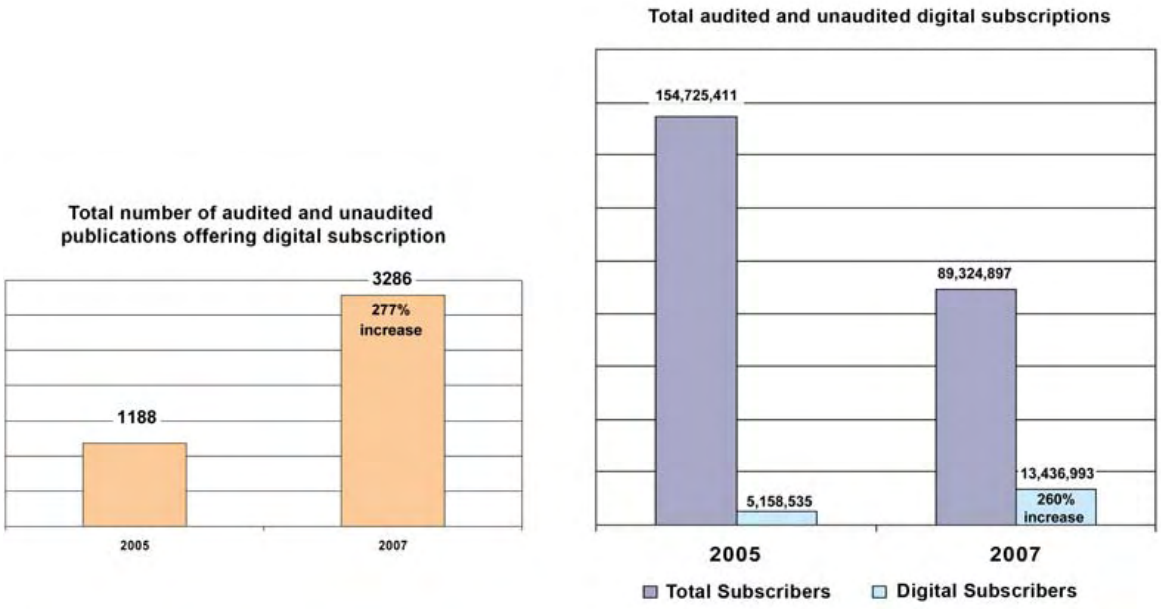

Figure 6. Total estimated digital subscribers

When we combine the audited and unaudited data for B2B and B2C digital publications, the overall growth of the market from 2005 to 2007 is impressive:

- The total number of publications that are offering a digital replica edition has grown from 1,188 to 3,286, a percentage increase of 277%.
- The number of digital subscribers has increased from 5,158,535 to 13,436,993, an increase of 260%.
- For the total population of magazines, the penetration rate over the two-year period declined slightly from 3.3% to 3.2%.

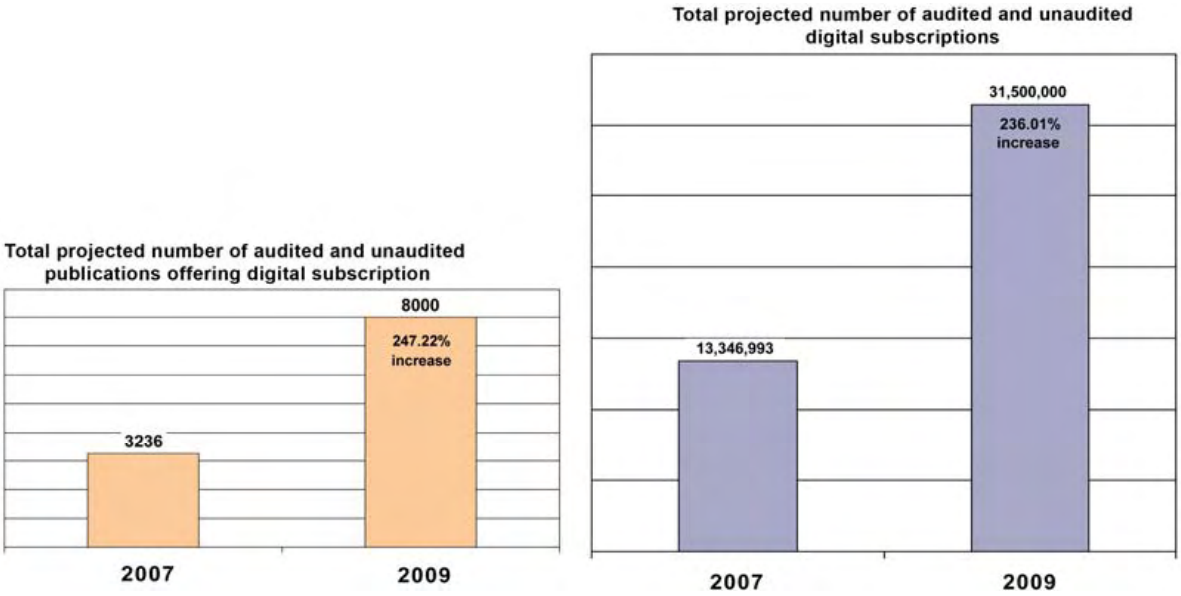

Figure 7. Projected number of audited and unaudited digital subscribers

Based upon the current trends and data provided by vendors, we project that the total number audited and unaudited of publications offering digital editions will climb from 3286 in 2007 to approximately 8000 at the end of 2009. This represents growth of 247% for the two year period. We expect the number of digital subscriptions to grow from 13,436,993 to approximately 31,500,000. This represents growth of 236% for the same period. The number of digital subscriptions could be even greater if penetration rates increase.

Newspapers

Because of limited audited data and only one vendor source, it is not possible to present a similarly thorough presentation of newspaper data. There are some clear trends that can be gleaned from the data that is available:

The Wall Street Journal is a complete anomaly in this market. Their percentage of digital subscribers is fairly constant at around 16%-17%. This percentage is very similar to B2B publications and once again demonstrates that when content is aligned with a reader's job responsibilities, digital subscriptions are more popular. The rest of the newspaper market has been trending upward in digital subscriptions and is now approaching 1%. There are three trends that are likely to drive this percentage higher in the near future:

- Many newspapers are now providing digital editions for classroom use. According to industry executives, this trend is growing rapidly. The cost savings are significant, and the archive feature is very useful to both teachers and students (see the Denver News Agency — Olive Software case).
- Some newspapers are now offering free digital subscriptions to print subscribers. These hybrid subscriptions enable travelers or readers who live in remote locations to stay current with their hometown paper while on the road and allow subscribers to read their digital edition wherever they have computer and network access.
- Certain archives (see The Guardian — Olive Software case) are driving their own digital subscriptions serving institutions and individuals.

As we examine the data presented above, there are several questions that immediately come to mind:

- Why is there such a discrepancy between the B2B and B2C markets? There are several possible explanations:
  - The B2B market serves professionals at work and is part of their continuing professional education. It is quite acceptable to be reading an industry magazine on one's computer while at work. Many magazines serving this market deliver key industry information to their readers and they therefore prefer the faster delivery provided by digital editions. This is especially important to international subscribers located in remote locales. It is likely that B2B magazines will have a higher percentage of international readers than B2C magazines. Digital editions gain readers when the information contained therein is enduring in value and archiving is a desired outcome.

- Most B2C publications have a much larger average circulation. Unlike B2B publications, they are usually read at home or while traveling. Because these publications are usually read outside of working hours, B2C readers do not have the same easy access to computers and networks in the work environment. There are still a significant number of homes that have no personal computer or the high-bandwidth connections required to make reading digital magazines a pleasant experience. When the proper equipment and connection do exist, they are frequently shared among several family members, making it less practical and convenient to read a magazine online. Many forms of B2C content focus on current happenings and thus their content has a shorter useful life. However, in topic areas such as hobbies, athletic activities, food, etc., the enduring value and appeal of archiving is greater and penetration rates are comparatively robust.
- While a gross generalization, our observations while conducting this study indicate that many B2B publishers simply are more committed to their digital strategies than their B2C colleagues. They have found innovative marketing approaches for promoting digital editions, such as sending a free digital edition as soon as a new subscriber signs up for their publication; offering frequent reminders about the availability of digital editions; and making hybrid packages of digital and print subscriptions available for little or no additional cost. In most cases, their digital edition is prominently displayed on their Web site and is well integrated into their overall Web strategy.

- Why have penetration rates increased in B2B while declining in B2C?
  - Rapid growth in publications can actually depress overall adoption rates in the short term. For publishers that are dedicated to building their digital subscriber bases, the percentage of subscribers seems to increase by about two percentage points per year (e.g., from 10% to 12% to 14%). A large influx of new publications increases the representation of titles that are just beginning to build their digital subscriber base, thereby diminishing the overall percentage. This is more pronounced in B2C because the audited digital subscription base in 2005 was so small. In reviewing the performance of specific publications, we found examples where B2C digital readership grew steadily over the two-year period and others where digital readership declined significantly. Where there were declines, we suspect that publishers' policies were modified to be less favorable towards digital editions. In B2B, digital editions were better established in 2005, and many publishers are expanding their participation in the digital edition segment of the market.
- One could argue that even the 15% B2B penetration rate is not particularly impressive and that the overall penetration rate of 3.2% is insufficient to garner the enthusiastic participation of publishers; what needs to be done to address this situation?
  - For well-entrenched behaviors such as those associated with reading magazines to be changed, there needs to be a significant improvement in the

reading experience. First-generation digital replica editions failed to take full advantage of the features that distinguish digital media.

- Rich media can make editorial content come alive by offering video interviews, instructive models and simulations, and interactive illustrations. Rich media can make advertising much more exciting and thereby increase response rates. And by offering readers that ability to act on advertisements while reading the publication, purchasing behavior increases as well.
- Archiving and searchability add tremendous value to publications where readers wish to save and access information for future use. Making search more context sensitive and broadening the domain of the search beyond the content contained in a specific publication helps readers learn more about topics that have captured their interest.
- Adding links within digital editions to content found in other issues or to other respected publications adds tremendously to the value of a publication as a place to begin explorations within a specific subject matter.
- Adding social bookmarking and content sharing features also enhances the publication's value to the reader – as a more "scalable" version of recommendations that colleagues make to each other about printed content – even as such features also help to increase awareness and penetration.
- Making digital replica editions better integrated into the overall Web strategy helps cross-promote different offerings by allowing readers to access content in methods suitable to their information needs at any given time.

- Patience is required. As described above, if publishers continue to improve and promote their digital editions, participation will grow at a steady rate. That rate can be further accelerated by functionality as described above. And as young readers come into the subscriber pool, the number of readers who prefer digital editions tends to increase.

- How satisfied are the current set of digital subscribers?
  - While the scope of this study did not include gathering data from digital subscribers, there are two recent studies that have gathered pertinent data:
    - Gloria Adams, Senior Vice President at Pennwell Corporation, commissioned a digital-magazine study with the cooperation of Texterity. Here are some highlights of the findings from digital subscribers of primarily B2B publications:
      - Subscribers open their digital magazines within several days.
      - 70% of readers spend between 15 and 45 minutes reading each issue.
      - Archiving, sharing, and discussing content is very popular with subscribers.
      - Readers appreciate the capability to go directly to advertisers' Web sites.
      - Most readers read key articles and browse all pages.

  - Their primary motivation is usage of the content to do their jobs better and to indentify relevant products and services for further consideration.
  - Rich media is a valued enhancement to about half of the sample population.
  - Online is the preferred medium for receiving industry and job information, industry news, and product announcements.
  - Digital subscribers are increasing their online activities and decreasing their print activities.
  - Timeliness and environmental factors are crucial to many subscription decisions.
- Zinio commissioned the Harrison Group to study their readers' behaviors and preferences in primarily B2C markets. The report is available at http://www.zinio.com/express3?issue=248953302. Here are some highlights of the study:
  - Digital subscriptions were most popular to readers of magazines covering information technology, general news and business, adult content, and hobbies and special interests.
  - Almost half of digital subscribers were not subscribers of the print magazine.
  - As was the case with B2B subscribers, immediacy of delivery, archiving, and environmental friendliness were key attributes. B2C readers also favor portability.
  - 80% of their digital subscribers are very or extremely satisfied and are likely to renew their subscriptions.
  - Once readers have one digital subscription, they are likely to add more.
  - The majority of respondents to this survey reported that they spent more than one hour with each digital magazine. This is not surprising in that B2C publications tend to be longer than B2B publications.
  - B2C subscribers also like the opportunity to click directly on advertisements that are linked to advertisers' Web sites. Rich media is an attractive feature for adding sizzle to ads.

We asked our sponsoring vendors for their projections of future activity in the markets that they serve. Using their growth rates over the past two years with their projected growth for the next two years, we believe that it is reasonable to forecast that by the end of 2009, there will be 8,000 publications offering digital replica editions. That number of digital publications has the potential to yield approximately 31.5 million digital subscriptions. These numbers are consistent with current industry trends, and the number of digital subscribers could grow higher if better penetration rates are achieved over the next two years. As we plan for future studies, we will encourage the industry stakeholders to routinely gather a common set of data to more accurately measure the industry's progress.

In summary, growth to date of the number of publications and the number of digital subscriptions has been impressive. While this paradigm shift is still in its early stages —

as demonstrated by still-modest penetration rates of the overall population of magazine and newspaper readers — there are plenty of examples where publishers using best today's best practices have generated impressive results. The case studies that follow this section will provide strong evidence that the digital publishing platform is here to stay. This market will grow even stronger when feature sets become more robust, publishers start developing content with digital readers in mind, and display technologies continue to improve.

Section Two: Best Practice Cases

Advanced Publishing

Canadian Donor's Guide

Achieving Directory Passthrough through Digital Editions

The *Canadian Donor's Guide* (Guide des Donateurs Canadiens, www.donorsguide.ca) is an annual directory, about 200 pages long, of Canadian charities. It is a product of Third Sector Publishing, based on Orillia, Ontario.

The Donor's Guide is a controlled-circulation publication with a highly targeted distribution of about 17,000 copies to professional advisors of nonprofits, such as lawyers and donor foundations. It contains about 3,500 listings of charities. As with many telephone company directories, basic listings are free, and charities can pay for enhanced listings or display ads. Third Sector sells the guide, but 97% of its revenue comes from advertising.

Advanced Publishing

Advanced Publishing (www.advancedpublishing.com) is a premier provider of digital edition and digital delivery solutions to the publishing world. With a strong technology platform that is continually enhanced and broadened, Advanced Publishing is committed to provide an ever-increasing portfolio of services and products to enhance the relationships between our publishing customers and their subscribers and advertisers.

The Challenge

Anderson Charters, owner and publisher of the Donor's Guide, had a simple goal: to double readership without boosting print circulation – that is, of achieving the equivalent of passthrough of a print publication.

Meeting the Challenge

Charters launched the first digital edition of the Donor's Guide in 2007. They chose Advanced Publishing's digital edition platform because it offered a downloadable format (for offline reading) without unduly large file sizes for the large publication, using the DjVu file format from LizardTech (Advanced Publishing now uses XML and

Microsoft's Silverlight Web multimedia platform). The publication is also easy to produce, yet still supports important interactive features such as live Web links. Advanced Publishing created a customized search presentation for the directory to present results in specific groupings based on categories determined by the publisher.

The digital edition of the Donor's Guide is an exact facsimile of the printed product, except with live links to email addresses in listings. To produce it, Third Sector sends a print-ready PDF to Advanced Publishing, which does the rest. Users can simply access the publication from the Web site; no registration is required. The digital edition was launched with minimal fanfare, other than publicity from the Association of Gift Planners and Canadian Bar Association.

Results

- Readership of the digital edition has grown steadily to an acceptable level of 700 users per month who view the publication.
- Third Sector was able to achieve this readership with virtually no publicity.

Lessons Learned

- Despite the relative success with no publicity, Third Sector finds that it needs to take steps to build traffic to the Donor's Guide Web site.
- They also want to look beyond the print edition and consider how they can take advantage of the Internet; the digital edition may become one of several avenues for publishing the same information. They are considering online ads, online premium listings, and other sources of revenue.

Gilbane Group Conclusions

- There is a viable role for digital editions in directory publishing, despite its migration from print to "pure" online services over the past several years. Digital editions can be particularly attractive to small publishers, for whom the cost of converting a print directory to an online database – and hosting that database – may be prohibitive.
- The DjVu format used by Advanced Publishing in this case turned out to be ideal: it is used in situations that might otherwise call for PDF but features much smaller page size while retaining such important features as searchability and embeddable links. It is a good fit for a large publication meant for offline reading.

Vertical Magazine

Reaching a Geographically Diverse Audience Efficiently

Vertical Magazine (www.verticalmag.com) is a semimonthly business-to-business publication covering the helicopter industry in the US and Canada, including news, interviews, features, and photography. It is a publication of MHM Publishing Inc., located in Kitchener, Ontario, Canada.

Although Vertical is a B-to-B magazine, many aspects of it make it resemble a consumer publication, including its emphasis on high-quality photography. They do their own photo shoots of helicopters by flying in them themselves. Vertical has 12 editorial staff and four in-house photographers.

Advanced Publishing

Advanced Publishing (www.advancedpublishing.com) is a premier provider of digital edition and digital delivery solutions to the publishing world. With a strong technology platform that is continually enhanced and broadened, Advanced Publishing is committed to provide an ever-increasing portfolio of services and products to enhance the relationships between our publishing customers and their subscribers and advertisers.

The Challenge

Many of Vertical's readers are in remote locations around the world, where they could be posted for months at a time. These readers now tend to have Internet access. Vertical needed a way of reaching these readers quickly and without incurring postage costs, which are typically $7.50 per copy for distribution outside North America.

Meeting the Challenge

Vertical was the first of its competitors – of which Rotor & Wing is the largest – to launch a digital edition. It did so with Advanced Publishing in early 2005, using Advanced Publishing's technology. At the time of launch, Vertical also had Advanced Publishing create a digital archive of back issues to enhance the value to readers with full search across the full archive.

To create the digital edition, they simply produce a print-ready PDF from their layout in Adobe InDesign; they send the PDF to Advanced Publishing. The digital edition is thus an exact facsimile of the print publication. Launched originally in DjVu format, the magazine has been converted over to Advanced Publishing's new solution, RIDE, which uses Microsoft Silverlight for its viewing interface.

Vertical had originally planned to charge for digital edition subscriptions, but they decided to offer it for free to both print subscribers and non-subscribers. The magazine also does not charge advertisers extra for their ads in the digital edition.

Digital edition subscribers sign up with their email addresses and are not required to convey any other personal or professional information. Advanced Publishing stores email addresses and handles all distribution and email messages.

Results

- Readership of the digital edition is now 6,200, which is about 26% of total circulation of 24,000.
- For those digital subscribers, Vertical was able to save the vast majority of the $7.50 per issue it costs to mail the print publication outside of North America.

Lessons Learned

- Digital circulation has grown much faster than anticipated.
- Vertical's competitor Rotor & Wing launched its own digital edition in March 2006, so Vertical is looking to add more features to differentiate its digital edition from the competition.
- Vertical intends to capitalize on the opportunity to add more timely content, because the digital edition reaches readers immediately, instead of the two weeks it takes for the print publication to come back from the printer. For example, Vertical's photographers produced extensive coverage of the Southern California wildfires in late 2007; future digital editions could include more such photos than could be placed in the print edition.
- Mike Reyno, Vertical's Editor-in-Chief and Co-Publisher, believes that the helicopter industry will eventually move to digital editions; the industry tends to be about a decade behind the technology curve. He is finding some resistance among advertisers that typically place ads in trade publications, so Vertical is starting to push harder in their marketing efforts, stressing the searchability and immediacy of the new product.

Gilbane Group Conclusions

- As with several other case studies in this report, Vertical's experience shows how effective digital editions can be for small B-to-B publishers with geographically diverse readerships in increasing immediacy while cutting distribution costs without the capital investment required to build sophisticated Web sites.
- The digital edition of Vertical shows off the magazine's high-quality photography better than a traditional Web site can. Publishers that generate lots of high-quality images should consider digital editions as a way of showing their images off while still retaining the immediacy of a digital format.

Vendor Description

Name

Advanced Publishing Corp.

History and Background

Advanced Publishing was founded in 2003 and launched its first digital edition late that year. The company added the single largest deployment of digital magazines in the industry in March 2005, with the simultaneous launch of over 160 digital magazines by Dominion Enterprises. Advanced Publishing launched its engage email service in early 2006. In September 2007, it became the first digital edition provider to adopt Microsoft's new Silverlight rich media application platform.

Vendor Type

Digital edition provider — hosted

Philosophy

Advanced Publishing strives to provide a customized experience for each of its publishing customers so they can achieve their specific strategies for delivering the best digital edition experience to their readers and advertisers. Using emerging technology and forward-looking trends, Advanced Publishing extends the value and strength of a publisher's brand by providing services that build on their magazine content via an enhanced reader experience; all delivered with industry-leading turnaround time at a competitive price.

Advanced Publishing focuses on using innovation and technology to meet the needs of the ever-changing publishing industry landscape by providing "reader centric" features to maximize the time and value that readers place with a magazine's brand.

Technology Description

Advanced Publishing's Rich Interactive Digital Edition (RIDE) platform provides hosted digital editions built on Microsoft's new Silverlight platform for rich media Web applications. Advantages of Silverlight include scalable video resolution from mobile to HD, advanced video tools, and XML-based search engine optimization features.

The RIDE user interface runs on most Web browsers and offers the following features:

- Two-level zoom
- Interactive table of contents
- Archive of past editions

- Print
- Share by email
- Clickable URLs
- Blog permalinks
- Social bookmarking through 10 different sites
- Search across current issue, selected issue, all issues, or across multiple publications
- Portable bookmarks and other user-based saved features – videos viewed, searched, etc.
- Embedded video, including HD video
- Integrated RSS feeds
- Multiple language capability

RIDE offers these additional features for publishers:

- Ad placement on toolbar, "Loading" box, and various other locations around the digital edition and in emails.
- Online real-time reporting on pages viewed, time spent, clickthroughs, and more
- Reports can be emailed and downloaded.
- DRM features in digital editions can make them accessible to subscribers for a set time period, set number of reads, or set number of issues.
- Integrated email delivery for new-issue notification and new-subscriber welcome.
- Content distributed via a global Content Delivery Network assuring the fastest access, even for those at the edge of the Internet.

Services Offered

Advanced Publishing provides a subscription management system that enables publishers to sell online subscriptions (or give them away for free).

In addition to RIDE, Advanced Publishing offers the engage platform for publishing opt-in email campaigns. Engage includes tools for list management as well as creating, delivering, and analyzing performance of email marketing campaigns.

Advanced Publishing also offers consulting services to help publishers with their online strategies. Services include Web site design and development, digital circulation building programs, and e-marketing campaign design and development.

Publisher Interfaces

Advanced Publishing accepts print-ready PDF files. It accepts video for embedding in digital editions in Windows Media Video, QuickTime, AVI, MPEG, and standard VC – 1 format.

For publishers that wish to use their own subscriber-management systems for managing print and digital subscribers from one place, Advanced Publishing will accept data feeds from those systems, either in batch or in real time.

Selected Reference Customers

- Dominion Enterprises
- Glacier Ventures
- MHM Publishing - Vertical Magazine
- GIE Media Inc.
- Western Interiors & Design
- American Composites Manufacturing Assoc.
- BeCause Inc. (Doggie Aficionado)

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Nstein

Content Infrastructure and Digital Publishing

Although many publishers use digital editions as exact or near-exact replicas of their print editions, a growing number are using them as a means of repurposing content dynamically and adding rich media to their publications. At present, digital-edition vendors are doing most of the work of producing such enhanced digital editions: publishers hand them the content, and they do the rest.

This may work for some publications that only produce occasional content that is exclusive to their digital editions or that have few production resources devoted to digital editions. But as both users and advertisers become more accustomed to digital editions, the bar of functionality will be raised; they will both come to expect more dynamic content, more rich media, and more personalization. In other words, the line between digital editions and Web sites will become blurrier and blurrier.

When this happens, it will be more important than ever for publishers to have a content infrastructure with the scalability to support multiple dynamic digital products. Among other things, this will require the use of XML to accommodate different ways of displaying content; demands for search and personalization will require the ability to generate a sufficient amount of high-quality, consistent metadata with minimal manual effort; and publishers will need tools to support multiple workflows with as much automation as possible in content assembly and production.

The first wave of attempts to build enterprise-wide digital asset management (DAM) systems, roughly ten years ago, ended with only a few success stories. The reasons for this included the relative lack of ROI justifications that could be defined and the difficulty of getting multiple independent operating units to agree on requirements. As a result, many larger publishers now find themselves with large numbers of small department- or workgroup-level content management systems, which they have installed over the last several years to meet near-term needs.

Currently, digital editions are an important driver for scalable and flexible content infrastructure, along with complex Web site management, syndication feeds, and so on. In addition, the movement of large publishers from public to private equity ownership has made it easier to justify investment in content infrastructure without having to meet the short-term ROI requirements that Wall Street analysts insist on. This has all led to a recent resurgence of interest in enterprise-level content management.

Publishers are adopting three content infrastructure technologies in particular: pervasive XML, DAM, and automated metadata creation, also known as *text mining*. Although these three technologies have been available for some time as separate components or tools, recent technologies are bringing them all together — and

publishers are adopting them. Nstein is an example of a vendor that offers all of these technologies in a single product.

Some publishers are starting out by adopting these technologies for internal use, in anticipation of integrating them with external products and feeds. Of these, some are using these technologies to integrate existing smaller-scale systems and legacy content repositories, while others are using them to replace existing systems. Yet other publishers are adopting these for use in external Web sites immediately. We will look at examples of each of these usages.

Two major consumer publishers — Reader's Digest Association (RDA) and Large Publishing Group (LPG) — are currently taking the former course; they are unifying their myriad asset repositories, streamlining their workflows, and adding text mining capabilities to dramatically increase the quantity and consistency of their metadata.

Large Publishing Group

Large Publishing Group[1] (LPG) publishes a wide range of widely popular consumer magazines, some of which date back several decades, all of which are known for high quality in their fields. LPG's collection of images has been sitting in a number of repositories, including Canto Cumulus and Wave MediaBank; many are older images that have yet to be digitized. LPG also runs a legacy text library system and various other file servers and DAM products.

LPG's story starts in late 2006, soon after the company promoted Eric Saunders from one of the magazine groups to the newly created position of VP of Asset Management at the corporate level. Saunders had some experience with DAM and wanted to implement a system that could enable a range of use cases. Foremost among these was editorial research: editors needed to be able to find old photos and article text to help them guide current content and plan future issues.

LPG had a program in place to digitize photos that were still stored as negatives. Undigitized photos number in the millions, so Saunders began a plan to prioritize photos to be digitized for two reasons: editorial demand, and assessments of reusability by archivists who had been looking at photos and writing abstracts about them. Also, in some cases reusing an old photo — to which LPG has full rights — represents a financial savings over the cost of commissioning a new one or licensing one from a stock agency for one-time use.

Another purpose in adopting the DAM system was to help automate syndication to aggregators such as Lexis-Nexis. Requirements for automated syndication arose out of a brainstorming session at the company, where the objective was to find ways of increasing the amount of content that could be sold or syndicated to third parties. In addition to reducing costs of building and running syndication feeds to aggregators, LPG saw incremental revenue opportunities for certain new types of feeds.

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[1] A pseudonym, as are all names in this report associated with this publisher.

For example, photographers from one of the LPG titles create extensive photo coverage of one of the more highly visible public events of the year, and they syndicate the resulting photos through Corbis (one of the leading image licensing agencies, owned by Microsoft's Bill Gates) and other licensors.

Saunders enlisted the help of Wendy Rodriguez, Associate Director for Editorial Technology, to gather requirements and select a DAM system. Rodriguez had well over a decade of experience with DAM systems and had seen them all; she shared the desire for an enterprise-wide approach to DAM and became Saunders' colleague.

The process started in October 2006. LPG selected Nstein's Digital Asset Management platform, in part because of its use of IXIASOFT's TEXTML native XML database, which she had seen used at a couple of other publishers to good effect. Another reason for the selection of Nstein was that Nstein exposed a lot of its product's functionality in APIs that external developers could use. LPG intended to hire a developer to maintain and enhance the system over time so as not to be overly dependent on the vendor for ongoing support.

The objective was to bring every piece of "as-published" material into the Nstein repository, including text, images (preview only), and page layouts (in PDF). High-resolution images and Adobe InDesign page layout files would still be stored on file servers.

LPG kicked off its process with Nstein in March 2007. The first two to three months were spent gathering data. Nstein guided them along the process of figuring out what types of assets to define, what metadata fields should be defined on those asset types, and how the permission model should be set up.

The security model actually took a disproportionate amount of effort, because LPG wanted to do something with security that Nstein had never implemented before. They wanted to impose two independent layers of permissions: one was role-based (permission to edit articles, permission to edit photos, permission to create external feeds, etc.), while the other was magazine title-based (user works for Magazine X, user works for Magazine Y, etc.). Nstein can support both of these types of permissions but had not integrated them together before.

In LPG's digital publishing workflow, they send page layouts to an outsourcer in Sri Lanka, which builds XML pages for each article and its associated content items (photos, illustrations, pullquotes, decks, sidebars, etc.), using a combination of automated and manual processes. The XML for each article contains links to images with tags in PAM (PRISM Aggregator Message, a magazine industry metadata standard) format that contain pathnames. LPG receives the XML files from the outsourcer and ingests them into the Nstein system, which resolves the pathnames into links. This way, users of the DAM system can view articles in PDF and click on links to navigate to the text and to images themselves, which are stored as low-resolution previews with visible watermarks.

Editors insert into the PDF files the numbers of contracts with authors and photographers, to make it easy to look up the rights that LPG has to the content when

an editor wants to use it. The contract numbers are included as PDF annotations; a custom-designed interface lets users pick the correct contract number from the company's ERP system according to the source of the content.

The Nstein system also has a facility for quickly creating large feeds of content to aggregators. In the past, about half a dozen of the company's titles had XML feeds to Lexis-Nexis, NewsBank, Factiva, and other aggregators; these were hand-coded and not very consistent. Now, there is an automated tool, so that a person at a certain magazine can simply select which articles to syndicate and where to send them; the tool creates a file in PRISM format with consistent tags to be sent.

LPG also implemented Nstein's text mining feature during the initial seven-month development period. Rodriguez had modest expectations for the text mining functionality, because it was based on the IPTC (news industry standard) keyword taxonomy that Nstein supplies "out of the box." The IPTC taxonomy is only about 1,000 keywords in size, which is far too small to be useful for the specific fields of interest that LPG's magazines cover. One of LPG's future tasks with Nstein is to build an extension of the IPTC taxonomy that meets LPG's needs better.

LPG expects that the text mining functionality will create more and better keywords, which will lead to better search results — not only for consumers searching the Internet but also for professionals searching Lexis-Nexis and other aggregators.

The Nstein system went live at Large Publishing Group in October 2007. They rolled it out initially to four magazine titles, including one of the company's flagships which owns many historical images — a total of about 375 users. LPG intends to roll the system out to the rest of the company imminently.

LPG developed its own user interface to Nstein rather than use the one Nstein supplies out of the box; it chose a more neutral color palette in order to be less obtrusive to photo editors using the system. The user interface is also designed to segregate different asset types (articles, photos, etc.) into their own tabbed areas and to keep search and other features simple enough for novices.

As for training: LPG will hand out quick reference cards and hold a few introductory meetings during its rollout, but Rodriguez believes that the system is so easy to use that no extensive classroom training will be necessary, and the company's editorial librarians will be available to address questions of keywords and other metadata

Reader's Digest Association

Reader's Digest Association (RDA) is another publisher that is implementing Nstein's content management and text mining technology initially for internal use. Reader's Digest is a storied name in American publishing that dates back to 1922 and has become a global brand; its flagship magazine is now available in 21 languages and more than 60 countries around the world. In addition, Reader's Digest publishes other best-selling titles, including Taste of Home, Every Day with Rachael Ray, Family Handyman, and international titles such as Joy (Mexico), as

well as children's, how-to, health, and other types of books, music CDs, audiobooks, and videos.

Like Large Publishing Group, RDA has a number of asset repositories that it is looking to unify, including a couple of different image repositories in different geographies as well as a purpose-built text editorial workflow system and a Web content management system for many of the company's Web sites. Many of RDA's content assets are user-contributed, so they are very spread out geographically, and it is especially important to be able to search across asset types and geographies.

RDA also has an extensive print repurposing program already in place: for example, the content in the book *Extraordinary Uses for Ordinary Things* is used in dozens of products ranging from the full large hardcover book down to small extracts inserted into magazines or sold at supermarket checkout counters. RDA is interested in scaling up the success of repurposing programs like these with more automation, more consistency, and better ability to browse across the enterprise to find repurposable content. This, along with RDA's syndication of its magazine content to multiple aggregators and licensees, leads to the need to track what content items are used where — something that is not possible with several scattered and nonintegrated systems.

RDA's requirements for DAM also include improving the automation of feeds from the content repository to the company's various Web sites and creating feeds of content to mobile devices without building a "silo" for that purpose.

Laura Capasso-Fiorenza, Director of Global Publishing Technologies, led the process to select a DAM system for RDA. They looked at several different types of technologies, including XML databases as well as full-blown DAM systems, and issued an RFI and RFP to vendors. They selected Nstein and began a pilot project in the fall of 2007. Capasso-Fiorenza says that they liked the fact that Nstein was an all-encompassing solution that included text mining as well as the repository component and XML capabilities.

The objectives of the RDA pilot were straightforward: to show that they could ingest the types of content that were important to them, including images, illustrations, XML documents, and content from legacy systems (XML and non-XML). All text content was ingested in XML form into Nstein. The pilot also exercised the system's content and metadata search capabilities, as well as its ability to maintain audit trails of where content is used (Web site X, syndication to aggregator Y, etc.).

Unlike LPG, RDA chose to use Nstein's out-of-the-box user interface for the pilot, in anticipation of designing a custom user interface later.

Content export capabilities in the RDA pilot were not fully automated, but Nstein built "triggers" for exporting content to see if it would work. A trigger is code attached to a database that causes an action to take place if a certain condition is met. For example, trigger code could be developed that generates a feed to a certain syndication partner if content appears in the system that matches a certain set of keywords.

The pilot, which was hosted on Nstein's own servers, handled a broad range of content throughout the company over a very short period of time: from early November through mid-December 2007. About ten use cases were exercised. Testers included a mixture of technology and editorial people, who had a week to play with the system.

Capasso-Fiorenza was very pleased with the results of the pilot; it lived up to RDA's expectations for ingesting content, metadata creation with Nstein's text mining engine, search, and so on.

Since the pilot project, RDA has been gearing up for a phased deployment of the system. They purchased server hardware and moved the pilot databases to their own infrastructure. They spent six weeks in highly detailed planning for the Phase I functionality and launch, including tweaking the content structure model that Nstein built for the pilot based on lessons learned (Capasso-Fiorenza describes the model developed for the pilot as "90 percent right"), developing screen mockups, metadata models, etc.

Like LPG, RDA still needs to develop a custom taxonomy, in order to take better advantage of Nstein's text mining capabilities, and has near-term plans to do so. Also like LPG, Capasso-Fiorenza has hired a developer to learn Nstein's APIs and enhance the system in-house, thereby lessening the publisher's reliance on an outside vendor for ongoing development.

RDA's future plans also include improving management and tracking of rights metadata — a problem that is particularly thorny in RDA's case given the nature of its broad range of popular content. Improved rights information management is in LPG's near future, as well.

Quebecor Media Interactive

In contrast to LPG and Readers Digest, which are using content management primarily for internal purposes, Quebecor Media Interactive's primary driver for adoption of centralized content infrastructure has been its family of Web sites.

Quebecor Media, headquartered in Montreal, is a diversified media company with holdings in cable television, Internet access, telecommunications, broadcasting, publishing, music and video distribution and retailing, and digital media. It is a sister company to Quebecor World, one of the largest commercial printers in the world.

Quebecor's newspaper group consists of two operating units: Osprey Media, with 20 daily and 34 non-daily newspapers, shopping guides, and other publications; and Sun Media Corporation, with eight large-city daily newspapers, seven free commuter dailies, nine local dailies in Ontario and western Canada, and 150 weeklies and other publications. Quebecor acquired Osprey Media in the summer of 2007. In all, Quebecor publishes over 300 titles. It also owns several standalone Web sites, including the flagship Canoe.ca (Canadian Online Explorer), which is a new site and a growth business. About one-third of Quebecor Media's titles are in French.

In addition to Canoe.ca, Quebecor Media maintains separate Web sites for all of its newspapers. Other sites include ClassifiedExtra (integrated classified ads from all Quebecor Media properties), HomesExtra, Autonet.ca, and the French language social networking site Espace Canoe (espacecanoe.ca). All of Quebecor Media Interactive's Web sites are part of the Canoe network, which currently generates a total of 9 million unique visitors per month.

Quebecor Media's online strategy is to get consumers to engage more with the news content and with journalists — to get discussion and thoughts going among readers and editorial staff. Print media products contain many promotions of Web sites and Web content, in order to draw traffic to the Web site and strengthen bonds with subscribers. While online, users can provide comments and opinions, which journalists can take back to their newspapers to guide further reporting.

Meanwhile, editorial people get engaged with users online through blogs or on Espace Canoe, a French-language space for interaction among editorial staff and consumers.

Patrick Lauzon, EVP of Product Development, Sales, and Marketing of Quebecor Media Interactive, had several objectives for implementing a new content management system. First among these was the need that he saw to consolidate the company's 12 different content management systems, which include some developed in-house and other off-the-shelf products whose vendors had gone out of business. They wanted to optimize expertise on a single system as much as possible.

Other business objectives of installing a new content management system included search engine optimization (SEO), the need to improve their properties' search engine result rankings. Lauzon also wanted to improve integration of Web publishing with the print editorial workflow — to eliminate as much as possible of the manual copying-and-pasting between print and Web environments, and therefore to free up more staff time for Web site redesigns and development of more original Web content. Quebecor Media is also looking to develop a central repository that will enable the company's different Web sites to find and use each other's content.

Quebecor Media selected Nstein's Web Content Management framework for several reasons: Nstein's focus on print as well as online media, their text mining tools, their vision, and their client and partner lists. The vendor's dual-language skills and location in Montreal were also assets.

The first site that Quebecor Media is deploying with Nstein is the Toronto Sun (www.torontosun.ca), which is the company's largest newspaper. The Toronto Sun Web site is being developed to the same look and feel as Canoe.ca. Content comes from the Sun's print editorial environment; it will also include a blog platform for blogs by Sun journalists as well as external bloggers.

Part of the Sun's online strategy is to increase the use of video. The paper is equipping its newsroom with video cameras. They are integrating a video player with Nstein's Web content management capabilities and using FeedRoom to store and serve up

online video. There was some resistance within the newsroom to the video cameras, but some journalists and editors are embracing the expanded use of video.

Nstein's Text Mining Engine is helping to keep users on the Web sites longer. It can automatically generate lists of related stories based on keyword matches and place links to those stories on Web pages; these can be on the same Web site, or they can cross-promote other Quebecor Media Web sites.

Quebecor Media's online strategy will take the company further than just about any other major North American newspaper chain in unifying online content management. After the Toronto Sun, the next Web site to be migrated to Nstein will be Le Journal de Quebec. By the end of 2008, half of the company's dozen legacy content management systems should be gone, followed by all but two of them the following year.

Gilbane Group Conclusions

For over a decade, publishers have been experimenting with digital asset management, web infrastructure, and ways of integrating the two – with limited success. It has become clear that "one size fits all" DAM implementations don't work at businesses that are by their very nature decentralized. It has also become clear that the deep divisions between the worlds of layout-driven editorial (think RDA or LPG) and content structure (think scientific journals or college textbooks) will be slow to erode, yet they must erode in order to make feeds of publishers' core content to multiple digital distribution channels feasible.

XML is in some ways antithetical to layout-driven editorial technology, as enabled by QuarkXPress and Adobe InDesign, yet the two worlds must coexist – not just peacefully but synergistically. The jury is still out on how best to bridge this gap; some publishers (like LPG) use outsourced manual labor to do it, while others use automated tools in-house; and layout technology vendors such as Adobe are working on smoother integration.

On the other hand, both layout-driven and XML content should – and can – be accessible in the same repositories, through the same methods. The key to this is not just putting it all into one database (see "one size fits all" above); it is also metadata. Publishers now understand the need to support search, discoverability, and personalization, lest their content get lost in a sea of "free" content online. Metadata provides the glue that makes this all happen.

Yet metadata creation is the *bête noir* of many publishers – especially those that don't have editorial librarians already on staff (as most news publishers do). The success of DAM and web content management implementations often hangs on the assumption that someone is going to create lots of metadata. This is something that most editorial staffers have neither the time nor the skills to do properly. Hiring incremental staff with MLS (Master of Library Science) qualifications to maintain taxonomies and oversee metadata creation helps but is inherently not scalable. Text mining technologies can help, especially when combined with knowledgeable staff.

The above case studies show how different publishers are approaching the unification of DAM, web publishing, XML, and metadata: LPG and RDA are starting with internal infrastructure, but with "outside the firewall" goals clearly in mind; in contrast, Quebecor Media is starting with its Web sites, but it expects that its adoption of Nstein as an enterprise standard will lead to unified repositories and metadata standards, which will make it easier for them to launch new digital products and services in the future. Nstein's combination of DAM, web content management, and metadata creation provides these publishers and others with integrated tools to create viable and scalable digital strategies.

Vendor Description

Vendor Name

Nstein Technologies

History and Background

Nstein began in early 2000 in Quebec City, QC, as a partnership between GESPRO Technologies and NET CREATION, two software companies. The original focus was on artificial intelligence-based language processing applications. The company was listed on the Montreal Stock Exchange in the same year and transferred to the Canadian Venture Exchange (now TSX Venture Exchange) in 2001.

Nstein developed its patented Linguistic DNA technology, staked out territory in the emerging computer-aided indexing (CAI) field, and amassed agreements with many publishers and content licensors, including UPI, John Wiley, VNU, Time Inc., ProQuest, Getty Images, and Corbis.

In 2004, Nstein began major expansion with a string of acquisitions: KMtechnologies, a vendor of collaboration and document management software; Alis Technologies, a provider of automated content translation and localization solutions; and Valsar, a systems integrator.

The next phase of Nstein's expansion came at the end of 2006, when it acquired Toulouse-based Eurocortex, a vendor of content management systems for media and publishing whose customers include Agence France Presse, Hachette, and Le Monde. The combination of Eurocortex's Ntelligent Content Management (NCM), Valsar, a strategic consulting group, and Nstein's text mining (CAI) technology constitutes the core of its current offering to the publishing industry in North America and Europe. Major customer deployments since the merger have included Canoe.ca (Quebecor Media), Canadian Press, Gesca Digital, News International (News Corp.), and Conde Nast. And even more recently, as of February 2008, Nstein acquired the UK leader in picture management, Picdar. Based in St Albans, the company's solutions for picture management now enable Nstein to broaden its content management offering for the media and publishing industry.

Vendor Type

Content Infrastructure Software

Philosophy

Nstein's philosophy is that reading an online publication should be at least as easy and engaging as reading a high-quality paper publication – if not more so. To reach this goal, publishers need a CMS that is designed specifically for their needs, which are different from the needs of corporate Web sites or intranets. A CMS designed for online publishing must have computer-aided ingestion to handle the massive flow of input into the editor's desk, and automated categorization and meta-tagging to ensure that related to content can be presented to the reader/viewer as an uninterrupted experience. Today's readers and viewers have a surplus of available content, and what they really want is a publication that will deliver to them the content that *they* feel is relevant.

Technology Description

Nstein's product offering has three major components: Web Content Management (WCM), Digital Asset Management (DAM), and Text Mining Engine (TME). Nstein is the only vendor to offer all three of these core content infrastructure technologies in a single, integrated offering.

Web Content Management

Nstein's WCM is an editorial back-office and publication system that can reside anywhere in a client's existing infrastructure. Nstein's WCM enables organizations to publish Web content such as HTML, PHP, .NET, and XML feeds with ease in different physical locations. Other key features include:

- **Search Engine Optimization**
  Search engine-optimized content, friendly URLs, organically optimized HTML code, and automatic population of abstract and keywords metadata within HTML header.
- **Back Office and Site Administration**
  Multisite management of Web content; third-party Web applications asset extraction; toolbox (HTML/XML editing tools, cache management); static content publication; localization and scalable and central XML search and storage.
- **Editorial**
  Edition and publication of editorial objects upon schedules, rules, and users; XML search and guided navigation for both editorial staff and online readers; editorial taxonomies enabling IPTC or custom classification; editorial feeds management, built-in editorial features such as slideshows, glossaries, events calendar, and more.
- **Front Office**
  Site search and advanced XML search; exclusive text mining features such as topic clustering (in combination with Nstein's Text Mining Engine); assets rating ("most rated"); assets hit count ("most viewed"); and built-in "Ask the Experts" feature.

- **Web 2.0 Tools**
  Creation and management of blogs, forums, RSS/XML feeds.

Digital Asset Management

Nstein's DAM capabilities enable publishers to maximize the value of their digital assets.

For publishers facing inadequate access to content and search engine limitations — or archives that are either spread out or challenging to aggregate — Nstein's DAM offers an end-to-end solution with advanced search and retrieval capabilities, user-friendly management functions, and sophisticated security and right management features.

With the power to enrich editorial content with contextual metatags and to index, store, and repurpose user-generated content from all online properties, publishers gain more control over leveraging assets at every level and genuinely maximize the value of assets.

Nstein's DAM is a customizable platform that integrates within existing corporate infrastructures. All DAM assets are stored in the native XML repository, while its business and core logic are stored in a standard SQL database that can be hosted on any existing SQL installation. The system interfaces with existing sources of editorial content, allowing publishers to syndicate their content into different channels automatically.

Nstein's DAM provides:

- Asset Aggregation
- Asset Management
- XML Search and Storage
- Web GUI Interfaces
- Audits Trails
- Scalability
- Flexible Outputs for Syndication or Web Publication

Text Mining Engine

Nstein's TME is built to process high volumes of multilingual, unstructured information. Nstein's Text Mining Engine complies with press and media industry requirements for ongoing content production workflows, automatically generating contextual metatags from sources such as newsroom articles, newsfeeds, audio and video files, blogs, forums, and user-generated content.

Nstein's TME also provides a highly productive content management environment that offers benefits to editorial staff and knowledge workers. Going beyond mere keyword-based technology, it delivers faster and more accurate search results, seamlessly integrates with existing workflows, and enables highly profitable categorization and repurposing of both live content and archives.

The following modules are available with TME:

- Nconcept Extractor
  - Intelligently locates and extracts key concepts (keywords and noun phrases) within any document, creating a unique snapshot of a document's most important ideas.
  - Automates extraction and ranking of concepts to isolate subjects and themes within content.
  - Combines linguistics-based and statistics-backed processes with great sophistication.
  - Patented technology (LDNA™-Linguistic DNA).
- Ncategorizer
  - Automatically indexes or classifies documents into categories/terms, and shows category relevancies.
  - Takes extracted concepts from documents and maps non-controlled terms (i.e., the concepts) to a controlled vocabulary (e.g., a customer's) that may include taxonomy, thesaurus, ontology, authority file, or other lists.
  - Ncategorizer comes trained on the IPTC taxonomy out-of-the-box (available only for some languages).
- Nfinder
  - Automates extraction of entities (controlled terms). Relies on machine learning and linguistic rules and works with an organization's authority files and dictionaries as well as with Nstein's pre-built authority files.
  - Can be customized with existing client authority files.
  - Some of the entity cartridges available:
    - People
    - Geographical locations (country, city, state, province, etc.)
    - Organizations (company names, etc.)

Additional add-on text mining packages also available:

- **Nsummarizer**: document summaries
- **Nserver Manager**: back office with Authority Files & Taxonomy Manager, and Knowledge Base Manager
- **Nsentiment**: tone detector
- **Nlikethis**: similar documents
- **Nretriever**: topic clustering

Services Offered

For content-driven companies looking to leverage the exciting potential of the online world, Nstein offers complete professional services from initial project scope to the final live transition. Drawing on frontline expertise in online publishing best practices, Nstein works hand-in-hand with organizations to define and implement scalable

solutions designed for content-centric processes and maximum ROI. Using proven project planning to deliver a complete digital strategy, Nstein's guidance ensures a timely project launch that respects budget and conforms to industry standards, bridging with its Customer Care team for ongoing support.

Nstein's Project Management Office (PMO) coordinates project-related activities and collaboration between team members to ensure that quality standards are upheld, deadlines are met, and communication flows smoothly between clients and support personnel. As one of the key components of a successful implementation is the alignment and support of a client's executives and managers. ROI can be achieved much sooner if both the client's and Nstein's teams collaborate and work together towards the same goal and end results.

Focused on managing costs, lowering TCO (total cost of ownership), and exceeding client expectations, Nstein's professional, experienced teams use a structured, highly efficient implementation methodology to gather requirements, design the application, deploy modifications, then test, train, and roll out the software according to the strictest quality standards.

In addition to software customization, quality assurance, and several training options, Nstein offers specialized linguistic and globalization services, including:

Linguistic Services:

- Comprehensive linguistic services such as the creation of taxonomy or authority files
- Guidance from language experts during the formation of content classification strategy

Globalization Services:

- Professional translation
- Software localization
- Multilingual desktop publishing
- Engineering and technical documentation

Reference Customers

- 01net
- Canadian Press
- Gesca
- Bayard
- 20 Minutes
- Groupe de Presse Michel Hommell
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Bentley Systems

Helping to improve the world's infrastructure

Bentley Systems (www.bentley.com) provides software for the lifecycle of the world's infrastructure. The company's comprehensive portfolio for the building, plant, civil, and geospatial verticals spans architecture, engineering, construction (AEC), and operations. With revenues now surpassing $400 million annually, and more than 2,000 colleagues around the world, Bentley is the leading provider of AEC software to the Engineering News-Record Top 500 Design Firms and major owner-operators and was named the world's No. 2 provider of GIS/geospatial software solutions in a recent Daratech research study.

BE Magazine (www.be.org/en-US/Be%20Magazine) is a quarterly corporate magazine produced by Bentley Systems. It is a horizontal publication that targets small to large architectural, engineering, and construction firms and owner/operators in four main sectors: building, civil, geospatial, and plant. The theme of the publication is "improving the world's infrastructure" with a sub-theme of "collaborating across the distributed enterprise". BE Magazine is available to subscribers only in a digital format and is sent via HTML email to 200,000+ of their customers and prospects. They typically print 20,000 copies for distribution at trade shows, seminars, and Bentley-sponsored events. Carol Minton is the Editor in Chief of BE Magazine. It has been her vision to develop a completely digital corporate magazine to serve the Bentley Systems community.

Nxtbook Media, LLC (www.nxtbookmedia.com) transforms the way people read on the Internet. Working with magazine publishers, catalog publishers, and corporate marketers, they find ways to leverage traditional print material for optimized use online. The Nxtbook team provides publishers with a service that reduces their costs while simultaneously expanding the reach and effectiveness of their materials. In doing so, the readers of our digital editions enjoy a media-rich experience that causes them to return to participating publishers' digital editions and Web-sites time and time again.

The Challenge

BE Magazine's goal is to engage an extremely large number of BE users in a format that combines text, images, HTML, animation, audio, and video in a single media-rich environment while featuring a value-add for advertisers by providing individual ad-specific metrics that are superior to general circulation numbers, bingo card responses, and pass-along readership estimates.

Meeting the Challenge

Carol Minton has been working to build the BE (Bentley Empowered) brand by establishing a positive connection with Bentley users, resulting in stronger relationships with users and prospective users. To help her reach her goals, she chose Nxtbook because of its technological flexibility. Their browser-based delivery mechanism does not require a download; interactive links take readers directly to more pertinent content; and the capability to print part or all of each publication is very convenient for readers. Nxtbook provides valuable connect time data and statistics, including page views, time spent on page, hits, click-throughs, etc., which BE then forwards to advertisers.

Results

- Open rates of the magazine's HTML email blasts usually average close to 50%, which is extremely high for email distribution.
- Digital "shelf life" has translated into higher readership numbers over time as past issues are electronically archived on BE.org.
- No resources on Bentley systems are required to archive BE Magazines since they reside on Nxtbook servers. They have every issue live in the archives.

Lessons Learned

- The challenge is to find the right balance between providing the interactivity to attract readers to BE and keeping them as long as possible, while also providing interactive content and links that direct them elsewhere. They don't want readers to leave Nxtbook too soon, risking that they will not return. Carol makes a special effort to include video, sidebars with links, etc., whenever possible.
- They keep all editorial content on the short side so that BE is a relatively quick read that stimulates readers to explore topics further.
- Digital editions offer a timeliness advantage that allows the editorial team to update materials right up to — and even after — the mass email blast has been released to the users.

Gilbane Group Conclusions

- It is the interactivity and linking that helps generate the excellent open rates and strong average session data. The willingness to allow readers to venture beyond the primary publication to further explore their interests makes it more likely that the reader will return to the primary publication's Web site regularly.
- It is very important that the Digital Magazine be well integrated into the rest of the digital strategy. In this case, they do newsletters and printed editions for trade shows, and are planning to add community features such as wikis, blogs, and forums.
- BE is an excellent model for others wishing to develop online corporate publications.

Graduate Prospects

Out of the ashes

Graduate Prospects is the commercial subsidiary of the Higher Education Careers Services Unit (HECSU). HECSU is a registered charity that supports the work of higher education careers services in the UK and Republic of Ireland and funds major research projects that benefit the higher education careers sector. HECSU is jointly owned by Universities UK and the Guild HE. Graduate Prospects works in partnership with the Association of Graduate Careers Advisory Services (AGCAS) to maximize the opportunities and support available to all students and graduates throughout their career search.

Graduate Prospects is a fully interactive digital magazine offering the speed and accountability of online recruitment with impact and branding of traditional printed publications.

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The Challenge

Graduate Prospects was the first of several publications in the UK devoted to job-hunting for new college grads. When universities started offering email distribution lists for campus recruiting, Graduate Prospects circulation dwindled and advertisers dropped out. Graduate Prospects needed a technology solution that would reduce production and distribution costs, yet retain the character of the previous print magazine and reach the new generation of digital readers.

Meeting the Challenge

For many years, Graduate Prospects had an enduring franchise and very profitable business in providing a printed publication — *Immediate Vacancies* — that alerted new graduates to positions that had recently become available within their chosen career track. The publication was distributed by mail and via delivery to university placement offices. Unfortunately, the service provided by this publication was replaced by technology as placement offices started to send out new job openings via email. This change caused circulation to drop and advertising revenues to diminish. The ad rates

for Web sites alone were too low to sustain the business and the search metaphor of the Web was not ideal for novice job seekers who had limited contexts for their career exploration.

The management team took this dilemma very seriously and turned to technology to solve their problem. After doing 18 months of research, they took the bold step of launching one of the UK's first digital-only publications when *Prospects Graduate* replaced the previous print publication — *Immediate Vacancies* — that was shut down. Prospects Graduate is an advertorial digital publication that features employer profiles that enable graduates to get a sense of what it would be like to work for certain companies , as well as to learn about their vacant entry-level positions. The editorial team adds content on topics pertinent to securing the best new position.

They chose Nxtbook because:

- There was no viewer download required.
- The compression technology is excellent and makes downloads easy for customers.
- The rendering is very sharp and very fast.
- The Nxtbook management team was very experienced and served as a valuable resource during the transition process.
- Their business model is flexible and fair.
- They have been very pleased with Nxtbook throughout their relationship. The quality of the tech support is excellent and Nxtbook's designers have worked alongside the Graduate Prospects team to help meet the needs of even the most difficult client.

Results

- The combination of the Graduate Prospects digital magazine and the Web site that includes directories of employers, more advice for job seekers, forums, etc., is very powerful and has reinvigorated revenues and profits.
- The rich media capabilities of digital publications and the opportunity to list new jobs more expediently are appealing to employers/advertisers.
- The traditional magazine format could be browsed in a fashion similar to the previous publication.
- The digital profiles of employers migrate from the magazine to the Web site and are popular with graduates.

Lessons Learned

- Graduate Prospects and the Web site are completely complementary. Together, they make a very attractive offering to employer/advertisers.
- The graduates like the traditional magazine browsing experience when it comes to looking for jobs. The Web site has some of the same content but is very search oriented. Search works well for graduates who know exactly what type of job and which employers they are seeking. However, for many graduates, browsing

exposes them to a wider range of opportunities and helps them find jobs that are interesting and often exceed their expectations.

- A traditional print magazine is not necessary to launch a successful digital magazine.

Gilbane Group Conclusions:

- Graduate Prospects' previous franchise product was killed by technology, yet it was technology that helped them rebuild the product mix in a fashion that is even more appealing to advertisers
- While rich media isn't yet fully deployed, the potential upgrade for serving today's visual graduates is outstanding and will provide new opportunities for Graduate Prospects and their customer for many more years to come.

Hearst

Innovation in Digital Delivery

Hearst Electronics Group (www.**hearst**advantage.com) is the largest publisher of product information to the electronics industry. Their directories, eNewsletters, Web sites, Magazines, Webcasts, Inventory access tools, and databases are invaluable resources for engineers involved in product design. Todd Christenson is Publisher, Electronic Products, Hearst Electronics Group. He is responsible for redefining the digital look and feel of Electronic Products.

Electronic Products (www.electronicproducts.com) reports on important developments in products and product technology. Its editorial content serves as a key information source for engineers and managers.

Project Analog (www.projectanalog.com) helps keep EEs current on the latest technology trends in analog electronics and helps them make better-informed part and technology choices. This special digital publication includes a package of technical articles covering such topics as energy management challenges in personal handheld devices, selecting amplifiers to work with thermocouples, and a look at lens drivers used in handset camera modules.

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The Challenge

The electronics market is truly global. As such, many international readers prefer to receive and read digital editions of business to business publications. This is especially true in the Far East, where 80% of engineers use e-books in their academic training. Therefore, Hearst Electronics Group decided in 2006 to develop a set of unique digital products that would become a competitive advantage in attracting readers and advertisers.

Meeting the Challenge

Todd Christenson has extensive experience with the development of digital editions of magazines. He considers Nxtbook to be an outstanding partner in developing the next generation of digital products. When they embarked on Project Analog, the Nxtbook team suggested a designer and was very proactive about being sure that social

computing applications such as Del.icio.us and Digg would be available to readers. The content display is more expansive and features a special sponsor bar at the right margin of the page. The cover has an animated contest feature to encourage readers to open the digital edition when it is delivered to their desktops. The Hearst team realized the value of providing their readers with links to other important industry information and developed an Analog News page that has links to content found in their competitor's publications. (http://www.nxtbook.com/nxtbooks/hearst/projectanalog_200803/)

Results

- Their digital editions are distinctive and hold readers' attention. Their session lengths are higher than the industry average.
- The sponsor bar has been a big success, generating a click-through rate that is four times the industry average.
- The Analog News page has been a big hit with readers and is one of the reasons that their subscribers are such loyal readers of the digital edition.
- Print is not dead!! Their number of print advertisers has remained constant as the number of digital advertisers has grown. Surprisingly, the urls found in the print ads are a major source of traffic for the digital editions.
- They have worked hard at building good relationships with major search engines and get solid traffic from them.

Lessons Learned

- The digital edition and Web site work well together. The Web site promotes the latest digital edition and has breaking product news and a powerful product locator search feature.
- To serve global markets, sophisticated digital editions are essential. The speed of delivery of information is important to both readers and advertisers. The cost reductions yielded by digital delivery are substantial.
- Their new design features have helped yield excellent reader behaviors that help sell advertising.
- Given the success of the current digital editions, they are now considering a new set of digital-only products.

Gilbane Group Conclusions

- Their bold decision to link to content in their competitor's publications has paid off in more frequent reader visits as they become more fully integrated in their readers' quest for finding the right information from credible sources at the time they need it.
- Their new design feels less like a digital edition of a print product and more like a modern Web 2.0 information application. The bookmarking features are easy to use and search is well integrated. These features enhance the readers' experiences and build loyalty.

Information Today

Creating a hybrid media reading experience

Information Today, Inc. is a leading publisher and conference organizer in the information and knowledge management industries. The company is widely known as the publisher of premier information and knowledge management titles such as EContent, EMedia, Information Today, Searcher, ONLINE, Computers in Libraries, CRM, and KMWorld. Bob Fernekees is Vice-president-Group Publisher for Information Today. His knowledge of high value digital content has been an essential ingredient in the transition from a print to hybrid media environment.

Streaming Media magazine (www.**streamingmedia**.com) is a quarterly resource for executives and technology managers who use online video and audio for both business communication and delivery of consumer content. Each issue of Streaming Media magazine focuses on a special theme and every issue offers must-read features, commentary, and reviews for readers in all markets. Streaming Media magazine is distributed in both print and digital editions. Written and edited by industry practitioners, experienced users, and streaming business experts, Streaming Media magazine is the trusted resource for organizations investing in enterprise, news/entertainment, and education applications for streaming and other digital media.

Online audio and video are now the delivery method of choice for both business and consumer content, and Streaming Media magazine covers the processes, products, and services that make it happen.

Streamingmedia.com is the number one online destination for professionals seeking industry news, information, articles, directories, and services. The site features thousands of original articles, hundreds of hours of audio/video content, weekly newsletters read by more than 40,000 subscribers, and a wide range of services and resources dedicated to the streaming media industry. Streaming Media's aim is to supply the community and those corporations implementing the technology with unparalleled information online.

(www.**nxtbook**media.com) transforms the way people read on the Internet. Working with magazine publishers, catalog publishers, and corporate marketers, they find ways to leverage traditional print material for optimized use online. The Nxtbook team provides publishers with a service that reduces their costs while simultaneously expanding the reach and effectiveness of their content. In doing so, the readers of digital editions enjoy a media-rich experience that causes them to return to participating publishers' digital editions and Web sites time and time again.

The Challenge

The Information Today management team set the specific goal to moving subscribers from print media to a hybrid print and digital reading experience. Their publications are free and targeted towards groups of readers with specific professional interests. Creating the richest reading experience helps readers connect with their content more often and for longer periods of time. This helps them to generate additional advertising dollars.

Meeting the Challenge

Information Today has 12 magazines. Streaming Media is at the forefront of their digital publishing initiative and is the publication that most often experiments with new digital functionality. The team selected Nxtbook because of the ease of deploying digital editions and the very strong support for rich media. They like the Nxtbook business model and find them to be excellent publishing partners.

Results

- They have had success in lining up sponsors for specific issues, including a newsletter promoting the digital issue.
- Because of their name and industry focus, Streaming Media advertisers and authors incorporate high-quality rich media. These links give some excellent examples of rich media in action: http://www.nxtbook.com/nxtbooks/crmmedia/crm0407/, http://www.nxtbook.com/nxtbooks/NXTbook/bestofnxtbook/index.php?startpage=32, http://www.nxtbook.com/nxtbooks/NXTbook/pubrecguide/index.php?startpage=14
- The associated Web site has lots of video, audio, and flash and is very well coordinated with the magazine and conferences. All aspects of the brand attract more people to the community and help sell more advertising and conference registrations.
- Their media kit is totally digital. The sales team likes to be able to demonstrate where the ad placement will be and to show typical digital ad performance data.
- Advertisers love the tangibility provided by Nxtbook's reader statistics package.
- They now attribute 70% of their revenues to digital publishing efforts.

Lessons Learned

- They prefer to provide both print and digital editions to all subscribers. The digital edition offers faster delivery of content and better searchability and linking, and is more vivid because of the rich media content and advertisements. The print edition is the physical presence that provides credibility for the publication. Readers still like to browse the printed edition.
- They experimented with online communities but had only modest success. The popularity of their conferences suggests that community is an important part of their franchise and they plan to try another set of online communities in the near future.

- Their publications are all free, so the goal is to generate eyeballs and clicks.

Gilbane Group Conclusions:

- The Information Today team has an outstanding grasp of how to offer a hybrid reading experience for their subscribers and new opportunities for their advertisers.
- Because digital editions are relatively inexpensive to produce, the incremental advertising opportunities and revenues easily justify the additional costs.

Marine Log

Delivering Digital Editions to Victims of Hurricane Katrina

MARINE LOG (www.marinelog.com) is America's most respected marine industry monthly. It is dedicated to providing marine industry professionals with the information they need to enable them to design, build, and operate vessels, rigs, and offshore structures, profitably, safely, legally, and in an environmentally responsible manner. Today, MARINE LOG's ability to deliver information has been enhanced by their Web site. Accessed from around the world, it makes frequently requested data available online and brings readers late-breaking news very rapidly. There are more than 30,000 qualified subscribers, and many more readers visit their Web site on a regular basis. John R. Snyder is the Editor and Publisher of Marine Log.

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The Challenge

Shortly after Hurricane Katrina, John Snyder realized that his many readers on the Gulf Coast were unable to receive their traditional printed copy of the MARINE LOG by mail. He found that people were using the Internet to communicate during the crisis and decided to launch a digital replica edition to help reach those loyal readers who were so deeply affected by the storm.

Meeting the Challenge

John Snyder was introduced to Nxtbook's technology platform by his parent company, Simmons-Boardman. He was impressed with the Nxtbook technology and user interface. The compression technology kept file sizes manageable for distribution. The rich media capability allows them to add audio and video to their articles and advertising. MARINE LOG also likes to bundle whitepapers and brochures with the digital edition and has had several sponsored issues.

Results

- The digital edition has been well received and has helped them to increase their circulation. It is especially popular in many distant international markets like the Far East, where many of today's new ships are being built.
- Because their content is analytical and authoritative, the archive feature is very popular with their readers.
- An unexpected result has been the reinvigoration of their trade show presence, where the digital edition helps them demonstrate their content and rich media capabilities to potential subscribers and advertisers.

Lessons Learned

- The digital edition and Web site are completely complementary. The magazine is devoted to analysis of major trends and new regulations. They use the Web site for breaking news and online polls, and for cross-promotion of their directories and tradeshows.
- They will be expanding their online forums to help build a larger professional community presence.
- As their market becomes more global, the digital edition takes on greater importance.

Gilbane Group Conclusions:

- What started as a response to a storm-related crisis has become an important element of their product/marketing mix.
- Digital replica editions and their related Web sites are especially valuable in vertical markets where there is a need to keep an entire industry abreast of important news, events, research, and analysis. These readers are very loyal, making them very attractive to advertisers.

Vendor Description

Vendor Name

Nxtbook Media

History and Background

NXTbook Media was founded by Spencer Ewald under the name SE Publishing in 2002. Spencer was joined by Michael Biggerstaff, Roxanne Edwards, and Jim Lewis in 2003. The company was renamed in NXTbook Media the same year, and the first NXTbook platform was launched in February 2003. Major features were added over the years, including Flash support, search engine indexing, email delivery, page-specific permalinks, sponsored RSS feeds, and others. During a rebranding in the fall of 2007, the company name made the small change to Nxtbook Media.

Vendor Type

Digital Edition Platform – hosted

Philosophy

Nxtbook Media is a solutions service provider. Rather than providing publishers with software, we create digital publications for them and provide guidance in the best practices to maximize circulation and revenue. We also believe that it is our responsibility to constantly evolve our product in accordance with new online reading trends. As these trends become part of our product feature set, those features are passed on to our customers at no additional cost. Features that enhance the reading experience are added to the product without an increase in price.

Technology Description

Nxtbook takes files from publishers and produces digital editions based on Hybrid Index Flash, a proprietary combination of Adobe Flash and XML that combines the interactivity of Flash with search engine friendliness of XML. Any web browsers that support Flash Player 7 or later can run Nxtbook digital editions.

Features of Nxtbook digital editions include:

- Search within a publication.
- Archive search – search all editions of a publication with a single search command.
- Page navigation: first page, next page, previous page, last page, go to page number N.

- Zoom in on entire page or portion of page.
- Interactive table of contents.
- High-quality image and text display.
- Choice of single or dual-page views.
- Page thumbnail view.
- Print a single page or page range.
- Nxt Widgets – scrollable thumbnail views of publications that can be embedded on publishers' Web sites.
- Bookmarks.
- Notes.
- Send link to page or entire publication via email.
- Download in .EXE file for offline viewing.
- Live URLs for advertiser Web sites and email contacts.
- Permalinks that can be pasted into blogs or forums.
- Save page-level content to Digg, del.icio.us, Google Bookmarks, and Facebook.
- Embeddable Flash animation, audio, and video in ads.
- Embeddable user surveys, polls, giveaways within ads.
- Salable sponsorship opportunities, including toolbars, positions around the content, RSS feed tables of contents, logo during downloads, and left of front cover.
- Salable gatefolds, bellybands, and inserts.
- Online Business Reply forms.
- Tracking of sessions and offsite URL clicks.
- Ability to do custom reader surveys.

Nxtbook offers Web-based usage tracking for publishers, with reports including:

- Readers per book
- Readers per page
- Time spent in the book
- Time spent on each page
- Links clicked
- Pages printed
- Pages saved offline
- Referring URLs
- Sent events — number of times readers forward content to other users

Offline editions of Nxtbook content use the executable (non-browser) version of Flash Player. Offline versions are functionally identical to browser-based publications, except that they include local rich media files instead of streaming media (resulting in larger file sizes), and publishers cannot obtain tracking data. About 10% of all Nxtbook digital editions are downloaded for offline reading.

Services Offered

Nxtbook produces and hosts digital editions on its own infrastructure. Each publisher gets an Interactive Media Designer who is responsible for creating the publisher's digital edition. In addition to production and hosting, Nxtbook offers Nxttext, a way for readers to get bonus content such as coupons, rebate forms, and rich media delivered to them by sending short text messages through their mobile phones.

Nxtbook provides Nxt Pass DRM and subscription services for digital edition publishers. Nxt Pass supports a range of business models, including:

- Daypass – time-bounded access to content, with or without charge.
- Pagepass – access to a range of pages in a digital edition, with or without charge.
- Paypass – charge for subscriptions or single issues.
- Adpass – free access underwritten by a sponsor.
- Trypass – try before you buy.

In addition, Nxt Pass indexes content – including DRM-protected content – for major search engines.

Nxtbook offers Hoo-Clix Enhanced Tracking, a reporting service for companies that advertise in digital editions that delivers detailed clickthrough data via email. Nxtbook also provides email services for publishers, including detailed reporting of all activities.

Publisher Interfaces

Nxtbook prefers to get material from publishers in 300-dpi PDF but can also accept and convert QuarkXPress, PageMaker, and InDesign format files.

Nxtbook offers publishers access to its subscriber management and DRM system and can be trained on how to use it. Nxtbook can also be set up to accept subscriber info from the publisher's subscriber system or fulfillment house via XML posts or Nxtbook's Web Services capability. The publisher can push its subscriber info to Nxtbook on a periodic basis or in real time. Nxtbook can also set up custom integrations with the publisher's subscription service.

Representative Customers

- Advanstar Communications
- Reed Business Information
- Prism Business Media
- Cisco
- CMP
- Thomas Publishing
- VNU Media
- Hanley-Wood
- Hearst

- Vance Publishing
- Ziff Davis

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Olive Software

DENVERPOST

Denver News Agency

The Denver Newspaper Agency (www.denvernewspaperagency.com) publishes **The Denver Post** and **Rocky Mountain News** and is "Colorado's first, most trusted source of information and market reach. Customers of the Denver Newspaper Agency will receive top-quality service and the best information, education and entertainment content in Colorado and the region." Dana Plewka is the executive who is responsible for educational programs for the Denver News Agency.

Olive Software (www.olivesoftware.com) is a leading provider of digital edition and digital archiving solutions for the publishing industry, with more than 250 publishers and 650 titles worldwide. Olive's solutions enable newspapers, magazines, and other content publishers to cut printing and distribution costs, boost online traffic, and create new markets and revenue streams.

The Challenge

It's no secret that the average age of newspaper readers is increasing and that the younger generations are getting their news from alternate media such as television and the Internet. In an effort to attract the attention of school children and to enrich the education experience, the Denver News Agency has long delivered paper copies of The Denver Post and The Rocky Mountain News to schools throughout Colorado. Their goal is to use digital media to rapidly and cost effectively deliver news to students and teachers.

Meeting the Challenge

The Denver News Agency was among the first newspaper publishers to offer digital editions, starting in August 2005. They chose Olive Software as their platform because of the ease of transitioning between the traditional paper production process and the new digital formats. They were also impressed with Olive's Archiving capability. They spent considerable time understanding how students would use a digital newspaper as well as how teachers would weave newspaper content into the regular curriculum. They wanted their implementation to be very cutting edge and feel very current for all readers. They measure their progress via tracking signup rates and by teacher evaluations.

Results

- Teachers use the content frequently despite technology limitations. Some teachers have to make transparencies of newspaper content, while others use more modern projection equipment.
- Digital subscriptions are now used by 2,500 teachers and make up 7% of the total educational subscriptions. That number is growing rapidly despite issues with slow data connections and firewall issues. The digital deliveries to schools saved the Denver News Agency $466,000 in 2006, and savings in 2007 were expected to surpass $750,000.
- Teachers can create a customized "My Paper" to cover the topics that they consider to have the greatest educational value.
- Teachers like the search and save capability and the ease of creating proper citations.
- Because some teachers have limited technology skills, the agency has set up a separate support desk for the education program.
- Ms. Plewka is hoping to implement these enhancements over the next few years:
  - Developing additional rich media to capture student interest.
  - Adding more authoritative links to help students safely explore topics found in the digital edition.
  - Allowing students to create their own custom versions.
  - Generating provocative emails and RSS feeds to educators to suggest ways to use the digital edition every day.
- "The Green Movement" is gaining support and is a reason for schools to move from paper to digital editions.
- The Denver News Agency now has over 16,000 digital subscribers.

Lessons Learned

- The range of technical skills and acumen among educators is very broad. It is challenging to provide content and features that are both stimulating and very easy to use.
- Students actually expect more technical sophistication than some teachers.
- One drawback of a digital edition is lack of a physical presence in the classroom. This issue can be overcome by generating email pedagogical suggestions and targeted RSS feeds.
- The savings in paper, ink, and delivery are significant.
- Research shows that students who read newspapers do better on standardized achievement tests.

Gilbane Group Conclusions:

- Attracting young readers is critical to the future health of the newspaper industry, and digital editions in the classroom are a good first step.

- For the adoption rate to grow more rapidly, it is likely that a special Web student edition will need to be developed to attract student interest and encourage regular readership.
- Community features will be essential to building a significant readership.
- There is a good advertising opportunity for the targeted youth market.

Freedom Communications

Either/And

Freedom Communications (www.freedom.com), headquartered in Irvine, Calif., is a national privately owned information and entertainment company of print publications, broadcast television stations, and interactive businesses. The company's portfolio includes more than 70 newspapers, including The Orange County Register, magazines, and other specialty publications, plus news, information, and entertainment Web sites to complement its print and broadcast properties. Freedom's newspaper publications have a combined circulation of more than one million subscribers. Tom Porter was the executive that developed the digital edition strategy.

The East Valley Tribune (http://www.eastvalleytribune.com) is a popular Arizona newspaper in suburban Phoenix. It was the first Freedom newspaper to have a digital edition. Here is an example of their digital edition: (http://epaper.aztrib.com/Daily/skins/GetOut/navigator.asp#TOP). The same Web site and digital format are used by all of the Freedom papers.

Olive Software (www.olivesoftware.com) is a leading provider of digital edition and digital archiving solutions for the publishing industry, with more than 250 publishers and 650 titles worldwide. Olive's solutions enable newspapers, magazines, and other content publishers to cut printing and distribution costs, boost online traffic, and create new markets and revenue streams.

The Challenge

Starting in 1997, Freedom Communications set up a program to bring their newspaper content onto the Internet. In 2002, they began efforts to create an archive of digital editions. The challenge today is to bring all aspects of the digital product offering together to create more value for readers and subscribers.

Meeting the Challenge

Tom Porter is a big proponent of the "produce once, deploy everywhere" approach to newspaper publishing. In 2001, he selected Olive Software's technology as the platform for the East Valley Tribune. He was impressed with how fast and easy it is to generate a digital edition from their traditional print workflow and processes. Using a well-defined manifest, the advertising flows right into the digital edition. When it came time to develop the archive, that process was equally straightforward. They have added two to three digital editions per year to their portfolio. Twenty-seven of their thirty papers now have digital editions.

From the beginning, they have sold print and digital editions separately. For a modest monthly fee, subscribers receive both editions and access to the archives. With the growing popularity of community- and context-sensitive search, they have added more features to their Web sites.

Results

- Readers like the variety of methods for accessing newspaper content.
- Advertisers appreciate the reader activity data that are available for digital editions.
- The Archives are popular for researching topics whose coverage spans several years.
- The archiving capability allows them to keep their legacy content active and is a very popular research tool for readers.
- One-third of their advertisers are willing to take digital tear sheets in lieu of the traditional print editions. The cost savings are significant.
- The East Valley Tribune's digital circulation is now more than 10% of their overall circulation.

Lessons Learned

- Different views of content serve different purposes. The print and digital replica editions have strong appeal to readers who like the structure and layout of a traditional newspaper and enjoy the experience of browsing through the entire issue. The digital edition has the additional benefits of rich media, links to interesting content or products, and the capability to easily share an article with a friend or colleague.
- They are experimenting with special editions to appeal to younger readers.
- While Web purists extol the look and feel of a Web page and the importance of community, Freedom's research indicated that many young readers liked the organization of the digital replica edition and would use both if given the chance.

Gilbane Group Conclusions

- Traditional print newspaper readership is declining. To attract more readers, newspapers are expanding their digital activities and delivering their content to new devices such as digital phones and Kindles.
- While community-generated content is a step in the right direction, traditional authored content needs to have more external links to allow readers to further explore a topic by reading other credible authoritative articles with differing viewpoints.
- Freedom is taking an incremental approach to archiving by adding each new edition to archives that started several years ago. Archives become more valuable as the number of years covered increases. Adding additional years of pdf files is not terribly difficult or expensive and adds value to the overall Web experience.

The Guardian: Archiving Modern History

Background

The Guardian is a unique voice with an international reach. The newspaper is one of the UK's leading daily titles, and the Guardian.co.uk Web site — voted the best newspaper site in the world — now delivers the Guardian's liberal journalism to a global audience. The Guardian grew from regional roots in Manchester to become a leading national newspaper. Following the international success of its Web site, the Guardian now aims to become the world's leading liberal voice. Torsten de Riese, Business Development Manager, was instrumental in managing the archive project.

Olive Software (www.olivesoftware.com) is a leading provider of digital edition and digital archiving solutions for the publishing industry, with more than 250 publishers and 650 titles worldwide. Olive's solutions enable newspapers, magazines, and other content publishers to cut printing and distribution costs, boost online traffic, and create new markets and revenue streams.

The Challenge

The Guardian Web site is widely considered to be among the best newspaper Web sites in the world. Using a Web-first editorial strategy, breaking news is first published on their Web site and is later published in the newspaper. As a story evolves, different versions will appear on the Web and in print. As part of their innovative Web strategy, Guardian management decided to create a comprehensive archive of more than 1,000,000 pages of their flagship newspapers — The Guardian and The Observer. The content to be archived existed in bound print editions and microfilm.

Meeting the Challenge

Creating a massive archive is a daunting task. To find the best vendor, The Guardian sent a request for proposal to ten potential vendors. They were hoping to find a vendor that offered the sophisticated algorithms necessary to scan and structure the content into an XML database, an automated quality assurance process to correct the inevitable errors arising from flawed source materials, and a publishing platform to present the content to readers. Olive Software was the winning vendor. Their deep XML knowledge and experience in developing large archives proved an effective combination as the project got under way.

Together, The Guardian and Olive worked through over one million pages of source newspaper content. Most errors stemmed from missing issues or illegible source materials. The Guardian staff worked conscientiously to find the missing materials. The archive was tested in a controlled set of libraries in the UK.

Results

- The archive is now considered a major research resource and is widely used by students and academics.
- While most of the Guardian Web site is free, access to the archived articles is not free. The archive is licensed to public and academic libraries for the research purposes of their members. Individuals can also get access to the archived articles for a reasonable daily access charge.
- They offer a less comprehensive archive on their Web site as a free service that has helped build their Web readership and popularity.

Lessons Learned

- The archive is extremely valuable for many types of research. Genealogy, the environment, changes in advertising practice and product pricing, and politics are among the most popular research uses. The capability to see what was written about a historic event on the day it occurred has proven both valuable and popular.
- The archive is so comprehensive that casual users get lost very quickly. Simple queries will yield scores of results that can overwhelm the novice researcher. Therefore, they are working on creating an easier interface featuring content themes.
- They will continue to focus on the library market.

Gilbane Group Conclusions

- The Guardian offers several types of archive services. They have developed the feature set for each service to meet the needs of the searcher/reader. For some types of research tasks, comprehensive data are better; for others, an archive of recent or popular articles can be more helpful.
- For most publications that have digital editions, the creation of a digital archive should be a relatively easy decision. The archive is a popular feature for many Web sites. For some publications, it will make sense to invest in digitizing print and microfilm issues, especially if there is significant research value in the content.
- Modern technology can make archiving more cost-effective than ever before. The additional costs and complexity often come from cleaning up source content.

Reed Business Information

Media Blind

Reed Business Information (www.reedbusiness.com/us.html) is North America's largest business-to-business information provider, with more than 80 market-leading publications and 55 Web sites, as well as a range of services. Reed Business Information is a member of the **Reed Elsevier Group plc** — a leading provider of global information-driven services and solutions. John Blanchard, VP Manufacturing, is a key architect of their digital publishing strategy.

Semiconductor International magazine (www.semiconductor.net) is an excellent example of Reed's integrated digital and print product offering.

Olive Software (www.olivesoftware.com) is a leading provider of digital edition and digital archiving solutions for the publishing industry, with more than 250 publishers and 650 titles worldwide. Olive's solutions enable newspapers, magazines, and other content publishers to cut printing and distribution costs, boost online traffic, and create new markets and revenue streams.

The Challenge

As a leader in business-to-business publishing, Reed Business Information seeks to be at the forefront of innovation for digital delivery of content. The management team sees a blurring between replica editions and Web sites and had concluded that while the browsing metaphor is different, the goal of finding high-quality specialized information is shared by all readers. They continue to search for ways to add value to the overall customer reading experience.

Meeting the Challenge

Thus far, Reed Business has been quite successful in creating high-value digital reading experiences for their subscribers. While they have a very sophisticated set of digital options, including a comprehensive Web site, newsletters, webcasts, podcasts, blogs, buyer's guides, and context-sensitive search engines, the digital replica edition of the magazine still plays an important role in their digital product suite. Most Reed Business titles use Olive's technology to produce and archive their content. The ease of implementing a digital title and the robustness of the archiving capability were the key selection criteria.

With their channels and communities combined with the context-sensitive search engine, content can be customized to the reader's specific interests. They are working to achieve the appropriate blend between blogs and community-contributed content and their own editorially prepared content. Readers appreciate that multiple views are expressed on controversial topics. The scope and measurability of their digital content offerings is very appealing to advertisers.

Results

- On average, 10%-15% of their readers have converted from print to digital editions.
- International subscribers appreciate the faster delivery and lower cost of digital editions. There is also a significant cost savings for Reed.
- The archiving capability allows them to keep their legacy content active and is a very popular research tool for readers.
- Reed is now using digital media kits and finding them to be popular with advertisers and more cost-effective to produce.
- The lower costs of digital editions has kept at least one publication alive and is now allowing Reed to consider new digital-only publications.

Lessons Learned

- Different views of content serve different purposes. The print and digital replica editions have strong appeal to readers who like the structure and layout of a traditional magazine and enjoy the experience of browsing through the entire issue. The digital edition has the additional benefits of rich media, links to interesting content or products, and the capability to easily share an article with a friend or colleague.
- Reed is developing a consistent, integrated product and marketing presence for more than 80 Web sites including more than 35 digital replica editions. Digital presentation has become an important core competency.
- The preparation of a comprehensive archive poses some challenges in handling content stored in a variety of media and formats. Olive was very helpful with this task.

Gilbane Group Conclusions

- Developing a successful product mix to serve both digital and print readers begins long before any specific product or edition is ever published in print or digital form. The design of the authoring and content management platforms is crucial to being able to succeed in a "cross media" world.
- Having the right partners makes it easier to publish and archive content.
- Establishing a robust digital readership and advertising base requires significant focus and commitment. That investment is clearly beginning to pay off for Reed.

Vendor Description

Vendor Name

Olive Software

History and Background

Olive was founded in 2000 with a clear vision to develop the first platform that can automate the XML production of documents in any type of organization. After years of extensive research efforts, the team developed an innovative, intelligent content processing technology that makes information instantly available in an enriched XML format. Olive's original ActivePaper Daily solution was targeted at the newspaper market, but since then, it has branched out into markets including magazine and book publishing, libraries, universities, and corporate enterprises. Olive's founders have received numerous patents and awards for their inventions in the fields of intelligent content processing and parallel computing.

Olive Software is based in Santa Clara, California, with sales offices in New York, Washington DC, and Denver, and R&D facilities in Israel.

Vendor Type

Digital Edition Platform – hosted and/or licensed

Philosophy

With over seven years of domain expertise working specifically with newspaper and magazine publishers around the world, Olive helps publishers extend their content assets, customer reach, and brand to the Web. Olive Software's unique technology enables companies to publish rich, interactive, and searchable media by automatically transforming documents into reusable content components, or microcontent that can be delivered through Olive applications or through other Web and mobile applications.

Olive strives to provide solutions that enable customers to redefine traditional markets for their information, better enable them to effectively leverage the Web, and drive top-line revenue by boosting subscriptions and advertising opportunities.

Technology Description

Olive Software's products and services are all based on the company's core technology for XML transformation as well as targeted end-user applications for optimal digital content delivery. The technology can transform content from PDF, Microsoft Office, or image formats into XML, thereby making the content richly available over the Web and innately repurposable.

Olive uses an XML schema that is primarily a page and document description language, but also encapsulates logical information (content structure, tags, hyperlinks, image maps, etc.) within graphical layout information. This enables it to produce both graphically rich page layouts and flexible, device-dependent views from the same XML. Olive's XML schema is designed to be used with filters and XSL templates to produce output in industry standards such as NITF, OAI, News, ADSML, or METS.

Olive's XML schema is designed to promote component extraction and tagging for search and direct access to components, as well as to promote long-term archiving and preservation.

The core technology is used in several Olive applications:

ActivePaper Daily

ActivePaper Daily (APD) is a production system that produces digital editions of newspapers that emulate the look and feel of the print editions. APD editions are hosted on newspapers' own servers or on Olive's servers, and are displayed on standard Web browsers, with no client software to download. Features include:

- Pop-up windows of articles with plain text and images for clearer reading
- Search – full text and component (article) level
- Clip articles for later reading
- Print articles
- Email articles
- Adjustable viewing and size
- Interactive table of contents
- Access to previous seven days of content
- Interactive ads
- User activity tracking, analytics, and reporting
- Content repurposing for RSS feeds, custom editions, and other digital products

ActivePaper Archive

Olive ActivePaper Archive (APA) transforms a body of microfilm and PDF archives into a unified XML repository that features granular searching at the page, article, ad, and image levels. It enables automatic repurposing of archived content to other systems and content aggregators. Olive's unique technology automates many aspects of accurately segmenting and tagging content for rich digital searching and access, and it provides easy to use, browser-based access both to 'forward' archives and to digitally restored, historical archives.

Ad Launcher

Olive AdLauncher allows newspapers to publish display ads, special sections, and inserts on the Web in a fast, easy, and cost-effective way. With AdLauncher, newspapers can avoid expensive ad processing service providers; instead, newspapers

can process ads and inserts themselves at significant cost savings. For readers, AdLauncher provides an easy way to find relevant ads in each publication.

ActiveTearsheet

Olive ActiveTearsheet uses files publishers create in producing an ActivePaper Daily edition and provides online displays of ads online, just as they appeared in the newspaper. Advertisers can view these electronic tear sheets instead of receiving hardcopy tear sheets from the printed newspaper. ActiveTearsheet includes tools such as a dynamic ruler for ad size and placement verification. Newspaper advertising departments benefit from capabilities including searching by advertiser, agency, order number, etc.; and sorting by various criteria including dates, sections, and zones.

ActiveMagazine

ActiveMagazine is Olive's platform for digital editions of magazines. It is similar to ActivePaper Daily but with a different, Flash-based user interface better suited to magazine reading, including "page turning" graphics and dual-page layouts. In addition to all ActivePaper Daily features, ActiveMagazine also provides:

- Zoom and pan capability
- Rich media support
- Access by page thumbnails
- Search across unlimited number of back issues
- Social bookmarking, with built-in support for Digg and del.icio.us

The newest release of ActiveMagazine, ActiveMagazine 3, comes with an archive similar to ActivePaper Archive for viewing and search across back issues. Customers can convert back issues in PDF, ingest them into the archive, and make them available alongside their current editions. The latest release also features an open Web application platform that enables publishers to add features to the digital edition, such as banner ads, extra content, and so on. ActiveMagazine 3 is built using the ViewPoint platform (see below).

ViewPoint Digital Publishing Platform

Olive's end-to-end digital publishing platform for corporate enterprises, ViewPoint, uses unique technology to understand the structure and semantics of electronic, paper, microfilm, and microfiche documents and automatically convert them to rich, digital content that is easy to search, view, and interact with over the Web. These digital content assets, or microcontent, can then be delivered either through end-user Olive applications (i.e.: ActiveMagazine, ActivePaper, etc.) or as repurposable content that can be delivered in other formats and applications such as a BlackBerry or iPhone.

This allows companies to easily capture, preserve, access, and repurpose their print content, and develop new, digital markets for their information. Component-level meta-tags ensure search accuracy and an unprecedented ability to receive information

quickly and within context – all within a Web browser, in the document's original format.

Services Offered

Olive Software makes its technology available as licensed software or as a hosted solution. Olive can host the digital edition itself, or one of Olive's three resellers can do it. Most of Olive's magazine publisher customers use a hosted solution; for newspapers, about half run the software themselves, while the other half use a hosted solution.

Olive offers a wide range of professional services related to content transformation and production, including:

- Document Conversion: transformation of hardcopy or microfilm/microfiche into XML, including integration with the customer's content management system, metadata schemes, and IT environment.
- Microfilm Digitization: Olive is set up to handle the complete workflow of microfilm and microfiche digitization, including scanning to TIFF, segmentation into logical content components, XML creation, tagging, and indexing.
- Production: production services for digital publications.
- Hosting: Olive can host a digital publication on its own servers or license the server software to the publisher for hosting on its own infrastructure.

Olive also offers a complete range of training courses for content transformation as well as ActivePaper and ViewPoint product installation, configuration, administration, and customization.

Publisher Interfaces

Publishers can submit content to Olive in PDF or microfilm/microfiche formats, as described above.

Olive offers subscription management services for digital editions in various ways:

- For those publishers who wish to maintain separate subscriber databases for their digital editions, Olive offers subscriber management services through its partnership with ClickShare. For controlled-circulation B-to-B magazines, ClickShare can also handle subscription forms that collect demographic and other user information.
- Some resellers offer subscription management functionality themselves.
- Publishers that license Olive's software (mainly newspaper publishers) integrate their own print subscriber management systems with their digital editions.

Olive also partners with Informz for fulfillment services: Informz processes lists of email addresses and sends out notifications of newly available digital editions.

Reference Customers

ActivePaper Archive

- The Oklahoman
- The Guardian
- The Scotsman
- Sydney Morning Herald
- Irish Times

ActivePaper Daily

- Denver Post
- The McClatchy Company
- Newark Star Ledger
- Investor's Business Daily
- Financial Times

ActiveMagazine

- ESPN
- Variety
- Semiconductor International
- Drug Discovery Today
- Time Inc.
- Nielsen Business Media

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Texerity

ALM

Reaching Busy Professionals on the Go

ALM (formerly American Lawyer Media) is a B-to-B publisher serving the legal market as well as related niches such as real estate. Its flagship titles include The American Lawyer, Corporate Counsel, National Law Journal, IP Law & Business, Law Technology News, and Real Estate Forum. ALM also publishes geographically focused magazines and newspapers in several markets. Key Web sites include Law.com (legal portal) and GlobeSt.com (real estate portal).

ALM also publishes books, newsletters, court verdicts and settlements, and market research. ALM Events produces CLE-accredited conferences, including LegalTech, E-Discovery, Law Firm Inc., and LegalSpace. ALM was acquired by UK-based Incisive Media, a major multimarket trade publisher, in August 2007.

Texterity (www.texterity.com) is a leading provider of digital publishing solutions that include creating, maintaining, and tracking more than 800 titles, 600 of which are consumer and trade magazines. Unlike static Web content, Texterity's Published Web Format replicates the printed page, turning it into a vivid, media-enriched Web experience. Integrated circulation tools, advertiser links, and social media connections provide tangible ways for publishers to deliver instantly, cut costs, increase reach, generate revenue, and reduce environmental impact.

The Challenge

ALM was an early adopter of digital editions, mainly for the objectives of lowering distribution costs and reaching the growing number of U.S. lawyers working overseas or in partnerships with non-U.S. firms. The flagship American Lawyer launched a digital edition five years ago on the QMags platform, which uses a PDF download together with a plug-in to Adobe Reader that enables special viewing and other user functionality.

Because American Lawyer is layout-intensive–i.e., graphically sophisticated–the PDFs were quite large, and librarians at law firms expressed frustration in dealing with them. Circulation for the QMags-based digital edition began to increase but plateaued at a low level.

ALM's goals for its second-generation digital editions included:

- Bringing digital circulation of Law Technology News – ALM's largest circulation digital edition – to 20% of overall circulation.
- Building paid circulation of Corporate Counsel outside of the U.S.
- Increasing open rates (the percentage of users who actually open each edition).

- Increasing ad clickthroughs.

Meeting the Challenge

Shane Molloy, Director of Circulation for ALM's National Magazine Division, switched ALM's digital edition provider from QMags' download format to Texterity's browser-based technology. Texterity's non-Flash solution meant crisper, faster access on any computer, iPhone, or iPod touch.

Law Technology News, IP Law & Business, and Corporate Counsel are now available in digital format. Users seem to prefer the new format: American Lawyer's digital circulation has almost tripled since the switchover, though it is still relatively small. ALM wants to ensure that at least one copy of their well-known Am Law 200 survey of the top 200 law firms in the United States reaches every firm.

ALM has no paid subscription Web sites; they post content to their Web sites for access through free registrations. Digital editions are thus complementary to Web sites as part of ALM's product mix; they are marketed on ALM Web sites, but otherwise there is no tie-in between digital replica editions and Web sites.

When people subscribe to magazines, they are asked whether they want print or digital; receiving both print and digital counts as two separate subscriptions. For controlled-circulation titles, the first subscription is free but the second one is paid. One exception to this is Corporate Counsel, which is free in digital form outside of the United States.

ALM is also offering advertisers value-added digital options through Texterity such as Web links in their ads and electronic blow-in cards. Feedback from advertisers has been very positive as they learn to incorporate these new options into existing campaigns.

ALM has adopted various strategies to help reach the goals outlined above utilizing Texterity's Best Practices resources. Some of ALM's tactics include sending multiple reminder emails to get subscribers to open the digital editions and using different sets of bullet-point copy in email messages to test effectiveness. ALM hopes that increasing open rates will naturally lead to increased ad clickthroughs.

ALM has a turnkey production process with Texterity: they simply send Texterity print-ready files and Texterity does the rest. At this point, ALM does not reformat anything specifically for digital editions. They are beginning to explore adding multimedia content to their digital editions, such as embedded video clips.

Results

- Digital circulation of Law Technology News is now almost 10% of total circulation.
- Overall digital circulation has tripled since adoption of Texterity browser-based platform, with very positive user feedback.
- Great progress has been made toward achieving the goal of one copy of Am Law 200 at every law firm.

- Very positive feedback has been received from advertisers using electronic blow-in cards.

Lessons Learned

- Molloy feels that the next big step in digital editions is mobile devices, as lawyers and law office employees are spending more time with their mobile phones than on computers. *American Lawyer*, like other Texterity-powered digital editions, has been available on the Apple iPhone and iPod touch since July 2007. At this writing, ALM has had 979 total iPhone visits, 805 of them unique. Because large law firms often issue iPhones to employees, there is new audience potential here.
- To accommodate mobile devices, ALM plans to create digital editions that are not exact replicas of print editions but are formatted somewhat differently, utilizing larger text and an aspect ratio that is more appropriate for digital devices.

Gilbane Group Conclusions

- The growing installed base of Web-enabled portable devices such as iPhones, BlackBerries, Palm Treos, and Windows Mobile devices is leading to an important market for digital editions among savvy professionals who are spending more time with those devices than on their PCs. Publishers that want to reach this highly lucrative audience should consider digital edition platforms that are compatible with a maximum number of these devices and whose providers track the constant stream of advances in mobile device technology.
- Reaching mobile devices goes hand-in-hand with the objective of reaching readers in remote places while saving on distribution costs. With the right digital edition platform, publishers can get both of these benefits in the same package.

EH Media

Supporting a Wide Range of Strategies through Digital Editions

EH Publishing is a vertical industry media company focused on the nexus of the technology and construction industries. It publishes the consumer titles Electronic House and Home Electronics Ideas and the trade titles CE Pro, ChannelPro, Live Sound, and TecHome Builder; it also publishes Church Production in partnership with Production Media Inc. The EH Events group produces Electronic House, RoboBusiness, RoboDevelopment, Worship Facilities, and Electronic Security conferences. The company also conducts market research and webinars.

Texterity (www.texterity.com) is a leading provider of digital publishing solutions that include creating, maintaining, and tracking more than 800 titles, 600 of which are consumer and trade magazines. Unlike static Web content, Texterity's Published Web Format replicates the printed page, turning it into a vivid, media-enriched Web experience. Integrated circulation tools, advertiser links, and social media connections provide tangible ways for publishers to deliver instantly, cut costs, increase reach, generate revenue, and reduce environmental impact.

The Challenge

EH Publishing is somewhat unusual in its mix of consumer and controlled-circulation B-to-B magazines that are each focused on a well-defined niche market. This is in contrast to pure B-to-B publishers (e.g., Penton, PennWell) or pure consumer publishers (Time, Reader's Digest), or even large publishers with B-to-B and consumer titles that are spread across multiple markets (Nielsen Business Media, United Business Media). Therefore, EH Publishing has a variety of business objectives to tackle. They turned to digital publishing as a solution.

Meeting the Challenge

EH Publishing's multipronged digital edition strategy has prompted the use of several digital providers. They decided to use Texterity for digital editions of Electronic House, CE Pro, and Church Production. One reason is that Texterity's technology allows content to be quickly searched, saved, and shared using a standard Web browser.

In addition to Texterity, EH Publishing is using the iDigital Edition Flash-based platform for Live Sound, while Channel Pro's digital edition is delivered in standard PDF. Both of these solutions were chosen by a prior company acquired by EH Publishing in 2006.

For Electronic House, EH Publishing is using the digital edition as a circulation-building tool to save costs over traditional methods. They post a sample issue on

ElectronicHouse.com instead of distributing print copies by mail. Paid subscribers can also access back issues, which are all fully searchable.

The trade publication CE Pro has a digital edition that the publisher uses for building ad revenue. Instead of charging extra for ad placement in the digital edition, they sell ad packages that include a certain dollar amount that is automatically allocated to the digital edition. Advertisers can "opt out," in which case they pay less for their print-only ads and the publisher substitutes a house ad in the digital edition. This arrangement was implemented as a compromise between the magazine's publisher, who didn't want to try for extra ad revenue from the digital edition, and EH Publishing senior management, which did.

The objective of the digital edition of Church Production is to reduce foreign postage costs. The magazine has a large percentage of subscribers outside the U.S., who can opt into the digital edition (the digital edition is not available to U.S. subscribers).

EH Publishing launched the digital edition of Channel Pro, which is a joint venture of EH Publishing and NASBA, the Association of Channel Resellers, only recently. The objective of this digital edition was to supplement limited Web content. The digital edition is available on www.channelproonline.com.

EH Publishing acquired several magazines from another company, including Live Sound. The previous company chose iDigital Edition for Live Sound, a platform based on Adobe Flash technology, as opposed to Texterity's SVG-based technology or PDF. Elizabeth Crews, VP of Audience Development, says that iDigital Edition's presentation is attractive, and it's a cheaper solution, but it has the disadvantage of not being searchable or indexed by the major Internet search engines.

When interviewed by Red7Media for Texterity's Digital Channel on www.foliomag.com,

Crews said the advantages of digital editions come from four different models: revenue generation, circulation cost savings, content generation and postal savings. Says Crews, "Our experience with Texterity has been smooth sailing. They look at what we're doing on a quarterly basis and show us what we can take advantage of. When you work with just a digital edition company, you don't have the same support."

For consumer titles, EH Publishing offers a digital edition as an add-on for any subscriber whose email address they have in their fulfillment database, which is outsourced to Suncoast Data. EH Publishing handles fulfillment in-house for its trade magazines using QuickFill. Subscribers are asked if they want print, digital, or both. If the system detects that a user is from a country outside the U.S., it offers digital only.

The production process for publishers using Texterity is quite straightforward. EH Publishing produces layouts in QuarkXPress, with each page as a separate file. This is necessary in case they need to pull an ad and replace it with a house ad. They send Texterity high-resolution PDFs (typically about 100 files per issue), which Texterity then digitizes. The publisher provides subject lines and messaging for the emails that go out to subscribers announcing availability of new issues.

Results

- Savings in postage for Church Production subscribers outside the U.S.
- Incremental ad revenue in the tens of thousands of dollars from *CE Pro*.
- Web content production costs reduced for Channel Pro.

Lessons Learned

- Crews feels that eventually digital editions will bridge the gap between publisher content and the Web. The key enabling technology is the ability for users to search magazine content through both the magazine's Web site and the major Internet search engines. The latter leads to new marketing channels and potential audience for subscriptions.
- EH Publishing is working with Texterity to achieve optimal balance between free access and paid subscriptions. Controlled viewing, (e.g., up to 1 page before and after the search result), prompts prospects to subscribe in order have complete access. If this is done outside of the magazine's Web site, then it becomes a form of search engine optimization (SEO). This is not possible with competitive, Flash-based digital edition technologies.

Gilbane Group Conclusions

- Texterity's ability to let digital edition content be indexed by Internet search engines helps to solve a major problem with publishers' digital products: that the "product packaging" technology precludes discoverability, which hinders publishers' ability to compete with "free" content online.
- EH Publishing's experience shows the breadth of strategies that digital editions can deliver, particularly across the divergent objectives of consumer titles – such as circulation building – and B-to-B titles – such as distribution cost savings. EH Publishing had different business objectives in mind for each of its digital editions, yet it was able to meet them all with a single platform.

Project Management Institute (PMI)

Increasing Value to Members

The Project Management Institute (PMI), based in Newtown Square, PA, is the leading membership organization for project managers, with over 260,000 members. It provides training, career development, professional certifications, standards, political advocacy, conferences, and many other resources for project managers.

PMI offers several publications, including the monthly magazine PM Network, the monthly newsletter PMI Today, the quarterly Project Management Journal (published through John Wiley & Sons), the biannual PMI's Career Track, and various biannual and annual publications, plus HTML newsletters, email publications, books, and multimedia products.

Texterity (www.texterity.com) is a leading provider of digital publishing solutions that include creating, maintaining, and tracking more than 800 titles, 600 of which are consumer and trade magazines. Unlike static Web content, Texterity's Published Web Format replicates the printed page, turning it into a vivid, media-enriched Web experience. Integrated circulation tools, advertiser links, and social media connections provide tangible ways for publishers to deliver instantly, cut costs, increase reach, generate revenue, and reduce environmental impact.

The Challenge

PMI is a global organization that serves members in more than 170 countries, so it was facing substantial postage costs and slow delivery time to reach members – as long as six weeks in countries like India and New Zealand. Virtually all PMI members have computers and Internet access, so digital editions made sense.

Meeting the Challenge

Donn Greenberg, Manager of Publications, took charge of PMI's digital edition initiatives in 2005. He looked at as many as 20 different providers before settling on Texterity's digital edition platform; he chose Texterity for its ease of production and delivery as well as opportunities for revenue enhancements in the future.

Greenberg started by producing a year's worth of issues of the two monthly publications. Individual PMI members receive these digital editions as an opt-in benefit in addition to print. They can choose which digital editions they would like to receive by logging into www.pmi.org. Because PMI is a professional association, they currently do not sell any of these publications.

PMI started slowly, without much marketing – just a promotion on the front covers of their print editions saying that companion digital editions were available. Soon afterwards, they started running ads for the digital editions. They have recently increased their digital editions to include virtually all periodicals, annuals, and whitepapers. They also publish a media guide for advertisers as a digital edition.

The PMI digital editions are exact replicas, with no digital-only content. Because PMI is a membership organization, unlike consumer publishers, they do not use the Share feature available on Texterity's platform.

PMI sends Texterity the same PDF that they provide to Cadmus Communications for print production. Texterity supplies a proof so that live URLs, formatting, and other production specifications can be checked.

PMI pushes its subscriber information to Texterity for digital edition emailing; Texterity also handles technical support as well as production.

Results

- Feedback on PMI's digital editions from members has been very positive.
- No major technical or production issues have occurred.

Lessons Learned

- PMI is looking at ways to leverage digital publishing as a source of revenue by selling space on "blow-in" advertising and sponsored email blasts to non-subscribers.
- PMI intends to sell digital edition subscriptions to non-members, which is something that Texterity can also support when PMI is ready.

Gilbane Group Conclusions

- For a nonprofit membership organization such as PMI that deals with technical subject matter, publications can provide more permanent value than they would for most consumer and even many B-to-B publications. Digital editions enhance that value through searchability, bookmarking, and other features, all for little or no incremental cost.
- At the same time, publications are better than Web sites at strengthening members' bonds with the organizations, thus making them more likely to renew their memberships. Thus, the PMI example shows how digital editions are a sweet spot between print publications and Web sites for membership organizations.

Vendor Description

Vendor Name

Texterity

History and Background

Texterity was founded in 1991 by CEO Martin Hensel as a provider of SGML-related professional services to publishers. As Texterity built its customer base, its offerings expanded to include XML and text format conversion services. It developed TextCafe, an automated document conversion technology, and began using it in 2000 to create eBook files for its clients in a variety of formats. Texterity began supporting the Scalable Vector Graphics (SVG) and Open eBook formats. Texterity moved into the Digital Editions market with its Published Web Format (PWF) offering in 2003.

Texterity is based in Southborough, MA, with representation in Canada and Australia.

Vendor Type

Digital Edition Platform – hosted

Philosophy

Producing digital editions is a new area for many publishers. Print has been around since Gutenberg, but digital editions have only been around for about five years. Some publishers still question whether digital editions work, how people use them, and if the model is sustainable.

Texterity tries to address these key issues using a collaborative sales and service approach. Texterity representatives start with the business challenges a publisher wants to address as well as the value-added opportunities that digital editions provide. Texterity's business model focuses on providing flexible business solutions that can incorporate circulation-building programs, mobile phone access, revenue generation, and completed search engine integration. Texterity believes that services around the technology are as important as the technology itself; just offering the technology alone is not a winning strategy.

Technology Description

Texterity's flagship technology is its patented Published Web Format (PWF). PWF takes PDFs from publishers and creates a digital edition of a publication that is hosted on Texterity's servers and can be viewed in standard Web browsers with no plug-ins required. PWF is based on a combination of HTML, JavaScript, and XML, including Scalable Vector Graphics (SVG), the W3C standard for expressing graphics in XML. Unlike other formats, PWF does not require Flash; this means that it can run on

platforms that don't support Flash, such as the Apple iPhone; accommodate split or "selectronic publishing" editions; and fully integrate with search engines for special search engine sampling programs for publishers with protected content.

PWF provides these features:

- Search within a publication or across all publications in a collection.
- Page navigation: first page, next page, previous page, last page, go to page number N.
- Multiple zoom factors (6 levels) or view page in original size.
- Hierarchical table of contents available as left-hand navigation or drop-down menu.
- High-quality image and text display.
- Choice of single-page, dual-page, and full-screen page views.
- Print a single page or page range.
- "Send to a Friend," IM, and blogging permalinks capability, including page thumbnail.
- Search engine integration.
- "Look Inside the Magazine" search engine sampling programs that enable prospects to preview a few pages of a magazine with protected content.
- Delivery of digital editions to Apple iPhone, iPod Touch, and other devices that do not support Adobe Flash format.
- Bookmarks.
- RSS feeds.
- E-commerce integration.
- Download functions.
- Tracking of sessions and offsite URL clicks.
- Live issue icons (shows current issue cover with hot-link to current issue).
- Web-based reporting and tracking.
- Ability to generate custom reader surveys.

Services Offered

Texterity produces and hosts digital editions based on PWF. Since this technology is a true Web peer, it fully integrates with the Web and various search engines in ways that Flash-based technologies cannot. This technology enables delivery to Apple iPhones and other devices that do not support Flash animation.

PWF includes Web-based reporting for publishers that shows detailed information on:

- Traffic analysis
- Visitors
- Navigation (most popular pages, top search terms, top referrers, etc.)
- Visitor location data

- Visitor technical data (OS, browser, display resolution, etc.)

Texterity offers full mail services that allow publishers to qualify for ABC and BPA audited status for all digital editions served. These services include consulting on messaging strategies and tactics. The services are linked with a subscriber-management system that enables controlled access.

Publishers can use "Look Inside the Magazine" to share controlled amounts of content, but leverage search engine marketing fully. This service is used by publishers for circulation and brand building.

In conjunction with PWF implementation projects, Texterity provides Best Practices consulting services to help ensure that PWF meets publishers' business objectives and audit requirements. Texterity offers training on its tools as well as training on selling digital edition inventory to advertisers.

Publisher Interfaces

Publishers that are creating PWF editions need only submit Quark or PDF files, and Texterity does the rest. In many cases, the publisher's standard PDF files (with settings intended for print output) will work well as inputs to the PWF production process.

In addition to PDFs, Texterity also takes editorial teaser text from publishers to be used in emails to subscribers that announce the availability of new issues.

Most publishers maintain subscriber databases for both digital edition and print subscribers, either in-house or at subscription fulfillment vendors. Texterity offers two ways of interfacing with such databases. In the simpler, more loosely coupled method, the publisher or fulfillment house sends Texterity a "label run" file and uses email addresses in that file. In addition, Texterity can provide First Issue Instant Delivery, so that new subscribers can get their first issues right away without having to wait for next week's or next month's label run.

The second subscriber database integration method that Texterity supports is a more tightly coupled integration with publishers' subscriber management systems: Texterity takes advantage of APIs offered by several leading fulfillment vendors, including CDS Global, Palm Coast Data, Time Customer Service, and ESP. Texterity pulls subscriber information directly from those databases, and in some cases can insert and/or update these databases.

Texterity can also maintain subscriber databases for publishers; it does this for a handful of small digital-only publishers that do not offer print editions and thus do not use any traditional fulfillment house.

Texterity maintains a database of digital edition subscribers for each of its customers and provides Web-based reports on usage (see above).

In most cases, publishers handle e-commerce payment processing for digital editions themselves. Texterity does this for a handful of publishers as required.

Reference Customers

Texterity's customers for PWF include:

- American Legal Media
- AmComm
- The American Spectator
- Allured Publishing Corporation
- Alter Communications, Inc.
- American Chemical Society
- Ascend Media
- Association of Computing Machinery
- The Bonnier Group
- Canon Communications
- Christian Booksellers Association
- Chronicle of Higher Education
- Cisco Systems, Inc.
- CMP Media, Inc.
- Commonwealth Business Media
- Condé Nast Publications, Inc.
- Costco Wholesale Corporation
- Crain Communications, Inc.
- CXO Media
- Diversified Business Communications
- Dow Jones & Co.
- EH Publishing
- Farm Journal Media
- GIE Media, Inc.
- Global Supply Chain Media
- Grand View Media Group
- Halldale Media Group
- Hearst Magazines
- Hispanic Business, Inc.
- Institute of Internal Auditors
- International Scientific Communications
- June Warren Publishing
- Keller International
- LifeBridge Health
- Martha Stewart Living Omnimedia
- Meredith Corporation

- Microsoft Corporation
- Morris Equine Group
- National Geographic
- Northstar Travel Media
- Oracle Corporation
- O'Reilly Media
- Penguin Putnam
- PennWell Corporation
- Penton Media
- Primedia Consumer
- Putman Media
- Questex Media Group
- Randall-Reilly
- Rogers Media
- Rodman Publishing
- Scholastic
- Scranton Gillette
- Soundings Publications
- TechTarget
- The Education Center
- Time, Inc.
- Vicon Publishing
- Virgo Publishing, Inc.
- VON Publishing, LLC
- Watt Publishing
- WoodenBoat
- Ziff Davis Media

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YUDU Media

Gradplus

Easy and Well Integrated

Background

Birmingham, UK-based Gradplus connects new university graduates with job opportunities. Its Web site offers an online job search for new grads, news about the job market, company profiles, and lots of advice on job applications, interviewing, resume writing, and career advancement. It even offers job-seekers an incentive program, PlusPoints, in which users can accumulate points for using various site features and earn Amazon gift certificates and other rewards.

Gradplus's digital edition is GradLife, a digital-only monthly publication that serves as a strategic component of Gradplus's multipronged approach to marketing job opportunities and information to university grads.

In addition to the Web site and digital edition, Gradplus also offers a wide range of services for employers seeking new hires, including targeted emails, text messaging, and banner ads, as well as entries in Gradplus's online job directory. Helen Cartwright, the Commercial Manager of Gradplus, has been responsible for developing GradLife.

YUDU Media (www.yudu.com) delivers state-of-the-art interactive digital editions that enhance the reader's experience with rich media, allowing clients to effortlessly create digital magazines, digital brochures, digital newspapers, digital catalogs, digital directories, e-books, and more.

The Challenge

Gradplus continually seeks the ideal set of communications to reach recent university grads who are seeking career opportunities. Employers consider GradLife an important part of their campaign to attract the best candidates. Ms. Cartwright continues to search for ways to make production of GradLife more efficient and cost-effective and to allow for customization to the specific career interests of groups of students.

Meeting the Challenge

GradLife is a free-subscription monthly publication. Users register to use the Gradplus Web site by supplying their name, email address, and year of graduation. If they supply optional information such as their field of study, kind of work they are looking for, and eligibility to work in the EU, they can receive targeted branded emails. Gradplus has sent out a total of about 200 email campaigns over the last several months.

Users can select an option to receive GradLife by email when they register for the Web site (or anytime thereafter). *GradLife* includes articles on careers, featured job listings, case studies of grads in new jobs, and lots of ads from companies seeking new hires.

GradPlus selected YUDU for its simple production process and the way it could integrate with their own workflow, which includes an outside design agency and print-ready advertisements. Gradplus staff receives print-ready ads from employers and recruiting firms. Advertisers include many companies with well-known brands such as Beck's beer and Stella Artois and innovative firms like Anglo Beef Processors (ABP), which contributes to products from celebrity chef Jamie Oliver. Ads in GradLife are typically full-page display ads. Advertorials — case studies of grad employment success stories — are sold, as well.

The editorial staff produces content in Microsoft Word. An outside design agency lays the magazine out in QuarkXPress and then converts the finished book to PDF. Beginning with the next issue, they will implement YUDU's new self-publishing option that offers the following advantages:

- Time savings — they simply upload the PDF and within a half-hour they have a vivid, high-resolution digital magazine. This process can be completed from remote locations, enabling the GradPlus team to publish a new issue even while they are traveling.
- Cost-efficient — the new service saves GradPlus money in per-page production fees.
- Excellent user statistics — that help advertisers to measure the interest in the positions that they are posting.

GradPlus is innovative in generating traffic to its Web site and growing the GradLife subscription base. In addition to standard search engine optimization (SEO), they attend campus job fairs and partner with graduation-related companies such as yearbook producers and graduation clothing suppliers. They even have a double-decker bus that employers can co-brand and rent for trips around campuses.

Results

- GradPlus had circulation goals for GradLife that were met, though it took longer than expected.
- Usage statistics have shown that the readership is loyal; users come back to the publication even after landing their first jobs, and "refer to a friend" usage is high.
- Ad sales have been robust and continue to grow.

Lessons Learned

- GradPlus found both good news and bad news in lining up advertisers for GradLife*:*
  - The good news is that there is a group of ad agencies that are particularly experienced in booking ads in publications for job-seeking university grads;

these agencies have been exposed to digital editions, so they were quick to embrace GradLife as a desirable publication.

  - The bad news is that the ad production process for digital editions is identical to the process for print ads, but digital edition ads are typically handled out of agencies' online departments, where processes for Web site ads are completely different. So there is a learning curve that ad agencies must still climb.

- In the future, Cartwright would like to see more interactive content in GradLife – more video, more animations, especially in advertisements. The bottleneck to growth in rich media is both on the creative side — producing the content — and in getting ad agencies to sell it to employers. But she believes that more rich media will come naturally as an outgrowth of the rise in video podcasts and other user-generated media.
- YUDU's new self-publishing service will allow GradPlus to consider developing customized editions for students seeking careers in popular fields such as accounting, education, or health services.

Gilbane Group Conclusions

- GradPlus's experience shows the value of thinking about a digital edition's place in an overall strategy of reaching a company's audience. There is a place and purpose to each of GradPlus's ways of connecting its advertisers with its audience, with minimal overlap. GradPlus's array of offerings to its advertisers approaches the breadth and synergy that the best B-to-B publishers can offer its clients through publications, events, market research, etc.
- GradPlus's decisions about what content to put on its Web site versus the GradLife digital edition and targeted emails are optimized to increase reach and reader loyalty for its advertisers. It is clear that GradPlus would not be able to achieve this same level of reader loyalty with a Web site alone. GradPlus's canny mixture of approaches should serve as a model for other publishers that combine directory-like information with editorial content.

Navy News

Serving Her Majesty's Fleet Worldwide

Navy News, a monthly magazine, has served members of the Royal Navy and other service personnel all over the world since 1954 with news, feature articles, and photos from Royal Navy fleets and bases. Articles and features cover the exploits of Her Majesty's ships and senior Navy personnel, and the places they go.

Navy News is the official newspaper of the Royal Naval Association and Sea Cadets and is governed by the Royal Navy. At the same time, it is a commercial publication that accepts advertising and generally must stand on its own two feet financially. Service personnel enjoy free print subscriptions to Navy News; non-service personnel must pay for their subscriptions, and service personnel who wish extra copies must pay for them, as well. About 65 percent of printed copies are sold rather than given away.

YUDU Media (www.yudu.com) delivers state-of-the-art interactive digital editions that enhance the reader's experience with rich media, allowing clients to effortlessly create digital magazines, digital brochures, digital newspapers, digital catalogs, digital directories, e-books, and more.

The Challenge

Navy News wanted to be able to reach service personnel all over the world without incurring postage costs and making subscribers wait for print editions to be shipped to them. They also wanted to decrease their carbon footprint.

Navy News has a Web site (www.navynews.co.uk), but it does not have much magazine content on it, just one main story per day — hard news that may not be appropriate for a monthly magazine — along with some archive content and historical information about the Royal Navy.

Meeting the Challenge

Navy News decided to launch a digital edition, which would enable them to offer the existing publication with advertising with minimal incremental effort. The decision to use YUDU Publishing as the platform was made by the Ministry of Defence, in consultation with Navy News's Marketing Manager, Liz Parker. They felt it was attractive for its simple production process and the ease of integrating rich media advertising. They launched the Navy News e-edition in April 2007. The initial idea was to transition print subscribers to the digital edition rather than attract new subscribers.

The Navy News e-edition is offered for free to anyone and is a faithful replica of the print publication. Navy News sends complete, print-ready PDF files to YUDU for processing, along with any rich media content to go with ads.

Advertisers aren't charged extra for exposure in the e-edition, except when they want to add animation or other rich media to their ads. Instead, Navy News raised its basic ad rates across the board — its first ad rate increase in three years.

Results

- Despite the problems accessing the e-edition inside the Ministry of Defence (MOD) network (see below), Navy News has judged its e-edition to be a success. They are pleased with their usage statistics.
- The sales staff is finding it easier to sell ads in the publication if the e-edition is part of the offer; they are finding that media buyers at ad agencies are increasingly familiar with digital editions and are interested in them.
- Navy News is now attracting bigger advertisers, which submit larger, nicer-looking ads — advertisers such as car companies and the Royal New Zealand Navy.

Lessons Learned

- The biggest issue Navy News encountered with its e-edition was that the MOD network's firewall blocks all Flash-based content, meaning that computers within the MOD network can't receive Flash-based digital editions. Navy News is trying to resolve this by working with the MOD to integrate the YUDU e-edition into its infrastructure.
- Some readers still prefer hardcopies and have not cancelled their print subscriptions, even if they are paying for them.
- In the future, Navy News intends to expand advertising and encourage more advertisers to be more adventurous with animation, and to increase the amount of rich media used in editorial content.

Gilbane Group Conclusions

The initial lack of familiarity with digital editions among users and advertisers has created a "Catch-22" situation for many publishers, which have balked at both raising ad rates and charging for subscriptions to their digital editions. Navy News is finding its way out of this Catch-22. Its decision to raise ad rates across the board is a clever way to increase direct revenue without drawing undue attention to the new publication. Publishers should consider following this example instead of counting on increased readership and reader involvement (e.g., click-throughs) for enhanced revenue "later on."

Welco

Flexibility in B-to-B Catalog Publishing

Welco is the catalog equipment division of Welconstruct Ltd., a $100 million per year business. The company dates back to 1945, when it started by selling industrial warehouse products such as shelving and racking. It was one of the first catalog businesses in the UK. The company had a history of selling products off the pages of a printed catalog. It developed a solid reputation with its customers.

Nowadays, Welco sells products and publishes catalogs in three industrial sectors: workplace (commercial industrial), healthcare (hospitals and care homes), and education (schools and universities). Welco's products for the workplace have expanded to include categories like cleaning supplies, office furniture, partitions, packaging materials, and so on. Some of its school products include classroom furniture, gym equipment, and audiovisual products.

Welco is a virtual company that does not carry any stock. Instead, it connects its thousands of customers with hundreds of suppliers electronically. Welco uses its suppliers as de facto warehouses: it sends orders to suppliers, the suppliers fulfill orders with Welco's name on them, and financial transactions are handled offline. Thus, Welco distinguishes itself from traditional catalog businesses, which keep inventory and are under pressure not to have any left over when a line is discontinued. Yet unlike other inventory-free retailers, Welco has operated on this model from day one.

The company has a Product Management team that selects the products to be shown in each of several catalogs. They use a system from Pindar, a leading supplier of catalog management software also located in the UK. A studio team takes the list of products to be sold and produces a creative product – the catalogs. Then a multichannel marketing team takes over and decides which customers and prospects get which catalogs and which collateral materials about specific product sets. The customer service department consists of people who are experts in certain product areas. They give advice on product selection as well as take orders and handle returns. Finally, Welco has an e-commerce and IT team to run everything smoothly.

Two years ago, company management – led by Adrian Reeve, the CEO – bought out the company when the founding family decided to sell. Before the buyout, the group also owned a manufacturing business, which accounted for 30 percent of the products in the catalogs.

Welco's unique sales proposition is to provide whatever products meet their customers' needs through expertise in product selection and customer service.

YUDU Media (www.yudu.com) delivers state-of-the-art interactive digital editions that enhance the reader's experience with rich media, allowing clients to effortlessly create digital magazines, digital brochures, digital newspapers, digital catalogs, digital directories, eBooks, and more.

The Challenge

During the summer of 2007, Welco got feedback from some of their customers, particularly those in the government, which buys health and education products. Customers were concerned about the impact of printed catalogs on the environment – even though Welco's print catalog has always used the most environmentally friendly methods possible, including recycled paper from replenishable forests. The customers asked if Welco could conduct its business without causing trees to be chopped down.

Welco decided to accept the challenge, because it fit with its image as an innovative, technology-friendly business. They would be the first among their direct competitors to launch a digital catalog, which would help differentiate them among what would otherwise be a similar product offering.

Meeting the Challenge

Reeve first became aware of digital editions in mid-2007, when he saw a travel brochure published as a digital edition. He thought it was an interesting technology and tucked it away in the back of his mind. Once he had gotten the mandate from customers to become more environmentally friendly, he started looking into digital edition technology. He came across YUDU and started talking to them. He found YUDU receptive to his ideas, experienced in brochure and catalog publishing, and more than willing to work with him and his team to create a product that met their needs.

During the second half of 2007, Welco put together a trial digital catalog as an introductory brochure, just to see how customers would respond to it. The 56-page brochure was a low-cost way to test the technology. The internal staff liked it, finding it to be a good way to talk to customers; they could send customers an email link to an "i-brochure" to get them information about specific products. They could then analyze the statistics about which users looked at the catalog, which pages they viewed, and where they clicked.

For this trial product, there was no interaction; customers still had to call on the phone to get more information or place an order. Even so, Welco was satisfied that this was a good technology to incorporate into their marketing mix. They were agreed that the digital edition would not replace the print catalog; it would be one of multiple channels to their customers.

They put plans for a full digital catalog together and discussed them with YUDU. They had various options in terms of what types of products they could turn into digital catalogs; for example, they could produce multiple i-brochures by categories of merchandise. They decided to turn their entire workplace and education catalogs into digital catalogs. They judged the healthcare sector not to be ready to accept i-brochures at this time, owing to its more complex purchasing process; two sectors were enough to start with.

Welco launched its big workplace catalog in March 2008 at www.welcobigbook.co.uk using YUDU Publishing Pro. At 926 pages, it is one of the largest digital editions ever created; it lists 30,000 products in 21 categories. As of March 2008, YUDU has also developed the education products digital catalog for Welco.

The Welco Big Book digital catalog takes advantage of YUDU's tabbing feature and separates the book into tabbed sections for each category. On the front page of each section is a clickable table of contents that takes the viewer to a specific product category: for example, the "presentation" tab has clickable entries for such product categories as Projection Screens and Flipchart Easels. When customers view catalog pages, they can use YUDU's continuous zoom feature to get a close look at product photos.

Welco has supported direct e-commerce with a small number of its B-to-B customers, and the new digital catalog provides an alternative ordering channel. A viewer of the workplace catalog can click on a button marked Show Order Form and enter items (by product code, quantity, and price) into an electronic order form that can be emailed or printed and faxed to Welco. Welco currently calls customers to validate the order before processing it.

Results

- Welco was able to put together a digital edition of its catalog with much less effort and at far lower cost than it would take to build an e-commerce Web site.
- Welco's customers and customer service staff were both pleased with the 56-page trial catalog.

Lessons Learned

- Welco doesn't see digital catalogs replacing print catalogs, but it does give them a lot of possibilities. If they decide to offer products in a new area, they might do a digital-only catalog. They still have to do product management, artwork, and design, but they save on costs of printing and mailing.
- The digital edition turns out to give Welco a highly flexible way of marketing to a very specific group of customers at very low cost. For example, the recent UK

legislation to ban smoking in public places created an opportunity for a catalog of products like signs and outdoor shelters. With digital editions, they could produce a catalog of those products in just a few days.

Gilbane Group Conclusions

- Welco's use of digital editions for B-to-B product catalogs presents an inviting alternative to online e-commerce systems driven by catalog databases. For example, Welco could have adopted e-commerce capabilities from its catalog management system supplier, Pindar (or one of Pindar's competitors, such as Stibo Catalog). Although such systems offer benefits beyond digital editions, the upfront investment and incremental operational complexity are not worth it for some catalogs – particularly B-to-B retailers that use purchase orders and invoices instead of credit cards or other electronic payment systems. The digital edition's features for searching, browsing, bookmarking, and electronic order forms provide Welco and its customers with maximum "bang for the buck."
- Digital editions also prove to be valuable in their ability to support audience targeting for B-to-B catalog retailers. Marketing teams can control product offerings and presentation better than typical Web site personalization features allow, while retaining the ability to distribute digitally for immediacy, cost savings, and environmental impact.

Vendor Description

Vendor Name: YUDU Media

History and Background

YUDU Media evolved out of Digital Alternatives, which was formed in 2002. By 2005, the company had established itself as the UK's leading provider of digital editions and had built a customer relationship management system capable of international operation, which is supported by the company's reseller/partner network.

YUDU Media resulted from the company's desire to offer its customers an online, on-demand application that would enable them to publish their own digital editions. The company was rebranded in 2007, launching its YUDU Publishing platform in March 2007 and YUDU Publishing Pro on-demand Web interface in June 2007.

Vendor Type

Digital Edition Platform — hosted

Philosophy

YUDU Media's aim is to provide innovative yet simple digital publishing solutions for consumers all over the world — to converge the format of print with video and audio and engage the reader with a fully interactive online reading experience. YUDU Media is all about taking the industry beyond its current boundaries and devising innovative solutions that address customer needs with advanced technology that is both easy to use and fully accessible. Their aim is to create on-demand platforms that offer publishers full control over their publishing processes, for effortless digital edition publishing that complements and strengthens their online strategies. They pride themselves for providing esceptional customer service; always willing to go the extramile for customers and partners. YUDU offers a quality, free publishing product for individuals and small businesses, and a high-end, paid-for product for publishers who require advanced features for more-professional publications.

Technology Description

YUDU's digital edition platform is geared towards publishers of catalogs, brochures, magazines, and other types of publications. It is based on Flash format with embedded JPEG images, HTML containing text content, and XML files containing configuration information.

YUDU offers two different editions of publishing product: YUDU Freedom and YUDU Publishing Pro. Both products encode text in Flash files with graphical vectors for virtually infinite scalability of viewing; to take advantage of this feature, the user

interface offers sliding-scale zooming.
Freedom is a completely free package that allows users to publish online in seconds, simply by uploading a file, giving their email address and pressing "publish." The product is designed to increase worldwide digital reading and give individuals and small businesses the chance to publish online at no cost, to a professional standard that was previously unattainable. Features include:

- Scalable zoom levels, fit to width.
- Crisp Vector text.
- Email to a friend.
- Social bookmarking (Digg, del.icio.us, etc.).
- Page bookmarks.
- Notes.
- Automatic live linking for Web and email addresses.
- Search facility.
- Search engine accessibility.

YUDU's high-end offering is YUDU Publishing Pro. In addition to the above, other Pro features include:

- Embedding of video, audio, and Flash animation into digital editions.
- Archive search across back issues.
- Text-only, accessible edition that integrates with screen readers for the blind and partially sighted.
- Comprehensive package of usage statistics, including links clicked, users' PC and browser details, and other detailed reports.
- Digital Rights Management tool — restricted access using user's email address and password.
- Ability to collect users' email addresses before allowing them to access the digital edition.
- An optional integrated catalog digital order form for easy ordering and order intake.
- Integration with subscriber management systems.
- User can save digital edition in a local file (ZIP archive) for complete offline viewing.
- Distribution via CD, DVD, or Flash drive.
- Integration with third-party email systems for detailed usage tracking.
- Salable tab, gatefold, and bellyband inventory.

Services Offered

YUDU Media hosts all digital editions. It provides a simple Web-based tool for publishers to self-produce their own digital editions. YUDU Media also offers a

supporting Bureau service for customers who do not wish to self-publish, which will produce the digital editions for the client.

In addition to their publishing services, YUDU Media also offers YUDU Mailing, an email distribution and management service for digital editions and other email campaigns, which allows publishers to gain vital in-depth statistical information on which readers have clicked on which digital-edition links. This information can then be used for future marketing activity.

YUDU is always looking for feedback so they can continue to develop their products to suit their customers' needs. They also ensure all their publications are carbon neutral, by offsetting their CO2 emissions with a leading carbon management company.

Publisher Interfaces

For both Pro and Freedom editions, publishers should use PDFs at 200 DPI or greater with embedded fonts. For Pro, animations and videos are submitted in Flash format (video in other formats can be converted). Audio files are supplied in MP3 format.

Publishers who wish to integrate digital editions with their own subscriber management systems (or those of their fulfillment houses) can do so by integrating YUDU Publishing Pro's subscriber login interface through Web services.

Reference Customers

Brochures

- Belfast Visitor Guide
- Cunard International
- Elegant Resorts
- Friendship Travel
- Gold Medal Travel
- Kumuka

Catalogs

- Integra Office Solutions
- Robinsons
- Passion8
- Caboodle
- PBL InterferonSource
- OFIS Group
- Radium Lamps
- Welco

Magazines

- Golf Punk
- Casino International
- Children's Society Magazine
- GradLife Magazine from gradplus.com
- International Sheet Metal Review
- Navy News
- Petroleum Economist
- Precision Marketing Magazine
- B2B Magazine
- Flavour Magazine

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Zinio

Playboy Magazine

Making all media work together

Playboy Enterprises, Inc. (www.**playboy**.com) is a brand-driven, international multimedia entertainment company that publishes editions of Playboy magazine around the world; operates television networks and distributes programming globally; owns Playboy.com, a leading men's lifestyle and entertainment Web site; and licenses the Playboy trademark internationally for a range of consumer products and services. The Company's three business groups are Publishing, Entertainment and Licensing. Playboy is the world's best-selling men's monthly magazine. More than ten million American adults read Playboy every month, and the magazine's U.S. total paid circulation of 2.6 million is larger than that of Esquire, GQ, and Men's Journal combined. Capitalizing on Playboy's global recognition and reputation, the Company began expanding its publishing franchise overseas more than thirty years ago. Today, locally produced editions of Playboy are published in twenty-four countries: Argentina, Brazil, Bulgaria, Colombia, Croatia, Czech Republic, Estonia, France, Germany, Greece, Hungary, Indonesia, Japan, Mexico, Netherlands, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Ukraine, and Venezuela. An estimated five million adults read Playboy's international editions each month, bringing the magazine's global readership to almost fifteen million.

Zinio (www.Zinio.com)

Zinio is a global leader for digital publishing products and services. Zinio provides publishers with new circulation and revenue growth opportunities through its comprehensive offerings from marketing programs that include customer acquisition, retention, and cross-promotion to seamless production services, a robust e-commerce engine, and extensive digital delivery, circulation and fulfillment services. Major publishing partners include Bonnier, Hearst, IDG, Gruner + Jahr, Hachette Filipacchi, IPC Media, Mariah Media, McGraw-Hill, The National Magazine Company, Playboy Enterprises, Rogers Publishing, Source Interlink, and Ziff Davis Media.

The Challenge

The Playboy Publishing management team has used a variety of creative programs to attract subscribers in their target demographic — males 18-34 years old. Previously, they have made their content available on CD-ROM, preloaded onto USB drives, and on a variety of Web sites. In 2005, they launched a set of international editions on the Zinio newsstand. The goal was to integrate the digital edition into the overall product and marketing mix. The opportunity to develop and sell international editions in many

languages in all markets was particularly attractive. Playboy needed a digital publishing and e-commerce platform that could easily serve the world markets.

The Principals

Phyllis Rotunno is the Senior Vice-President for Subscription Circulation for *Playboy*. Rich Maggiotto is Zinio's CEO.

Meeting the Challenge

Until the launch of the digital editions, sales of Playboy's international editions were limited to the country in which they were produced. Now digital editions and the e-commerce platform have allowed Playboy to change to an "open skies" policy, allowing all international editions to be sold worldwide to appeal to the language preferences of individual readers. For example, the Mexican edition of Playboy sells more copies to Spanish speakers in the United States than in Mexico. The Playboy team found that Zinio's combination of technology, e-commerce, and market savvy were ideal for their digital magazine business. They make the digital editions more attractive by adding additional content and rich media.

Results

- From the beginning of the launch, Zinio's e-commerce platform has enabled Playboy to sell thousands of copies.
- 40%-50% of the digital copies sold are in international markets.
- The digital editions help sell subscriptions and renewals to all product offerings.
- The lower costs and improved reliability of delivery have made both Playboy's management and customers very happy.
- The international editions sold both domestically and worldwide now make up 1/3 of Playboy's copies sold.

Lessons Learned

- Readers prefer to read Playboy in their native language.
- Playboy develops a range of content and then deploys it on a variety of media formats to meet the specific interests and entertainment needs of international readers.
- There is a growing interest in communities and forums to enable readers to share their thoughts on controversial issues and articles.
- Rich media is popular in their target demographic.

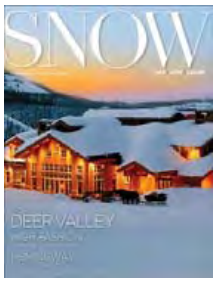
Gilbane Group Conclusions

- Digital product offerings are very effective in helping companies build their brands and serve readers in international markets.
- The outstanding articulation between the various media editions has helped the company generate very impressive digital subscription and advertising revenues.

- Rather than waiting weeks or months for fulfillment and delivery of a traditional printed magazine, a digital edition can be fulfilled to maintain the level of enthusiasm of the subscriber.

Bonnier

Digital is Integral



Bonnier Corporation (Bonnier) (www.**bonnier**corp.com) is one of the largest consumer-publishing groups in America, and with more than 40 special-interest magazines and related multimedia projects and events, it is the leading media company serving passionate, highly engaged audiences. With over 1,100 employees and more than $350 million in annual revenue, Bonnier ranks in the top 15 nationally among publishing companies. Bonnier is known throughout the industry for its quality writing, design, photography, and editorial excellence. The company is also known for producing quality custom publications, television programs, Web sites, events, and marketing programs. It continues to seek new opportunities in its core markets and in related areas.

With a devotion to "Life, Lifts, Luxury," **SNOW** magazine (www.thesnowmag.com) is the leading resource for those seeking the very best in the world of snow sports. Each year, Americans spend more than $2.3 billion on ski equipment and apparel, and an additional $6 billion on related travel and accommodations. *SNOW* reaches this passionate, elite group of snow-sports enthusiasts with a premium publication that sets itself apart from sport-centric or resort-specific titles by focusing on the high-end alpine experience.

zinio™ Be Well Read.

Zinio (**www.Zinio.com**)

Zinio is a global leader for digital publishing products and services. Zinio provides publishers with new circulation and revenue growth opportunities through its comprehensive offerings from marketing programs that include customer acquisition, retention, and cross-promotion to seamless production services, a robust e-commerce engine, and extensive digital delivery, circulation and fulfillment services. Major publishing partners include Bonnier, Hearst, IDG, Gruner + Jahr, Hachette Filipacchi, IPC Media, Mariah Media, McGraw-Hill, The National Magazine Company, Playboy Enterprises, Rogers Publishing, Source Interlink, and Ziff Davis media.

The Challenge

Bonnier's CEO, Terry Snow, has long believed in developing cross-media opportunities for the content found in his "special interest" magazines. Therefore, it is not surprising that Bonnier had digital editions for 34 of its 40 publications. When Barbara Sanders was launching SNOW Magazine for Bonnier, she needed a platform that was easy to implement and offered solid e-commerce and marketing support.

The Principals

Barbara Sanders is Publisher of SNOW. Peter Winn is Director of Planning and Development, Consumer Marketing for Bonnier. Zinio provides the technology and e-commerce platform for the Bonnier's titles. Rich Maggiotto is Zinio's CEO.

Meeting the Challenge

Bonnier has worked with Zinio for several years. Zinio became their technology/marketing partner for their December 2007 print and digital launch of SNOW, an affluent-lifestyle magazine defining the premier alpine experience. Barbara Sanders was impressed with the crispness of the digital images that are so necessary when advertisers are promoting high-end products. Using the digital edition, she and her team were able to reach out to potential elite advertising brands worldwide and market their new publication. The advertisers were particularly interested in the reader statistics available with the digital edition. SNOW benefited from Zinio's marketing services help that included launch event sponsorship, PR assistance and outreach, and advertiser introductions.

Peter Winn has overseen Bonnier's partnership with Zinio since he launched the digital edition of *Saveur* several years ago. He continues to be impressed with Zinio's e-commerce capabilities, stating that "they actually sell lots of magazines for us". They are particularly successful with food and travel magazines in international markets. In both of these categories, rich media and the ability to link to advertisers Web sites or special offers is very important.

Results

- SNOW's digital subscriptions and advertising sales are very strong, making a solid contribution to their revenues.
- Bonnier has made significant reductions in their manufacturing and distribution costs by selling more digital subscriptions especially in remote international markets.
- Many travel agencies that receive the high-end travel publications prefer receiving digital editions because of the rich media and direct connection with advertiser's Web sites.
- Digital editions have become part of their marketing campaign for new subscriptions and renewals.
- They sell digital editions to single-copy purchasers when they have exhausted their supply of print copies. This is especially valuable for their franchises whose content is enduring and is archived.

Lessons Learned

- It would be difficult if not impossible to launch a new magazine without a digital edition.
- Digital editions can be an effective part of the rate base management program.

- They have been able to fulfill a significant number of their comp list copies with digital editions. This has yielded significant cost savings.
- Their sales force uses digital editions for presenting advertising programs to potential advertisers. Whether in person or remote, sales professionals can show the proposed advertisement exactly where it will appear in the publication.

Gilbane Group Conclusions

- Digital editions combined with Web sites and forums will help protect their food and travel franchises from the competition from Internet and "wiki" content.
- Digital editions are particularly valuable for delivering special-interest content to remote locations.
- Readers have the opportunity to archive searchable issues or content they enjoy for future reference. This is particularly valuable in the recreation/style category, where content remains interesting for a prolonged period of time.

VIV Magazine

Digital All the Way

VIV magazine **(**www.**vivmag**.com) offers insight, advice, and authentic stories to inspire and motivate women in their quest for a balanced and healthy lifestyle. Smart and vital, VIVmag readers know *the* way to live. VIVmag is a first: It's an all-digital magazine that delivers reliable, accurate service journalism in fitness, wellness, fashion, beauty, awareness, and nutrition. Its audience of savvy women is genuinely committed to leading healthy, balanced lives. *VIV*'s interactive content and advertisements entertain and inform, helping readers achieve the confidence that comes from engaging life at a higher level. *VIV*. It's *the* way to live.

Zinio (www.zinio.com)

Zinio is a global leader for digital publishing products and services. Zinio provides publishers with new circulation and revenue growth opportunities through its comprehensive offerings from marketing programs that include customer acquisition, retention, and cross-promotion to seamless production services, a robust e-commerce engine, and extensive digital delivery, circulation and fulfillment services. Major publishing partners include Bonnier, Hearst, IDG, Gruner + Jahr, Hachette Filipacchi, IPC Media, Mariah Media, McGraw-Hill, The National Magazine Company, Playboy Enterprises, Rogers Publishing, Source Interlink and Ziff Davis Media.

The Challenge

The VIV management team decided to create an entirely new magazine and launch it in a digital-only format. They needed to find a platform that would provide outstanding technology, advertising support, and contacts and e-commerce capabilities.

The Principals

Doug Carlson is the CEO/Publisher of VIV Magazine. Zinio provides the technology and e-commerce platform for the VIV Magazine. David Gilmour is chairman of the Board for both VIV Magazine and Zinio. Rich Maggiotto is Zinio's CEO.

Meeting the Challenge

David Gilmour is a serial entrepreneur. He is the founder of Fiji Water LLC; co-founder of Barrick Gold Corp.; co-founder of Horsham Corp (later TrizecHahn); and co-founder of Southern Pacific Hotel Corp. He was frequently frustrated by the lack of data to help him quantify the return on his advertising investment dollars. He is also deeply interested in trying to preserve the environment. Therefore, he was eager to launch a new digital publication model as a service for advertisers and to make a statement regarding the future opportunities of the publishing industry. VIV is his first publication using this business model. When searching for the technology and e-

commerce platform, he became impressed with Zinio and eventually became the company's primary investor and chairman.

The management team wanted to consider producing a print edition to yield a hybrid offering, but Chairman Gilmour insisted that they keep a full commitment to a digital product. Barbara Moses and her colleagues spent the first few issues working on the elements necessary to have an outstanding look on a variety of digital devices. Mundane but critical factors such as typefaces, combined with finding the right editorial voice for an online audience, have been the first priorities. Using elements of interactivity within editorial and rich media to truly improve the reading experience and providing the highest value links have also been key tasks. Like most new magazines, the key goal is to attract lots of new readers and create a loyal circulation.

Results

- Marketing efforts have been focused on reaching a very targeted and niche audience. Zinio has been a key driver of awareness and subscription through strategic placements throughout its global news stand and targeted efforts in cross-sell promotions and recommendations.
- A number of co-registration and partnership programs have also been launched and seen as a phenomenal success.
- They have developed a popular ongoing feature available only on the Web site called VIV moments that women submit to be shared with other readers. These mini-epiphanies range from joyful to sad and are all touching in their own way.
- "The Green Movement" is closely aligned with the women's health issues of the magazine and has helped attract environmentally conscious readers.
- VIV's readers typically engage with the magazine content online five times per issue.
- Through the careful analysis of reporting, including reader page views and clicks, VIV has been able to unlock much-sought-after secrets in the digital publishing world relating to book length, layout and readership engagement.

Lessons Learned

- Advertisers appreciate maintaining the high-fidelity experience of their print ads, while making them more interactive and driving immediate opportunities to Web site visits and engagements.
- Advertisers are pleased to be able to employ complex rich media in a viewer that has few restrictions on file size, audio, video, etc.
- Readers enjoy truly integrated advertorials, with on-demand access to more information.
- Without a printed magazine, it is necessary to remind readers to open and read their new issues, and get engaged with content they may have missed the first time around.

- Developing an engaging table of contents is crucial to enable a digital magazine to draw readers into the digital edition thereby increasing the length of the average online reading session.
- To be complementary and help to build the brand, the Web site must contain editorial content that is not in the digital magazine in order to engage and leverage increasing readership.

Gilbane Group Conclusions

- VIV is a very impressive digital magazine. There is even more potential for this franchise as they expand their Web presence and build a community to help their readers share and contribute new ideas.
- The current "engagement rate" with the content is impressive and speaks to the willingness of women to make digital media a mainstream media option for gathering information that they feel is valuable.

Yoga Journal

A Digital Edition for Earth Day

For more than 25 years, one magazine has reported on the expansion and revolution of the yoga movement. **Yoga Journal** (www.**yogajournal**.com) has been there, serving yoga teachers and the ever-growing yoga community. The Yoga Journal has a circulation of 350,000. Like the community, they have evolved over the years, and now are proud to present an interactive, in-depth, yoga community Web site.

Zinio (www.zinio.com) is a global leader for digital publishing products and services. Zinio provides publishers with new circulation and revenue growth opportunities through its comprehensive offerings from marketing programs that include customer acquisition, retention, and cross-promotion to seamless production services, a robust e-commerce engine, and extensive digital delivery, circulation, and fulfillment services. Major publishing partners include Bonnier, Hearst, IDG, Gruner + Jahr, Hachette Filipacchi, IPC Media, Mariah Media, McGraw-Hill, The National Magazine Company, Playboy Enterprises, Rogers Publishing, Source Interlink and Ziff Davis Media.

The Challenge

The Yoga community tends to be very environmentally aware. For many years, the Yoga Journal has been printed on recycled paper. This year, they decided to offer their subscribers the opportunity to read a digital-only edition of their April magazine in recognition of Earth Day.

The Principals

Bill Harper is the Publisher of The Yoga Journal. Zinio provides the technology and e-commerce platform for the Yoga Journal. Rich Maggiotto is Zinio's CEO.

Meeting the Challenge

The Yoga Journal Team selected Zinio to sell single copies and subscriptions on their digital marketplace as well as distribute free issues to a targeted environmentally conscious group of readers. Yoga Journal's decision to move forward with this concept in a digital format was made, in part, because they were impressed with the Zinio Reader's ease of use and the quality of the usage data that Zinio make available for advertisers to track the reader's interaction with their advertisement.

The Yoga Journal team developed considerable amounts of interactive and rich media content and encouraged their advertisers to do the same. The first 5,000 people who signed up for the digital edition got a tree planted in their honor. They promoted the

special digital edition on their Web site and in the print magazine. Zinio extended the reach by offering the special digital edition on the Zinio.com newsstand, inside the footers of targeted opt-in emails, on sites like earth911.com and ecounit.com, and through online media placements in affiliate networks emails providers.

Results

- Over 2 million people were exposed to the Yoga Journal Earth Day issue.
- They expect to send out 700,000 digital editions. (Campaign still in progress).
- This digital edition is well coordinated with the rest of their product/marketing strategy. Their Web site gets 3.5 mil/month and 500,000 unique visitors, which helps them sign up subscribers and helps them build a marketing database.
- The Web site has lots of video, audio, and Flash, including the most popular Yoga poses and even a pose sequencer.
- "The green movement" is gaining support and is a reason for the Yoga Journal to consider doing more digital editions.

Lessons Learned

- They have implemented a brand strategy where digital and print content are highly complementary.
- Community is an important part of their franchise. They offer conferences and feature social networking opportunities on their Web site. The special digital edition will help attract more participants to the community.
- There is an ongoing market for digital copies and subscriptions.
- The ability to make the content in the digital edition more interactive (e.g., mouse over a yoga outfit to see

Gilbane Group Conclusions:

- The "green movement" is a good motivator to encourage print readers to try digital editions.
- Making all elements of content delivery — print editions, digital editions, Web sites, and conferences and communities — work together helps build the brand and customer loyalty.
- Readers have the opportunity to archive searchable issues or content they enjoy for future reference. Because much of the content stresses techniques, readers save issues for many years.

Vendor Description

Vendor Name

Zinio (www.zinio.com)

History and Background

Zinio was established in 2001 under the name Zinio Systems. Zinio was one of the first digital edition providers with a standalone viewer (designed in collaboration with IDEO). In early 2002, the Zinio service launched with several titles, including those from technical publisher IDG. Support for using the Zinio reader on an Apple Macintosh and for rich media embedded in digital editions was released in April 2003. A Web browser-based reader, Zinio Express, was introduced in 2004.

In 2005, Zinio saw tremendous growth; The Zinio technology was adopted by McGraw-Hill Education to launch an e-textbook initiative, publishing services expanded geographically to Europe and Asia, and Zinio acquired Blue Dolphin Group, an online magazine retailer, giving the combined company the ability to market print and digital editions from a single service.

2006 and 2007 saw continued global publisher adoption and growth. Interest from other industries, including Disney in entertainment, allowed Zinio to expand basic technology offerings in more consulting-related growth services and innovation efforts. The combination of technology and marketing services was focused at providing a full-service solution to the publishing industry.

Zinio introduced to publishers the ability to create micro-sites, or white-label newsstands and bookstores, for e-commerce purposes. Toward the end of 2007, Zinio partnered with Barnes & Noble Booksellers to provide “see inside” the book technology across bn.com and launched a mobile newsstand spun out of Zinio Labs for the iPhone and iPod Touch. In 2008, Zinio released its online reader and the world’s first digital magazine global newsstand.

Today Zinio supports over 1,000 magazine titles from 350 publishers, as well as hundreds of textbook titles and tens of thousands of books with Barnes & Noble.

Vendor Type

Digital Edition Platform – online/hosted

Philosophy

Every day consumers are relying more and more on technology to make their lives easier to manage. They are creating a Digital Life Style. Consumers expect the entertainment they enjoy to be made available to them, on demand, wherever and whenever they need it.

Zinio's philosophy is twofold: Customers should have access to the content that they love, whenever and wherever they want. At the same time, that content should evolve in accordance with the digital advancements of today; it should be a more interactive and engaging experience.

Technology Description

Zinio's core technology is a downloadable digital edition and a Reader application for Microsoft Windows and Apple Mac OS. The Reader uses a combination of Macromedia Flash and Flex formats, as well as a custom XML file for rendering magazine layouts within the reader. It supports a variety audio, video, and animation formats for embedded rich media (see below).

Users sign up for single copies, back issues, or subscriptions to digital editions through the publisher's Web site or Zinio Global Network Web sites in several different countries.

Zinio Reader's user interface features include:

- Two-level zooming;
- Highlighting and annotation;
- Print;
- Forward a free copy to a friend (pass-along);
- Search (in digital edition and across archives);
- Online/Offline Library view (view all of your digital issues);

Audio, video, animation, and interaction can be embedded in digital editions. Zinio offers consumers the choice between reading content online through their Web browser or via the downloadable option of a Zinio Reader, which also includes Zinio Delivery Manager, an application that enables automatic and robust digital edition downloads without email links. The Zinio format is encrypted and includes full digital rights management (DRM) functionality for security of client content.

In addition to the downloaded and online formats, Zinio offers Zinio Express, a Web browser-based viewer that supports many of the features but is used primarily for marketing purposes by both Zinio and publishers. Many use Zinio Express for free preview editions and sampling programs.

Services Offered

Zinio offers a complete range of services to publishers for designing, producing, selling, delivering, and marketing their digital editions:

- Production Services: Zinio's production process fits naturally into print production workflows (see below). Zinio uses proprietary tools to convert from PDF files into its own format; publishers can license these tools for their own in-house use if they wish.
- Retail: Zinio provides full online retail infrastructure, including an e-commerce engine as well as online newsstands and e-bookstores. It does so internationally through the Zinio Global Network and a Global Newsstand in concert with partner Havas Media, one of the world's largest advertising and communications agency, which currently operates in many countries in North America, Latin America, Europe, and Asia.
- Delivery and Fulfillment: Zinio's delivery technology enables secure, automatic, and auditable downloads of digital editions without relying on solely on email links. All reporting, circulation, and readership, along with customer service needs, are bundled with this service.
- Marketing Services: Zinio works closely with publishers on a variety of marketing programs that are designed to draw traffic to digital editions on publishers' own Web sites as well as Zinio's own retail sites. Zinio also continuously works on building new distribution channels for digital editions through PC bundling, wireless network providers, and other businesses.

Publisher Interfaces

Zinio accepts PDFs at 144 DPI for both editorial and advertising content, as well as QuarkXPress and Adobe InDesign files including high-resolution images and embedded fonts. Zinio also accepts TIFF-IT, DCS2, and EPS formats for ads.

For embedded rich media, Zinio accepts Flash animation, MP3 and WMA audio, and MPEG1, AVI, QuickTime, and WMV video files.

Zinio can subscribe publishers' existing print subscribers to their digital editions by accepting a flat file feed of subscriber information from publishers' own subscriber-management systems or those of their fulfillment providers.

Reference Customers

- Editora Abril
- Earl Graves Publishing
- Bonnier Corporation
- Crain Communications, Inc.
- Disney
- Dwell
- Foreign Policy
- Hachette Filipacchi Media
- Harvard Business Review
- Hearst Magazines
- Hello!

- Hi-Torque Publishing
- IPC Media
- Kiplinger's Personal Finance
- Mariah Media
- McGraw-Hill
- Penthouse Media Group
- Playboy Enterprises
- Readers Digest
- Rodale
- Rogers Publishing
- Science Magazine
- Source Interlink
- The Sporting News
- Technology Review
- Transcontinental Media
- US News & World Report
- Viv Magazine
- Ziff-Davis Media

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Section Three: Buyer's Guide

Digital Edition Buyer's Guide

Publishers that are looking to adopt digital editions should consider a wide range of features when selecting a digital edition vendor. Here we offer a summary of the main features to consider, including user interface, advertising opportunities, usage tracking and reporting, and publisher interfaces for production workflow and subscriber information management.

User Interface

Digital replica edition technologies have been around for several years, which means that publishers and vendors alike have gotten some experience with user interface features, including which ones are popular with users and which aren't. Here are the typical user interface features that you should expect to see in today's digital editions:

- Single- or dual-page display: the ability to switch between "one-up" and "two-up" page displays.
- Page-turning animation: most digital editions provide animation that resembles page-turning when a user clicks on the lower right corner of a page.
- Zoom: the ability to look more closely at pages of a digital edition. Some providers offer two zoom levels, while others offer more levels or a sliding scale. Some digital edition technologies also offer pop-up windows with enlarged views of discrete articles for easier reading.
- Interactive table of contents: many digital edition providers offer a table of contents page with clickable links to articles.
- Clickable URLs in articles or ads.
- Print pages or articles.
- Email links to articles or entire digital editions.
- Highlighting text in articles or advertisements.
- Annotation: the ability to add notes or comments to pages.
- Bookmarks on pages.
- Search: search for text in the current digital edition or across all digital editions, either all editions in the user's own library or in all back issues of the title.
- Library view: view all the user's digital editions.
- Social bookmarking: add bookmarks to digital editions on social networking sites like Digg, del.icio.us, etc.
- Ability to include new digital editions in users' RSS feeds.

Digital edition vendors use different technologies to support their user interfaces; these determine – among other things – which devices they can run on (PCs, Macs, iPhones, etc.). Some choices are Adobe Flash, Microsoft Silverlight, SVG (Scalable Vector Graphics, an XML graphics standard), and other XML schemes.

In addition to clickable URLs, most digital editions offer publishers the ability to embed rich media content, including audio, video, and animation. This could be extra editorial content or advertising.

Another important aspect of the user interface to consider is security: whether it requires username/password access, and whether you want to prevent subscribers from making unauthorized copies of digital editions. The question of password access is, of course, closely related to whether you charge for your digital edition, give it away to print subscribers, etc.; more on that below.

Digital rights management (DRM) capabilities, which inhibit unauthorized copying, should be considered in relation to the business objectives for your digital edition. For example, if you want to maximize exposure for your brand or advertisers, DRM may not be a good idea, but if you want to maximize subscriber revenue and protect valuable intellectual property, DRM might make sense.

Advertising

Although some publishers treat digital editions as "value adds" for their advertisers and do not charge extra for digital edition ads, other publishers treat them as opportunities for incremental ad revenue. Digital editions can offer several features that are salable as ad or sponsorship inventory, such as:

- Clickable links in ads
- Real estate above or below pages
- Tabs that lead users to special pages
- Gatefold pages
- Bellybands (digital equivalents of paper ribbons wrapped around the magazine)
- Toolbar sponsorship (logo on digital edition toolbar)

In addition, some digital edition providers can support e-catalog functionality, in which a user can click on a product description and get an order form or shopping cart. Some vendors implement full e-commerce functionality for e-catalogs, while others will simply generate order information to be processed offline.

Tracking and Reporting

A major portion of the value that a digital edition offers to publishers is the ability to track how users interact with it. Many publishers are not used to the idea that they can track users' interactions with their publications in great detail; therefore, it's important to choose a digital edition vendor that offers flexibility in tracking and reporting.

Many digital edition providers offer Web sites with usage reports. Some typical reports offered include:

- Traffic analysis, e.g., unique visitors per month.
- Page view data: how many users viewed which pages.
- Time spent reading the digital edition.

- Ad clickthroughs.
- Email-to-a-friend and social bookmarking invocations.
- Usage of features such as bookmarks, highlighting, and annotation.
- Usage of rich media content.
- Types of devices and browsers.
- Referral URLs.

Publisher Interfaces

It is important to find a digital edition provider that can work the way you want to work. This manifests itself in two primary ways: editorial and production, and subscriber management.

Production Workflow

Editorial workflows should ideally enable a publisher to send the digital edition provider the same files as those that it generates for printers. Most digital edition providers will accept PDFs, subject to certain provisos such as resolution (DPI) and font embedding; some will also accept formats like QuarkXPress, Adobe InDesign, or Microsoft Word.

Discuss your particular format issues with digital edition providers to determine which one will accommodate your workflows. You should also discuss the digital edition provider's features for accepting rich media files such as audio, video, and animations.

If you intend to create a digital edition that is not merely an exact facsimile of your print publication – or if you are a digital-only publisher – then it is important that the digital edition provider have the capacity and skill set to work with you to design a publication that meets your needs.

Subscriber Management

The other primary interface between publishers and digital edition providers is subscriber information. Some print publishers have their own subscriber management systems, while others house their subscriber information at fulfillment houses such as CDS or PalmCoast. Meanwhile, many digital edition providers maintain subscriber databases and handle fulfillment for all of their customers' publications. Such providers also tend to handle payment processing and other e-commerce issues for paid digital editions.

This may well be fine for digital-only publishers and print publishers that are just starting out with digital editions. But print publishers that want to expand their digital edition strategy often find themselves wanting to integrate print and digital subscriber information, for reasons such as these:

- Combination pricing: if you're a print subscriber, get the digital edition too for $X less.
- Promotional e-mailings of the digital edition to print subscribers.

- Give away the digital edition to all print subscribers or to some subset of them, e.g., print subscribers who live outside the United States.
- Digital-to-print conversion: if you like the digital edition, take advantage of this special offer to subscribe to the print edition.

Some of the Case Studies in this report describe scenarios that require subscriber system integration. In any of these cases, it is necessary to feed subscriber information from one subscriber management system to the other. If you are thinking of making any of these or similar offers, then you should determine how a digital edition provider can make the process of subscriber data integration easy.

There are a few ways to integrate print and digital subscriber data. One is for the digital edition provider to pull subscriber information from your print subscriber database. This approach is useful, for example, for promotional e-mailings of your digital edition to your print subscribers.

The major fulfillment houses now have APIs (application program interfaces), which enable outside service providers to write software that interfaces to their databases. You should check with your fulfillment provider to see what interfaces they offer and choose a digital edition provider that can work with those interfaces. If your subscriber system or fulfillment provider does not offer an API, then some digital edition providers will accept periodic data feeds from those systems in flat file format.

Another possibility is to move the data in the opposite direction: to pull it from the digital edition provider's subscriber database to your own subscriber system. This would apply, for example, if you want to convert digital subscribers to print subscribers, or if you want to handle combination pricing offers. See if your digital edition provider can integrate with your subscriber management system (or fulfillment provider) in such a way as to push data to it.

Finally, you may want to use your subscriber-management system to track all digital subscribers (as well as print subscribers) and not use the digital edition provider's subscriber system at all. This might be the way to go, for example, if you want to give away your digital edition to all print subscribers, or to a subset of them (e.g., based on their addresses). In that case, you will need to feed the digital edition provider a simple set of data including subscribers' email addresses.

Section Four: Visionaries

Gloria Adams

What it takes to build a vibrant set of digital subscribers

Gloria Adams is Senior Vice President Audience Development and Book Publishing for PennWell publishing with responsibility for the circulation, list rental, buyers guide, and book publishing operations for all of PennWell. Gloria has been an active member of the circulation, distribution, and business-to-business publishing community for more than 25 years. She is a current member of the ABM Audience Development Committee and the BPA Audience Development Advisory Committee, has served on the ABC Circulation Managers Advisory Committee, the Mailers Technical Advisory Committee, and various other postal, distribution, and circulation committees. She is a recipient of the Angelo Venezian Award, was the inaugural recipient of the ABM Circulation Career Award, and has received a Circulation Innovator Award from B-to-B magazine, and she and her staff have won multiple CM and Folio awards.

As can be seen from her bio, Gloria Adams is a super-high-energy executive who knows her craft extremely well. For PennWell, she has built perhaps the most successful digital publishing program in the industry. PennWell has several magazines with digital subscriber bases greater than 50%, and their overall percentage of digital subscribers averages about 25%, which is ten percentage points higher than the industry average. Gloria's practical approach to building a vibrant set of digital subscribers represents a set of best practices that could help other publishers expand their number of digital subscribers.

The importance of developing a growing number of digital subscribers was (and remains) important to PennWell's corporate strategy. Here's why:

- From talking with their subscribers, they believed that a significant number of them would prefer digital editions.
- They expect the next generation of their readers to have an even stronger digital preference.
- Their B2B content is ideal for digital publishing, and readers appreciate the immediacy of delivery.
- It is less expensive to create and deliver a digital edition, especially into international markets and remote locales.
- Advertisers like the tangibility of the results generated by their digital advertisements.

Two key ingredients of her program are determination and execution. It takes considerable effort to effect a paradigm shift. For the team's efforts to be successful, the first step was to construct a plan with clear business goals. Because of the strategic importance of the digital initiative, the planning process started several years before the first digital edition was released. Gloria's team began the process by asking PennWell's

readers what attributes would be necessary to attract them to subscribe to digital editions. As mentioned in the data section of this study, Gloria continues to survey her readers and therefore has an excellent handle on what new features will make them even happier in the future.

They have provided large numbers of sample digital copies over the past few years and are careful to get customer feedback as to why they did or did not choose to receive digital editions over the long run. They offer international subscribers a lower rate for digital subscriptions, reflecting the much lower cost of postage and handling.

Gloria feels that it is important to be very proactive in marketing to potential digital subscribers. The marketing campaign should have a very positive tone and focus on benefits to the subscriber, not the features of the technology. For most readers, the PennWell content is important to their careers, almost like getting a grad school course in their mail or email.

While the content is important to readers, the lack of physical presence of a traditional magazine makes it necessary for readers to be reminded to open their digital copies, especially while they are making the transition from print to digital. They provide new subscribers with a digital edition as soon as they subscribe to provide the new customer with an immediate benefit from their decision to subscribe. Often, this first digital copy leads new subscribers to opt for a digital subscription. PennWell routinely offers links to current digital editions and are now finding that subscribers are switching on their own as a result. PennWell offers their digital readers the chance to go back to a print subscription, but very few readers do so.

Converting advertisers was also a well-planned effort. They had “digital breakfasts” for advertisers to brief them on the new digital offering. They have produced hybrid digital/print media kits that are helpful to sales representatives when they are selling to new and old advertisers. They also save money by distributing some of the advertising complimentary copies in a digital format.

When all is said and done, the key to the success of PennWell’s digital initiative is focus and determination. They developed an excellent strategy, listened carefully to their customers, marketed their new offering enthusiastically, and measured their results closely. With that formula in place, this team is well prepared to benefit from the promising new opportunities that will be emerging in the next several years.

Brent Lewis

Visionary Leadership into the Digital Era

Brent Lewis is Director, Internet & Digital for Harlequin Enterprises Ltd., a leading publisher of women's fiction and the world's largest publisher of series romance. Brent leads the strategic development and operational execution of Harlequin's digital publishing and marketing programs. This includes Harlequin's own site, featuring a robust community of readers, a leading and widely recognized e-book program, digital audio, mobile distribution, digital-only content, and leveraging Harlequin's famous brand in the Web 2.0 world. Brent has over 16 years of marketing experience within publishing, covering trade, educational, and children's products. Brent has developed Internet marketing and commerce solutions for over ten years, including Harlequin's e-book strategy and site development. He has worked in the U.S., Canadian, and UK publishing markets.

HARLEQUIN Harlequin Enterprises Limited is the global leader in series romance and one of the world's leading publishers of women's fiction. The Toronto-based company publishes over 115 titles a month in 25 languages in 94 international markets on six continents. These books are written by over 1,300 talented authors worldwide, offering women a broad range of reading from romance to psychological thrillers to relationship novels. With 131 million books sold in 2005, Harlequin is a very powerful brand for female readers. Brent Lewis has earned the reputation of being one of the publishing industry's leading innovators and is responsible for the LibreDigital relationship.

While Harlequin is a book publisher, their comprehensive digital strategy represents best practices that are instructive for all types of publishing entities. Brent Lewis continues to lead the development and implementation of the strategy has helped them build new revenue streams and profitable businesses in just a few years. His efforts fly in the face of the commonly held belief that romance novel content consumed primarily by women is a poor candidate for digital publishing programs.

Brent Lewis and the Harlequin team are true cross-media publishers. It is their goal to provide their content to their loyal customers on their media platforms of choice with outstanding ease of purchase and delivery. They design their product and marketing mixes before the first word of a book is written and develop the content using technologies that make it relatively easy to release multiple editions of book content on platforms and devices that include iPods, XM radio, cell phones, and dedicated book readers. They also build relationships with their customers via blogs, forums, and the Harlequin Community and by partnering with MySpace, Second Life, and other social community sites.

Lewis states that "Harlequin uses digital to develop and sell entertaining content in a variety of formats, to nurture reader relationships, and to build our brands." They published 100% of their 2007 front list titles in both print and digital formats. E-books are priced lower than printed books. They work very closely with digital channel

partners to build demand. They have had an enthusiastic response to their community features. There are plenty of opportunities to recommend books to other readers with similar tastes. The blogs encourage interaction with Harlequin's editors and authors. They even have a section devoted to encouraging new authors.

Harlequin's readers like e-books because they provide immediate access to new titles and fast free delivery; allow their favorite books to be saved in a digital format; and are very light and portable. Along with concern for the environment, these are the same reasons that readers become digital magazine subscribers. Their readers are very loyal.

The brand-building aspects of their digital publishing programs are very important to maintaining their current readers and to reaching out to new types of readers who may be younger or prefer digital editions. They are quite willing to be on the leading edge of developing technology products and use the approach of a perpetual beta to test and refine their product offerings and channel strategies.

The key to their strategy is to plan for their products to be developed in multiple media formats and to produce editions that are appropriate for each type of media platform. Like magazine publishers, their e-books represent a digital replica edition. These e-books are very popular and are always among the list of digital bestsellers.

In the process, they have overcome some difficult challenges. Their target demographic was not considered ideal for establishing a cutting-edge digital publishing program. The technology for producing and displaying e-books was slower to develop than anticipated. And new media platforms and Web 2.0 community opportunities continued to emerge. Their strategic commitment, willingness to innovate, and focus upon building their brand with the next generation of readers will pay significant dividends in the future.

Mike Edelhart

On the Future of Digital Magazine and Newspaper Publishing

*Mike Edelhart is currently CEO of **Infovell**, developers of a new technology that will help business people easily access relevant information and manage the volume of data they have to deal with on a daily basis. Mike joined Infovell with 30 years' experience in journalism, media management, and early-stage company development. From 2004 to 2006, he was CEO of **Inman Publishing**, a real estate publishing franchise in Oakland, Calif. From 2001 to 2004, Edelhart was CEO of **Zinio Systems**, which produces, distributes, and supports digital magazines. He joined Zinio from Redleaf Group, an early-stage investment company where he was senior director of the San Francisco office. Edelhart also serves as the Chairman of the Board of Olive Software. Olive Software enables its customers to transform documents into intelligently tagged XML that can be viewed in its original format, searched at a granular level, or repurposed for other applications. Olive is among the leading technology vendors serving the magazine and newspaper publishing industry.*

Prior to Redleaf, he was founder and CEO of Intagio (formerly "BarterTrust"), an international clicks-and-mortar non-cash exchange network. He was president and CEO of Third Age Media and a vice president at SoftBank, where he launched new businesses in online education, conferences, and consulting. Prior to SoftBank, Edelhart spent 13 years at Ziff Davis in a variety of executive and editorial positions. Edelhart is also the author of more than 25 books on subjects ranging from Intel processors to the social history of Virginia. He earned a Bachelor of Science degree in journalism from the University of Northern Colorado. He has a long history of interest in the environment.

Five Questions for Mike:

1. **What is the current role of Web sites vs. digital editions?**
   Digital editions maintain the structure, look, and feel of the printed edition and add enhanced features like rich media, smart linking, searchability, portability, and speed of delivery. Digital editions use a classic linear design that is ideal for browsing a publication from one end to the other. A content Web site tends to offer short summaries of content elements and allows readers to click on the summary to explore the topic further. Web sites are usually graphically rich and offer numerous opportunities to read or contribute to content in blogs and wikis, and to explore topics with further links and sophisticated search technology. The best case is for Web sites and digital editions to be complementary.
2. **How can archives yield increased value to readers?**
   In many vertical markets, information has a long “shelf life” and is still useful and valuable for several years after it was published. For newspapers, the immediate shelf life is shorter but much of information gains value over time,

helping readers to research topics such as political trends or economic conditions or for individual research like tracing a family's history. Having all of the content available in a uniform searchable database is a real benefit to readers and society.

3. **Why is it important to offer digital readers better ways to explore information and seek alternate viewpoints**?
   Magazine and newspaper editors are used to selecting content for their readers. Therefore, an article often becomes the final destination of the reader's quest for information. In the very near future, the editor will both select and filter content for their readers. They will use their domain expertise to offer readers links from the articles in their publication to other information resources and viewpoints written by credible authors in authoritative publications. And context-sensitive search capabilities will emerge that search an array of credible publications looking for content that further explores the topic covered in an article that the reader has just finished. This area will evolve even further as the semantic Web develops. Soon applications will emerge that will be able to predict what information will interest you and deliver it to your desktop automatically.
4. **What types of technology enhance the digital reading experience**?
   Using the experiences of other readers to find more interesting information adds value to the digital experience. Applications like Del.icio.us, Digg, and Twitter allow readers to recommend articles, information, and rich media to others. They build on the wisdom of crowds.
5. **Who's doing a good job with cross-media publishing programs**?
   I think that Reed Business Information and McGraw Hill's vertical market magazines are quite sophisticated in using an appropriate mixture of content and technology to serve the needs of their readers and subscribers. In the newspaper world, The Guardian has been very innovative and has an outstanding archive of past issues that has become an important research database.

Peter Meirs

Digital Alternatives

Peter Meirs *is the Vice President of Production Technologies for* Time Inc. *and an affiliate of the* MIT Media Lab. *He currently oversees digital magazines, emerging media technologies, the Time Inc. digital archive group (E-MaG), the Digital Development Group, and the OMS Print group. Peter is also a founding member of the PRISM XML standard working group and has responsibility for Time Inc.'s efforts with electronic insertion orders and the AdsML advertising specification. Since joining* Time Inc. *in* 1992, *he has overseen its digital advertising and transmission systems, directed TIME Magazine Editorial Operations, and managed Time Inc.'s conversion to a fully digital production workflow. Peter is a frequent speaker at industry events on the subject of digital publishing technologies.*

Peter Meirs is one of the publishing industry's leading visionaries. He is a strong proponent for technology that supports publishing efforts such as XML and content management systems. He and his team have built a comprehensive archive of Time Inc.'s content and implemented a digital asset management system to manage their massive collection of illustrations and rich media. He is a key advocate and resource for the Web sites that serve the corporation's impressive set of brands and publications. He is a consummate technology buff and he is so well known that his biography appears in Wikipedia.

The one sort of technology that he doesn't really like very much is digital replica editions which he describes as putting a piece of glass in front of a print magazine.

To help understand his misgivings, he provided a summary of his experience with digital replica editions. He started investigating digital replicas in 2000 by conducting a complete analysis of the market, other publishers' efforts, and the digital replica publishing engines. In 2003, they launched the digital replica edition of Popular Science. They signed up about 1,000 digital subscribers, 400 of whom were international.

Time Inc's legal department had concerns about the international digital distribution of its content. The digital replica was not promoted very enthusiastically and was not even on their Popular Science Web site as a subscription option. At its peak, digital subscription reached 3,000 copies. For other publications such as Cottage Living, they created a digital edition for promotional purposes. In a recent presentation at PubExpo in March 2008, Meirs and his colleagues voiced their conclusion that there simply is not sufficient demand for digital replica editions.

How does he explain his enthusiasm for publication Web sites and his disdain for digital replicas? Part of the issue involves the strictures involved to keep a digital edition auditable so that they account for circulation numbers. The requirement that the digital pages be identical to the printed pages makes it difficult to display the

content on a screen so that the type is legible and the navigation is simple and pleasing. He feels that the current digital replicas simply do not have sufficient advantages over their printed ancestors to generate a groundswell of mass appeal, and that advertisers didn't really value this media format. He doesn't see this market changing until new flexible display devices with fidelity similar to kindle's electronic-paper display come onto the market around 2011.

Web sites, by contrast, are very screen-friendly and are not constrained by Auditability rules so that content can be changed instantly. Rich media is easier to implement on a Web site, and the advertising has greater sizzle with its interactivity. CNN and Time Inc. have collaborated to build some of the Internet's most popular Web sites that have helped build digital recognition for their brands and publications.

Time Inc. continues to create digital magazines, just not digital replica editions. These digital magazines are used as bonuses for current subscribers or to promote to new subscribers. They often take the form of special advertiser-supported editions with lots of rich media and interactivity. For example, People has done a quarterly digital edition that has been extremely popular with readers. All of the content is unique to the digital edition, and the goal is to optimize the content for digital display and consumption.

Time Inc. has many great brands and outstanding publications that attract readers worldwide. Their digital strategy is dynamic and will continue to meet the needs of their readers. We will continue to listen to Peter Meirs as he helps drive the progress of alternative publishing media.

Marta Wohrle

Truth in Digital Publishing

Marta Wohrle is the former Head of Digital Media at Hachette Filipacchi Media (HFM) and now an independent and entrepreneurial online publisher with her own Web site — Truth in Aging (www.truthinaging.com). She describes herself as a Web neophyte and an expert on aging. Her Web site takes a witty and engaging look at the large variety of anti-aging potions and procedures.

In her previous role, she led Hachette Filipacchi's efforts in developing products for digital media. From our discussion, it is safe to say that she was disappointed at the reader response to HFM's digital replica editions. She points out that the B2B market is better for digital editions because the content is well integrated into the workflow of businesses, while B2C content is most often read at home or while traveling. Business content is usually consumed at a desk where there is computer access to content. B2C publications are read throughout the home in many areas where a computer and network connection isn't available or practical.

Marta and her team worked very hard to establish a base of digital subscribers. There were dedicated resources and corporate support. Their key motivation was to save money in printing and delivery. For Auditability reasons and to keep costs under control, they made only minor modifications to their publications when they were transitioned to digital replicas. They experimented with custom-published editions of certain titles. Because their goal was to save money, they did not invest in content or rich media specific to the digital edition. With a digital subscriber base of 30,000, *Elle Girl* was their most successful digital replica. It had three times as many digital subscribers as *Car and Driver*.

In her new role as publisher and editor of Truth in Aging.com, she has some great thoughts about the role of content and editors in an Internet environment. On Web sites, content often serves a selector function as it helps readers drive to a specific piece of information or helps to answer a question through the Web site's search engine. The next important role is to connect the reader with other authoritative information, regardless of whether that information resides within the publisher's archive of information or elsewhere.

An important new role for editors is to provide context for the reader to help them explore topics further and to provide links to other varied yet reputable sources to provide the reader with a balanced view on their area of interest. She feels that the practice of trying to keep readers "hostage" on a publisher's own Web site is in decline, as publishers are beginning to realize that readers will come to their Web site more often if the Web site helps them find the content that they are seeking.

Section Five: Conclusions

Conclusions

After the data have been analyzed, the best practice cases written, and the industry experts interviewed, what do we conclude and what topics do we feel need future consideration?

The Role of the Digital Replica Edition

Either/and, not either/or — Some publishers wonder if they should have a Web site view of their content or a digital replica edition. We believe that they should have both and that they should be well integrated and coordinated. We suggest that digital replica editions should be part of almost every digital publishing strategy.

We think of replicas as a traditional browsing view of content, similar to but better than the way newspapers and magazines have been read for hundreds of years. Browsing exposes readers to a broad range of content and allows them to discover new and often unexpected topics that they subsequently find interesting. Most Web sites feature an interface built more upon the short display of headlines, a menu of topics, and a search engine. Most Web site readers scan the front page rather than browsing the array of articles. We feel that the two approaches are quite complementary and that readers benefit when the two approaches work together as seamlessly as possible.

Better functionality and richer value — Digital replica editions offer readers features and functionality that simply cannot be duplicated in print editions:

- The content found in each article can serve as context to enhance the reader's ability to search for and find the best pertinent information related to that article and then easily return to the article.
- Publishers can add links from their content that help guide readers to other credible and respected information.
- Rich media allows publishers to enhance their illustrations to make them more instructive and even interactive.

Lower costs — The digital replica edition offers real cost benefits. It is much less expensive to produce and distribute digital replicas, especially when subscribers are located in remote international locales. The reasonable costs also create the potential for publishers to consider more extensive sampling and promotional-issue programs. Once cross-media planning practices and sophisticated content management strategies are deployed, the potential for cost savings becomes even greater as publishers save by eliminating the redundant efforts to produce two distinct media editions.

Environmental impact — With energy prices soaring and concerns about the environment deepening, many readers are now more receptive to receiving digital editions of their favorite publications.

Speed of delivery — The Internet can get publications into subscribers' hands much faster than the mail service. This is especially important in B2B markets.

Publishers' Decisions

The range of media choices and new content sources available to readers is almost dizzying. Successful publishers continually reassess their product offerings to seek ways to offer their subscribers greater value. While there are costs and risks associated with digital publishing strategies, we believe that it is far riskier for publishers to be behind the curve in digital product innovation.

Cross-media publishing strategies — The lesson learned from the Harlequin case is that it is important to plan how content can be developed for multiple media platforms and to map their anticipated interaction. The content management experts at Nstein demonstrate that it is easier to create once and publish many editions if you plan correctly and use the right tools.

Several of the publishers interviewed in the best-practice cases employ a "digital first" strategy in which new content is either published first on their Web site or integrated into a perpetual digital edition that is continually revised. Their newspaper and magazine articles often offer more comprehensive descriptions and more analysis than the initial "Web stories." By analyzing Web traffic, they are guided to giving more coverage to stories that are attracting the eyeballs of Web site readers. They use each version of their content products to cross-promote their other versions.

Embracing readers' information needs — For many years, the published article has been the final destination of a reader's quest for information. If a reader wanted to explore a topic further, a trip to the library was required, or, more recently, search engines were deployed to gather more information. We believe that publishers should strive to be involved with readers throughout their entire information quest:

- Origins — Successful publishers want to be the first source that readers consult for their information needs within defined topics. Whether it's general news, sports, politics, business, entertainment, or advanced nuclear physics, most readers now have their favorite print and digital resources. Mike Edelhart suggests that future points of origin will be decided by how accurately the content provider chooses and presents content that meets a reader's interests. He feels that by mining past reading behaviors and using factors such as demographics and geography as predictors, publishers will be able to provide custom editions of their content that readers will find quite satisfying.
- Authority — publishers play the important role of lending authority to their content that differentiates it from the vast amount of information available. As the number of information sources and voices continues to increase, readers will have an even greater need to find sources that they can trust.
- Connections — It is important that publishers embrace the new role of connector/referrer and enable their readers to easily find other credible information sources for expanding readers' knowledge on specific topics. We suggest that it is far better for a publisher to refer a reader to another information resource than for the reader to have to launch a Google search. It is

those valuable referrals that will bring readers back to a publisher's Web site as one of their key points of origin.

- Community – Similarly, publishers need to accept that their roles as information providers exist within readers' communities. The more they can foster the healthy growth of such communities, the more traffic and brand recognition they will achieve.

Auditability — The best and most innovative content products will attract significant readership that can be monetized in a number of ways. Advertising has long been a key part of most publishers' revenue model, and before the advent of digital publishing, audited circulation was a critical factor in determining advertising rates and billing advertisers. Because of the importance of accurately determining the number of copies of a publication that were actually circulated, a sophisticated set of standards and requirements have long been established to measure the circulation of printed magazines and newspapers.

The real question for publishers is whether they can work within the necessary auditing bureau strictures and still produce an innovative digital product that will excite and delight their subscribers. The key issues are the consistency and placement of content between digital and printed editions. The requirement that digital pages maintain a similar appearance to the original printed page has made it difficult for readers to read and navigate pages on digital displays where the form factor is very different.

We believe that publishers should weigh the pros and cons of conforming to the standards required for the digital publication to be considered auditable. While it is terrific when digital editions can add to audited circulation figures, maintaining Auditability can become a pyrrhic victory if Auditability standards limit the development of the content and features required to offer subscribers compelling value proposition.

There have been productive dialogues between publishers and the audit bureaus that do such an excellent job of helping publishers quantify their circulation in a consistent fashion. As digital markets continue to emerge and evolve, audit standards for digital publications will become more sophisticated so that they enable the growth of digital readership while still portraying an accurate description of readership for advertisers. For example, statistics on the time that readers spend on certain pages of digital publications and measuring the number of "click-throughs" provide advertisers with new forms of tangible evidence as to the effectiveness of their advertising investment. These new measures can augment traditional circulation data.

Deploying archives — The continued popularity of search engines results from readers seeking information on a specific topic or finding an answer to a question. A significant benefit of a digital replica edition is that it stands as a record of what was happening in an information domain(s) during a certain time period. For example, The Guardian has built an extremely robust archive of over 1 million pages. This archive has become a very important research tool for students, scholars, and experts and has become a valuable part of The Guardian's digital publishing strategy. Remembering that many people are looking for specific, authoritative information or the answer to a question,

successful digital publishers make it their goal to answer as many readers' questions as possible.

This area of digital publishing is in rapid evolution. There are several industry initiatives seeking to assemble and coordinate the content of publishers in vertical search engines, Google and other popular search engines are also working to incorporate more information from magazines and newspapers. Currently, it is far more likely for readers searching the Internet to be presented a Wikipedia entry than an article from the archives of respected magazines and newspapers. Even searches launched in the Google news section often yield very shallow sets of results.

We believe that archives are important to the future of digital publishing and can be monetized via subscriptions, fees, and advertising revenue.

New Opportunities

We believe that as the technologies for creating, delivering, and tracking digital editions continue to evolve and as display technologies improve and become even more portable, an increasing number of readers will begin to prefer subscribing to digital editions of their favorite magazines and newspapers. This will also expand the number and range of publications available in digital formats.

We expect to see a growth in smaller localized publications and expect to see more technology providers offering "self-service" or SAAS-modeled services to make the costs of providing digital editions more affordable. We also believe that the number of hybrid periodicals/catalogs, advertorial publications, and custom publications will grow significantly over the next few years. There will be increased opportunities for publishers to deliver school editions in digital formats, as well as to license collections of their content by itself or in conjunction with other content to provide readings for high school and college courses.

The Final Word

It has been said that this is the most exciting time to be in publishing since Gutenberg invented the printing press. The digital publishing era is in its early stages, and while the innovation to date has been impressive, there are many new opportunities for further innovation.

The technology will continue to get better; publishers will move to a true cross-media publishing strategy; collaboration techniques will change the current authoring and reviewing metaphors; online communities will become even more important to brand building; and the population of "Web natives" will continue to increase, driving the increased readership of digital editions. The future of this market is bright, and the rewards for innovation will be substantial.

The Authors

Steve Paxhia

Steve Paxhia is Director, Publishing Strategy & Technology Practice, at The Gilbane Group, a consulting practice focused upon the strategies and technologies employed by commercial and enterprise publishing professionals. He assists small publishing technology companies in turning their ideas into profitable businesses and larger companies in assessing their strategy and current performance and then helping to accelerate their growth. In the past ten years, Steve has worked with more than 30 companies by helping refine their strategic plans, raise capital, devise go-to-market plans, and make and integrate acquisitions. Steve also mentors a number of CEOs and offers training on board meeting preparation. He is the co-author of studies covering Digital Book Publishing, Digital Magazine and Newspaper Publishing, and Collaboration and Social Computing.

Before joining the Gilbane Group, Steve founded several successful consulting practices and served as Chairman of Rovia - a start-up that developed secure fully featured eBooks for the college market. Steve has considerable experience with custom publishing, licensing of intellectual property, electronic publishing workflow and technology, and EDI. During his 15 years in College Publishing, Steve developed significant experience in Marketing and Sales Management and was the founder of the publishing industry's Pubnet e-commerce and information system. Steve was CEO of Inso Corporation. Under his leadership, Inso grew from a 35-person division of Houghton Mifflin Company to a 1000 person public company with sales of $100 million dollars. He has spoken on numerous industry panels and has presented to area forums for aspiring entrepreneurs.

Bill Rosenblatt

Bill Rosenblatt is a Senior Analyst for the Gilbane Group and a recognized authority on digital media technologies, including content management, digital rights management, cross-media publishing, online content distribution, and content production systems, as well as on issues related to intellectual property in the online world. He is the author of Digital Rights Management: Business and Technology (John Wiley & Sons, 2001) and managing editor of the Jupitermedia newsletter DRM Watch (www.drmwatch.com). Bill's previous career included a stint as VP of Technology and New Media at McGraw-Hill's trade magazine division, where he was responsible for implementing the business' vertical market web portal strategy, including AviationNow.com, an information portal for the aviation industry. He was also Director of Publishing Systems at Times Mirror Co. His consulting work has included an ile strategy project for a leading news periodical.

About the Gilbane Group, Inc.

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