

# ***Executive Summary & Contents***

## ***Business Press, March 2007***



Key Note

## **Executive Summary**

For the business press market, the biggest shock in 2006 came at the end of the year when, in December, it was announced that one of the world's largest media companies was to sell its European business media arm to one of the world's largest venture-capital companies. The Dutch-owned VNU announced that it would sell its Business Media Europe (BME) operations in the UK, the Netherlands, Spain, Italy, Germany and Belgium, although it would retain VNU Business Media USA and its joint venture with Jaarbeurs, VNU Exhibitions Europe BV. This announcement was followed in early January 2007 with another stating that the company was changing its name to The Nielsen Company. Nielsen is a global information and media company specialising in marketing and media information. This development signifies a major shift from one of the most established business magazine publishers away from print towards the provision of business information.

However, this does not signify the end of printed business and professional magazines: indeed, 2006 saw a small increase in the number of titles published. What it does signify is the need for publishers to expand their product portfolios to compensate for the ever-declining advertising revenues that magazines, along with other traditional media, continue to experience.

Print media also has to constantly battle against rising distribution costs. The introduction of Pricing in Proportion by Royal Mail in 2006 forced many publishers to redesign and relaunch titles which, in their previous A3 formats, would simply have cost too much in postage charges to keep them viable. The industry is unhappy that it should be held to ransom in this way and it is likely that, unless a viable alternative carrier emerges, postage costs will be a significant factor in the erosion of the print sector as more resources are ploughed into electronic and digital developments.

The importance of digital editions was recognised by the main UK audit authority, the Audit Bureau of Circulations (ABC), which, in 2006, changed its rulings to allow publishers of business-to-business (B2B) magazines to include the circulation figures of

# ***Executive Summary & Contents***

## ***Business Press, March 2007***

their digital editions in their overall top-line circulation figures. The effects of this will become apparent during 2007, when the first certificates showing these circulations become available.

The business press market continues to be dominated by the established major publishers and the recent strong economy has allowed greater investment in new developments and strategic acquisitions. There are strong indications that the next 3 years will see an accelerated move into the provision of specific business intelligence products for the markets served by the leading business press publishers. In addition, it is likely that there will be many more acquisitions of smaller companies which have developed niche business information products that will enhance the major players' own service offerings.

### **Executive Summary**

#### **1. Market Definition**

REPORT COVERAGE .....	2
MARKET SECTORS.....	2
Table 1: Number of Business and Professional Titles in the UK by Category, 2003-2006 .....	3
Table 2: Leading Categories of Business and Professional Titles in the UK by Number of New Titles in 2006 .....	5
Table 3: Categories of Business and Professional Titles in the UK With the Largest Decreases in New Titles in 2006 .....	5
MARKET TRENDS.....	6
Convergence to a Multiplatform .....	6
New Combined Print and Digital Auditing Certificate .....	7
Mergers and Acquisitions.....	7

ECONOMIC TRENDS.....	8
Population.....	9
Table 4: UK Resident Population Estimates by Sex (000), Mid-Years 2001-2005 .....	9
Gross Domestic Product.....	9
Table 5: UK Gross Domestic Product at Current and Annual Prices (£m), 2001-2005 .....	9
Inflation .....	10
Table 6: UK Rate of Inflation (%), 2001-2005 .....	10
Unemployment .....	11
Table 7: Actual Number of Unemployed Persons in the UK (million), 2001-2005 .....	11
Household Disposable Income .....	11
Table 8: UK Household Disposable Income Per Capita (£), 2001-2005 .....	11
MARKET POSITION .....	12
The UK .....	12

# **Executive Summary & Contents**

## **Business Press, March 2007**

<p>By Volume..... 12</p> <p>Table 9: Number of Business and Professional, and Consumer Titles in the UK, 2001-2005 ..... 12</p> <p>Figure 1: Number of Business and Professional, and Consumer Titles in the UK, 2001-2005 ..... 13</p> <p>By Value..... 13</p> <p>Table 10: UK Advertising Expenditure by Media Sector at Current Prices (£m), 2001-2005 ..... 14</p> <p>Table 11: Business Magazines' Share of Total Magazine Advertising Expenditure (%), 2001-2005 ..... 15</p> <p>Overseas..... 15</p> <p>By Volume..... 15</p> <p>Table 12: Top 20 Business Magazines in Europe by Circulation (000), 2005 ..... 15</p> <p>Table 13: UK Business Magazines in the Top 50 Business Magazines in Europe by Circulation, 2005 ..... 17</p> <p>Table 14: Global Advertising Expenditure by Selected Region at Current Prices (\$bn), 2005 ..... 18</p> <p><b>2. Market Size</b></p> <p>THE TOTAL MARKET ..... 19</p> <p>By Value..... 19</p> <p>Table 15: Estimated Business Information and Professional Media Revenues by Sector (£m), 2005 ..... 19</p> <p>Table 16: Business Magazine Sales Revenues by Type (%), 2004 ..... 20</p> <p>Figure 2: Business Magazine Sales Revenues by Type (%), 2004 ..... 21</p>	<p>Table 17: Total UK Business and Professional Magazine Advertising Expenditure by Type at Current Prices (£m), 2005 and 2006 .....22</p> <p>By Volume .....23</p> <p>Table 18: Number of Business and Professional Titles in the UK, 2001-2006 ..... 23</p> <p>Figure 3: Number of Business and Professional Titles in the UK, 2001-2006 ..... 24</p> <p>By Circulation ..... 24</p> <p>By Title..... 24</p> <p>Table 19: Top 20 Business and Professional Titles by Total Average Net Circulation per Issue, as at January 2007 .....25</p> <p>By Sector .....26</p> <p>Table 20: Top Ten Sectors in the UK Business Press Market by Total Average Net Circulation per Issue, as at January 2007 .....26</p> <p>Table 21: Top Ten Sectors in the UK Business Press Market by Number of Titles Published, 2004-2006 .....26</p> <p><b>BY MARKET SECTOR.....27</b></p> <p>Business-to-Business Publishers ...27</p> <p>Circulation.....27</p> <p>Table 22: Top Ten Business-to-Business Magazine Publishers by Total Net Circulation and Number of Titles, as at January 2007 .....28</p> <p>Table 23: Top Ten Business-to-Business Titles by Average Net Circulation, as at January 2007 .....28</p> <p>By Type .....29</p> <p>Table 24: Top Ten Business-to-Business Titles by Type of Paid and Free Controlled Circulation (% of total net circulations), as at January 2007 .....29</p> <p>Trade Associations .....31</p>
--	--

# **Executive Summary & Contents**

## **Business Press, March 2007**

Circulation .....	31
Table 25: Top Ten Trade Association Publishers by Average Net Circulation, as at January 2007 .....	31
Table 26: Top Ten Trade Association Titles by Average Net Circulation, as at January 2007 .....	32
The Health Sector .....	33
Table 27: Top Ten Health and Medical Publishers by Average Net Circulation and Number of Titles, as at January 2007 .....	33
Table 28: Top Ten Health Sector Publications by Average Net Circulation, as at January 2007 .....	34

### **3. Industry Background 35**

RECENT HISTORY .....	35
Deregulation.....	35
Pricing in Proportion.....	36
NUMBER OF COMPANIES .....	36
Table 29: Number of UK VAT-Based Enterprises Engaged in the Publishing of Journals and Periodicals by Turnover Sizeband, 2006 .....	37
EMPLOYMENT .....	37
Table 30: Number of UK VAT-Based Enterprises Engaged in the Publishing of Journals and Periodicals by Employment Sizeband, 2006 .....	38
REGIONAL VARIATIONS IN THE MARKETPLACE .....	38
Table 31: Number of UK VAT-Based Enterprises Engaged in the Publishing of Journals and Periodicals by Region, 2006 .....	39
DISTRIBUTION .....	39
Retail News Outlets.....	40
Subscriptions/Controlled Circulation .....	40
Bulk Sales .....	41

HOW ROBUST IS THE MARKET? .....	41
LEGISLATION.....	42
KEY TRADE ASSOCIATIONS ..	43
Primary Trade Associations.....	43
Association of Newspaper & Magazine Wholesalers.....	43
Periodical Publishers Association .....	43
The UK Association of Online Publishers.....	43
Circulation Audit Agencies.....	44
Audit Bureau of Circulations .....	44
British Rate and Data .....	44
International Associations.....	44
Business of Performing Audits International.....	44
International Federation of the Periodical Press.....	44

### **4. Competitor Analysis ..46**

THE MARKETPLACE.....	46
MARKET LEADERS.....	46
Table 32: Top Ten Business Magazine Publishers by Number of Titles Audited by the ABC, 2007 .....	46
Haymarket Business Publications Ltd .....	47
CMP Information Ltd.....	48
Emap Communications Ltd .....	49
Reed Business Information Ltd .....	50
Centaur Communications Ltd .....	52
William Reed Publishing Ltd.....	53
Wilmington Group PLC.....	54
Datateam Publishing Ltd .....	55
Financial Times Business Ltd.....	55
SPG Media Ltd .....	57
Other Companies .....	58
Caspian Publishing Ltd.....	58
Griffin Brown Digital Publishing Ltd .....	58

# **Executive Summary & Contents**

## **Business Press, March 2007**

Wolters Kluwer (UK) Ltd.....	59
MARKETING ACTIVITY .....	59
Exhibitions/Trade Shows.....	59
Awards .....	60
PPA Awards for Editorial and Publishing Excellence, May 2006 .....	60
Independent Publisher Awards, May 2006 .....	60
Magazines in Credit Awards, May 2006 .....	61
PPA Magazine Production Awards, November 2006.....	61
2006 Magazine Subscriptions Awards Winners .....	62

### **5. Strengths, Weaknesses, Opportunities and Threats**

STRENGTHS .....	63
WEAKNESSES.....	63
OPPORTUNITIES.....	64
THREATS .....	64

### **6. Buying Behaviour**

CUSTOMER PROFILE .....	65
Table 33: Major Objectives for Magazine Publishers' Websites (% of respondents), 2006 .....	65
Audience Behaviour .....	66

Type of Content .....	67
Table 34: Ways in Which Visitors Interact with Magazine Publishers' Websites (% of respondents), 2006 .....	67
Advertiser Behaviour .....	68

### **7. Current Issues**

ROYAL MAIL PRICING.....	69
ONLINE B2B MEASUREMENT	69

### **8. The Global Market**

MARKET SIZE .....	71
Table 35: Number of Titles Published by Type by Country, 2005 .....	71
LEADING MAGAZINE TITLES ..	72
Table 36: Top Five Business Titles by Territory and Circulation (000), 2005 .....	73

### **9. Forecasts**

INTRODUCTION.....	75
The Economy .....	75
Population.....	75
Table 37: Forecast UK Resident Population by Sex (000), Mid-Years 2006-2010 .....	75
Gross Domestic Product.....	75
Table 38: Forecast UK Growth in Gross Domestic Product in Real Terms (%), 2006-2010 .....	76
Inflation .....	76
Table 39: Forecast UK Rate of Inflation (%), 2006-2010 .....	76
Unemployment .....	76
Table 40: Forecast Actual Number of Unemployed Persons in the UK (million), 2006-2010 .....	77

# **Executive Summary & Contents**

## **Business Press, March 2007**

FORECASTS .....	77
The Global Market.....	77
Table 41: Global Advertising Expenditure by Media Sector by Value at Current Prices (\$m), 2006-2009 .....	77
Table 42: Share of Global Advertising Expenditure by Media Sector by Value (%), 2006-2009 ...	78
The UK.....	79
Table 43: Forecast UK Advertising Expenditure on Magazines by Type by Value at Current Prices (£m), 2006-2009 .....	79
Figure 4: Forecast UK Advertising Expenditure on Magazines by Type by Value at Current Prices (£m), 2006-2009 .....	79
Table 44: Forecast UK Business and Professional Magazine Advertising Expenditure by Type at Current Prices (£m), 2006 .....	80
Forecasts 2007 to 2011 .....	81
Table 45: The Forecast Total UK Business Press Market by Medium by Value (£m), 2007-2011 .....	81
Figure 5: The Forecast Total UK Business Press Market by Medium by Value (£m), 2007-2011 .....	82
FUTURE TRENDS.....	82
Turn the Page — The Rise of Digital Editions .....	82
Going Global .....	83
Information, Information, Information .....	83

### **10. Company Profiles**

Centaur Media PLC .....	85
CMP Information Ltd.....	87
Emap Communications Ltd .....	89
Haymarket Business Publications Ltd .....	91
Reed Business Information Ltd .....	93

### **11. Consumer Confidence**

METHODOLOGY.....	95
KEY FINDINGS THIS QUARTER.....	95
THE WILLINGNESS TO BORROW.....	96
Confidence Slips Slightly .....	96
Table A: The Average Amount Consumers Are Willing to Borrow in Order to Purchase Expensive Items at Current and Constant November 2004 Prices (£ and £bn), November 2005-2006 .....	96
Significantly More Adults Are Willing to Borrow.....	98
Table B: The Number of Adults Willing to Borrow in Order to Purchase Expensive Items (000 and %), November 2005-2006 .....	98
SPENDING FROM SAVINGS ....	99
Little Change in Spending from Savings.....	99
Table C: The Average Amount Consumers Are Willing to Spend from Savings in Order to Purchase Expensive Items at Current and Constant November 2004 Prices (£ and £bn), November 2005-2006 .....	100
Saving Grows in Relative Importance.....	101

# ***Executive Summary & Contents***

## ***Business Press, March 2007***

Table D: The Average Amounts  
Adults Are Confident Spending to  
Purchase Expensive Items (£ and %),  
November 2005-2006 ..... 101

### **The Key Note Range of Reports**

## **12. Further Sources**

Associations ..... 103  
Publications ..... 104  
Government Publications ..... 104  
Other Sources ..... 104  
Bisnode Sources ..... 105

## **Key Note Research**