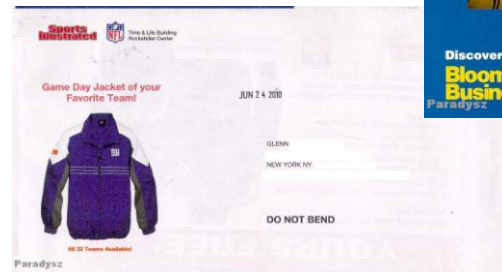
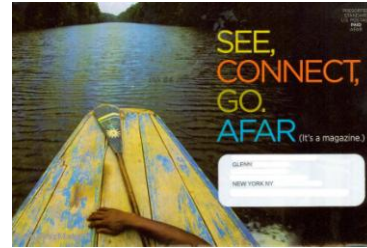


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Summary: Well documented business challenges caused by shifting media channels and declining ad revenues have hindered many consumer magazines in recent years. And with no clear economic recovery in sight, the first half of 2010 saw little relief. Publishers continue to struggle with decreased direct mail universes and rising mailing costs. While still a huge total, the universe of subscriber names fell to a new two-year low of 190 million (down 8.5 million or 4.3% from last year.) Still, some predictable marketing elements remain: seasonal promotion patterns are relatively unchanged, the ratio of incentivized vs. non-incentivized promotions is holding and the majority of titles use hard offers and vouchers. Innovation and individual successes can also be found. Some publishers continue to be bold in the face of economic adversity, with continued package experimentation, rebranding efforts and increased experimentation in digital publishing and advertising.

Highlights

Universe Size: The active mailable universe for all **Consumer Magazines** continues to decline. The 2Q 2010 total was 190.2 million names, down 8.5 million from the previous year (-4.3%). The average change in overall file size was -4.6% between 2Q 2010 and 2Q 2009.

Direct Mail List Growth: In its first year on the list rental market, Food Network Magazine has grown 49% year-over-year to reach 886,059 active subscribers.

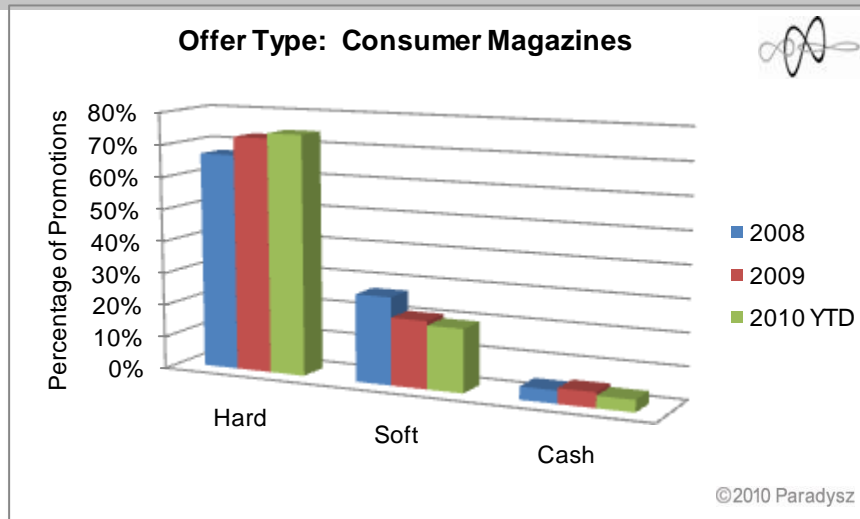
Average List Costs: The average base list cost per thousand (CPM) for **Consumer Magazines** was up nearly 1% to \$106.10/M in 2Q 2010.

Offer Trends: In 1H 2010, 74% of **Consumer Magazine** mailers continued to utilize hard offers, up slightly from 2009. The average introductory price for magazines is \$17.61 in 1H 2010, on par with last year.

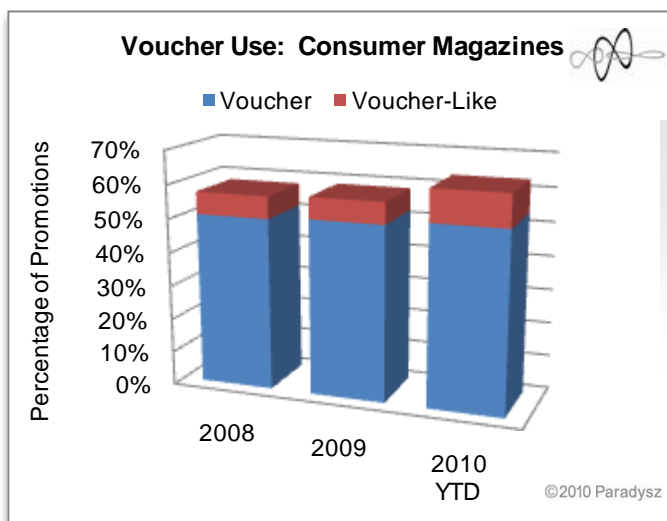
New Media: New direct mail lists released during 1H 2010 included: AFAR (42,415 names), Clean Eating (90,782 names), Draft Magazine (285,349 names), Hobby Farm Home (28,475 names), and Our Iowa (55,302 names).

Subscription Offer Analysis – Offer Type

Hard offers remain the most prevalent, tracked in 74% of **Consumer Magazine** promotions in 2010 YTD, up 1% since 2009. 20% of promotions in 2010 utilize a soft offer, down from 21% last year. Cash offers are tracked in 4% of promotions, down from 5% last year.



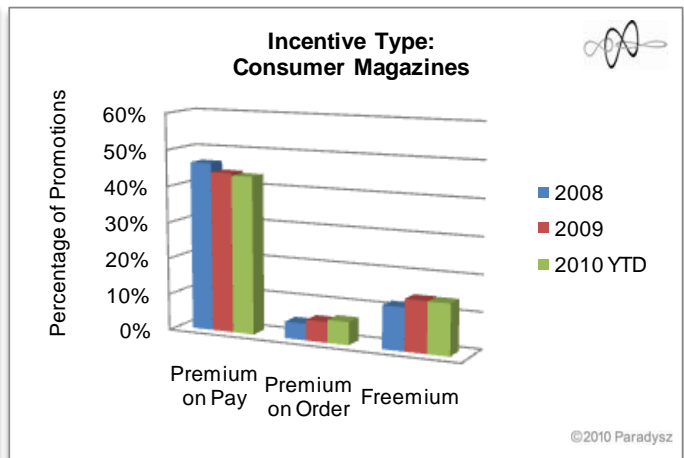
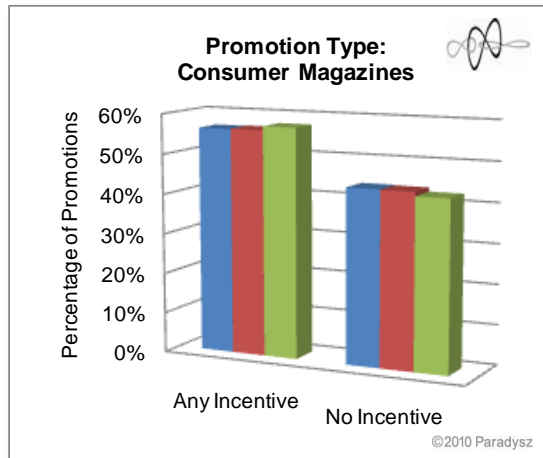
Promotion Analysis – Voucher Package Use



53% of all **Consumer Magazine** mailings were pure voucher efforts in 2010 YTD, up from 52% last year. Mailers such as Architectural Digest, Barron's, Good Housekeeping, Money and Vanity Fair typically promote with voucher packages.

Promotion Activity – Incentive Use

Consistent with previous years, most **Consumer Magazine** efforts included an incentive in 2010 YTD. Premiums on payment remain the most popular.



Premiums given upon payment remain by far the most popular incentive. 43% of promotions offered a gift upon subscription in 2010 YTD, down slightly from 44% in 2009. Premiums were tracked in 2010 from titles like W Magazine (scarf), Yoga Journal (book) and Lucky (bag).



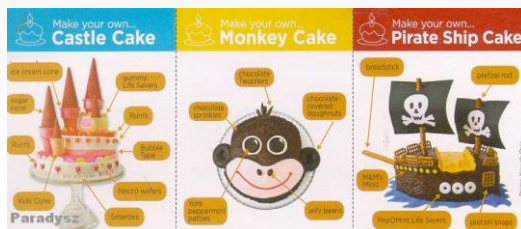
FREE...Exclusive W Scarf!
It's yours when you subscribe today!
The W scarf is perfect for almost any occasion. Whether you are going out for dinner, heading to work or shopping at your favorite department store, this chic scarf will become your best companion. You will never want to be without this stylish and luxurious scarf made exclusively for W readers like you. And best of all, it's absolutely FREE with your paid subscription to W.



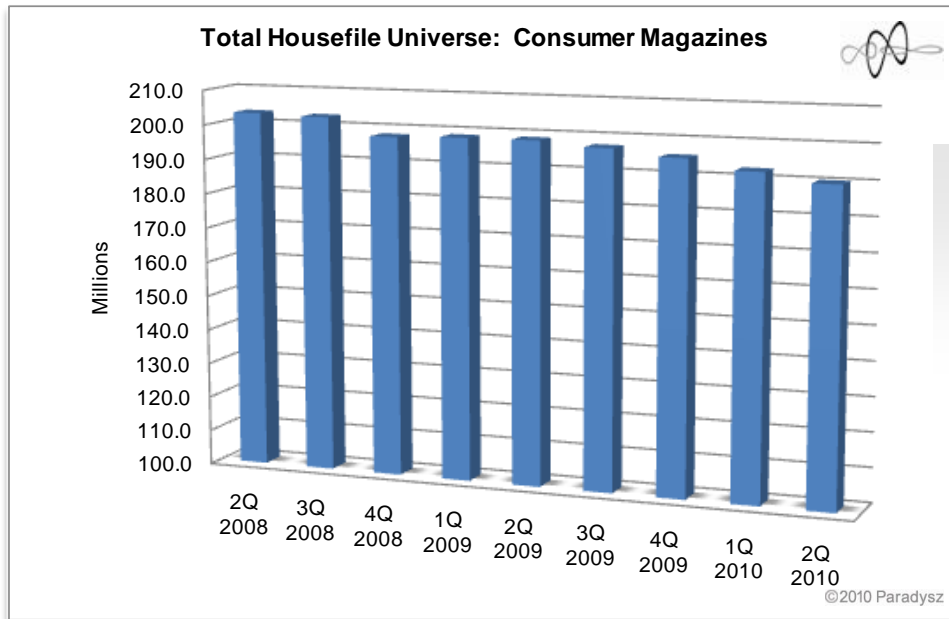
Send for your **FREE TRIAL ISSUES** today!



Freemiums were used in 14% of efforts in 2010 YTD, on par with 2009. Examples include a bookmark with job tips or a pocket calendar from Money, a "New England Guide" from Yankee and recipe cards from Parenting School Years.



Direct Mail Universe Study – Total Housefiles



The 2Q 2010 total housefile universe for all consumer magazines was 190.2 million names. This total is down 8.5 million from the previous year (-4.3%).

Select Promotions of Interest



Bloomberg Businessweek

Following April's relaunch of the revamped Bloomberg Businessweek magazine, MarketRelevance started tracking a redesigned direct mail acquisition package from the news and business title in May. The components in the #10 envelope are similar to previous Businessweek promotions, complete with a voucher and insert. The insert serves to reintroduce the 80-year-old publication, with a recent cover image and "Discover the new Bloomberg Businessweek." The opposite side explains the fusion: "The power & reach of Bloomberg. The history & journalism of Businessweek." The Executive Savings Offer voucher form enumerates subscription benefits and the special issues included (e.g. Investment Outlook, The Businessweek 50, CEO Guide to Tech). It also presents the longstanding hard offer of \$30 for 50 issues. Financial-information firm Bloomberg L.P. bought Businessweek in December 2009.

Vitals: direct mail, delivered 5/12/10, #10 package, price = \$30 for 50 issues



Chic Mom

Chic Mom, whose tagline is "Where chic is a state of mind," relaunched with its Summer 2010 issue. A bright pink double postcard was used to solicit subscribers, urging recipients to "Rediscover Yourself, You're Worth It." The quarterly magazine is described as a guide for moms, with focus on "your family, your home and your self!" Editorial from the summer issue includes style advice, outdoor activities for children, and products to keep cool. The hard offer is \$19.95 for 4 seasonal issues.

Vitals: direct mail, delivered 5/17/10, 4" x 6" DPC, price = \$19.95 for 4 issues

New Media

Experiential travel magazine



42,415 Active Subs

Health and nutrition food title



90,782 Total Subs

"America's Favorite Beer Magazine"



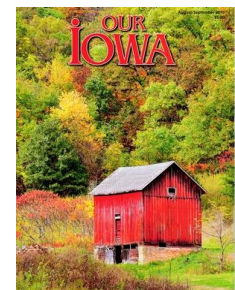
285,349 Total Subs

Home interest title for "those truly living in the country"



30,158 Active Subs

Regional title



55,302 Total Subs

About Market Trends

Market Trends is a product of Paradysz Research, designed to give mailers timely and actionable competitive intelligence within their core market category. Our goal is to provide clients with targeted information and reporting on a semiannual basis to benchmark progress relative to their specific marketplace and to aid in strategic planning.

The Market Trends **Consumer Magazine** set is comprised of a wide range of consumer publications (both consumer magazines and newspapers). There are 400+ unique publications that promote via direct mail and 950+ mailing lists in this market set. Sample mailers include *Architectural Digest*, *Atlantic Monthly*, *Backpacker Magazine*, *Barron's*, *Better Homes and Gardens*, *Bon Appetit*, *Bloomberg Businessweek*, *Christian Science Monitor*, *Consumer Reports*, *Cooking Light*, *Dwell*, *The Economist*, *Entertainment Weekly*, *Entrepreneur Magazine*, *Family Circle*, *Field and Stream*, *Financial Times*, *Forbes*, *Fortune*, *Golf Digest*, *Good Housekeeping*, *Guideposts*, *Highlights for Children*, *Horse Illustrated*, *Kiplinger's Personal Finance*, *Ladies' Home Journal*, *Lucky*, *Money*, *Motor Trend*, *People*, *Popular Science*, *Popular Woodworking*, *Prevention*, *Reader's Digest*, *Rolling Stone*, *Shape*, *Smithsonian Magazine*, *Sports Illustrated*, *Southern Living*, *T.V. Guide*, *Time*, *Turtle*, *Vogue*, *The Wall Street Journal*, and *Wired*.

Data for promotion tracking charts and statistics are drawn from MarketRelevance, Paradysz's proprietary promotion tracking tool. Offer type, format and incentive use statistics are drawn from 867 new subscription solicitations tracked in 2008, 645 in 2009 and 272 in 1H 2010. MarketRelevance tracks direct mail throughout the United States using a proprietary network of consumer and business units. Our national penetration includes 9 distinct geographic regions with diverse Nielsen county coverage (A, B, C and D) in every region. Only direct mail promotions with verifiable in-home mail dates are included in this study.

Data for mailer and marketplace universe growth are a product of Paradysz's proprietary universe tracking system. Paradysz Research maintains a database of historic 12 month/active counts on 87,000+ total list properties. The 45,000 active properties, combined with those properties that were active during any given study period, are used for all universe trending. Only rental or exchange files with consistently verifiable 12 month/active counts are included in this study.

Terminology in Charts

Offer Types: Soft offers are defined as mailings that promote with trial issues prior to purchase; hard offers provide a "bill me later" option but do not offer trial issues.

Package Types: #9 packages measure 4" x 9", #10 packages measure 4-1/8" x 9-1/2", monarch packages measure 3-7/8" x 7-1/2."

Vouchers: A voucher package is defined by a plain outer envelope, "professional" language, a boxed-chart reply form and "statement of benefits." A voucher-like package includes some, but not all, of these elements along with traditional components such as a sales letter or glossy outer envelope.

Incentives: An incentive is a promotional device used to lure potential subscribers. Premium on Pay is defined as a backend premium promised on receipt of payment; Premium on Order is a premium given simply for requesting a trial issue. Freemiums are frontend gifts such as address labels, stickers or booklets enclosed in the promotion itself.

Staff

Editor: Susan Davis

Contributors: Nathan Thompson, Glenn Lalich

Contact Us

If you have any questions about this Market Trends report or suggestions for future issues, please contact Susan Davis at sdavis@paradysz.com.



paradysz

corporate headquarters

5 hanover square • new york, new york 10004

212.387.0300

paradysz.com