

the voice
of Europe's
periodical press

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Challenges for Magazine Publishing
European Federation of Magazine Publishers
8 March 2010

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WHO WE ARE

- voice of Europe's periodical press
- non-profit organization
- representing national associations of periodical press publishers – 28 members / 18 EU member states
- representing corporate publishing members – 24 members
(March 2010)

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FAEP's MISSION

- promote a business friendly environment for publishers in the EU
- protect the interests of publishers of the periodical press
- ensuring prosperity of a plural, diverse and economically successful magazine publishing industry in the EU
- inform EU decision makers about the specificities of the magazine industry

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WHAT WE REPRESENT

- over **15.000 publishers** throughout Europe
- over **50.000 magazine titles** in Europe
- reaching on average **80% of European adults**
- **300 million Europeans** read magazines on a regular, consistent basis
- more than **20 billion copies** of magazines are sold every year in Europe
- combined annual **revenues in excess of €40 billion**
- European magazine publishers **employ more than 300.000 EU citizens**
- a **multiple of that figure** is involved in the related advertising, distribution, printing, design and paper manufacturing industries.

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Current threats for magazine publishers

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(1) EU legislation is undermining the business model

- **advertising bans, restrictions and requirements** for print media impact the revenue side of publishing dramatically
- weakening the existing **copyright law** impacts the possibility to maintain a sustainable business model based on very costly quality content
- legislative initiatives, such as the **ecolabel for printed paper products**, have the potential to discriminate the printed press

(2) Developments in the print advertising market

- the **advertising share for magazines is continuously decreasing** for more than 25 years – while the overall advertising market is temporarily increasing:

1984: 21,5% 2008: 9,7% 2015 (F): 6,5%

- the financial crisis for the first time leads to a **decline in advertising revenue in real terms**:

from 2008 – 2015 **minus 500 million EUR** turnover expected
(Germany)

- It is expected that the level of 2007 (before the financial crisis) will never be reached again.

(3) Changes in media consumption patterns

to come

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Outlook

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Outlook

- **publishing online** cannot compensate for the losses in the print market: an online reader brings only 10% of the revenue of a print reader
- as the turnover from the traditional business with printed magazines will not recover, magazine publishers will extend to new business models:

Still in most scenarios **print remains the core** of the extended activities.

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