THE CROATIAN MARKET OF PRINTED MAGAZINES AND PERIODICALS: THE DECREASE TRENDS OF PUBLISHING IN THE WAKE OF THE GLOBAL DECREASE OF PRINTED PUBLICATIONS

Professional paper

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Abstract

The aim of this paper is to analyze trends in the Croatian media market, the sector magazines and other periodicals. The global media market in the sector of printed publishing is facing decreased circulation for several years now. The largest national market at the global level, the one in the United States, first saw the crisis in sector of publishing newspapers, magazines and other forms of print media. The trend of print circulation decrease has expanded globally, and especially after the collapse of real estate funds and global financial crisis. This trend of print editions has not bypassed Croatia and this led to a noticeable decline in circulation, as well as to the bankruptcy of publishers. Convergence of the media industry, and thus the book publishing, the decline in sales circulation print media, is compensated partially by digital edition subscriptions. The continued decline in print circulation and increase of digital edition subscriptions set up a completely new situation before the scientists who study the media and publishing industry. Printed editions have not returned to the level before the global financial crisis, but the total amount of coverage in 2015 grew, thanks to new ways of content distribution. Analysis of the Croatian market of printed magazine shows the trend of decreasing sales which is in line with global trends. At the same time, Croatian magazine and periodicals industry does not receive additional revenue from digital edition through subscriptions and other forms of monetization of content.

Keywords: *financial management, magazines, the media industry, publishing, postmodern*

Introduction

The history of the magazine industry in printed form is related to the newspaper industry and the development of different forms of media outlets. Turow (2011: 296) points out that the beginning of magazine editions is found in the diversification of the newspaper editions with regard to the period of publication. The origins of the development of the newspaper industry are based on the production and distribution of daily newspapers that will, through time, keep the largest circulation of publications. Daily editions will join the weekend editions, which will be directed to specific target groups, and all of this will result in the appearance of the magazine which will stay to this day.

Special weekly publications, or magazines, according to the Croatian language portal is defined as periodic publications in various fields and for different purposes (illustrated magazine, informative magazine, journal), and the word magazine is used equally. The word magazine comes from the French word which, when translated, means a warehouse. Turow (2011: 296) finds an explanation for the word magazine (warehouse) in the fact that the editors of print media saw it as a good metaphor for saving, storing various artistic and journalistic forms (poems, essays, story, etc.).

Magazines have been printed in the UK since the 1700's. They were oriented towards wealthier classes. The contents were filled in the most famous writers and journalists of the time and covered topics from political debate to the criticism of artistic trends. The first magazine that was a remarkable success in Britain was Tit-Bits, and it appeared in 1882. With the combination of interesting content and, during that time, revolutionary graphics and other solutions in advertising, it reached a circulation of 700,000 copies (Gough-Yates 2013: 155). In America, the first magazine came out on the market in 1741 in Philadelphia, and soon in Boston and New York.

With the beginning of the Civil War the printing of magazines in America ceased and it will take many years to renew printing (Turow 2011: 296).

Major renovations in the publishing of magazines in America occurred in 1830. Publishers employed professional and experienced editors who select and edit the contents of what will be published in magazines. At the same time, they attract the most famous writers of that time in America, Edgar Alan Poe, Margaret Fuller, Henry Wadsworth Longfellow and others, who publish their work in magazines. Special impetus to the distribution of the magazine was given by the Postal Act in 1879 where the law determined the reduction of postage distribution of the magazine to a minimum (Turow 2011: 297). While newspapers oriented themselves mainly on the local market, magazines have turned to the national market. Large market coverage enabled them large circulation and the reduction of high input costs per unit of product.

Magazines become cheaper and more accessible to the general public. Circulation surplus and a large number of readers led to and increased advertising in magazines and increased revenues from magazine ads. By combining readers with advertisers, magazines are among the most responsible actors in the process of creating brands and modern product development. In developing the model of broad market coverage, an orientation to a special segment of the market, the ability to attract large advertisers that were interesting to the readers of magazines, in 1901 women's magazine Ladies` Home Journal published a circulation of more than one million copies. Kosut (2012: 442) notes that the women's magazine Ladies` Home Journal, since its publication, focused on high levels of society, fashion and branding, and with breaks it has been published till today.

1. A review of literature

Kung (2013: 42) points out that the newspaper and magazine industry uses the same business model in manufacturing and selling media content. Distributing and selling a physical product while at the same time making contact with the audience and the advertisers. Summer and Rhoades (2006: 5) compared this process with mousetrap and emphasize how in this process it is most important to have good bait. At the same time, good bait is content and productions that will attract readers, in this case in the mousetrap, and the advertiser, in our case a fat cat is drawn to the mouse in the mousetrap. Picard (1989), was the first to emphasize the dual character of media products. The product was also designed for the market through the sale of contents that that readers look for, but at the same time it is also facing the advertising market in order to earn additional income through the sale of advertising space.

The successful business process of a magazine publisher is built on three main pillars (Summer, Rhoades 2006: 5): 1) attractive, well-formed and rounded editorial content leading to the next step; 2) large number of editions, and this leads to; 3) advertisers. We can conclude that a successfully designed business policy of a magazine publisher is not solely focused on selling advertising space to advertisers at the best price they can achieve. The primary goal is to bring and connect the readers of the magazine with advertisers who offer them products they are interested in. Blanchard (2013: 197) notes that magazine revenues are between two extremes. Of those who achieve most of their revenue from advertising to those who achieve most of their revenue from sales. According to surveys conducted in 1991, 47% of revenue was realized from advertising and 53% from sales in the market in the American magazine industry.

Since the mid-1970's, magazines have become very specialized and focused on a target audience. They cover different areas of interest such as the automotive industry, crafts, hairstyles, but also cover areas of political interest, business, environmental pollution problems, and alike (Blanchard 2013: 197). The economic crisis of the late seventies resulted in unstable economic circumstances, all of which led to a decrease in advertising revenues. The market was strongly entered by other media as well, especially television, and magazines were forced to change existing business practices (Gough-Yates 2013: 155). In the early seventies, Time's Inc. launched People magazine on the market, which marked a turning point in the magazine market through innovation in content, theme and design (Talbot 2009: 500).

Summer and Rhoades (2006: 5) performed the division of magazines to three basic types: a) consumerist magazine - intended for markets of consumer goods, and sales is done through traditional outlets; b) Business-to-business magazine - which can be found in literature under the name commercial magazines and are sold by subscription or financed entirely from ads. This type of magazine is primarily intended for communication between businesses; 3) organizational magazines - in which the publishers are from different organizations that can be of a religious character, alumni organizations, professional associations, sports associations, but also professional and scientific institutions.

The division into three basic is also noted by Kung (2013: 44), but points out the difference with organizational magazines. The basic types are divided into consumerist magazines, business-to-business magazines and academic magazines. Academic magazines are separated from the others according to the criteria of availability. While consumerist magazines can be purchased on the open market, business-to-business magazines are financed by subscriptions, advertising or other sources of financing, academic magazines are not subject to sales as merchandise. They are intended for a narrow segment of the academic community and the public with an interest in specific topics that deal with these magazines. Turow (2011: 299) notes that people who work in the media industry perform very extensive and different kinds of magazines divisions, but all of these divisions can be summarized in five basic types of magazines: a) business-to-business or trade magazines, b) consumerist magazines, c) literary publications and scientific magazines, d) bulletins and e) entertainment books.

The development and tradition of the magazine is directly connected with modern and its influence on the development of various societies (Brooker et al. 2013: 11). Doyle (2011: 466) connected the development of magazines with increased free time and links magazines with the term economy of free time. The largest growth of magazine publications was achieved between 1980 and 1990, as a result of increasing income and more free time. Postmodern philosophers express concern for the future of printed magazines due to the growing power of digital media, especially cable and satellite television, and combined with technological advances and computerization, it could destroy the magic of classic mass media and current cultural consumption (Blanchard 2013: 346).

2. Methodology

Research and analysis of the Croatian market was created by a specialized agency for the media industry, Ipsos Puls. The database of readership for daily, weekly and periodical printed editions was made according to international methodology which takes into account the factors of gender, age, personal income and the like. The study covered the entire population of Croatia from the age of 10-74 years. In the period from 2010 to 2013, it covered a population of 3.7 million people, and in 2014 3.5 million people. The survey used the telephone method. The last period of analysis, in 2014, covered the period from January to October of that year.

The analysis of advertising costs covered several types of media in order to obtain precise data on the total volume of advertising costs. The media covered by the research and analysis were: TV, printed media, radio, outdoor advertising and web advertising. In web advertising, the agency pointed out that the data is not completely accurate because of the small sample on which the study was performed. Total gross amounts for advertising were obtained according to the gross price of space in the media. Differences in costs arising in the course of business processes were not included in the calculation because it is part of the business policy and business secrets of organizations that organize the production of media content.

Data on the amount sold prints were taken from the sales departments of several businesses that compete in the media market. Analysis of the Croatian market is related to the consumerist segment. All other information on the global market have resulted from the research and analysis of the author. As a source they used professional and scientific papers, official database, audit reports, reports of various international government agencies and the like.

3. Hypothesis

1. The market of printed magazines in the Republic of Croatia followed the global trends of decreased circulation.
2. The industry of magazines and other periodical prints in the Republic of Croatia significantly depend on the volume of advertising activity.

4. The industry of magazines and other periodicals on the global market

The crisis hit the publishing industry is the United States as the world's largest media market even before the appearance of the global financial crisis and recession. According to Wirtz (2011: 118), in the period from 2004 to 2008, the total revenue of US newspaper corporations decreased by an average of 20 percent. Publications and advertising revenues were falling at approximately the same ratios. The market of consumerist magazines had a similar situation with falling circulation and advertising revenues and in the same period they fell by 18.1 percent, which made up 19.4 billion dollars.

Table 1. Total circulation in North America (2002 – 2011)

Total sales in North America (2002 - 2011)					
Year	Subscription	Single copy	Total	+/- (%)	Total (%)
2002	305.438.345	52.932.601	358.370.946	14,8%	0
2003	301.800.237	50.800.854	352.601.091	14,4%	-1,6%
2004	311.818.667	51.317.183	363.135.850	14,1%	3,0%
2005	313.992.423	48.289.137	362.281.560	13,3%	-0,2%
2006	321.644.445	47.975.657	369.620.102	13,0%	2,0%
2007	322.359.612	47.433.976	369.793.588	12,8%	0,0%
2008	324.818.012	43.664.772	368.482.784	11,8%	-0,4%
2009	310.433.396	36.138.517	346.571.913	10,4%	-5,9%
2010	292.237.864	32.999.207	325.237.071	10,1%	-6,2%
2011	282.919.614	29.558.699	312.478.313	9,5%	-3,9%

Source: Miller, Washington 2013: 128-134; (own illustration)

The people that read printed magazine in North America increased from 2002 to 2010 by 11 percent, and then it was followed by a drop in the number of readers of magazines in 2011 compared to 2010 by 1.3 percent (Miller, Washington 2013: 128- 134). The sales of magazines recorded a decrease compared to the previous period, already in 2003, after which there was a turbulent period of recovery and falling circulation until 2007, when circulation remained at the level of the previous year. 2008 started a circulation decrease from year to year. The overall drop in circulation for the period amounted to 12.8 percent. Preview in Table 1.

It is interesting to note that the decrease of the share of sales of individual pieces, by retail networks, was through the entire period of observation. In 2008, when the continuous downward trend in sales began, sales at newsstands decreased by 1 percent and the next year by 1.4 percent, which was the biggest decrease in the observed period. The total decrease in sales of individual pieces through retail distribution networks, in the period from 2002 to 2011, was 44.2 percent. While the decrease in total sales stood at 12.8 percent, the decrease of classical forms of sales was four times higher. All of this speaks in favour of the claims of scientists who notice differences that the post-modern and post-industrial society leaves in the print sector of mass media. Subscriptions and digital editions are slowly removing the traditional forms of distribution and consumption of magazines. The younger audience is accustomed to digital forms of distribution and use, but this also results in less advertising revenue. At the same time, advertising and ad space loses the magic they created in modern times when brands were being made.

Table 2. Total circulation in 2011 (North America)

Total circulation in 2011			
	Magazine	Total circulation 2011	2011 vs 2010 (%)
1.	AARP the Magazine	22.401.546	-5,6
2.	AARP Bulletin	22.204.197	-5,8
3.	Better Homes and Gardens	7.633.372	-0,4
4.	Game Informer Magazine	6.734.672	42,7

5.	Reader´s Digest	5.606.743	-3,7
6.	National Geographic	4.463.196	-0,7
7.	Good Housekeeping	4.339.069	-1,9
8.	Woman´s Day	3.876.053	-0,8
9.	Family Circle	3.846.672	0,0
10.	People	3.563.410	-0,4
11.	Time – The Weekly Newsmagazine	3.338.071	0,7
12.	Ladies' Home Journal	3.248.211	-15,3
13.	Taste of Home	3.248.744	-0,7
14.	Sports Illustrated	3.193.596	0,0
15.	Cosmopolitan	3.036.112	2,0

Source: Miller, Washington 2013: 128-134; (own illustration)

Miller and Washington (2013: 128-134), referring to the Association of Magazine Media, state that the sales of magazines from the group Top 100, in 2011 had a total circulation of 229,278,649 pieces and it was 1.1 percent less than in the previous year. Comparing this with the number of copies printed in 2011, we notice that one hundred best-selling magazines make up three-quarters of the total number of magazine titles that are printed. Furthermore, the hundred best-selling magazines posted a sales decrease of 1.1 percent, while the total circulation recorded a three times greater decrease in sales of 3.9 percent. It is obvious that magazines with greater prestige and tradition endured the crisis and changes in the market of magazines than those who failed to secure such a position. Movement of sales according to individual titles are shown in Table 2.

The top four best-selling magazines in printed editions did not change their position even in 2014. Among the best-selling magazines are only two magazines, the first and third in the ranking, achieved a growth in circulation in 2014, while all the others recorded an average decrease. If we take the average, although this information is not completely accurate because of the large difference in the number of printed copies on average, a drop in circulation in 2014, in comparison to 2011, amounted to 8.3 percent. Preview in Table 3.

According to research by the Pew Research Centre, a downward trend of consumerist magazines was also followed by magazines that focused on the publication of news. The research included printed and digital editions. The total decline amounted to one percent compared to 2013, which is much less than the overall magazine market decline of 14 percent. The Pew Research Centre monitors the movement of the 15 best-selling magazines that focus on news and this is the lowest average annual decline in the past ten years.

Table 3. Total circulation in 2014. (North America)

Total circulation in 2014				
	Magazine	2014	2014 vs 2011	2011 rank
1.	AARP the Magazine	22.920.161	2,3%	1
2.	AARP Bulletin	22.111.843	-0,4%	2
3.	Better Homes and Gardens	7.649.173	0,2%	3
4.	Game Informer Magazine	6.723.581	-0,2%	4
5.	Good Housekeeping	4.336.758	-22,7%	7
6.	Family Circle	4.037.592	-9,5%	9

7.	National Geographic	3.538.623	-18,4%	6
8.	People	3.537.318	-8,7%	10
9.	Woman´s Day	3.288.115	-14,5%	8
10.	Time	3.281.557	-7,9%	11
11.	Reader´s Digest	3.067.649	-8,1%	5
12.	Cosmopolitan	3.066.070	-5,6%	15
13.	Sports Illustrated	3.021.065	-7,0%	14
14.	Taste of Home	2.551.239	-20,1%	13
15.	Ladies' Home Journal	-	-	12

Source: Miller, Washington 2013: 128-134; (own illustration)

Miller and Washington (2013: 128-134) state that the total advertising revenues, which are of primary importance to the magazine industry, in 2011 reached 24.5 billion dollars which was 0.4 percent less than in 2010. Consumerist magazines were at the level of last year and achieved revenues of 20.1 billion dollars. Business-to-business magazines were down 0.8 percent and revenues achieved 2.2 billion dollars. Weekly magazines have fallen by 7.2 percent to 1.6 billion dollars, and local magazines have fallen by 2.9 percent to 298 million dollars.

5. The magazine industry and other periodicals in the Republic of Croatia

The global crisis of publishing was felt on publications and magazine sales in Croatia as well. In the period from 2010 to 2014, the number of titles dropped from 126 to 62, a drop of 50.8 percent. According to data presented in Table 4, the largest decline occurred in local weekly magazines. The number of weekly magazines fell from 37 to just 9, or by three quarters (-75.7 percent). Travel, IT and design are very heterogeneous groups and are difficult to assess how precise the data is that tells us that the decline in sales was only 8.7 percent. However, it is interesting to note that out of eleven magazines that have stopped with printing, six were in the field of IT technology. Male and female magazines recorded approximately the same drop in the number of titles and in 2014 had approximately ten titles.

Health and family and politics and the economy recorded the lowest percentage drop. These two groups are interesting also because of the different trend movement. The group of Health and Family magazines presented an increased readership compared to the previous year, 2011 and 2012. This trend was not shown in any of the other groups of magazines. Display in Figure 3. The group of Politics and Economy magazines, despite the decline of eight to six titles, showed a growth trend in the number of readers from 2013 to 2014. The segment of magazines for Children and young people dropped titles by 50 percent. This trend was accompanied by a decrease in readership.

Table 4. Type and numbers of magazines on Croatian market (2010 – 2014)

	Croatian magazines market			
Type	2010	2014	+/-	%
Local	37	9	-28	-75,7
Travelling, Planning, IT	23	12	-11	-8,7
Women's	19	10	-9	-47,4
Men's	17	10	-7	-41,2
Health and family	16	12	-4	-25
Politics and Economy	8	6	-2	-25
Kids and Teens	6	3	-3	-50
Total	126	62	-64	-50,8

Source: Ipsos Puls (own illustration)

6. Average readership according to the type of publication

Readership by type of publication, is divided into four categories: monthly, bi-weekly, weekly and other periodicals. The greatest readership in 2010, on the Croatian market, was achieved by monthly newspapers with a 34.8 percent market share. They were followed by weekly newspapers with 29 percent, and bi-weeklies and other periodicals which had 8.9 and 7 percent of the readership. Preview in Figure 1.

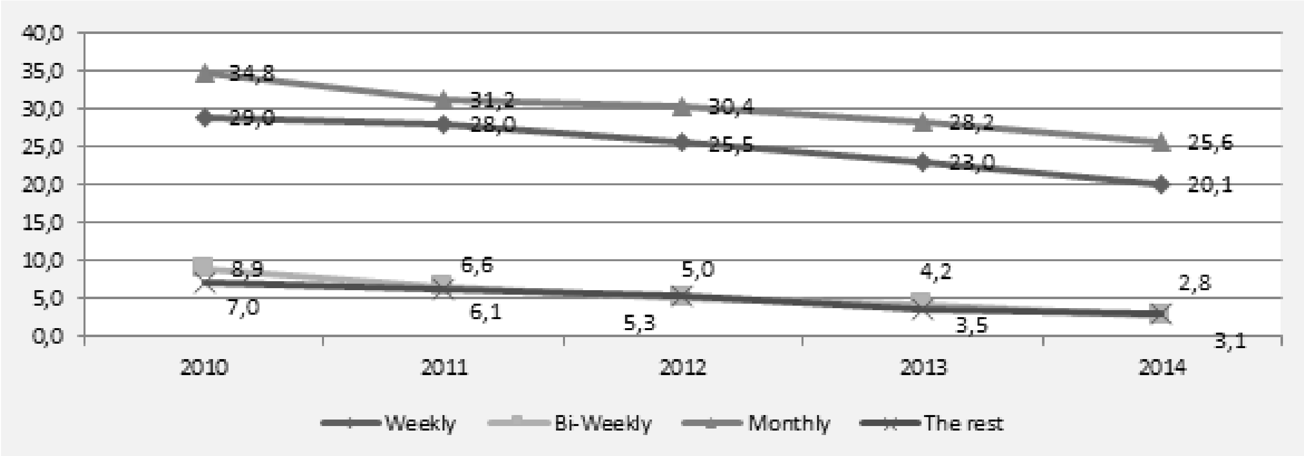

Figure 1. Croatian print market / average readings

Source: Ipsos Puls (own illustration)

All magazines in the Republic of Croatia showed a drop of readership from year to year. The downward trend was accompanied equally all types of publications and, in 2014, monthly magazines were top-ranked regarding readership with a 25.6 percent market share, and in second place were weeklies with a 20.1 percent market share. An exchange in places in 2014 occurred between bi-weekly magazines that have fallen to a 2.8 percent market share and are now in last place. In front of them are all other publications with 3.1 percent market share which were in last place in 2014.

According to declining readership every year, the biggest decrease in readership in the input observation year, 2010, had a bi-weekly with a decrease in comparison with 2009 by 26 percentage points. Likewise, the biggest decrease in readership was made by bi-weekly magazines in the last period of observation, with a decrease of 36 percentage points in 2014 compared to 2013. A decrease of 36 percentage points, compared to a decrease of 16 percentage points recorded by other periodicals, bi-weeklies have fallen to last place in terms of the share of readership with a 2.8 percent share. Preview in Figure 2.

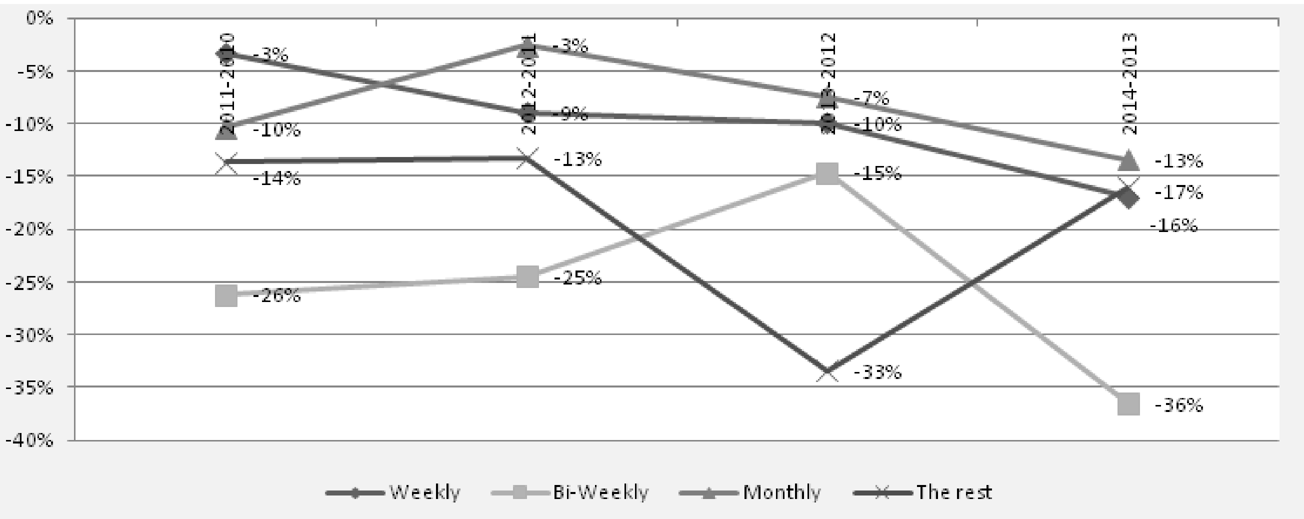

Figure 2. Change of readings / yearly

Source: Ipsos Puls (own illustration)

Weekly magazines had a readership decrease of 3 percent in 2011 compared to 2010, and then the trend of decreasing readers began; 9 percent in 2012, 10 percent in 2013, and a further increase in the fall of 17 percent in 2014 compared to 2013. The readership of monthly magazines decreased by 10 percent in the input observation period, but in 2012 compared to 2011, it fell by 3 percent, which was the smallest decline in readership of all other types of publications. This recovery was immediate and in future periods, readership continued the downward trend. Seven percent in the next period and 13 percent in the last period.

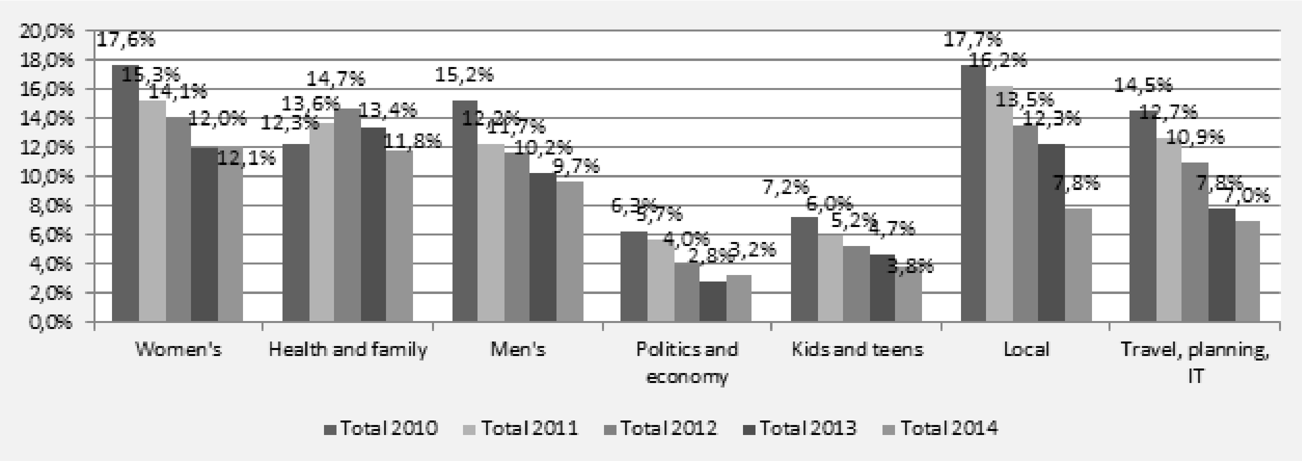

Figure 3. Change of readings / types
Source: Ipsos Puls (own illustration)

According to the types of magazines, all groups followed the trend of decreasing readership. A preview of readership is shown in Figure 3. All groups, except Health and family had a falling trend in readership. Still, there are significant differences between the trend of individual segments of the market. Homogeneity of trend shows the last three groups of magazines in Figure 3. Groups of magazines Children and Youth, Local magazines and Travel, Ordination and IT, have negative trends in readership. In addition, in the groups Local and Children and Youth have the biggest decline in titles in the reporting period.

The negative trend in readership was stopped in Women's magazine. Throughout the period, nearly half of the titles disappeared from the market, and the negative trend in the number of readers stopped and showed signs of a market recovery. The group of Men's magazines has a similar trend, but a negative trend has still not stopped. The group Health and Family had gradually different readership trend of the entire group. While other market segments fell, magazines from the group Health and Family increased their readership in the first three observed periods, and then the negative trend in readership began. Magazines Politics and economy stopped the negative trend, but in this group the results should be interpreted with caution because of the prominent domination of subscription sales rather than the retail sales network.

7. Publication sales of magazines

The largest sales were realized by monthly magazines, followed by weekly magazines. The movement of the trend of sales largely coincides with the trend of readership. With monthly magazines we have an increase in circulation in 2011 and a reduced downward trend in the number of readers. After that is the trend of falling circulation similar to the trend of falling readership. Weekly magazines follow a continuous downward trend in circulation, which coincides with the trend of falling readership. Preview in Figure 4.

Bi-weekly magazines recorded a slight decrease until 2013, when the sales circulation increased. In the last reporting period, we again have a drop of sales in circulation for bi-weekly magazines.

Other magazines or other periodicals recorded a slight increase in sales in 2011, and then this was followed by a general trend of falling circulation for magazine.

The analysis of movement of the circulation of other periodicals should be separated from the analysis of other interesting magazine publications for two reasons. The first reason is their periodic characteristics of publishing that does not involve firmly established dates. And second, often the purchase of such issues

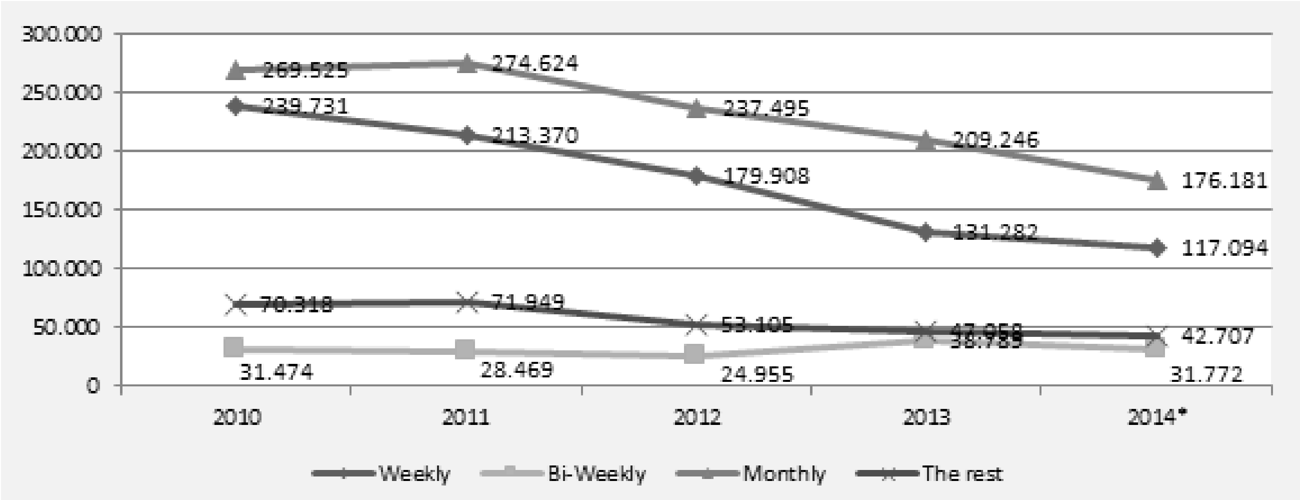

Figure 4. Croatian magazines market trend 2010 – 2014
Source: Ipsos Puls (own illustration)

is with other printed issues so the size of their circulation, sold as an individual copy, is very uncertain.

8. Gross advertising space in magazines

Already in the 19th century, advertising space became a significant source of income for magazine publications. Modern magazine industries achieve more than half of the revenue of publishing from advertising. The leaders of this are consumerist magazines who are oriented towards special segments of the consumer or the public, and equally-developed ad collection techniques are also used in the business or business-to-business magazines.

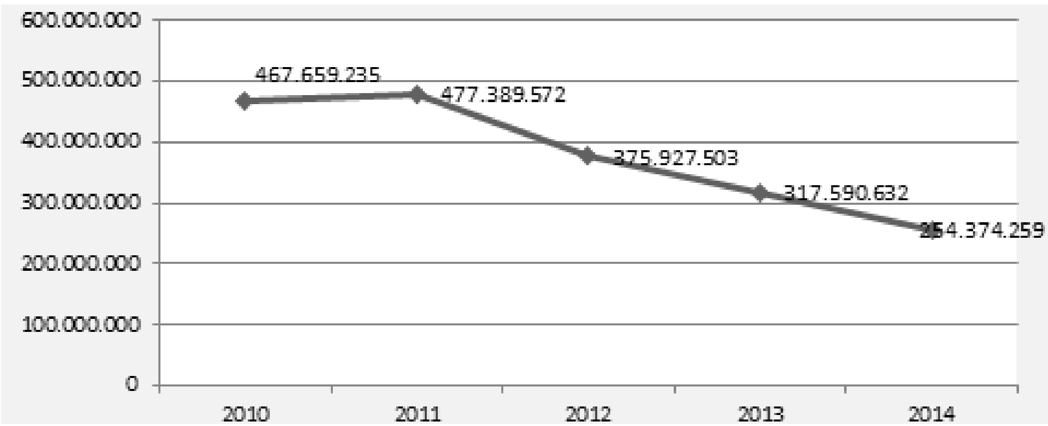

Figure 5. Gross advertising space in magazines 2010 – 2014
Source: Ipsos Puls (own illustration)

The size of the gross advertising space, measured according to the reported prices of the publisher, had an average negative trend in the reviewed period. Preview in Figure 5. Total revenues in the Croatian newspaper industry grew from 2010 to 2011 by just over 10 billion kunas. The increase in the value of the advertising space corresponds to an increase of sales of the monthly editions, but does not correlate with the sales of other types of magazine editions. At the end of the previewed period, the size of advertising space does not show signs of significant recovery. It is obvious that the global financial crisis and the recession in the economy in Croatia have left significant effects on the volume of advertising in the media industry.

9. The movement parameters of the magazine industry and periodical publications

The average readership of Croatian magazine editions, from 2010 to 2014, fell by an average of 21 percent. The market of weekly magazines, which achieved the highest revenues, recorded a decrease in readership by 34.2 percent. In the other three categories, the decrease in readership was even greater, with the largest drop recorded with bi-weekly magazines with a 69.8 percent drop in readership. Preview in Table 5.

Table 5. Average magazines readings in Croatia

Average magazines readings in Croatia (2010 – 2014*)					
	2011 vs 2010	2012 vs 2011	2013 vs 2012	2014* vs 2013	2014*vs 2010
Weekly	-3,3%	-8,9%	-9,9%	-17,0%	-34,2%
Bi-Weekly	-26,2%	-24,5%	-14,6%	-36,5%	-69,8%
Monthly	-10,4%	-2,6%	-7,5%	-13,4%	-30,0%
The rest	-13,6%	-13,2%	-33,4%	-16,1%	-58,1%
Total	-6,1%	-3,3%	-3,7%	-9,9%	-21,2%

Source: Ipsos Puls; own illustration (2014* - from January to October)

According to indicators of distribution by magazine groups, only the group Health and Family marked an increase in readership in two consecutive periods, 2011 and 2012, followed by decline in readership in the following periods. Women's magazines are showing signs of recovery in the share of total readership as a result of the disappearance of a large number of other magazines from the market. The average number of readers of women's magazines fell the entire observed period, and the average overall decrease was 34.5 percent. Men's magazines showed similar trends as well as Women's, but the average total readership decrease was even higher, amounting to 39.3 percent.

All other groups recorded decreases in readership from year to year, and a total at the level of the previewed period marked a decrease by 50 or more percent. Preview in Table 6.

Table 6. Trend of average magazines readings in Croatia by type

Average readings by type (2010 - 2014*)						
	2010	2011	2012	2013	2014.*	2014.* vs 2010.
Woman's	651.860	566.611	522.464	445.592	427.286	-34,5%
Health and family	454.256	504.692	543.301	495.008	417.504	-8,1%
Men's	562.255	449.707	431.628	378.240	341.445	-39,3%
Politics and Economy	232.516	212.258	148.847	105.088	111.229	-52,2%
Kids and Teens	266.720	220.449	193.748	172.550	135.507	-49,2%
Local	655.198	599.321	499.898	454.781	273.720	-58,2%
Travelling, Planning, IT	537.587	470.890	404.216	287.985	246.941	-54,1%

Source: Ipsos Puls; own illustration (2014* - from January to October)

The data that should particularly concern publishing organizations is the decrease of sales for weekly magazines by 51.2 percent in the period. The decrease in sales of weekly magazines is greater by nearly 20 percent from the decrease of readership and almost 30 percent higher than the decrease in the overall level of readership for all magazine editions. In addition, the decline in weekly magazine sales is greater by 11.4 percent of the total decrease in sales of all other kinds of weekly magazines. If we take into account how weekly magazines generate the most sales revenue, the question remains how will the reduced income from weekly magazine sales reflect on their further production and the production of other magazines and daily publications.

Table 7. Trend of average magazine's circulation

Trend of average magazine's circulation (2010 2014)					
	2011 vs 2010	2012 vs 2011	2013 vs 2012	2014* vs 2013	2014* vs 2010
Weekly	-11,0%	-15,7%	-27,0%	-10,8%	**-51,2%**
Bi-Weekly	-9,5%	-12,3%	55,4%	-18,1%	0,9%
Monthly	1,9%	-13,5%	-11,9%	-15,8%	-34,6%
The rest	2,3%	-26,2%	-11,4%	-9,2%	-39,3%
Total	**-3,7%**	**-15,8%**	**-13,9%**	**-13,7%**	**-39,8%**

Source: Ipsos Puls; own illustration (2014* - from January to October)

According to data in Table 7, bi-weekly magazines only achieved an increase in sales of 0.9 percent, but it should be emphasized that in the middle of the period of 2013, two new magazines appeared, which raised the overall level of sales for bi-weekly magazines. Their share of the market, in 2013 and 2014, is at 20 percent, and the total circulation decreased already in the second year. The sales circulation of monthly magazine and other periodicals marked a decrease in circulation sales at the average for the entire industry.

Table 8. Average magazines gross market space

Average magazines gross space				
2011 vs 2010	2012 vs 2011	2013 vs 2012	2014* vs 2013	2014* vs 2010
2,1%	-21,3%	-15,5%	-19,9%	-45,6%

Source: Ipsos Puls; own illustration (2014* - from January to October)

The analysis of market trends of magazines would not be complete without examining the trends and business activities related to the collection of advertisements and selling advertising space. While the trend of total magazine sales decrease year after year, in the reviewed period, revenues from advertising have recorded growth in the first reviewed period. Table 8 shows the results of the analysis of movement of the total gross advertising space. Data processing is shown in Figure 6, but here it should be stated that the collected and processed data represent the sum of the inventory of all newspaper publishers, including the publishers of the magazines, because gross advertising space is not recorded only in magazines. Regardless of the partial data inaccuracy, because the data relates to newspaper publishing companies as a whole, not just the magazine editions, the trend shows a decrease in the total gross advertising space from 2011 until the end of the period. The decrease in total gross advertising space is 45.6 percent, with a further downward trend. We can see an obvious correlation between decreasing readership, decreasing circulation and the decrease in gross advertising space in the printed editions.

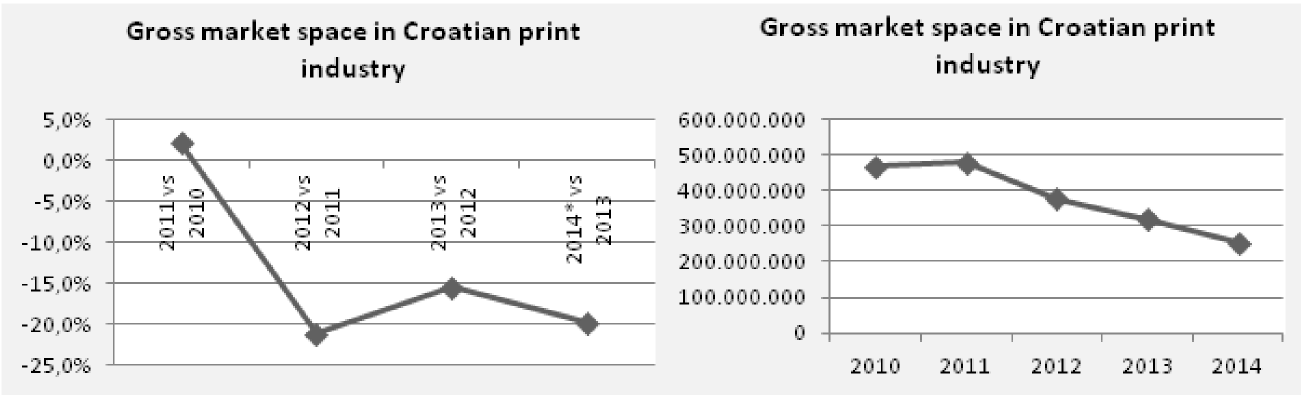

Figure 6. Gross market space
Source: Ipsos Puls; own illustration

Table 9 shows a short recapitulation of the most important results obtained from the analysis of data on the Croatian industry of magazines and other periodicals. The total weekly readership was decreasing year by year in the reviewed period, and the overall decrease in readership was 34.2 percentage points. The decrease in the level of readership of the entire magazine industry is 21.2 percentage points, which is less than the fall of weekly magazine readership, but here two new bi-weekly magazines entered the process which repaired the average of bi-weekly magazines as well as the overall average. The biggest decrease of all presented results was by the sales of weekly magazines, which can be particularly concerning for the owners of publishing organizations. The decrease in sales at the level of the whole industry is less than the decrease in sales of weekly magazines, as well as by the decrease in gross advertising space.

The gross advertising space grew in 2011, although all other parameters decreased. Already in the second reviewed period, in 2012 compared to 2011, the gross advertising space decreased more than all the other parameters analyzed.

Table 9. Recapitulation of the most important results (Own illustration)

	Recapitulation of the most important results				
	2011 vs 2010	2012 vs 2011	2013 vs 2012	2014* vs 2013	2014*vs 2010
Weekly (readings)	-3,3%	-8,9%	-9,9%	-17,0%	-34,2%
Total (readings)	-6,1%	-3,3%	-3,7%	-9,9%	-21,2%
Weekly (circulation)	-11,0%	-15,7%	-27,0%	-10,8%	-51,2%
Total (circulation)	-3,7%	-15,8%	-13,9%	-13,7%	-39,8%
Gross market space	2,1%	-21,3%	-15,5%	-19,9%	-45,6%

This downward trend continues until the end of the reviewed period. Gross ads are decreasing faster than the decrease in total readership and decrease of total circulation sales. This result is even worse if we take into consideration two very important factors: 1) a decrease in gross advertising space is linked to the level of all publishing organizations, which means that the problem will spill over to other products from which funds could be drawn in order to cover insufficient revenue from the ads that have appeared in magazines and 2) the gross advertising space is calculated according to the amount of space reserved for ads by a price that is defined at the beginning of the business period; from this we can conclude that the decrease in revenue from ads will be even greater because the publishers try different rebates to attract advertisers in order to partially reduce the losses on advertising space.

10. Conclusion

The global financial crisis has left a mark in the media industry. The publishing part of the media industry already at the end of the twentieth century entered its mature phase, and with full digitization of production and distribution of content, the rate of decrease in the circulation of printed editions have increased faster than decreased readership. The market in North America was pounded with the pace of change in the media industry, and due to this it was the first to reach the saturated phase of the publishing segment. With the start of the global crisis, the decline in circulation and a drop in revenues from advertising in printed media, the fate of modernist segments of the media industry were left bare. The circulation of printed newspapers and magazines is marked with red markers.

The process of transformation of print to digital editions, due to declining demand for printed publications, has not been completely copied to the Croatian market. Printed editions have followed global trends of decrease but have failed to develop the growth segment of the digital market. Revenue from digital editions is completely absent, and the real reason for this situation is the subject of other research. The industrial era has set new requirements also to scientists who explore and analyze the media market. Digital publishing and revenue from web advertising can no longer be collected and analyzed with the help of existing instruments of professional and scientific approach.

The first hypothesis; the markets of printed magazines in Croatia followed the global downward trend in circulation, and we can fully accept this with the amendment that a positive assessment can be given to the part that refers to printed editions. The fall in the number of readers of magazines, which expanded globally, confirmed the trend in the Republic of Croatia as well. Within four observed years, magazine readership has dropped by 21.1 percent, while the decrease in sales was 39.8 percent. The decrease in sales was much higher than the decreased readership which was also a global trend. The difference between the Croatian magazine market in relation to the most developed markets is reflected in the absence of income from digital editions. While in developed markets, one part of revenue is compensated by digital publications and other forms of income related to the sale of content on multiple platforms, the media market in Croatia has fallen asleep and did not develop in this direction. In regards to this, there is even no scientific research that would shed light on the distribution platforms through which the public accesses content.

The second hypothesis, which refers to the importance of sales of advertising space in printed media, has been confirmed in its entirety. The decrease in revenue from advertising in magazines was 45 percent. Since the data are taken as a gross amount, and the correct information about specific contracts with clients cannot be accessed, with absolute certainty we can conclude that the decrease in revenue was greater than specified. During the reviewed period, a large number of magazines and periodicals stopped publishing which is directly related to the lack of advertising revenue. The largest decrease was in the number of titles recorded by local magazines, and then magazines for children. We can conclude that advertisers, who have felt the effects of the global financial crisis, were least interested in advertising in media that gives the least indirect returns.

The readership of magazines on a global level slows the decrease trend. The sales of printed editions, in part, are trying to make up with subscriptions to digital editions. Coming out of the recession, there is an increase of advertising revenues. These trends do not spill over to the market of magazines in Croatia. The decrease in readership is constant. Sales fall faster than the number of readers and advertisers are thinned out with further potential withdrawal from advertising. The transformation of the magazine industry in Croatia does not show positive signals.

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HRVATSKO TRŽIŠTE TISKANIH MAGAZINA I PERODIKA: TRENDOVI PADA NAKLADA NA TRAGU GLOBALNOG PADA TISKANIH IZDANJA

Sažetak

Cilj je ovog rada analizirati trendove na hrvatskom medijskom tržištu, u sektoru magazina i drugih periodika. Globalno medijsko tržište u sektoru tiskanog nakladništva, bilježi pad naklada već duži niz godina. Najveće na-

cionalno tržište na globalnoj razini, ono u SAD-a, prvo je osjetilo krizu novinskog nakladništva, magazina kao i drugih oblika tiskanih medija.

Trend pada tiskanih naklada proširio se na globalnoj razini, a posebno nakon sloma nekretninskih fondova i globalne financijske krize. Takav trend tiskanih naklada nije zaobišao ni Republiku Hrvatsku te je sve to dovelo izrazitog pada naklada, kao i bankrota dijela nakladnika i izdavača. Konvergencijom ukupne medijske industrije, a time i nakladništva, pad prodanih naklada tiskanih medija, jednim dijelom se nadoknađuje pretplatom na digitalna izdanja. Analiza hrvatskog tržišta tiskanih magazina pokazuje trend stalnog pada prodaja što je u skladu sa globalnim trendovima, a istovremeno ne ostvaruje dodatne prihode kroz monetizaciju sadržaja u digitalnim izdanjima.

Ključne riječi: *medijska industrija, nakladništvo, financijski menadžment, magazini, postindustrijsko razdoblje*

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