



question time

This month's question: *should department stores launch in-house consumer magazines?*

Harrods has boosted sales through Harrods Magazine, which it launched in April and which achieved ABC circulation figures of 104,997 for the period between January and June 2011. Guy Cheston, director of Harrods Media, commented: "We have recently conducted reader research that shows how influential the magazine is in encouraging sales, demonstrating that it is an excellent platform for our brands. Our ad sales continue to be hugely successful, and the ABC circulation figure proves we are reaching a substantial number of readers in this highly valued and competitive sector of well established and acclaimed titles". In a society that is sourcing information through an increasing range of mediums, yet simultaneously losing trust in the media, are house magazines something that could work for other department stores? Consumer magazines are notoriously competitive and difficult to launch; what are the benefits versus the risks for department stores?

IAN SIMPSON

MD, CATALOGUES 4 BUSINESS

In-store magazines are a very close relative of the original hybrid magazines or catamags developed by catalogue marketing companies in the 1990s and which became a showcase for own-brand and third-party products. They included a high level of journalistic content, designed to appeal to existing customers, which reinforced the catalogue's brand values. They exploited their own brand equity and were a way of communicating with the customers without being overtly sales led; building trust and loyalty.

If we replace the catalogue with the retail store then we can see the similarities.

The prospect knows nothing about the brand until they are touched by it - and when they enter the shop they are touched by the brand. Much the same way as when they receive a catalogue. The selection of products presented is based on the integrity of the retailer or cataloguer. The shopper has to trust the retailer and the retailer has to develop authority. The bigger the purchase, the greater the trust and the greater the authority - a strong brand mitigates risk.

The more we can develop the trust/authority relationship, the easier it is to sell more and more products to our customers.

Every time we are touched by a brand it triggers an emotion; and that emotion is based on the experience of that brand. A retailer is a custodian of many brands, including their own. And all the affinity generated by the core values of the retailer is absorbed into the brands they are custodian of. The

customer always looks to the retailer for guidance; if they trust the retailer they will trust the product being sold. Talking to customers in a seemingly impartial way builds trust and more importantly, loyalty.

In many ways an in-house magazine is the ultimate PR tool; by tapping into core beliefs and understanding what drives customers, retailers can cultivate an emotional response rather than a rational one.

A magazine, like all paper-based products, also has tactility on its side. We can touch it, fold it, transport it and own it; it is ours to keep unlike any digital creation. True we can view them on tablet devices - but it is still up there in the ether. Paper has a unique gravitas and it feels as though we are being invested in, or we are investing in it.

The down side of producing a magazine is its sheer investment; time, money and resources. To do it properly it, really has to be as far removed from an in-house publication as possible. It has to stand on its own merits and totally reflect the brand values of its sponsor company. If the customer is to be expected to buy the magazine, there has to be a real benefit; above and beyond what the sponsoring brand would normally freely give.

GRAHAM HOYLE

MANAGING PARTNER OF RETAIL PERFORMANCE IMPROVEMENT

It comes as no surprise that Harrods has launched its own house magazine; there are over 3,500 consumer magazines in the UK market, which generate over a £1 billion in consumer spending. The customer-focused house magazine can generate high response rates;

entertaining and informing your customer through a house magazine is a highly targeted and effective medium to advertise new products and new stories about and around your retail brand.

Consumers of house magazines are more likely to buy products featured in the magazine, as customers see these as an authoritative way to be informed of what's new, different, better or special about your products and services.

In a market where advertising is costly and increasingly ineffective, and where the value of building customer relationships is critical, multiple grocers, for instance have found house magazines an attractive alternative for new product launches and maximising their marketing spend. Every major multiple grocer from Asda to Sainsbury's, from Tesco to the Co-op, produce magazines, which focus on food and lifestyle. They contain recipes, give-aways and in the case of Sainsbury's magazine, have featured some of the most well-known food writers around. Importantly, these publications attract significant advertising revenue from virtually all of their major suppliers. Waitrose has launched a weekly 'Waitrose Weekend', a Guardian-sized newspaper, with 24 pages packed with your guide to the weekend, featuring food & drink, with a £10 Dinner for Two, a weekend menu, beauty and wellbeing features, along with a TV Guide, Latest Events and Sport! What more could you want as a loyal shopper of Waitrose, why buy a paid-for newspaper?

It is not only multiple grocers that see the benefits of house magazines; M&S's, Your M&S