

The Future of Magazines

An Interview with Cathleen P. Black,
President, Hearst Magazines, New York



Cathleen P. Black

EDITORS' NOTE Cathleen Black is a graduate of Trinity College in Washington, DC, and holds eight honorary degrees. She began her career in advertising sales with several magazines, including *Holiday* and *Ms.*, and made publishing history in 1979 when she became the first woman publisher of a weekly consumer magazine, *New York*. Black is widely credited for the success of *USA Today*, where for eight years, starting in 1983, she was first President, then Publisher, as well as a board member and Executive Vice President of Marketing for Gannett, its parent company. In 1991, she became President and CEO of the Newspaper Association of America, the industry's largest trade group, where she served for five years before joining Hearst as President in 1996. Black serves as a member of the boards of IBM and the Coca-Cola Company. From 1999 to 2001, she served as Chairman of the Magazine Publishers of America. She is also a board member of the Advertising Council, a trustee of the University of Notre Dame, and a member of the Council on Foreign Relations. *Fortune* and *Forbes* have placed her on their lists of the most powerful women in business.

COMPANY BRIEF Hearst Magazines is a unit of the privately held Hearst Corporation (www.hearst.com) and one of the world's largest publishers of monthly magazines, with a total of 19 U.S. titles and nearly 200 international editions. Hearst Magazines reaches over 73.4 million adult readers in the U.S., more than any

other monthly magazine publisher. The company also publishes 19 magazines in the United Kingdom through its wholly owned subsidiary, The National Magazine Company Limited.

Can you predict whether a magazine will be successful?

We've always said that the most successful magazines are those that really deliver a need or a condition as opposed to a demographic. So we don't really target specific age groups. When we launched the *Oprah* magazine seven years ago, it just hit a need that people responded to. Of course having *Oprah* as a partner was a major advantage, but its aspirational qualities are a big factor. It's our number-two performer in the company and has been for the last three or four years.

With the publishing industry in the midst of so much change, are you optimistic about growth?

I believe that the future of magazines looks very strong. Like with any business, we are always looking at our portfolio to make sure our magazines are well edited and contemporary. And as our readers change and mature, we look for potential acquisitions and start-ups. But it is a sobering market right now. The advertising market is a little tougher than before and there are many challenges on the newsstand distribution side. So we are cautious, but optimistic.

What is the forecast for Hearst internationally?

We were one of the first U.S. publishers to expand into international markets, and our growth overseas has been phenomenal for quite a long period of time. We've owned a company in the U.K. for 50 years called The National Magazine Company that produces 20 magazines, many with the same titles as our U.S. ones. For the last several years, we've seen major growth in Russia, South America, and now China, where we are publishing seven magazines. *Harper's Bazaar* is extremely popular in both China and Russia. And the Russian edition of *Cosmopolitan* sells a million copies a month, which makes it the largest-selling young women's magazine in all of Europe. *Cosmo* is in 56 countries around the world, and wherever *Cosmo* goes, it's almost always the number-one magazine in that country.

How much time do you spend exploring growth through the Internet?

I probably spend 20 to 30 percent of my day now immersed in the digital world. About a year ago, we created a digital media unit within

Hearst Magazines and all of our Web sites will be housed within it. It focuses not only on developing digital platforms, but on business development and Internet-sold magazine subscriptions as well. Today our editors are thinking in a much more multi-platform context about how to move their content through a variety of outlets. It's exciting because it means the possibility of new advertising revenue streams, and it means selling magazines to new readers. Advertisers today want a digital component, a mobile component, a pod component, and a video component. And we must be ready and structured to deliver on these new opportunities.

Many top recruits today are opting for hedge funds and private equity. Are you able to attract the top talent that you need?

It is a bigger challenge today than it has been in the past. But historically, publishing has attracted very different people than those financial types of businesses. It's tough to get a job in publishing, since you need to start at the bottom of the ladder. And money can't really be your primary driver. But the media attracts smart, curious people who are in the business of ideas. We have no shortage of applicants.

With your time being pulled in so many different directions, how do you prioritize?

I've got a book coming out in October, *Basic Black*, that I hope will be a bible of sorts – for women in business, especially younger women. And one of the things I talk about is the importance of organizing your time. What I've determined over the years is that what may be a crisis for someone else is not necessarily a crisis for me. Everybody thinks his or her problem at the moment is the most important thing happening. As an executive, you've got to be able to step back and make sure that you are really putting the time, energy, and forethought into the important things: revenue, cost control, finding great talent, and strategy.

Is the publishing industry doing a good enough job of promoting women in business?

Women are doing extremely well. It's not that the opportunities didn't exist before, it was just much more difficult. But the magazine division at Hearst is about 65 percent female. We have female publishers, female editors, and female corporate executives. My counterpart at Time Inc. is Ann Moore. It's great because now when you go into a meeting, you're not the only woman in the room. ●