ESTABLISHING A SPECIAL INTEREST CITY MAGAZINE:

D, THE MAGAZINE OF DALLAS

THESIS

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By

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The problem of this study was to determine how, and to what degree, a representative contemporary special interest magazine projected editorial, advertising, circulation, and financial obligations prior to publication and during its infancy. In essence, how did a representative nonsubsidized city magazine identify a marketable audience, resolve advertising and circulation policies, and meet financial obligations?

Specifically, this study explored--in six chapters--the mechanics of pre- and post-publication planning at D, *The Magazine of Dallas*, which began publication in October, 1974.

This study determined that twelve common denominators are essential, but are not necessarily a guarantee, for the success of a planned or newly introduced nonsubsidized special interest magazine.
TABLE OF CONTENTS

LIST OF TABLES ........................................... v

Chapter

I. INTRODUCTION ......................................... 1

  Purpose of the Study
  Statement of the Problem
  Questions
  Review of Literature
  Justification for the Study
  Definitions
  Limitations of the Study
  Methodology
  Interview Formats
  Organization of the Study

II. PUBLICATION PLANNING AT D MAGAZINE ........... 16

  Publisher's Background
  Determining an Audience
  Establishing Financial Support
  Circulation and Advertising Promotions
  Goals and Accomplishments
  Conclusion

III. EDITORIAL PLANNING AT D MAGAZINE ............... 28

  Editor's Background
  Identifying D's Editorial Responsibilities
  Budget Considerations
  Conclusion

IV. ADVERTISING PLANNING AT D MAGAZINE ............ 36

  Advertising Director's Background
  Advertising Policies
  Advertising Potential
  Conclusion
V. CIRCULATION PLANNING AT D MAGAZINE ........ 43
   Circulation Director's Background
   Operational Format
   Conclusion

VI. THE LOGISTICS OF SUCCESS ................. 47
   Twelve Common Denominators
   Conclusion

BIBLIOGRAPHY .............................. 58
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. D Magazine Audience Survey: March, 1975</td>
<td>30</td>
</tr>
<tr>
<td>II. D Magazine Advertising Rates</td>
<td>42</td>
</tr>
<tr>
<td>III. Magazine Circulations in Dallas County</td>
<td>46</td>
</tr>
</tbody>
</table>
CHAPTER I
INTRODUCTION

It is axiomatic that a nonsubsidized magazine succeeds--and remains successful--so long as it appeals to both reader and advertiser. In short, it must serve a need; and its audience--its community of readers--must be large enough to support its existence. This is true regardless of the magazine's premise, be it a consumer publication that appeals to a mass audience or a special interest publication that appeals to a selective audience.

According to a 1969 study conducted under a grant-in-aid from the Education Committee of the Magazine Publishers Association, Inc., by Milton Hollstein, professor of journalism at the University of Utah, the consensus among publishers, agency personnel and distribution firms was that a magazine's success requires:

1. A valid editorial concept, a genuine need for the magazine on the part of an identifiable audience.
2. A strong bond of empathy with that audience developed through an attractive editorial performance.
3. A logical group of advertisers directly related to the interest field who can be convinced the magazine has fundamental appeal to a group they want to reach.
4. A means to distribute the publication at a cost that will not be excessive in relation to the publication's other financial needs.¹

In essence, this consensus suggests that magazine publishing today requires more than a gambling instinct. Perhaps there was a time that a "publisher first designed his magazine and then let it seek its audience."² In a contemporary competitive environment, however, a publisher's task is threedimensional: reader interest, advertising interest, and circulation. A publisher thus has been forced to become closely affiliated with marketing strategies in relation to advertising sales and magazine sales. Hollstein noted, for example, that today's "publisher who would succeed had better be both a communicator and a businessman."³

Hollstein's study primarily emphasized the reasons for success or failure of nonsubsidized special interest magazines. For the most part, he dealt in generalities, but he did conclude that publishers in general do not try "to reduce risks . . . by analyzing prospects as thoroughly as manufacturers of other consumer items."⁴ He also concluded:

Marketing strategists place emphasis on the need for broad, up to date and adequate data as essential for any new product. But most decisions to start magazine ventures are made on informal evidence. Half the respondents in the survey volunteered that a lack of a clear-cut approach to an audience was the most frequent mistake in pre-publication planning. . . . in getting advertising and circulation support, new publishers are more and more going to have

³Hollstein, op. cit., p. 2.
⁴Ibid., p. 1.
to indicate objective analysis of their potential and demonstrate reader receptivity.

The newly launched periodical ought, as a whole, to expect two or three lean years at least before it begins to make money. The study points to inadequate capital as the chief stumbling block of the new publishing enterprise.

The fact that most respondents cited magazine incompetence as a major cause of failure suggests that if one would find an audience he should be well grounded in publishing practice and get good advice early. Because editorial performance, advertising and circulation are intertwined in most publications, it's not likely that a publisher will be able to show an unusually aggressive performance in one area to compensate for deficiencies in another.\(^5\)

Today, more than ever, magazines appeal to specialized audiences, "to a community of readers rather than merely to readers in a community, audiences defined demographically rather than geographically."\(^6\) The trend toward special interest publications, however, has been more methodical than dramatic. As any other consumer product, the magazine has had to conform to demand. In the 1800's and early 1900's, it primarily entertained, although it was noted also for its nationalizing influence. Surviving the muckraking 1910's, it eventually emerged as an information vehicle, and in the 1950's and 1960's the informative function outgrew and succeeded the entertainment function. Since, it has met "specialized information needs that cannot be met adequately by the mass medium of television or the local medium of newspapers."\(^7\)

\(^5\)Ibid., pp. 1-2.  \(^6\)Ibid., p. 3.

Because no two references agree on acceptable parameters by which listings of existing periodicals can be standardized according to type or category, it is possible only to accept estimates regarding a breakdown of identifiable periodicals. Thus, according to realistic estimates, about 600 consumer and 2,600 nonsubsidized special interest magazines exist in the United States today.\(^8\)

A search of past and present references, such as the *Ayer Directory: Newspapers, Magazines and Trade Publications* and *Consumer Magazine Rate and Data*, indicates that special interest publications have been growing in popularity since World War II. Indeed, the trend to special interest publishing has been "every bit as significant as the development in the early years of the century which saw pioneering publishers learn how to serve a wide national market."\(^9\)

Nonsubsidized special interest magazines "live and die by advertising, almost as the giants do."\(^10\) The ability of these magazines to generate local, regional, or national advertising deserves the major credit for their success. Moreover, this capacity to attract advertising has spawned a distinct breed of nonsubsidized special interest magazines,

\(^8\)Ibid., p. 7.


\(^10\)Hollstein, *op. cit.*, p. 42.
the city or metro publications. Editorially, these independents, for the most part, have proved to be feisty and investigative.

One of the first was Philadelphia, "which changed in 1962 from a local Chamber of Commerce publication to a hard-hitting investigative journal earning national attention for sticking its neck out when other publications fell mute." In its wake, similar magazines in New York, Chicago, Cleveland, Dallas, and elsewhere have been launched, as have such magazines in major suburban areas.

Purpose of the Study

The purpose of this study was to determine how, and to what degree, a representative contemporary special interest city magazine projected editorial, advertising, circulation, and financial obligations prior to publication and during its infancy. In essence, how did a representative nonsubsidized city magazine, appraised as a test publication in the nonsubsidized city magazine category, identify a marketable audience, resolve advertising and circulation appeal, and meet financial requirements?

Specifically, this study explored the mechanics of pre- and post-publication planning at one nonsubsidized city magazine,

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11 Donath, op. cit., p. 40.
12 Ibid.
namely D, The Magazine of Dallas. This study determined the extent of publication planning carried out at D. In turn, this publication planning at D was analyzed. As a result, definitive conclusions relative to the success of a newly introduced nonsubsidized magazine emerged.

Statement of the Problem

Despite the fact that published research and comment indicate that extensive prepublication planning has not always been diligently adopted, there is widespread agreement that the success or failure of a publication prior to the first issue and during its infancy is substantially affected by a systematic approach to identifying audience, advertising and circulation potentials, as well as adequately analyzing financial requirements. This study was concerned with just how and why one city magazine, less than a year old at the time of the study, had survived marginally or otherwise.

Questions

Did the publisher and staff at D indeed conduct a thorough analysis of audience receptivity, advertising and circulation potentials, and financial options prior to publication? Did whatever publication planning that was adopted remain--and does it continue to remain--flexible enough so that errors of judgment stemming from publication planning were--and could be--satisfactorily corrected?
Review of Literature

A search of Journalism Abstracts, source bibliographies, and library references indicated that previous studies analyzing publication planning among special interest periodicals, either in specifics or generalities, were all but nonexistent. Indeed, the sole study emphasizing the stated subject appeared to be Magazines in Search of an Audience. Still, even the author of Magazines in Search of an Audience admitted that the subject had not been explored sufficiently. Noted Hollstein:

Because this study dealt in generalities for the most part, it might be rewarding for others to probe in greater detail the precise mechanics of how a few representative failures and successes dealt with pre-publication planning, studied their potentials, and overcame or succumbed to specific obstacles.13

Justification for the Study

This study departed from any previously published study in that it dealt in specifics. It probed a representative special interest city publication, definitively exploring publication planning procedures effected by a newly introduced periodical.

So oriented, this study will serve as a supplemental reference for planning and establishing a special interest publication. Moreover, this study, having dealt with the

13Hollstein, op. cit., p. 2.
precise mechanics of functional publication planning, will serve as a reference for establishing publication planning formats.

Definitions

Nonsubsidized magazine—a profit-oriented magazine whose income is based solely on advertising and circulation revenues.

Special interest magazine—a magazine that editorially covers a specific industry, business, or trade.

City magazine—a magazine that editorially addresses itself to a specific metropolis.

Limitations of the Study

This study was limited to a nonsubsidized special interest city publication and thus did not consider the mechanics and variations, if any, in publication planning at the mass audience consumer publication. Nor did it consider, definitively, the publication planning variations, if any, at nonsubsidized special interest publications that would command a larger audience, such as regionally and nationally circulated periodicals. Nor did it consider publication planning strategies allied with subsidized publications, such as company public relations journals.

Methodology

Data for this study were obtained by 1) researching published material, 2) interviewing D magazine's publisher,
editor, advertising director, and circulation director, and 3) examining the first twelve issues of D. The separate interviews were designed to elicit responses that would, as a whole, reveal basic departmental planning in relation to total overall planning.

In constructing the interview formats, appropriate areas of coverage inherent to each of the four stated offices—publisher, editor, advertising director, and circulation director—were first established. Interviews then were conducted to explore fully the specific planning responsibilities of each office.

Finally, the publication planning specifically exploited at D magazine was appraised as objectively as possible. However, because this study dealt with publication planning that was—and is—actually in effect at one publication, whereas available research in publication planning was all but nonexistent, and because published topical comment on the subject dealt primarily in generalities, it was considered imprudent to attempt to draw definitive conclusions applicable to any and all special interest publications. As an evaluation and appraisal of publication planning, this was a case study only.

Interview Formats

The guidelines used to isolate publication planning during interviews with D magazine's publisher, editor,
advertising director, and circulation director were as follows:

For the publisher, Wick Allison:

1. Publisher's background.
2. How and when did the idea for D magazine originate?
3. How was it determined that viable markets existed for D in reader interest and advertising?
4. How extensive was the investigation of these markets?
5. Did this investigation include actual market studies?
6. If so, how far in advance of the first issue of D were these market studies completed?
7. Describe the market studies.
8. How large a market—in both circulation and advertising—was indicated by the studies?
9. What was considered D's primary competition—editorially and in advertising?
10. What minimum goals were established prior to publication for financial support, advertising revenue, and circulation?

11. Were these goals realized?
12. What degree of growth in circulation and advertising was projected for D to survive?
13. Have these projections, in the first year, proved realistic?
14. When was it projected that D would be profitable?
15. Has D been in the black in any one month since being introduced?
16. Do city magazines require enormous investments?
17. Is the city magazine medium a sound business investment for investors?
18. What was the total investment in D prior to publication?
19. Who were the investors?
20. On what basis were potential investors influenced to back D financially?
21. How much time was devoted to securing the financial backing considered necessary for approval to publish?
22. Has additional investment been needed since the first issue?
23. How was the concept of D brought to the attention of readers and advertisers?
24. Specifically, what sold potential readers on D?
25. What sold potential advertisers on D?
26. To what extent was circulation promoted?
27. To what extent was advertising promoted?
28. Has any attempt been made to become allied with other city magazines--on a cooperative basis, not ownership--so that package contracts can be offered to national advertisers?
29. How were distribution and printing responsibilities determined?
30. What considerations dictated the selection of D's staff?
31. Were publication planning studies handled by the staff or by independent agencies?

32. What would you do differently if you faced the task of planning for D today?

33. Do plans include the possibility of other magazines, other publishing commitments, or expansion into other business ventures?

For the editor, Jim Atkinson:

1. Editor's background.

2. Initially, how was the audience identified that D magazine was to attempt to reach?

3. Describe this audience.

4. Is any degree of rapport maintained with D's audience?

5. How was D's editorial formula determined?

6. Has the editorial formula changed since the first issue?

7. Have advertising demands in any way influenced the editorial formula?

8. What do you consider to be the ultimate editorial goal of any nonsubsidized city magazine?

9. Against what media does D compete editorially?

10. What editorial budget was devised prior to publication?

11. Has the budget remained stable?

12. How big an editorial staff did D have initially?

13. Has the staff, in numbers, remained stable?
14. How was the staff selected?

15. Do you depend primarily on staff-written articles or on free-lance contributions?

16. Are recognized contributing editors important to a city magazine?

17. It is said that a magazine has to cultivate its own personality, have character, and be aggressive. Is this true for D?

18. What would you do differently if you were developing D's editorial policies today?

For the advertising director, Bernard R. Kraft:

1. Advertising director's background.

2. Do trends in reader interest and advertising favor the specialized publication?

3. Against what media does D magazine compete for advertising revenue?

4. What has been the trend in advertising acceptance for D?

5. What has been the reaction of the nonadvertising, yet potential, advertiser during D's first year?

6. What are the primary advertisers that D attempts to reach?

7. Are advertising sales in any way hampered by D's editorial policies?

8. Are both the potential advertiser and advertising agencies courted?
9. Can D reach a large enough audience, in contrast to the competing media, to satisfy potential advertisers?

10. What is the ultimate potential of D's advertising market?

11. What would you do differently if you were developing D's advertising policies today?

For the circulation director, Ann Richardson (Mrs. Jim Atkinson):

1. Circulation director's background.

2. What is the circulation of D magazine today--in newsstand sales and in subscriptions?

3. What is the ultimate potential in circulation for D?

4. What is the profile of D's current subscriber?

5. What is the ratio--in percentage of income--between circulation revenue and advertising revenue?

6. Is this ratio considered realistic?

7. What promotions have been scheduled since D was introduced?

8. What promotions are in the planning stage?

9. How long did it take to establish a circulation base acceptable to potential advertisers?

10. Are subscription renewals beginning to have an impact?

11. Is the distribution of D handled in-house or by an independent agency? Why?

12. What would you do differently if you were developing D's circulation policies today?
Organization of the Study

The remainder of this study is organized into five sections. Chapter II explores the extent of publication planning at D magazine from the publisher's point of view, and reviews the publisher's recommendations regarding functional publication planning. Chapters III, IV, and V emphasize publication planning--adopted as well as recommended procedures--in relation to specific editorial, advertising, and circulation policies. Chapter VI reviews the total, overall publication planning effected at D, and contains appraisals and conclusions.
CHAPTER II

PUBLICATION PLANNING AT D MAGAZINE

Publisher's Background

As of October, 1974, when the first issue of D magazine appeared, Wick Allison, the publisher, was twenty-six years old. A native of Dallas, he was graduated in 1970 from the University of Texas, where he majored in American studies and became acquainted, on a limited academic basis, with magazine journalism. Ironically, however, he had had no professional experience in communication or publishing when D was introduced in 1974; indeed, his job career began with the publication of D.

As a senior at the University of Texas, Allison met, by coincidence, Jim Atkinson, a communication major and, because of the friendship that resulted, the eventual editor of D. The two, among others, filed in 1969 for the editorship of the Texas Ranger, the monthly University of Texas student magazine whose editor annually was determined in a campus-wide election, which thus always amounted to a popularity contest. Having gained enough recognition by having been

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1 Interview, Wick Allison, July 3, 1975.
active in campus politics, Allison won the election, by one vote over Atkinson, and subsequently named Atkinson to the staff. In time, the association was to give birth to the concept of D.

The idea for D, however, received only infrequent attention from Allison until 1973. In the interim, Allison served for five months in Washington, D. C., on the President's Commission on Campus Unrest and for eighteen months in the United States Army. Upon his discharge, he enrolled for six months in the School of Business at Southern Methodist University "to learn," he said, "something about business."

In the summer of 1973, Allison set out to complete what he described as a "crash course in magazine publishing." In three months or so, he visited the publishers of the country's recognized city magazines--in San Diego, Los Angeles, San Francisco, Chicago, Washington, D. C., and New York. He also visited Richard Benson, a noted Atlanta direct mail consultant, and James B. Kobak of New York City, a leading magazine authority. It was Kobak, in fact, who was to draw up a two-year computerized plan for D, including financial options. The initial investment, as recommended in the plan, was to be $350,000.

Determining an Audience

Allison credited Atkinson with the original idea for D, but in reality it was Allison who pursued the premise. While
in the Army, for example, he reviewed the formats and editorial practices of numerous and various publications, particularly special interest magazines. "I was especially impressed with New York, the highly sophisticated and successful New York City magazine," Allison said, "and in time Jim [Atkinson] and I, when in contact, decided that we would model our magazine after New York."

Eventually, while still in the Army and later while at Southern Methodist University, Allison refined D's concept. Being from Dallas, and having studied such references as the 1970 census, Allison became convinced that there was a need for a city magazine in Dallas. "The city's lifestyle had changed and so had its leadership class," Allison said, "and there was no publication to represent or reflect this lifestyle and the established affluent."

The 1970 census, according to Allison, indicated that 33,348 Dallas families earned more than $25,000 annually and well over 130,000 earned $15,000 or more. "There were striking demographic realities," Allison said. "Dallas was a city of nearly one million people, a city of considerable sophistication, a city which was attracting its population from all over the United States. Dallas' cultural links were then as much with the northeast as with Texas."

Moreover, Allison was convinced that a "new broad leadership class" had emerged in Dallas. "Twenty years ago, even
ten years ago," Allison said, "perhaps ten or twenty people, probably no more than ten, ran Dallas. But a new broad leadership class was evident, and it was independent, active, opinionated, well-off, well educated, and sought the good life. There just had to be an editorial market among this leadership class, and if an editorial market existed an advertising market had to exist."

The primary media in Dallas in 1970 consisted of two network [ABC and CBS] television affiliates [Fort Worth had NBC], numerous radio stations, two metropolitan daily newspapers, and a Chamber of Commerce magazine. "There was a need," Allison said, "for a quality publication that appealed to a quality audience, a publication that also offered the advertiser a vehicle in which to advertise quality products. There was a need for a magazine with a purpose."

As eventually determined by Allison and Atkinson, D's editorial premise, at least for the first year of publication, "would reflect and explore Dallas' own unique lifestyle: the where-to-go, the what-to-do, the how-to-do things, the who's who. We would have style, class, and imagination. We would be lighthearted in describing the good life, but we would not be lightheaded about our city's needs."

Establishing Financial Support

Allison raised the recommended $350,000 initial investment in five months. Armed with a fifty-page prospectus, and
encouraged by Mrs. Jerrie M. Smith, daughter of Stanley Marcus, Neiman-Marcus Company chairman, Allison visited some 100 Dallas offices. In three months, he raised only $70,000 and was, in his own words, "discouraged and ready to give up."
The inclination to quit, however, was short-lived.

One of Allison’s contacts was Ray L. Hunt, thirty-two-year-old son of H. L. Hunt and the heir to Hunt Oil Company. Ray Hunt, more than mildly interested, decided to lend his support and influence, and in two months Allison had the necessary capital, in commitments, from six investors: John R. Johnson, a partner in the Hewett, Johnson, Swanson and Barbee law firm; Winfield Padgett, Padgett Printing Corporation; Carl Sewell, Sewell Village Cadillac Company; Charles Wilson, Wilson Properties; Hunt, and Mrs. Smith. [Mrs. Smith at one time had had a similar idea for a city magazine in Dallas and had assisted in the writing of the prospectus.]

Subsequently, D's parent company, Dallas Southwest Media Corporation, was formed, and Allison, with a small investment and thirty per cent of the stock, was named president and given a ten-year contract as publisher. In January, 1974, Allison began building a staff and in February began promoting D's introduction.

Circulation and Advertising Promotions

From February, 1974, through the summer of that year, seven direct mail subscription campaigns in Dallas County
exceeding 750,000 pieces of mail were consummated. The mailings, costing between $90,000 and $100,000, ranged from a test offering of 35,750 contacts to a 250,000 mailing directed to Sanger-Harris Department Stores' Dallas-area charge customers. The seven mailings:

--February 28, a D-sponsored, 35,750 direct-response test campaign.

--July 8, a subscription offering by Neiman-Marcus Company to 101,000 Neiman-Marcus charge customers in Dallas County.

--July 15, a follow-up subscription offering by Neiman-Marcus to the same 101,000 customers.

--July 22, a D-sponsored, 180,000-subscription offering.

--July 29, a 40,000-subscription offering by the First National Bank in Dallas to its North Texas Master Charge customers.

--August, a 250,000 mailing of subscription forms enclosed in Sanger-Harris' regular monthly billings to Dallas-area charge customers.

--August, a 52,000 mailing of subscription forms enclosed in the regular monthly statements of several Dallas banks to Dallas-area depositors.

The responses to the respective mailings ranged from 1 to 10 per cent and proved, Allison said, that the need, as well as an audience, for such a magazine existed. "Other than
these mailings, no definitive audience studies were considered," Allison said. "There is no practical way, to my way of thinking, anyway, to do a definitive audience study for this kind of product."

The initial direct-response test campaign of 35,750 mailings on February 28, Allison said, "defined D's basic audience: the household with $15,000 or more in annual income." According to Allison, the seven prepublication subscription responses indicated that 1) 81 per cent of D's audience at the first issue would be married, 2) 81 per cent would own a home, 3) 79 per cent of the households would have an annual income of $15,000 or more, 4) 21 per cent of the households would have an annual income of $40,000 or more, and 5) the reader's median age would be thirty-nine.

The two Neiman-Marcus mailings, which attracted responses in excess of 9 per cent indicated two things, Allison said: "That the magazine was needed and that people trusted Neiman-Marcus," whose letters introducing D strongly recommended subscribing. "Overall," Allison said, "the promotions carried the promise of a truthful, factual approach by D, one that would represent and reflect Dallas' lifestyle, and one that would make the reader a part of Dallas and a part of Dallas' new leadership class."

Advertising promotions, although not as extensive, were executed with finesse. Presentations were made to Dallas'
15 major advertising agencies, and these promotions, coupled with media kit mailings, "developed a climate of acceptability and responsibility," Allison said. "In one instance, for example, we were promised a 15-minute audience at one agency. They were so impressed with our plans for D that we were there for over three hours."

"Individual advertisers were not courted," Allison said. "No dummy ads, dummy issues, or promotions were directed at prospective advertisers, or at agencies for that matter. We presented D's concept only to the agencies. The magazine had to sell itself, otherwise. Either the advertiser was going to buy, or he wasn't."

In Allison's opinion, the prospective advertiser of a quality product needed a quality vehicle in Dallas in which to advertise. "The advertisers needed D as much as the reader," Allison contended, "and when Neiman-Marcus, Sanger-Harris, and the First National Bank--the three major institutions in Dallas--signed up, we knew we had cracked the dike."

Goals and Accomplishments

The two-year computerized growth plan, as developed by Kobak and revised every six months, emphasized cash flow and earnings for each of the twenty-four months. "The plan," Allison said, "essentially accepted two assumptions: 1) that the recommended prepublication capital investment of $350,000
would be dumped the first year, and 2) that the magazine would make money the second year."

First-year projections called for a monthly circulation of 30,000 and a monthly advertising schedule of sixty pages. The first issue had a circulation of 30,000, including 9,000 newsstand sales at $1.25 per copy, and fifty-four pages of ads. For the first twelve months, however, monthly circulation averaged 33,000, a level actually reached in six months, and the monthly advertising schedule averaged forty-four pages. "Obviously," Allison said, "we exceeded our circulation projections and fell short, by sixteen pages per issue, in advertising projections. In the twelve months, we were in the black one month, in May, but we lost only $250,000 the first year, not the total $350,000 investment."

Projections for the second year included a monthly circulation of 40,000 and a monthly advertising schedule of sixty pages. Allison was confident these projections would be realized and said:

We can chart precisely our promotion costs, circulation costs, fixed costs, and printing costs. Advertising sales are a matter of guesswork, but the advertising potential in Dallas is unlimited. Advertisers with prestigious products, with quality products, cannot afford not to advertise in D. For example, the cost-per-thousand in D to reach a Household with a $25,000 annual income is $8. None of the area media can approach that figure. Anyway, the quality of circulation is important, not the size.

Our natural circulation level--the best profit level--at this time is 40,000, the point at which we can best serve our reader and advertiser, and the point
at which we can sell an ad at a reasonable price and have a reasonable renewal subscription rate. This level in time might increase to 50,000 or higher, but now it is 40,000.

We could get the circulation to 60,000 by spending $140,000 on 80,000 pieces of mail, but that would be foolish. So we'll level at 40,000, and we'll make a profit with every issue the second year, and an overall yearly profit of $120,000. We have improved that much, that significantly, at the management level.

Conclusion

In publishing, there is a fundamental exchange of priorities that ought not to be ignored. Simply, readership cannot be separated from circulation and advertising appeal. To stress one at the expense of the other two is to jeopardize success. In other words, there are "three legs of a stool" that hold up the structure of any publication: editorial policy, advertising, and circulation. Of the three, editorial policy generally is considered the most relevant, and Allison, after his introduction into the profession, agreed.

"Of the three," he said, "the editorial function--editorial creativity applied to specialized coverage--is the most important. That's been obvious at D. With a bad issue, advertising and renewal subscriptions have fallen noticeably. With a good issue, everything jumps upward." Allison thus devotes much of his time to the editorial stance. "In the beginning," he said, "in the prepublication planning stage, I spent a great deal of my time on circulation. During the
first several months of publication, I concentrated on advertising. Now I concentrate on the third leg, the editorial leg."

Considering the magazine industry in general, Allison contended, "the city magazine is the coming thing because of the editorial and advertising voids it can fill." Inherent in a city magazine, Allison said, "is the opportunity to provide comprehensive coverage of a select market, a role radio, television, newspapers or noncity magazines cannot fill." He reasoned thus:

In Dallas, among D's audience, D is it. The competition, including Texas Monthly [a progressive and successful state magazine], can cover editorially only the bits and pieces. Our regular focus and emphasis is on Dallas, and we have the time and can provide the space for superior interpretative overviews of topics and news. It is coverage based on substance.

Likewise with advertising. D is it for the advertiser that wants to present a quality product to a quality audience. The local advertiser needs a local vehicle, but D also offers market selectivity to national advertisers. These two points, taken in the proper perspective along with the advantages just mentioned that a city magazine has in editorial coverage, isolate the fallacy of state or regional publications. The growth potential of a city magazine is ten times greater than it is with a state or regional publication.

Because of D's potential, Allison indicated that the parent company, Dallas Southwest Media Corporation, eventually would expand its operation, either in other city magazines, other publishing commitments, or other business ventures. "Another city magazine is a distinct possibility," Allison said. "D is only the first effort."
In reviewing the planning efforts that were adopted or adapted in raising D from an idea to a maturing infant, Allison found little to fault. "If we had it to do over again," he said, "we would adhere to a similar pattern. We would be more conservative in advertising projections and make more definitive arrangements with suppliers." Moreover, he said he would budget for, and have on the premises, a graphics department, which was added at D after four issues when Allison became disenchanted with the graphics being provided by an independent agency. "Otherwise," he said, "we're satisfied. After all, we've turned the corner on profitability."
CHAPTER III

EDITORIAL PLANNING AT D MAGAZINE

Editor's Background

Like Wick Allison, D magazine's publisher, Jim Atkinson, the editor, had not had any professional experience in magazine journalism when D's first issue appeared in October, 1974. Unlike Allison, however, Atkinson did have a modicum of news media experience. He had worked, as a political reporter for about two years, at Dallas' afternoon newspaper, the Times Herald, and at an independent Dallas television station, KERA, Channel 13.

A 1971 graduate of the University of Texas, having majored in English and minored in journalism, Atkinson, at the age of twenty-two, joined Allison in late 1972 during the initial planning stage of D. His previous magazine experience amounted to a year's stint as editor of the Texas Ranger, the monthly student magazine at the University of Texas. Atkinson, in fact, succeeded Allison as editor of the Texas Ranger after having served on the magazine's staff under Allison the previous year.

1Interview, Jim Atkinson, July 11, 1975.
Identifying D's Editorial Responsibilities

Atkinson and Allison spent a year establishing what was to be D's editorial formula. In the main, they did it by osmosis. They studied other nonsubsidized city magazines, notably New York, which, Atkinson said, "had hit on a responsive readership audience--a middle class audience that was young, well educated, and affluent." Actually, Atkinson said, city magazines anywhere in the United States had, and have, similar audiences, and most city magazines "have modeled their editorial policies after New York."

Atkinson noted, as had Allison, that if a nonsubsidized city magazine is to succeed, a need for it must be established. In support of this premise, Atkinson contended that D might not have succeeded had it been introduced four years earlier. "It's a matter of a city maturing," Atkinson said. "Or, if you prefer, it is a matter of waiting until a city becomes sophisticated. The great influx of people into Dallas from outside of Texas, the emergence of a new leadership class to replace an oligarchical establishment, a segmented and independent affluence--these three things, for instance, really altered Dallas' lifestyle."

The successful city magazine, Atkinson said, must attune its editorial policy to reflect its city's sophisticated lifestyle. "Assist the reader, lead the audience in getting the most out of its city--that's the idea," Atkinson explained.
"Where the city magazine has filled a need, it has been successful. It obviously would be easier for a city magazine to succeed where the newspapers are mediocre, but D still would have succeeded if Dallas had a New York Times or a Los Angeles Times." However, Atkinson added, city magazines, although tempted to do so, cannot emulate the obligations of newspapers. "To try to do so would be foolish. The magazine would have no local appeal and no reason to exist."

Atkinson pictured D's primary readers as "young--in their late thirties, that is." However, an audience survey [Table I] taken after D had been in publication six months indicated otherwise. According to the survey, D's audience ranged in age from thirty-five to sixty-five, with readership greater in the fifty to sixty-five bracket than in the twenty-five to thirty-four bracket. Atkinson said the majority were college

<table>
<thead>
<tr>
<th>TABLE I</th>
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<tbody>
<tr>
<td>D MAGAZINE AUDIENCE SURVEY: MARCH, 1975</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Education</th>
<th>Family Income</th>
</tr>
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<tr>
<td></td>
<td>Attended college 91%</td>
<td>$15,000+ 81%</td>
</tr>
<tr>
<td>18-24</td>
<td>College graduates 64%</td>
<td>$25,000+ 49%</td>
</tr>
<tr>
<td>25-34</td>
<td>Postgraduates 31%</td>
<td>$40,000+ 23%</td>
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<tr>
<td>35-49</td>
<td></td>
<td>$60,000+ 15%</td>
</tr>
<tr>
<td>50-65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 65</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Sex</th>
<th>Marital Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional 67%</td>
<td>Male 75%</td>
<td>Married 75%</td>
</tr>
<tr>
<td></td>
<td>Female 25%</td>
<td>Single 25%</td>
</tr>
</tbody>
</table>
graduates and essentially included those in management [as the survey indicated]. Additionally, Atkinson said, "D's audience had interests beyond their homes and could be characterized, because of their affluence, as a vital part of the leadership class. By affluent, I don't mean rich. The audience members make good money for their ages, however, and have discretionary income; that is, money for non-essentials."

Two editorial surveys involving paid subscribers were conducted during D's first year of publication. The surveys attempted to define readership interests, and each survey attracted a response of slightly more than 50 per cent. "We learned two things," Atkinson said. "We learned that our editorial mix was on target, and we learned that D was a reflection of our audience's tastes. In other words, the reader had come to regard D in a personal way in that he identified himself with what he read." Moreover, Atkinson said, the surveys indicated a tighter bond between the reader and D than between the reader and any newspaper.

In establishing D's editorial responsibilities prior to publication, Allison and Atkinson considered two premises: 1) what D could do that Dallas newspapers could not, and 2) what could work for D that had worked for other city magazines. As a result, they agreed upon three fundamental editorial functions: 1) service information [the who's who, the what-to-do, where-to-go, and how-to-do things], 2) coverage,
with critiques when applicable, of the arts, theater, travel, and entertainment, and 3) in-depth investigative and perspective articles.

"The service information coverage was, and still is, the most important part of the magazine," Atkinson said. "Regarding the in-depth pieces, we concentrated on events, or a series of events, not just on incidents, and we put them in their proper perspective." Thus, Atkinson explained, D added to the dimensions of existing newspaper coverage. "A city magazine cannot absorb the basic function of a newspaper," Atkinson said. "That is, a city magazine cannot concentrate on news. It can complement, if not supplement, newspaper coverage, however, by probing the why and how of events and incidents."

In essence, D's editorial philosophy in the beginning revolved around a blend of cultural criticism and investigative reporting. "D's articles were to tell people about their city," Atkinson said. "That is, who runs it, what its problems are, what to enjoy." Later, during the first year of publication, this philosophy changed somewhat. In fact, the editorial philosophy, according to Atkinson, changed constantly but not abruptly. The changes, he said, were not based strictly on the two audience surveys but on the fact that he, his staff, and Allison matured in their outlook. "We
became more aware of D's role, more aware of D's identification," Atkinson said.

At first, the editorial tendency was to mimic the function of a newspaper. "We learned, however, that a magazine is not a substitute for a newspaper," Atkinson said. "We learned that a magazine has to have its own identity." As D's identity surfaced, Atkinson added, so did its editorial potential. "We were controversial, yes, but not because that was a way to get noticed and establish readership loyalty. We probed. We didn't just reiterate what had been read elsewhere. We became a discovery magazine. We revealed what had not been revealed before." The goal, Atkinson said, was to make D a magazine "that its audience lived by, quoted, and referred to."

Budget Considerations

D's editorial budget for the first year was $150,000, based on a fifty-fifty ratio in page space per issue with advertising. It was "more or less established arbitrarily but with a finger on the pulse of other city magazines," Atkinson said, "and it proved satisfactory. We budgeted for a skeleton staff, plus a monthly base for free-lance material."

Of the $150,000, $70,000 was set aside for staff salaries, and approximately $50,000 for free-lance contributions, including manuscripts and art. The remaining $30,000 was considered a contingency fund. At the end of the first year,
the editorial staff consisted of four writer-editors, excluding Atkinson, and an artist. The editorial content for the first seven issues, however, was written and edited by two staff members, including Atkinson.

"At first," Atkinson said, "we planned to depend primarily on free-lance contributions and so we established what we considered a liberal free-lance budget in order to attract quality writing. But good writers in Dallas are hard to find. So we're becoming more and more an in-house magazine." Contributing editors can play an important role on a city magazine, Atkinson said, "if the city is a breeding ground, such as New York City, for responsive and creative free-lance writers and artists. Recognized, really recognized, contributors add credibility to a magazine, especially when the magazine is first introduced." Moreover, Atkinson contended, editorial credibility on a city magazine is extremely important because a city magazine's primary competition is another magazine, any magazine, be it a consumer or special interest publication. "D's market, for example, is the magazine reader," Atkinson said, "so we compete with all other magazines for the reader's time."

Conclusion

An adage in magazine journalism emphasizes that a magazine has to cultivate its own personality, have character, and be aggressive. Asked if he agreed, Atkinson said:
Definitely. What it amounts to is that a magazine has to develop a personal relationship with its intended reader, and it has to be forceful. The magazine has to carve its own niche in the reader's mind. It has to make itself indispensable to its reader and become a part of the reader's life. People today don't want to be spoon-fed one-sided, slanted, promotional coverage that is found, say, in a Chamber of Commerce magazine. People read newspapers for news. They read magazines for personal reasons. They want a magazine whose personality fits their personality. This personality is a key thing. It takes time to develop. D's personality, in fact, is only about half developed.

In considering D's editorial approach the first year, Atkinson said that he was satisfied with its progress. "In the beginning," he concluded, "we probably were too concerned with trying to compete with the newspapers in the coverage of news. Being more mature, we know now that a city magazine can't be an alternative or a supplement to a newspaper." A city magazine must fill a void, he said, and it must reach "its own plane of coverage."
CHAPTER IV

ADVERTISING PLANNING AT D MAGAZINE

Advertising Director's Background

Bernard R. Kraft, D magazine's advertising director, joined D's administrative staff in March, 1975, when D was six months old. Prior to his appointment, D had not had an advertising director. Instead, advertising sales responsibilities had been shared by two independent magazine representatives, the Griffith-Williams Group [GWG] of Dallas and the Pettis Group of New York City, with the former handling local, Southwest, and Southeast sales and the latter the remainder of the United States. According to Kraft, recognition of the need for an in-house advertising sales force by D's board of directors resulted in his association with the magazine.

Before joining D at age thirty-three, Kraft was involved for three years in real estate in Dallas with the Henry S. Miller Companies. Previously, he had served for six years as an account executive with a Dallas advertising agency, Tracy-Locke Company, Inc., being primarily responsible for the Frito-Lay, Inc., account, and for four years in marketing with

1Interview, Bernard R. Kraft, July 18, 1975.
PepsiCo International. Kraft was graduated in 1963 from Ohio State University, having majored in marketing.

Advertising Policies

D's advertising department the last six months of its first year consisted of Kraft, four sales persons, and a sales coordinator. The four sales representatives, plus Kraft, handled local advertising sales with the exception of forty Dallas accounts. These forty accounts remained with GWG, which also retained sales responsibilities in the Southwest and Southeast. Additionally, the Pettis Group retained sales responsibilities elsewhere in the United States.

As of mid-July, 1975, just as the September, or eleventh, issue of D was approved for publication, advertising per issue averaged forty-four pages for the first eleven issues. According to Kraft, who reiterated Wick Allison's projections, this average was projected to level at sixty pages during the second year of publication. Kraft insisted that this projection was realistic. "Right now," he said, "we are at that point in advertising sales that most city magazines are at after two and a half years of publication. Our advertising growth has been exceedingly positive. Because of this, our advertising growth the second year won't seem as spectacular, but we should realize sixty pages."

One reason for Kraft's optimism, he said, rested on the appeal of special interest magazines, and especially with the
appeal of nonsubsidized city magazines. "City magazines, assuming there is only one in a city, are without definitive competition," he said. A second reason for Kraft's optimism is D's potential. "D has competition to a degree," he said, "but not, in essence, any direct competition. There is absolutely no other publication that can serve our audience or saturate our market as we can. No other medium addresses our audience and market as consistently as we do." Reiterating what Allison and Jim Atkinson, his editor, said, that D's audience is Dallas' affluent, Kraft contended that therefore "any advertiser of quality products, be it a local, regional, or national advertiser, is a potential advertiser for D. Truly successful magazines don't have any real competition, and D doesn't have any real competition."

Kraft conceded that many potential advertisers remained aloof during D's first year because of skepticism. "This is inherent to a new magazine," he explained. "Some advertisers simply won't advertise in a young magazine. They shy away for the first year, waiting to see what happens with the magazine." Then, too, he said, some simply don't like a magazine's editorial posture, and they balk. Eventually, he said, a magazine's success and the need to advertise in the magazine, because the competition does, attracts previously reluctant advertisers.
Although Kraft admitted that D's editorial formula of cultural criticism, investigative reporting, and in-depth coverage periodically resulted in the loss of advertising revenue, he remained a staunch advocate of editorial autonomy. "The day we compromise editorial integrity," Kraft said, "is the day we lose credibility. We could add fifteen pages of advertising if we'd compromise editorially, but we would lose 10,000 circulation.

"If a magazine is doing its job editorially, some loss in advertising revenue is inevitable. But, and this is important, editorial integrity is the foundation upon which to build. Editorial integrity builds respect, and respect is a magazine's most important asset." Eventually, Kraft said, circulation will reflect this respect and advertising will benefit. "It has to," he said, "because the advertiser has to advertise in that medium that best serves his audience."

Advertising Potential

In several years, perhaps by 1978, D's monthly advertising run will range from 90 to 120 pages, Kraft said. "Our potential at the end of our first year," he said, "is what the potential would be for those city magazines in existence for eight or nine years. We are at 44 pages right now and are projecting 60 pages the second year. Other city magazines have taken years to reach those levels. We could reach 90 to 120 pages by the end of our third year."
The reasons for D's accelerated acceptance were many, Kraft indicated, but he singled out as the primary reason Allison's professional approach in determining a need for D in Dallas, in recognizing a definitive audience, and in producing a magazine to serve this audience. "D is unique in Dallas," Kraft said. "D goes after the affluent, and serves the affluent. No other publication serves this market exclusively, and never has. It's that basic."

Conclusion

Kraft believes it probably was a mistake not to have had an in-house advertising department when D was introduced. "Fortunately," he said, "CWG, as the magazine's local advertising representative, did a competent job for D the first six months. But a magazine needs an advertising manager on the premises. Local bread-and-butter accounts, the one-sixth- and one-half-page accounts, are better served by a regular sales force."

Also, Kraft said, he would have recommended more advertising promotions, particularly special sections. These special sections, he said, offer "the small advertiser and the reluctant, dubious but potential advertiser exposure at attractive rates. Special sections give advertisers a reason to advertise over and above advertising simply because a medium is available."
During the first year, advertising rates were increased once. "The increase," Kraft said, "was an across-the-board increase of 20 per cent, and it met with little resistance." The increase was announced in December, 1974, and went into effect with the February, 1975, issue, with one exception. Charter advertisers were guaranteed the lower, or original rates, through the June, 1975, issue.

"The rates were increased for two reasons, both of which were based on logical conclusions," Kraft said. "First, the acceptance of the magazine warranted an increase; second, the original rates, although comparable to some other city magazines, were not reflective of the level of circulation that D had attained."

For comparison, the two rates are shown in the following Table.
### TABLE II
**D MAGAZINE'S ADVERTISING RATES**

<table>
<thead>
<tr>
<th>Black and White</th>
<th>1X</th>
<th>6X</th>
<th>12X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full page</td>
<td>$1,050 ($875)</td>
<td>$940 ($780)</td>
<td>$750 ($625)</td>
</tr>
<tr>
<td>2/3 page</td>
<td>790 (655)</td>
<td>735 (610)</td>
<td>560 (465)</td>
</tr>
<tr>
<td>1/2 page</td>
<td>595 (495)</td>
<td>540 (450)</td>
<td>415 (345)</td>
</tr>
<tr>
<td>1/3 page</td>
<td>430 (355)</td>
<td>380 (315)</td>
<td>350 (290)</td>
</tr>
<tr>
<td>1/6 page</td>
<td>265 (220)</td>
<td>210 (175)</td>
<td>180 (150)</td>
</tr>
<tr>
<td>1/12 page</td>
<td>175 (145)</td>
<td>160 (130)</td>
<td>130 (105)</td>
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</table>

<table>
<thead>
<tr>
<th>One Color</th>
<th>1X</th>
<th>6X</th>
<th>12X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full page</td>
<td>$1,240 ($1,030)</td>
<td>$1,130 ($940)</td>
<td>$940 ($780)</td>
</tr>
<tr>
<td>2/3 page</td>
<td>980 (815)</td>
<td>925 (770)</td>
<td>745 (620)</td>
</tr>
<tr>
<td>1/2 page</td>
<td>780 (650)</td>
<td>730 (605)</td>
<td>600 (500)</td>
</tr>
<tr>
<td>1/3 page</td>
<td>620 (515)</td>
<td>565 (470)</td>
<td>535 (445)</td>
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<th>Four Colors</th>
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<th>6X</th>
<th>12X</th>
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<tbody>
<tr>
<td>Full page</td>
<td>$1,465 ($1,220)</td>
<td>$1,390 ($1,155)</td>
<td>$1,165 ($970)</td>
</tr>
<tr>
<td>2/3 page</td>
<td>1,240 (1,030)</td>
<td>1,185 (985)</td>
<td>1,010 (840)</td>
</tr>
<tr>
<td>1/2 page</td>
<td>1,045 (870)</td>
<td>990 (825)</td>
<td>865 (720)</td>
</tr>
<tr>
<td>1/3 page</td>
<td>875 (730)</td>
<td>830 (690)</td>
<td>800 (665)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Covers</th>
<th>1X</th>
<th>6X</th>
<th>12X</th>
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</thead>
<tbody>
<tr>
<td>Back</td>
<td>$2,495 ($1,845)</td>
<td>$2,404 ($1,780)</td>
<td>$2,255 ($1,595)</td>
</tr>
<tr>
<td>Inside front</td>
<td>1,985 (1,470)</td>
<td>1,880 (1,390)</td>
<td>1,765 (1,230)</td>
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<tr>
<td>Inside back</td>
<td>1,680 (1,315)</td>
<td>1,600 (1,250)</td>
<td>1,550 (1,205)</td>
</tr>
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</table>

*October, 1974, to January, 1975, rates in parentheses.*
CHAPTER V

CIRCULATION PLANNING AT D MAGAZINE

Circulation Director's Background

Ann Richardson, D magazine's circulation director, was graduated from the University of Texas in 1971, having majored in Spanish. The wife of Jim Atkinson, D's editor, Ms. Richardson elected to work under her maiden name upon joining D in March, 1973. Prior to her association with D, and for the two preceding years, she had worked in the advertising department at the Neiman-Marcus Company in Dallas. Ms. Richardson directed D's promotional efforts prior to publication and was named circulation director after D was introduced. During prepublication planning, Wick Allison, D's publisher, assumed sole responsibility for establishing D's circulation format, and, according to Ms. Richardson, shared managerial responsibility of circulation with her during the first year of publication. "I had no experience," Ms. Richardson explained, "and naturally I didn't know right from wrong. Having known of Wick's plans for the magazine since the idea was conceived at the University of Texas, I did have an understanding of what D was to accomplish, and

1Interview, Ann Richardson, July 24, 1975.

43
Wick was more interested in this than experience when he named the staff."

**Operational Format**

D's monthly circulation the first year averaged 33,000, including 6,000 newsstand sales, Ms. Richardson said. "Several issues have realized a newsstand sale of 7,000," she noted. "But we lose money regardless, as the distributor gets half the cover price. Newsstand sales are a good promotion, however, for paid subscriptions." D contracts for distribution channels and for computerized subscription tabulations.

An annual subscription costs $12, or $1 per copy, compared to a per-issue newsstand price of $1.25. Only one discount promotion was sanctioned by Allison in a prepublication campaign for annual subscriptions at $10, or eight months for $8.

Ms. Richardson said the ratio in percentage of income between advertising and circulation revenues the first twelve months was seventy-five/twenty-five. "Discounting renewals," Ms. Richardson said, "circulation did not pay for itself. But, including renewals, it did." Renewals, she said, "are running right at 50 per cent. Right now, we're approaching our first anniversary issue and we're in the midst of a renewal campaign with some 17,000 initial subscribers." In
conjunction with this campaign, a five-letter renewal series was scheduled; as of late July, three of the letters had been mailed. "We might get a 60 per cent response in this campaign," Ms. Richardson said. "At least the early responses indicate this."

Excluding the anniversary subscription offering, three subscription campaigns were scheduled during the first year of publication. Direct mail pieces totaled 500,000, with 200,000 letters being mailed October 21, 1974, and July 27, 1975, and 100,000 December 27, 1974. For all three campaigns, mailing lists of established magazines were purchased and used. Included were subscription lists of Dallas County from such publications as Business Week, Esquire, Fortune, Newsweek, Playboy, Sports Illustrated, and Time. "Good mailing lists are difficult to find," Ms. Richardson said. "Our primary subscription market is North Dallas with its approximately 135,000 households with an annual income of $15,000 or more. The magazines with a representative number of subscribers in this market area are so limited that we've had to use some of the same mailing lists twice." Responses in the three post-publication subscriptions campaigns, Ms. Richardson said, ranged from 1.9 to 2.4 per cent, with the mailing lists of McGraw-Hill, Inc., properties being superior.
Conclusion

D's first year "has been the most successful of any city publication in the United States," said Ms. Richardson. "With an average total circulation of 33,000, we exceeded all projections and broke all city magazine records. Only Time exceeded D in circulation in Dallas County and by only about 600." [Table III]

TABLE III

MAGAZINE CIRCULATIONS IN DALLAS COUNTY*

<table>
<thead>
<tr>
<th>Magazine</th>
<th>County Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>32,513</td>
</tr>
<tr>
<td>D</td>
<td>31,938</td>
</tr>
<tr>
<td>Sports Illustrated</td>
<td>17,783</td>
</tr>
<tr>
<td>Newsweek</td>
<td>16,710</td>
</tr>
<tr>
<td>U.S. News and World Report</td>
<td>16,058</td>
</tr>
<tr>
<td>Esquire</td>
<td>10,629</td>
</tr>
<tr>
<td>Business Week</td>
<td>8,426</td>
</tr>
<tr>
<td>Fortune</td>
<td>6,853</td>
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<tr>
<td>Forbes</td>
<td>5,872</td>
</tr>
<tr>
<td>Money</td>
<td>5,292</td>
</tr>
</tbody>
</table>

*Source: Supplemental Data Reports, Audit Bureau of Circulations, April, 1975.
CHAPTER VI

THE LOGISTICS OF SUCCESS

Twelve Common Denominators

A nonsubsidized special interest publication, assuming it is blessed with competent management, can succeed if it fills a need, if it appeals to, and addresses, a community of readers, and if no other publication adequately serves the interests of its readers. It can succeed, that is, so long as it retains its specialized or localized appeal and so long as it has advertising support. The greatest challenge, however, is to make the publication indispensable to its readers.

Behind every successful nonsubsidized publication is a publisher or editor who is sensitive and attuned to his readership. "The willingness to change, to bend with the times, to constantly reappraise the idea, to keep abreast of the changing needs and tastes of the reader, are often cited as the reasons for sustained vigor in publications."¹ Readership is a product of editorial format, not circulation. Indeed, "the circulation director resolves only about 10 percent of the praise or blame for how a magazine performs. Most

of the rest of the responsibility rests on the editor, or the person who makes the decision as to what to print." To succeed, a magazine must reach and move its audience.3

The special interest publication is in a preeminent position to reach and move its audience because of the intensity of interest the readers have for the subject matter that the publication covers. From this specialized appeal comes the publication's personality, its character, and its aggressiveness. The apparent success of the city magazine in the last decade or so, for example, rests on the opportunity it has to develop a character and personality that reflects that of its audience. The nonsubsidized city magazine can cover its own locality meaningfully and in-depth, as could the big city daily newspapers, but the latter evidently have failed to provide this coverage, at least to the satisfaction of the populace.

Of those city magazines that have failed, and several have, such as The Chicagoan and Seattle, two common weaknesses seemed paramount, both of which have been explored in this study: 1) the absence of a definitive need for the magazine to exist editorially, and 2) the inability to generate sufficient financial or advertising support. A recent article in Dun's examined the causes of the two failures, and concluded:

2Ibid., p. 54.

3Ibid.
In retrospect, the [owners of The Chicagoan] seemed to have made several mistakes. First, they rushed into competition with Chicago Guide, which by then (1974) was a robust and entrenched publication. Then the mailorder house that sent out half a million pieces of promotional literature for the magazine at a cost of around $125,000 carelessly tested the response to an $8 and a $10 subscription price on two separate groups and thus effectively invalidated the test. Furthermore, the promotional material promised readers far more than the magazine could deliver and offered to refund subscription money if readers were less than satisfied. Finally, the magazine went through several disruptive editorial changes within a few months. So although The Chicagoan claimed a circulation of 90,000 at the end, its doom seemed inevitable.

Just what it takes to survive, though, is not really clear. Even the successful owners and their well-paid consultants often disagree on the essential ingredients of a city magazine. But at least some guidelines have been established. The first prerequisite, virtually everyone agrees, is to get a realistic idea of the size of the local market. James B. Kobak, a New York consultant, suggests that one quick way to get a reading of the size of the market is to ask the advertising departments of Time and Newsweek how many copies they sell there. Because the news magazines appeal primarily to the same upper-income audience a city magazine will appeal to, a city magazine can reasonably aim for a comparable number of readers.

Some publishers, including Herb Lipson of Philadelphia and Michael Levy of Texas Monthly, argue that it makes no sense to start a magazine where the circulation potential is less than 100,000. Only at that point, they say, does a magazine generate enough revenue to support itself and maintain high quality. Kobak, however, argues that a magazine can survive with a circulation of only 50,000. And the twenty-six-year-old San Diego, he points out, is successful with a circulation of only 23,000.

Part of the divergence of opinion can be explained by the fact that it costs far more to run some magazines than others. It costs about $2 million a year to operate Philadelphia, for example, but only about half that much to run The Washingtonian. A major difference is in the size of the payroll. "Most of our stories are written by staff writers and we have trouble getting a good writer for less than $20,000 a year," explains Lipson. The Washingtonian, on the other hand, relies almost exclusively on free-lance writers, whom it pays only
about ten cents a word and for whom it does not have to provide Social Security or medical benefits, office space or even a typewriter and telephone. "But the problem with free-lancers," says Levy, "is that they have no particular stake in the success of your magazine and simply don't put in the kind of time and effort that a staff writer will."

Choosing the right investors is also a key element. For instance, with printing costs a continually swelling expense, some magazine entrepreneurs try to bring the printer into the investment group in the hope that his presence will help keep costs under control. Influential friends also help. Chairman Stanley Marcus of Dallas' Neiman-Marcus Company generously praised D, The Magazine of Dallas in a letter to over 100,000 of the department store's charge-card holders and informed them they could charge the subscription to their accounts. Neiman-Marcus also advertised in the first issue, which undoubtedly helped make the magazine a respectable medium for other local advertisers.

That is the kind of help that Seattle magazine might have found useful. Seattle, which died in 1970 after six years of struggle, received high praise for its aggressive and outspoken editorial content. But many advertisers were frightened off by the controversy it was creating. In retrospect, publisher Peter D. Bunzel mused that if a bell-weather advertiser, such as the city's leading department store, had started advertising in the magazine in its early days, other local retailers would have followed along almost automatically.4

Magazines that have failed, although no two have ever failed for exactly the same reasons,5 had certain common deficiencies. Harlan Logan, a former publisher's consultant and former editor of Scribner's, said several of the following weaknesses always were present:


1. Lack of editorial reason for existence.
2. Lack of clearly defined editorial pattern.
3. Lack of advertising reason for existence.
4. Lack of realistic budget projections.
5. Lack of realistic schedule of time required to gain either reader or advertising acceptance.
6. Lack of knowledge of the magazine field in general and of specific competition.
7. Lack of accurate information about the personnel which is hired to produce the new magazine.
8. Lack of an objective and independent audit of the potentials of the new magazine and of the publishing program that has been set up.\(^6\)

Further, Edwin Self, publisher of San Diego, which was introduced in 1948, noted five major mistakes in the planning of a city publication:

1. Inadequate editorial talent.
2. Not consulting with experienced publishers.
3. Misunderstanding of consumer market relationship to editorial level and policy; i.e., aiming at a high educational audience with a Reader's Digest format and policy.
4. Innocence of sophisticated circulation promotion techniques.
5. Inadequate capital.\(^7\)

In considering the salient implications of the preceding review of magazine failures and management deficiencies, and in considering these implications in relation to the evidence, based on both research and interviews, that surfaced in this study, twelve common denominators emerge as essential for the success of a planned or newly introduced nonsubsidized magazine. The twelve, of course, cannot assure success, but the twelve are necessary ingredients for success.

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\(^6\)Ibid.

\(^7\)Hollstein, op. cit., p. 64.
The twelve, as a composite, serve as a foundation upon which to build. Without such a foundation, a prospective or newly introduced nonsubsidized magazine cannot survive. Failure is inevitable.

Thus, the logistics of a planned or newly introduced nonsubsidized magazine's success revolve around twelve common denominators, or principles, which should be recognized by prospective and inexperienced publishers alike. Indeed, the reputable publisher would do well to reacquaint himself periodically with these twelve prerequisites for success.

In summary, then, this study's research indicated that prospective or newly introduced nonsubsidized magazines with the greatest chance of success are those whose management has adopted, or adapted to, a twelve-point publication planning program. The twelve points, but not necessarily in order, are:

1. Management must recognize a need for the magazine,
2. Identify an audience, and confirm realistic prepublication and infant-year subscription goals,
3. Determine the existence of a substantial advertising market, as well as its potentials,
4. Establish sophisticated advertising and circulation promotional formats,
5. Assure that editorial, advertising, and circulation objectives are attuned to the audience's needs,
6. Project financial obligations realistically,
7. Obtain adequate financial support,
8. Conclude extensive publication planning,
9. Understand the close interrelationship of editorial, advertising, and circulation functions,
10. Establish realistic growth potentials,
11. Establish a valid editorial concept,
12. Hire a staff committed to the concept of the magazine, with the in-house, prepublication managerial staff to include, as a minimum, a publisher, editor, two staff writers, advertising director, assistant advertising director, and circulation director.

Conclusion
As this study has determined, Wick Allison, D magazine's publisher, carried out the idea for D with dedication and conviction. His energies in confirming editorial, advertising, circulation, and financial obligations prior to publication and during D's first year minimized the chances of failure and maximized the chances of success. So astutely were a marketable audience identified, advertising and circulation capacities resolved, and essential financial support assured, that D's potential after one year of publication substantiated the validity of two projections volunteered by Allison: 1) that D would make a profit its second year, and 2) that the parent company, Dallas Southwest Media Corporation, would expand its publishing commitment.
Considering Allison's adherence to the twelve common denominators that this study has underscored as essential for the success of a planned or newly introduced nonsubsidized magazine, it can be concluded that Allison displayed professional expertise and sound business sense in getting D through its first year. Although a stranger to publishing when the idea for D germinated, Allison sought out good advice and profited from it.

Allison obviously realized quite early in the planning stages of D that there had to be some sort of formula for success. Eventually, he came to recognize, by trial and error mainly, the twelve common denominators. Indeed, as this study has indicated, he did in time recognize a need for an independent city magazine in Dallas; identify an audience; establish a valid editorial concept; determine the existence of a substantial advertising market; project financial obligations realistically; obtain adequate, for D, financial support; conclude extensive, although informal, publication planning; learn of the close interrelationship among editorial, advertising, and circulation functions; establish realistic growth projections; establish sophisticated advertising and circulation promotional formats; assure that editorial, advertising, and circulation objectives were attuned to audience needs, and hire a staff committed to the concept of D.
Also, by his own admission, Allison experienced some luck. "If it had not been, for example, for Neiman-Marcus' early support [in introducing and recommending D to 101,000 Dallas charge customers], I don't think we would have gotten off the ground," he said. "We got almost a 10 per cent response in that subscription offering, and because of that we were off and running."\(^8\)

Actually, veteran publishers might conclude that Allison was fortunate in other respects, emphasizing perhaps that 1) D's initial financial support of $350,000 was marginal, 2) publication planning was too informal, and 3) D's staff was too inexperienced.

Regarding financial support, one source, for example, estimated that "it takes about $1 million to start a city magazine and keep it alive for several years before it can be expected to make a profit."\(^9\) Allison, however, argued that $500,000 is adequate. "It's a matter of cash flow," he said. "In our case, most of our investment went into prepublication promotional campaigns. But with 20,000 subscriptions sold by the first issue, we had $200,000 coming in to operate with. Also, with fifty-four pages of ads in the first issue, we had an additional $54,000."\(^10\)

\(^8\) Interview, Wick Allison, July 3, 1975.
\(^9\) Smith, op. cit., p. 70.
\(^10\) Allison interview.
Concerning publication planning, Allison admitted that a formal investigation of D's marketable audience—that is, quantitative measurements using scientific methods, evidence, and unbiased conclusions—was not conducted. It was Allison's opinion that such definitive research was impossible to conduct. Allison, however, did explore substantially, as this study has indicated, both editorial and advertising potentials.

Regarding the obvious lack of experience among the staff when D was introduced, particularly in the editorial department, Allison said he considered commitment to the magazine's concept more important. "I wanted people who understood what we were attempting to accomplish, and I wanted people who were dedicated to reaching and moving D's audience," he said. In Allison's defense, it should be noted that, according to this study's research, the decision-making responsibilities by the editor were minimal during D's first year. Allison himself dictated and directed editorial policies.

D, of course, was not assured of success simply because it survived its first year. Many magazines have failed after years of publication. To survive indefinitely, D's publisher must constantly evolve new ideas and dimensions. D must remain challenging and stimulating, but it must never be

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11 Ibid.
overbearing. Most of all, it must adapt to the needs and tastes of its audience as those needs and tastes change, and they do change. A publication, of course, must always serve an audience. Not to do so would invite failure or competition, or both. Allison had D attuned to its readership and advertisers the first year. Only time will tell whether the lessons learned have had an impact.
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