

BusinessWeek

Media Magazines



RICH TARGET
An audience
advertisers love

Mighty Week

The pithy news digest is a must-read for America's movers and shakers

AS A SECOND ACT, IT seemed risky even for the eccentric British publisher Felix Dennis. By launching a news digest in 2001 called *The Week*, aimed at the U.S. intelligentsia, Dennis was jumping into the highly competitive fray of newsweekly magazines. Getting frat boys to gobble up his earlier U.S. launches, laddie titles *Maxim* and *Stuff*, was one thing. But who in the top power circles would have a regular appetite for recycled news and columns?

Many, it turns out. *The Week* has quietly become a must-read for politicians, celebrities, and CEOs who like its smart distillation and snappy presentation, as well as its array of subjects, from skepti-

cism about election results in Tajikistan to the Salvador Dali exhibit at the Philadelphia Museum of Art to the "steal of the week," in one case a \$260,000, four-bedroom, 112-year-old Victorian in Red Oak, Iowa. Stories are lifted and compressed from a variety of sources by a team of 20 editors, led by newspaper veteran William Falk. An editorial staff numbering fewer than two dozen is certainly one big cost saving vs. other weeklies, since there's no original reporting. Snippets in a recent

issue came from the National Review Online, Germany's *Die Zeit*, *Entertainment Weekly*, Bloomberg.com, and Tehran's *Jam-e-jam*. Dennis has boasted that if you read *The Week* cover to cover, you'll be the smartest-sounding person at your Friday night cocktail party.

DISPROVING THE SKEPTICS

IT'S A CONCEPT Dennis has nurtured for a decade, ever since he bought a majority position in the British edition of *The Week*. The magazine was originally started by Sir Jolyon Connell, a onetime White House beat reporter who came up with the idea after watching West Wing staff assemble the daily briefing of events for the President. Upon return to Britain, Connell launched *The Week* with virtually no advertising. Dennis took notice and made an undisclosed offer. Today, Britain's *The Week* has a circulation of about 100,000, virtually all subscriptions, more than *The Economist's* subscriptions there.

Now the U.S. version is disproving the early skeptics. It raised its circulation rate base by 50%, aiming for 300,000 for this

Buzz of *The Week*

Few gave this digest a chance to survive, but it has gained an elite following. A few tricks:

READERS Celebrities and power brokers get free subscriptions. Then *The Week* gives them some free publicity, printing their praise on the cover. Fans include Barry Diller, Yahoo! CEO Terry Semel, and Luciano Pavarotti.

SOURCES *The Week* doesn't have a staff to do original reporting, instead paying for stories from news services and lifting them directly from publications by saying it's fair use. Publications don't mind since it's all attributed and now even call to try to get their stories placed.

EVENTS By forging relationships with such highbrow groups as the Conference Board and Aspen Institute, *The Week* sponsors regular events, from CEO breakfast forums to an annual award for opinion and commentary writing.

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year, nearly all subscriptions. Its ad pages grew by 25%, and ad revenues rose by 66%, to \$11 million, in 2004, beating other newsweekly and industry averages, even if the totals were much smaller. With \$20 million in total revenues last year, it has yet to make money but is on target to break even next year, says General Manager Justin Smith. What's working so well? "We have a time-pressed audience who wants more perspective and a greater range of opinions," says Smith, 35, a former corporate strategist for Economist Group Ltd. "We are sort of a blog in print, but with a higher-end readership." (The average household income of its readers is \$137,000.)

The irony is that the magazine's success may be due as much to the advertising it turns away as to the ads it runs. That's because *The Week* limits ad pages to just 30% of the book, vs. an average 48% ad ratio for all magazines, to avoid a cluttered feel. "We joke that we are a magazine that has already been TiVoed," says Smith. "We have taken out most of the interruptions." In the post-ad-bust era, it's a policy bordering on heresy in magazine circles, but Smith insists that 66% annual gain in ad dollars shows that the formula is working.

Advertisers say they like the idea of being able to reach a small, wealthy audi-

ence. Altria Group Inc., formerly Philip Morris Cos., bought more ad pages last year in *The Week* than in any other publication, says David Sylvia, Altria's director of external communications. "As we undertook our rebranding," he says, "it was important to reach that influential audience." Janet Cerutti, vice-president for media at Swatch Group (U.S.) Inc., says she places ads for the company's luxury brands, such as Blancpain and Longines, in *The Week*. "We like that they restrict ads," she says. "It gives us much greater attention."

Most magazines offer complimentary subscriptions, but *The Week* goes a step further by aiming at big names. The hope is that once hooked, they will agree to publicly praise the magazine, which features testimonials on its cover.

LUNCH AT MICHAEL'S

SELF-SERVING? Sure—and a nice paycheck for a cadre of new loyal readers who can never get enough free publicity for themselves. Among *The Week's* flock: Woody Allen, who once said the magazine was "for movers and shakers, and I can't stop shaking." Mario M. Cuomo is a fan. So are Yahoo! Inc. CEO Terry S. Semel, UBS Chairman Don Marron, and former Representative Barry M. Goldwater Jr. More than 55% of those targeted will

choose to cough up the full \$75 yearly rate after about 18 months, when various discounted offers expire, says Smith.

In addition to the gimmicky endorsements, *The Week* is attempting to create a salon of sorts for opinion makers. It has forged a relationship with the Conference Board, holding breakfast forums with CEOs on subjects ranging from "the art of the turnaround" to "recommendations to the President from the private sector." It also hosts lunches among New York's power set at Michael Jordan's restaurant in Grand Central Terminal. And on Mar. 8, *The Week* held its first-ever Opinion Forum for columnists and opinion writers at the Freer Gallery of Art in Washington. The leadership nonprofit Aspen Institute is a partner. *The Week* then handed out awards for the best commentary, editorial, and opinion writing.

In a category that is hardly new, *The Week* may be the most innovative effort since *Reader's Digest* launched 83 years ago with just 5,000 copies. For Felix Dennis, the challenge will be weighing the allure of grabbing new ad dollars against maintaining the intelligent brevity that has made *The Week* required reading. ■

—By Tom Lowry in New York