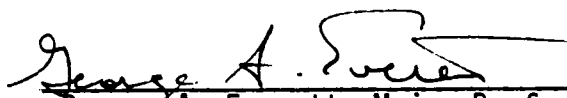
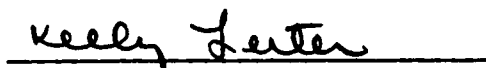


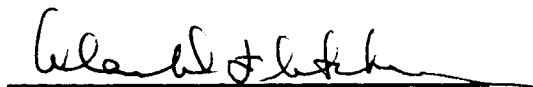
To the Graduate Council:

I am submitting herewith a thesis written by Edward Earl Cook entitled "13-30 Corporation: A Case Study in Innovative Magazine Publishing." I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Communications.

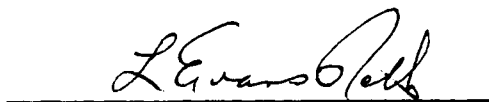

George A. Everett, Major Professor

We have read this thesis
and recommend its acceptance:





Accepted for the Council:


Vice Chancellor
Graduate Studies and Research

13-30 CORPORATION: A CASE STUDY IN
INNOVATIVE MAGAZINE PUBLISHING

A Thesis
Presented for the
Master of Science
Degree
The University of Tennessee, Knoxville

Edward Earl Cook
March 1983

DEDICATION

TO MY FATHER

ACKNOWLEDGMENTS

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ABSTRACT

The purpose of this study was to determine how and why 13-30 Corporation, a Knoxville, Tennessee-based magazine publishing and marketing company, came into being and to determine its role in American magazine publishing. The company's history, growth, and development, with particular emphasis on the role of marketing and the use of controlled-circulation distribution, was investigated.

The thesis, based primarily on interviews with 13-30 personnel, studied 13-30's success in specialized magazine publishing, its concentration on marketing, and the unique qualities that have made 13-30 Corporation one of the leaders in specialized magazine publishing.

The study revealed that 13-30's founders' knowledge of the college market and the founders' ability to reach the college market through printed media, coupled with the receptiveness of the college market in the early 1970s to 13-30's publications, contributed to the company's early success. It was determined that the development of the print special, a form of contract publishing with an exclusive advertiser, and 13-30's partnership with Bonnier Magazine Group of Sweden contributed to 13-30's financial success and property growth in the 1970s.

The purchase of Esquire magazine by 13-30 in 1979 and 13-30's association with Associated Newspaper Group of London was found to have further influenced 13-30's growth and position within the magazine publishing industry.

Today, 13-30 is the nation's largest magazine publishing company to the college market. Combined with Esquire, 13-30's revenue exceeds \$50 million, placing the company among the top magazine publishers in America.

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CHAPTER I

INTRODUCTION

Benjamin Compaine, author of Who Owns the Media? (1980b), traced the American magazine back to February 1741, when Andrew Bradford's American first appeared in the colonies. Bradford's first issue beat Benjamin Franklin's General Magazine by three days.

The magazine in America has changed drastically since Bradford's day. Once dominated by general interest, mass audience publications, the magazine industry has evolved into a more specialized market.

It is the concept of specialized publishing that is central to this study. In 1969, five University of Tennessee, Knoxville, graduates joined to form a magazine publishing company based on a philosophy of specialization. The resulting company, 13-30 Corporation, produced a variety of magazines tailored to a specific concept and audience. The market they entered was the youth market, hence the name 13-30 from the age group at which they aimed their publications. With the acquisition of Esquire magazine in 1979, the company became known as 13-30 Group, owners of 13-30 Corporation and Esquire. All of 13-30 Corporation's titles, except Esquire, are controlled-circulation periodicals. The majority of the titles are known as the "print special," based on a form of publishing contracted with an exclusive advertiser. The company developed the concept in the early 70s.

The Knoxville-based firm, over its 13-year history, has grown at a rapid rate (Brewer, 1982). Gross income at 13-30 Corporation has increased from \$9 million to more than \$20 million in the past five years. Fiscal 1982 income is projected at more than \$31 million. Sales and profits have grown 40 percent in each of the past two years. In 1979, the purchase of Esquire, then a money-losing publication, thrust the Tennessee publishing house into public awareness. Under its new management Esquire has regained fiscal stability and is projected to break even this year and secure a profit in 1983.

Statement of the Problem

The purpose of this thesis is to determine how and why the 13-30 Corporation came into being; provide a documented history of its start and growth; explain why it has achieved the measure of success it has; determine 13-30 Corporation's role in modern magazine publishing; determine the role of marketing in the company's growth and development; and examine the unique qualities that have made 13-30 Corporation one of the leaders in the specialized publishing field.

The idea for this thesis occurred to the author while he was engaged in graduate study in magazine journalism at The University of Tennessee, Knoxville. Since the company is based in Knoxville and many of the company's founding personnel are accessible, the author saw such a project as not only significant, but opportune for practical research in magazine publishing. Discussions with Mike Collins, general manager, and Madeline Walls, marketing services manager, gave encouragement to the idea.

In studying 13-30 Corporation, several questions will be addressed: (1) Why was 13-30 Corporation founded? (2) How has it changed? (3) What unique factors, if any, contributed to its growth and success? (4) What role does the company play in modern magazine publishing? and (5) How will that role likely develop in the future?

The use of the term success is being based on such criteria as fiscal earnings, rate of growth in the number of titles published as well as physical expansion, and innovations in publishing over the company's 13-year existence.

The historical significance of this thesis rests partly on the rapid growth 13-30 Corporation has enjoyed in recent years. From a single, controlled-circulation publication--Knoxville in a Nutshell--to 15 present titles, in addition to a sampling program, 13-30 Corporation has proven to be one of the most rapidly growing magazine publishers in America. The concept and philosophy behind the company are worthy of study and historical evaluation.

Background

Following Bradford and Franklin's publishing ventures, magazines existed on a small scale and with limited circulation, 2000 to 3000 being above average (Compaine, 1980b). The modern magazine finds its start in two events of the late 19th century. In 1879, Congress provided low-cost mailing privileges for periodicals. The number of magazines published in the United States jumped from 700 in 1865 to 3300 in 1885. In October 1893, Frank Munsey put into practice an emerging concept--selling his Munsey's Magazine for less than its

cost of production, hoping to achieve a larger circulation. For the first time, publishers began providing magazines for the masses as well as for the elite and the educated.

As a result of these two developments, Compaine said, the characteristics of the modern magazine began to emerge. Magazines became low in price. Previously unheard-of circulations developed as a result of low prices, mass production, and mass distribution. The role of advertising became paramount as advertisers realized the publication's ability to reach national audiences. In order to serve wider audiences, magazine content reached out to appeal to new and diverse interests.

In the early 20th century, the magazine industry was dominated by giant publishers. In 1918, Curtis Publishing Company's Saturday Evening Post, Ladies' Home Journal, and Country Gentleman accounted for 43 percent of all national advertising spent in consumer and farm publications. However, such dominance waned. In 1977, Time Inc. accounted for 12.7 percent of total advertising revenue as the nation's largest publisher of magazines, while five leading magazines (TV Guide, Time, Newsweek, Parade, and Sports Illustrated) together brought in 28 percent of all magazing advertising revenue, down from 31 percent in 1973.

Compaine pointed out that the magazine industry has traditionally been a vigorous and highly competitive business because of its economic structure. The field is easy to enter because a publication can be produced with relatively small capital. The history of

periodical publishing has shown the role of the concept behind a magazine as more important to the publisher than whether or not the publisher can afford to print more than one issue.

Magazines in the 1980s face a different attitude, Compaine said. The field is still an easy one to enter and the concept behind a publication vital. But the magazine publishing industry in 1982 has substantially completed a fundamental change, as Compaine said in a separate article (1980a). As a modern publishing form, the magazine is barely a hundred years old. For much of their lives, magazines served as the primary mass media in American society. Now that other media, notably television, have usurped that purpose, magazine publishers are justifying their existence by serving either portions of the entire literate audience, or small groups of readers with a strong interest in particular subjects. While the general-interest, mass-oriented magazine still exists, it is giving way to the growing specialized-interest magazine market.

The specialized magazine trend applies not only to consumer interests, but also to the diverse information needs of business and the professions, as evidenced by a steadily increasing number of trade magazines with both paid and controlled circulations. As with consumer magazines, business magazines serve the needs of advertisers who wish to reach a well-defined audience for their products or service.

Compaine (1980a) stated that the specialized magazine has developed in response to several factors in American society:

* Job specialization. Society has created a need for specialized subgroups of managers, researchers, engineers, etc. To meet their needs, specialized magazines are tailored to them.

* Assertion of new freedoms and tastes. As American society has become more permissive, magazines have responded to different groups asserting their potential as new markets.

* Spread of education. Over the past 20 years, higher education has become mass education in the United States. Half of all high school graduates now go to college. The number of college degrees awarded has been increasing steadily. The result has been the creation of a vast college-educated, literate audience with a multiplicity of personal and intellectual interests.

* A consumer haven. With a market as vast and wealthy as that of the United States, almost any well-presented idea can create a highly lucrative, if limited, submarket for itself.

* Increased opportunities to pursue interests. Americans have the discretionary income to embrace a wide variety of pursuits. People with similar interests join together, identifying with each other.

For the advertiser and publisher, Compaine concluded, the consumer magazine is little more than the delivery of a market. A mass circulation magazine must deliver to a generalized market, one that is held together not only by any single interest but by some vaguely defined patterns. On the other hand, there are magazines that deal with a single product or concept. Moreover, the product or concept is central not only to the editorial matter but also to the bulk of

advertising. Such a magazine is thus able to deliver to an advertiser a specific, highly-defined audience.

And 13-30 has been closely involved in publishing magazines designed to deliver to an advertiser a specific, highly-defined audience.

CHAPTER II

LITERATURE REVIEW AND METHODOLOGY

In its approach to magazine publishing, 13-30 Corporation is unique. All of the company's publications, except Esquire, are controlled-circulation. None of the magazines have newsstand sales or subscriptions. All are distributed to specific markets or audiences by diverse means and only three are supported by more than one advertiser. The remaining periodicals are single-advertiser-supported "print specials."

Because of the unusual combination of services provided by 13-30 Corporation in publishing and marketing, there are no studies of comparable companies. But several relevant studies were found helpful in preparing this thesis. The literature reveals a variety of general and individual magazine histories. Several books were found, documenting both individual periodical histories and comprehensive overviews of the magazine publishing industry. The bulk of the relevant literature in scholarly journals, primarily articles from Journalism Quarterly and The Journal of Communication, concentrates on specific magazines and significant events concerning the publications.

Since most of the scholarly journals have not provided specific research on specialized controlled-circulation periodicals, a review of trade publications and the popular press was made to provide specific information on the topic. Such publications as Advertising

Age, Magazine Age, Media & Marketing Decisions, Folio, and Graphic Arts Monthly were reviewed, in addition to articles appearing in The New York Times, Wall Street Journal, and Detroit Free Press.

Academic Literature

In his history of post-1900 periodicals in the United States, Peterson (1964) predicted the possibility that magazines will some day be given away instead of sold, delivered by newsboys instead of by mail, and tailored to the particular reader rather than to the masses. The survivor, he says, will be the specialized periodical.

Wolseley (1973) supported Peterson. Wolseley found hundreds of magazines free to the reader, their circulation classified as controlled. Such an example is Folio magazine, begun in 1972 as the magazine for magazine management. The first issue was sent to 8000 magazine publishing executives and companies related to the industry. Now a paid-circulation publication, sold on newsstands and by subscriptions, Folio initially depended on its advertising revenue to meet costs.

Ford (1969) stated controlled circulation has long been a major means of publishing and distributing industrial publications and company externals. Now it is part of the consumer magazine industry, as well as extending its influence into other regions of specialized publishing. He pointed to Metromedia's 10,000-per-month controlled-circulation publication--Homemakers--launched in 1968 as a service periodical to housewives. College students were the goal of Dare, which put free copies into dormitories, fraternity houses,

and student unions. Communications Research Machines, Inc. added Careers Today in 1968, with an initial circulation of 300,000 college seniors and graduate students, to its paid-circulation Psychology Today. Ford predicted such free books will put increasing pressure on the established properties sold on newsstands and by subscriptions.

Whalen (1964) provided an account of Catholic Digest's beginnings, which bear some similarity to the start of 13-30 Corporation's Nutshell magazine. Using primary sources, Whalen documented the Reverend Louis A. Gale's entry into religious publishing in 1936. Armed with a modest subscription list, several baskets of mailing labels, and only \$1000 in capital, Gale ignored expert publishing advice and built his concept into the largest religious-circulation periodical in America.

Whalen used interviews with original personnel at Catholic Digest. This use of primary sources enables the author, and any researcher studying a magazine or publishing company, to record the magazine's account in a precise and accurate fashion instead of depending on the interpretations of others. Whalen traced the magazine's history from concept to printed page, providing a narrative of the publication's start and subsequent changes. He pointed to important developments influencing Catholic Digest's growth, such as feature article selection and a simplistic writing style, and investigated the magazine's editorial philosophy, concepts, and goals. He also documented the magazine's milestones, appearance, and financial history. Such criteria are utilized in this study of 13-30 Corporation.

The role of Catholic Digest in magazine publishing is discussed, evaluating format, content, and innovation. Whalen pointed to the selection of simple, easy-to-read articles, designed for the typical Catholic reader, as a basis for the publication's success. An overview of the competition in religious publishing was given to place Catholic Digest into perspective with similar religious periodicals. Whalen also compared the past and present editorial structure to determine how the magazine evolved editorially and physically over time.

McWilliams (1965) summarized the 100-year history of the Nation magazine and evaluated the roles of past editors in shaping the publication's editorial voice. This profile of editorial staff is useful in illuminating how individuals projected their personalities, prejudices, and hopes into the Nation's content. A similar profile of 13-30 Corporation's founders is made in this study.

McWilliams also utilized primary sources--personal letters--in focusing on starting the Nation, the problems incurred by the magazine, and how these problems were handled. He also described innovative techniques that developed from problem-solving, a main point of study in the examination of 13-30 Corporation. McWilliams discussed how the magazine survived while similar publications failed, focusing on the policy and performance of the editorial staff and the magazine's financial stability. The periodical's goals and concepts were examined with emphasis on unique ideas and liberal, idealistic threads in the editorial staff.

Graybar's (1972) study of the founding of the Review of Reviews gave useful insight into methodology for historical magazine research. Graybar concentrated on the idea behind starting a magazine and the events leading to the first printed issue. How the concepts were transferred to the written page and public acceptance of the Review of Reviews were also discussed. Graybar's methods of study helped define important factors in conducting similar research. In addition, Graybar utilized the familiar editorial profile in describing the organization of the magazine's staff.

A case study of the editorial origins of McClure's magazine was made by Stinson (1970). By profiling the publication's editor, Stinson concentrates on the early experiences in writing and editing; McClure's management of the American Literary Press; the influence of Century magazine; comparisons with Strand magazine; and how these factors were injected into the publication's content and personality.

Anderson (1974) concentrated on the changes of American Mercury over a 20-year period. The 13-year history of 13-30 Corporation is fashioned after this technique, dividing the history into separate, easily managed sections. Anderson concentrated on such criteria as conceptual changes, publisher and editor changes, and movement in editorial direction. He profiled the periodical's selection of articles, its financial history, and its slant toward racist and fascist sentiment in content.

The development of the regional, specialized city magazine was studied by Moon (1970) and Fletcher (1977). Moon examined the growth of the city magazine in the United States and discussed the relationship between publishers and editors of city magazines, finding such relationship self-serving at times, especially if the publication is produced by a Chamber of Commerce or city government institution. Moon also looked at the unique pressures experienced by editors in producing city magazines: content reflecting favorably on advertisers, stories revealing only positive elements of a city, etc.

Fletcher examined the proliferation of city magazines over a 15-year period. His study analyzed the city magazine niche as perceived by the individual magazine's publishers and editors. A questionnaire to publishers and editors asked them to evaluate the position of their respective publications in the media marketplace, list factors leading to success, describe audience composition, and cite problems facing the industry. Such criteria are utilized in this thesis.

Three additional magazine histories helped structure this project. Wood's (1949) chapter on Collier's magazine examined Crowell Publishing Company's purchase of Collier's in 1919, and the editorial structure under editor William Ludlow Chenery. Wood traced Collier's attention to social issues in its content and discusses the publisher's editorial goals and tactics implemented to reach those goals. Emphasis was given to editorial policies and trends Collier's helped to establish among mass publications.

In a separate book, Wood (1958) took a look at the information The Reader's Digest disseminates, the entertainment it offers, and the attitudes it fosters. Wood looked at the origin, development, production, expansion, and significance of the magazine, a line of action this thesis emulates.

The studies conducted by Anderson and Wood, in addition to the surveys of Moon and Fletcher, utilized primary sources--interviews, letters, and questionnaires. More general magazine histories, such as Peterson's and Ford's, combined primary and secondary sources when exclusive personal correspondence was unavailable or impractical. The majority of this study on 13-30 Corporation is based on primary sources--interviews--with secondary sources in a minor, supporting role for clarification or enhancement.

A review of Journalism Abstracts, Communication Abstracts, and Dissertation Abstracts produced some theses germane to this study. Wainwright (1966) examined the controversy over paid and free distribution business magazines. He looked at the kind of coverage each is capable of achieving for advertisers, finding those magazines distributed free tended to reach the more specialized or targeted audience, while paid-circulation business magazines were primarily aimed at the more general mass audiences. Wainwright compared content and costs in the two types of publications, finding content more similar than costs. Since the free-distribution business magazine is usually aimed at a small, specific audience, costs for producing and distributing the periodical are less than the paid, mass-oriented business magazine.

Cooper (1973) conducted a historical study of Arizona Highways magazine, charting the magazine's growth from conception to present status. His research emphasized the start of the publication, its content, and the editor--Raymond Carlson.

Another magazine, Look, was examined by Cooperman (1966). He documented the magazine's heritage, with the bulk of the thesis concentrating on three periods of editorial leadership between 1936 and 1965, much like Anderson's study. A profile of editor Gardner Cowles Jr. was given to see the effect of personality on the content and direction of the magazine. Cooperman also studied Look's expansion and changes. Davis (1976) provided a similar study of Texas Football magazine. He profiled the editor and founder in addition to charting the magazine's start, successes, and achievements.

The controlled-circulation airline magazine was the subject of two theses. Williams (1970) looked at the in-flight airline magazine as a specialized periodical and promotional tool. A history of America's in-flight magazines was discussed, with emphasis given to how airlines developed the in-flight periodical, their philosophies, purposes, financial histories, and future plans. Tranter (1981) surveyed the United States' airline in-flight magazine editors and airline officials. She examined the publications for editorial policies, formats, formulas, advertising, and audience composition. Both airline theses helped provide a basis for studying controlled-circulation publications.

Trade and Popular Press

A nationally syndicated New York Times article by Kleinfield (1981) concentrated on the single-advertiser magazine. Although a limited market, single-advertiser magazines are becoming an increasingly popular marketing tool for some of the country's target advertisers. The specialized publications provide a sponsor the opportunity to reach a specific audience that could not be reached by traditional media.

Kleinfield said assorted publishing enterprises prepare magazines aimed at employees and, occasionally, consumers, that bear only one company's ads. Meredith Corporation, publishers of Better Homes and Gardens, has produced a range of design and entertainment magazines over the past seven years that carry single sponsors. The publications are sold on the newsstands and advertisers must buy the equivalent of at least 18 four-color pages at approximately \$130,000 per issue. The content of Meredith's publications is closely related to the sponsor's products.

Kleinfield called 13-30 Corporation "one of the most vigorous miners of this market" and described the development of 13-30 Corporation's print specials as the print version of television specials, which have often been backed by one sponsor. Kleinfield differentiated the two types of specials by characterizing television shows as designed for mass audiences at high costs while print specials are less expensive and focus on individuals expected to have interest in the sponsor's goods or services.

Christopher (1979) explained that the magazine industry is becoming more sophisticated in its marketing techniques: "Computer printouts, demographic models, and the language of the Harvard business school have taken their place beside editorial concepts as determinants of the final product." She said that the advent of improved marketing techniques has been paralleled by an increasing specialization in magazines, giving the publisher the ability to target his audience precisely.

Holland (1980) described the advantages of the print special as a marketing tool for advertisers. The print special, Holland said, is a mix of corporate and product information. But the mix should be a paired association. Ideally, consumers favorably view the advertising in a print special, as well as the products or services, because they enjoy the magazine it sponsors.

Holland said the print special's advantage over television is its longevity, or "keeper value," compared to broadcast material. The glossy, four-color magazines are seen by advertisers as information sources for their audiences while television is viewed as entertainment.

The success of a Canadian controlled-circulation consumer magazine publisher, Comac Communications Ltd., was described by Dowling (1979). The company distributes four controlled-circulation

magazines by mail, free to its target audiences. Comac accounted for \$20 million of Canada's \$100 million major national advertising revenue in 1978. Comac pioneered its concept in the consumer magazine field by using raw census data in major markets to target upscale neighborhoods and create a magazine to match.

Comac's four magazines reported combined average circulation of 2.5 million in 1978. Leading the group is Madame au Foyer (French version) and Homemakers (English version), with a combined circulation of 1.5 million and \$11,700,000 in gross advertising revenue. Quest, a social-issues oriented publication, reached 700,000 circulation, and City Woman, designed for the public and private interests of affluent women in Montreal, Toronto, and Vancouver, reached 200,000 in 1978.

Dowling said that Comac brought vitality and acceptance to a floundering Canadian consumer magazine industry. Comac found that consumer magazine circulation figures paralleled population growth figures except in major markets, which were underserved, and adopted a top market approach to publishing magazines. Dowling stated Comac avoided the costly process of building and maintaining a subscription base and did not have to compete with American magazines, therefore proving controlled-circulation publications viable to both readers and advertisers.

Publishing magazines on a controlled-circulation basis is not always successful, as Love (1979) explained. The ability to pass along spiraling costs to readers--especially postage and paper costs--

has been a major factor in successful magazine publishing. Love pointed out controlled-circulation magazines must either absorb the increase or pass it along to their advertisers. This, she said, is creating a renewed interest in converting circulation from controlled to paid.

On the other hand, Walsh (1978) stated that controlled-circulation magazines, if developed soundly and highly qualified, offer direct benefits to the advertiser in terms of primary market coverage (without heavy reliance on "pass along" coverage which is difficult to qualify). While the broad coverage factor is a plus, the use of controlled circulation requires a publisher to go further in proving the magazine's editorial acceptance than is the case with a paid-circulation publication.

Bonham (1978) reinforced Walsh's sentiments. Pointing to the success of controlled circulation in in-flight airline magazines, Bonham found that they reach a particular market and garner a significant portion of advertising revenue.

Lazare (1981) reported the need and acceptance of specialized controlled-circulation publications, such as 13-30 Corporation's Moviegoer and In Cinema Ltd.'s In Cinema. Lazare quoted Harlan Jacobson, former Variety reporter, as saying magazines like Moviegoer and In Cinema fill an obvious need that has not been addressed. The market for movie magazines, for example, is apparent with Moviegoer's 1.2 million national circulation. And these controlled-circulation magazines are an effective marketing tool for advertisers wanting to target specific audiences.

Methodology

The method for conducting this thesis has been alluded to in this chapter. The basic method of gathering primary data has been personal interviews with 13-30 Corporation staff members. Newspaper and magazine reports were also used to support and clarify certain sections of the thesis. In addition, a number of documents concerning 13-30 Corporation's history and growth have been used and were obtained from company personnel. Some of these documents were reproduced in the text or appendices of the thesis.

The bulk of the thesis was based on the interviews, similar to methods used by Anderson and Wood in their respective studies. More general histories, such as by Peterson and Ford, combined the interview process with secondary sources. Many of the aforementioned studies used interviews, personal correspondence, and memorandums in preparing their projects.

Of particular interest is the technique of profiling the editors and staff members of a magazine or company, as conducted by Whalen, McWilliams, Graybar, Stinson, Wood, Cooper, and Cooperman. These profiles revealed the personalities of the individuals most closely associated with their publications. This personality factor aids in understanding the concepts, formulas, and formats of various magazines and how they were implemented. Personality profiles are also helpful in outlining the chronological narrative of a magazine's history and were similarly utilized in this thesis.

The criteria used by Moon and Fletcher were helpful in designing research points for this study. Moon's and Fletcher's use of

editor and publisher perceptions of their publications in the marketplace, reasons behind success, content style, and discussion of problems within the publishing industry were used in this study.

Previous theses relating to magazine history helped to determine questions that could be asked of 13-30 Corporation personnel. For example, Cooperman's thesis on Look emphasized concepts, content, format, and expansion. Davis' study of Texas Football included an explanation of how the magazine was formed and why it was successful, and listed company milestones or achievements that influenced the publication's development. Such research questions were used in this study.

The use of interviews was appropriate because of the relative youth of the company and its location in Knoxville, Tennessee. The following people were interviewed for this study: Christopher Whittle, co-founder and chairman of the board; Mike Collins, general manager; Pam Beaver, editor; Mike Rinehart, field marketing; and Madeline Walls, marketing services.

This thesis is divided into six sections: an introduction to place 13-30 Corporation into perspective with other publishers; a review of relevant literature and an explanation of the study's methodology; a historical perspective, detailing the company's start, achievements, setbacks, personnel, organization, innovation, and development; corporate organization and property profiles, describing structural changes over the years and the status of the company's current properties; perceptions of 13-30's role and position in

modern magazine publishing as expressed by key corporate personnel;
and a conclusion, summarizing and interpreting the findings.

CHAPTER III

HISTORICAL PERSPECTIVE

The history of 13-30 Corporation began in 1967, when three students at The University of Tennessee, Knoxville--Chris Whittle, Phillip Moffitt, and Bryant Mayfield--published a series of study guides for students enrolled in large introductory courses at UTK. Called Timesaver's Test Analysis, the 15 to 20 guides covered such subjects as English and economics and were sold in local book stores.

The student study guides were a modest success for their owners. They were sold by Moffitt, Whittle, and Mayfield "to another group of students for an extremely small amount of money" (Whittle, 1982).

Moffitt, a political science major, was elected student government president in 1967; Whittle, who majored in history, won election to the same post the following year. Moffitt and Whittle's early involvement in student politics brought the young entrepreneurs into contact with Ed Smith, who served as UTK student body president in 1970, and David White. Smith studied real estate at UTK; White majored in history; and Mayfield, dairy manufacturing.

Said Whittle:

Because of our involvement in student government, we were all knowledgeable of the student community at a time when student politics was at its height. It was a unique assembly of personalities, in a way, at a unique time in student times (Whittle, 1982).

After graduation in 1968, Moffitt was appointed assistant dean of students at UTK. This position required Moffitt to supervise the university's student orientation program. Moffitt, as a result of his duties, developed the concept for an orientation magazine for incoming students.

Moffitt, with Whittle, Mayfield, Smith, and White, started a company in 1969, Collegiate Marketing and Management Inc., to create and manage a variety of college properties. The student orientation magazine was the company's first property.

Nutshell

The start of Collegiate Marketing and Management's initial publication was outlined by Moffitt, as quoted by Biemiller (1980):

In the course of graduating and trying to decide what to do, we started a local magazine, Knoxville in a Nutshell, with no grand plan about expanding or anything like that. What we were really doing was trying to see if we could handle being in business, because in the late 60s, that was something you never considered.

Knoxville in a Nutshell was launched with \$60,000 borrowed from the founders' families and friends in 1969. Published and distributed as an annual, the magazine grossed \$6,000 from its local advertising sales and netted a \$2,000 pre-tax profit for the company (Whittle, 1982).

Although Knoxville in a Nutshell was only a moderate success, Moffitt, Whittle, and the other founders expanded the magazine to 20 editions in 20 college cities in the southeastern United States the following year. The company distributed the magazine to major state

universities and schools in major metropolitan areas because of the large concentration of students in the cities.

"The whole combination of people and circumstances led us to Nutshell and the ultimate idea of taking the magazine into other cities," Whittle said. "We thought if it could work in Knoxville, it ought to work in other cities" (Whittle, 1982).

As a result of expanding Nutshell, the company lost money in "ever increasing amounts" over the next four years (1969-73) because, Moffitt said (quoted by Biemiller), "we were totally naive in terms of business and publishing."

In its infancy, the company was run by White, who served as president. Moffitt served as editor of Nutshell while Whittle marketed the publication to the college community. Smith's primary function was to run the company's field operations, ensuring that the publications were distributed in the various cities. Mayfield left the company after one year to form Computer Concepts, an organization to develop computerized dairy technology (Whittle, 1982).

It was a four-year experience that molded our whole business careers. First of all, we were all very young, 22 and 23. In the year we expanded Nutshell to 20 cities, instead of making a little money as we had done in Knoxville, we lost \$60,000. We were so naive that the concept of the idea that you had to invest was alien to us. We were staggered by the loss. We viewed losing money in the beginning as complete failure. We had been successful in previous endeavors and all of a sudden we lost some money. We thought \$60,000 was a tremendous amount. We decided to go on with this. We probably don't have this down right, we thought. Maybe we need to have more economies of scale. We went to 60 cities (in 1971, similar to the first 20) across the nation and lost \$350,000, which was approaching the gargantuan, to us (Whittle, 1982).

After losing \$60,000 in 1970, Whittle said, "We were deeply concerned." After the \$350,000 loss, "We were all freaked out by the amount of money we owed. We didn't know what was coming."

In 1972, Nutshell was expanded to 100 cities nationwide and lost \$550,000.

After the first three years we were \$1 million in debt. It was a staggering sum. None of us were from really well-to-do backgrounds and all the money was from middle-class families loaning their sons money (Whittle, 1982).

None were from "well-to-do" backgrounds except for Mayfield. His family owned and operated Mayfield Dairy, a major dairy products supplier in the Southeast. When Mayfield left Collegiate Marketing and Management in 1970, so did his financial contributions to the organization (Whittle, 1982).

The initial investors in Collegiate Marketing and Management consisted of family and friends. There were some commercial loans, but the majority of the early funding was private. "They were more than investors," Whittle said, "people just loaning us money."

Our funding was patched together from a huge network of sources. As we lost money, we relied on these people and anyone else to keep us going. We would literally have weekly meetings on Friday afternoons where each of us would sit down and determine where we were going to get the money to pay next week's payroll (Whittle, 1982).

By 1972, with Nutshell up to 100 cities, Collegiate Marketing and Management was renamed 13-30 Corporation, after toying with the name Approach 13-30 Corporation.

"Our role at the time was approaching the 13 to 30 age group, but we settled on 13-30 Corporation because it was a more appropriate description of what we were doing. And besides, I hated the name (Approach 13-30 Corporation)" (Whittle, 1982).

The 13-30 Corporation employed approximately 35 to 40 full-time personnel in 1972, with the majority of the group coming from the Tennessee area. The staff was rather large for the size of the company, Whittle said, because of the number of editions of Nutshell being produced and sent across the country. Part-time employees were used in each of the respective cities where the magazine appeared, selling local advertising space and writing articles.

The editorial staff, under Moffitt's command, continued to grow when Nutshell was consolidated into a single national edition in 1973. Pam Beaver, who is the company's current editor, joined the company as a writer in 1970 and assisted Moffitt in the development of new publications. Smith and Whittle continued their marketing duties within the company during this period.

The College Network

When Nutshell was expanded to national distribution, 13-30 utilized a distribution system developed at The University of Tennessee with Knoxville in a Nutshell. The system was based on free distribution on campus through a university-sponsored and recognized organization. Jim Rinehart, 13-30's vice president of field marketing, who oversees distribution, explained the unique college network system as it presently exists:

We go onto a campus and negotiate an agreement with an on-campus organization or with the school administration, such as the dean of student affairs, or student housing office, student life, student government, bookstore, or union. We negotiate an agreement that they are the sponsor of the magazine. There's a legal requirement that we have to have some sponsorship. You can't go onto a college campus and distribute commercial literature. It's

illegal, unless you have a sponsor. Once the contract is signed, we determine the circulation for the campus and put that information on our computer to determine if we are up to the circulation levels (nationwide) we want to be at (Nutshell's 1982 circulation stands at 1.2 million) (Rinehart, 1982).

A sample contract is included in Appendix B.

Rinehart, who joined 13-30 in 1980 from Schering-Plough, explained that the typical Nutshell school has remained the same over the years. The typical school is a major state university, such as Texas, Wisconsin, or Michigan, or a major metropolitan school, like Georgia Tech, University of Miami, or University of Chicago.

The reason we go for the major schools is they have a high concentration of students and that makes it a very efficient force to distribute to those schools. It is very inefficient, for example, to distribute Nutshell at Hampden-Sydney College. It's too small; isolated. Distribution costs would be very expensive (Rinehart, 1982).

When a sponsor is found on a campus, no money is exchanged as a result of the agreement. The sponsor's only responsibility is to assist in the distribution of the magazines on campus, usually under the supervision of a 13-30 field representative. Nutshell can be promoted by the campus sponsor through campus newspaper advertisements, prepared by 13-30 and sent to the sponsor prior to distribution. In addition to the 120-column-inch advertising slicks, radio commercials are also available for promoting Nutshell's arrival on campus. The costs for such advertisements are borne by the sponsor.

Such promotional activity was developed over a period of years, working with campus organizations and administrators, but the present system is essentially a refinement and extension of the original national distribution system for Nutshell.

Graduate and 18 Almanac

Utilizing its national college network, 13-30 started another college magazine, Graduate, an annual handbook for graduating college seniors, in 1971. Graduate was distributed in January by sponsoring alumni associations, offices of student activities, and student placement offices. A limited number of copies were also distributed through banks.

Another annual handbook, 18 Almanac, was launched in 1973 for graduating high school seniors. Distributed in September through February, 18 Almanac was targeted nationwide to communities where a large concentration of high school seniors existed. College admissions offices used 18 Almanac as a recruiting tool for prospective freshmen and sponsored the magazines for distribution in high schools. The magazine was distributed on the high school campus through a network of high school guidance counselors. The counselors indicated to the company the number of publications needed and received the shipment from 13-30 for redistribution to high school seniors.

In 1973, 13-30 Corporation published three multiple-advertiser publications--Nutshell, Graduate, and 18 Almanac--nationwide. All of the company's revenue came from these publications' national advertising sales. Except for 18 Almanac, which gathered additional revenue from single copy sales to banks, the three magazines' national advertising kept 13-30 afloat, in addition to modest commercial loans and private donations. But despite their national advertising and circulations, 13-30 continued to lose money.

Said Beaver:

There is a misconception about Nutshell that people thought it raked in all this money. It did not and does not make that much money. National advertising is really not that profitable. If it (Nutshell) had a secondary source of income, like subscriptions or single copy sales, it would have been more profitable (Beaver, 1982).

The same was true for Graduate and 18 Almanac. Neither was making any money for the company and 13-30 had gone further into debt to cover losses and keep the organization going. But despite the financial problems, 1973 was an important year in the growth and development of the company.

The Print Special

Conception. Developed by Whittle and Moffitt, the print special was unveiled by 13-30 in late 1973. The print special was modeled by Moffitt and Whittle from the television special. Basically, the print special, or single-advertiser-sponsored magazine, is fashioned for specific groups with just one advertiser for a contracted period. Just as an advertiser sponsors a television program, the advertiser of a print special is the exclusive advertiser for a printed publication.

Beaver explained:

The way 13-30 came into the print special, we backed into it, actually. We were in a situation where we wanted to develop another magazine for the college student. None of those publications (Nutshell, Graduate, 18 Almanac) were making any money. They were getting close to the place where they were breaking even. We had the idea to do a travel magazine for college students. There wasn't anything else like it on the market and we thought college students would be particularly interested in this since students spent a lot of time traveling

around. We didn't want to go into debt like we did with Nutshell and Graduate. So we just hit on the idea that there must be someone out there who cares enough about the college audience that they would be willing to buy all 12, 15 pages, or whatever it was going to be (of advertising space). We took the idea to Chevrolet first, thinking they would be interested because they were getting ready to make small cars. They did do the test edition in California. It got pretty good results but they decided not to continue it because the Vega wasn't going to roll out. And then Datsun turned out to be very interested in it because, they rightly thought, one of their primary markets is the college market. This (the print special) is a perfect way to reach that audience. It also happens to be very compatible with their manufacturing message, which is automobiles. Not that all travel has to be done that way, or that America promotes the idea of traveling by automobile, but the whole idea of travel, adventure, fun, freedom is pretty compatible with the small-car image that Datsun has. So it was a nice mix. There are a million different approaches for developing magazines. The basic idea is concept and audience first, and then find advertisers that would be right for that publication. When planning a multi-advertiser magazine, you may have a list in your mind of 50 advertisers who would potentially be interested in your concept and audience. With the print special, you do the same thing. You have a list of maybe 10 or 20 advertisers, due to a more selective medium (Beaver, 1982).

The initial travel magazine and print special of 13-30 took the form of America in 1974. An annual produced under contract with Datsun, America was distributed via 13-30's college network and utilized its on-campus sponsorship program. The publication appeared on campuses nationwide each spring, until the frequency was increased to include a fall edition in 1982. But America wasn't 13-30's first print special, although it was the company's first publication in magazine form. Developed at the same time as America was a guide-book for amateur photographers, Nikon's Beginner's Guide to the Single Reflex Lens Camera. Sold by Nikon camera dealers and by mail order, Beginner's Guide was released by 13-30 in late 1973 in booklet form (Walls, 1982).

Developing the print special. Mike Collins, 13-30's executive vice president and general manager, explained (Collins, 1982) how the print special is conceptualized, developed, and executed.

The print special's initial development was the result of a team effort among several key 13-30 personnel. Collins identified seven steps that occur during the process of producing a print special. These steps were utilized when 13-30's first print specials appeared in 1973 and 1974.

The initial step is identification and selling. A development team, led by Whittle, consisting of Moffitt, Collins, and Laura Eshbaugh (vice president of research and development), works to identify and decide which companies are right for the print special concept and to whom 13-30 wants to sell the concept. This team narrows the list of prospective companies to three or four businesses. Research is then conducted by 13-30 to determine whether these companies can use 13-30's services.

The next step involves generating client interest in the print special. Whittle acts as the company's representative in this phase, selling the concept to a prospective client. Once a client is targeted as a potential print special advertiser, 13-30 attempts to match the client's particular needs to the services the company is capable of providing.

The third phase in this process involves developing a new product, or magazine, concept. Led by Eshbaugh and Moffitt, the company conducts primary and/or secondary research on the client's market. Then 13-30 identifies and defines the client's target

audience in terms of the audience's interests and determines whether 13-30's services can reach that audience both physically and psychologically. The market is then identified for editorial interests and research is done to see whether the company can identify the market as a reachable audience.

The process then returns to Whittle's control. Whittle negotiates a definite commitment from a client to produce a specific print special, finalizing the selling process. The concept, as developed under Eshbaugh and Moffitt, is explained to the client in a comprehensive presentation.

Once a contract has been signed to produce a publication, the fifth step is the execution of the contract. Two important events occur under this step: the development of the magazine's editorial content and the establishment of a distribution system to reach the target audience.

Working from the original print special concept developed by Moffitt and Eshbaugh for the individual client, the editorial and art departments generate story ideas, features, and graphics for the magazine. The field marketing department then determines on an efficient and effective distribution method to reach the target audience.

As a part of execution, the sixth step--servicing and maintenance--is begun. All of 13-30's print specials, or "exclusive communication systems" (as termed by Collins), are run on a day-to-day basis by three account services directors--Bill Snyder, Charlie Vogel, and George Piper. It is the account services

director's duty to serve as manager for a specific group of print specials. It is his job to see the creative strategy of a particular publication executed, and to supervise the allocation of the publication's budget. The position of the account services director is the equivalent of a brand manager with a major manufacturer, with the added responsibility of being in a service role.

The account services director serves as the team leader in this step and is responsible for seeing that the product is delivered according to contract specifications on a day-to-day basis.

The seventh and final phase, resale, brings the print special process full circle. Once a client's contract expires, every effort is made by 13-30 to renew the agreement or provide additional services to the client.

Whittle becomes reinvolved in this phase as chief sales and marketing strategist. Whittle works with the account services director to develop specific services or products for the client. It is the account services director's responsibility to explore with the client new opportunities for expansion within the client's publication. Because the account services director knows his client's business intimately, he can make recommendations to the client to expand the circulation or frequency for a magazine to create greater impact on the target audience.

In the resale of the print special, the account services director identifies areas of opportunity for growth and ensures that the contract is delivered as promised and that the client is pleased with 13-30's services during and after the period contracted.

Appendix C contains a brochure used by 13-30 to promote its print specials.

The conception and development of the print special was a significant turning point in the company's growth. The print special provided a much needed boost for the company financially and represented an innovation in the publishing industry (Collins, 1982).

As a result of America and Beginner's Guide, 13-30 made its first profit, in 1974, since the first issue of Knoxville in a Nutshell appeared in 1969. The profit, described by Whittle as "not a lot; a little black ink," pushed 13-30 into a period of rapid growth for the next four years (1974-78). Profits have continued to increase at a steady rate since 1974. This growth is reflected in Table 1, illustrating 13-30's property growth from 1969 to 1982.

Publication Expansion

The success of America and Beginner's Guide spawned a number of print specials from 13-30, in addition to other innovative publishing concepts.

Two publications were developed by 13-30 for the U. S. Army, aimed at high school seniors. Sourcebook and On Your Own premiered in 1975 as companion publications. Sourcebook, designed as a senior-year planner, was distributed free every fall to high school seniors through guidance counselors. On Your Own, distributed in the winter, contained feature articles dealing with the high school student's future after graduation.

One of 13-30's most visible print specials, Insider, was developed for the Ford Motor Company in 1977. A college newspaper

TABLE 1

PROPERTY GROWTH OF 13-30 GROUP, 1969-82

Year	No. of Properties	Property Acquired or Started	Property Sold or Suspended
1969	1	<u>Nutshell</u>	--
1970	1	--	--
1971	2	<u>Graduate</u>	--
1972	2	--	--
1973	3	<u>18 Almanac</u>	--
1974	4	<u>America</u>	--
1975	6	<u>Sourcebook, On Your Own</u>	--
1976	6	--	--
1977	9	<u>Good Stuff, Insider, New Marriage</u>	--
1978	10	<u>Successful Business</u>	--
1979	12	<u>Best of Business, Esquire, Sports</u> <u>Bulletin</u>	<u>Successful Business</u>
1980	12	<u>Destination, The Wallpaper Journal</u>	<u>Insider, Sports Bulletin</u>
1981	13	<u>Moviegoer</u>	--
1982 (Fall)	16	<u>Pre-Parent Series (3), Business</u> <u>Access Quarterly</u>	<u>Graduate</u>

Source: Madeline Walls, Marketing Services Manager, 13-30 Corporation, 1982.

supplement, Insider was distributed three times a year to 2.5 million college students. Ford discontinued Insider in 1980, because of deteriorating economic conditions in the automotive industry and a desire to try alternative advertising media.

Another multiple-advertiser publication was started by 13-30 in 1977. Distributed and sponsored by clerks of courts and banks, New Marriage magazine was published as an annual and targeted to newlywed couples across the country. The magazine, which dealt with such topics as preparing family budgets and adjusting to married life, was published three times per year for three years (1977-79) and discontinued in 1979, because of low circulation figures and problems in reaching the target audience.

Because 13-30 was a young and growing company in the 1970s, its editors and officers were acutely aware of the problems and needs of a developing company. Based on this awareness, another multiple-advertiser publication, Successful Business was started in 1978 and targeted to executives in middle-sized businesses, concentrating on their problems and needs. Such articles as how to run a company, which phone system to use, and the pros and cons of fleet leasing were featured. Distributed twice a year, the magazine was mailed directly to management personnel in growing businesses. The publication was successful for 13-30, so much so that the company considered making the publication a monthly. But when 13-30 began negotiations for a future acquisition (Esquire) in 1979, the company's need for capital overrode the decision to develop Successful Business into a monthly publication. As a result, 13-30 sold Successful

Business at a profit in 1979 to Inc. magazine of Boston, Massachusetts (Walls, 1982).

Yet another publishing form was developed in 1977 by 13-30, a national college student sampling program called Good Stuff. The program, which provides free samples of personal care items to dormitory residents in colleges and universities nationwide, is 13-30's only non-publishing venture. The annual "Welcome to the Residence Hall" program utilizes the company's college distribution network and is sponsored by campus residence hall associations. The program is funded under contract with 14 advertisers, who provide free samples of their company's products. The residence hall association members at the respective schools redistribute the sample kits to their dormitory residents each fall.

The sampling program, like the print special, was a very profitable publishing form for 13-30. By 1977, 13-30 had paid back most of the debts incurred during its first four years of operation. "The company was finally healthy," Whittle said. "We were making a good solid profit but we were still relatively small. We were about a \$5 million dollar company (gross) in 1977-78" (Whittle, 1982).

Bonnier Magazine Group

On stable financial footing, 13-30 began to plan for the expansion and development of new properties. Unable to fulfill these desires without going back into debt, 13-30 actively sought a partner to bring more capital to the company. In June of 1977, 13-30 entered into an equal partnership with the Bonnier Magazine Group of Stockholm, Sweden, a family-owned company led by Lucas Bonnier.

We were interested in growing the company beyond the level that it was. We were beginning to think how we were going to start new properties and how we were going to enter the bigger publishing world. We felt an association with a larger company was an important thing. We knew we'd need capital on a level we were not accustomed to and would not be able to raise in the manner we had raised the original money (Whittle, 1982).

The sale of 13-30 stock to Bonnier, 50 percent at \$3.5 million, also represented a way for the company's original shareholders to profit from their investment.

It . . . was a way for our shareholders to take some of their money off the table through the sale of their shares. They had invested, hoping that would occur. That included all of us. The only way you can reap rewards in an entrepreneurial situation is through the sale of your stock. Basically, we decided we wanted a relationship like that (partnership), sat down and made a list of major publishing companies around the world we thought we'd be interested in, and went out and systematically got to know them. We liked the Bonniers very much as people and it was their suggestion we form a 50-50 partnership. It's an odd business relationship. Usually, one company will have a controlling interest with another in a minority role. But because we liked and trusted them, we said we'd try it (Whittle, 1982).

Esquire

The association of 13-30 with Bonnier provided 13-30 with the necessary capital to expand further its list of single- and multiple-advertiser publications and its sampling program, and to explore new publishing possibilities.

The company investigated entering the mainstream consumer magazine market in the late 1970s. On April 29, 1979, following five months of negotiations, 13-30 purchased 80 percent of Esquire magazine for \$3.5 million from Associated Newspaper Group of London, England.

Founded in 1933 and long considered one of the literary hallmarks of American publishing, Esquire had fallen on rough economic times in the 1970s. Associated Newspaper Group of London had purchased the ailing magazine in 1976 from Esquire Publishing and placed Clay Felker, past editor of New York and New West magazines, at its helm. Despite Felker's efforts, Esquire continued to lose money, estimated in the millions in 1978. Concerned over Esquire's mounting losses, Associated Newspaper Group began a search for a buyer. Through banking connections in New York, 13-30 and Associated began negotiations in 1978 for the sale of the magazine (Whittle, 1982).

The purchase of Esquire by 13-30 placed Whittle as publisher and Moffitt as editor of the publication. Associated maintained a minor interest in Esquire while 13-30 held a controlling interest.

Whittle and Moffitt said that their close association with the post-World War II generation, the baby-boom generation, and their success in publishing magazines to the youth market qualified them to assume the publication of Esquire.

Quoted in Sharkey (1981), Moffitt said:

What we've done is continue this vertical growth. During the 1980s, the dominant age group is going to be people in their 30s. We've spent 12 years studying this group, so we were perfectly suited to talk to them as people in their 30s. We're the only publishing company in the country that has taken the under-40 crowd and covered them. We are the baby-boom experts. The magazine is fitting into the value pattern of the reader. We have approached it with the sensitivity of the audience.

Why did the two Tennesseans choose Esquire over other magazines? In a "Note to our Readers" ("Backstage," 1979) Moffitt and

Whittle wrote, "Our motivation in acquiring this publication is quite simple: We love Esquire and what it stands for in American journalism."

But explaining the company's target audience objectives, Whittle said, "We bought Esquire . . . because it was a prestige magazine that could deliver an over-30-year-old male audience. It was either buy it or start one up just like it" (Sharkey, 1981).

Moffitt added that 13-30 had a feeling that America needed a magazine that focused on the generation that developed out of the 1960s. "They're not the same people--they are no longer the freaky kids on campus. They're lawyers now, and publishers" (Sharkey, 1981).

We had admired the magazine (Esquire) as one of the two or three best journalistic endeavors in the country. It was a reasonable business deal with reasonable expectations over a period of years, but it was the journalistic opportunity that was exciting. People start reading our books when they're 16 or 17, and now we take them through their mid-40s. When you think of that span, it makes sense (Moffitt, quoted in Biemiller, 1980).

The publishing industry's reaction, when the Tennessee-based, youth-oriented publishing company bought one of the stalwarts of American magazine journalism, was one of shock and disbelief.

A front page story in the Wall Street Journal (Harrigan, 1980) proclaimed:

Esquire, venerable literary forum and arbiter of male tastes, is having a mid-life crisis, . . . has been taken over by two casual young Tennesseans who own log cabins, like yoga and vegetables and talk in a sort of "me speak" that makes the eyes of the hard bitten journalist glaze over.

Harrigan continued that New York critics were watching the new owners:

. . . as one would two large puppydogs that are brimming with enthusiasm but are likely to crash into the furniture. Most observers think the Tennesseans have a good chance of

keeping Esquire, which has lost millions of dollars annually, from going under financially. But even those who have liked recent issues worry that the price of salvation will be Esquire's soul, its commitment to excellence of thought and writing.

The new owners "don't seem to have the passion for the nation, or for people, or for certain values" that has been the magazine's hallmark, said Richard Reeves, Esquire's political columnist (quoted in Harrigan, 1980).

Moffitt responded to Reeves' statement, saying he is indeed passionately committed to something but has almost given up trying to explain it. "I want to feel good about myself as a person. That's my religion, my philosophy, my family, my No. 1 commitment in life." Harrigan said Moffitt believes this "hot-tub" mind set is shared by the generation that went to college in the 1960s and ought to be reading Esquire.

The Wall Street Journal article also reported that those who thought Moffitt and Whittle unqualified to run Esquire were surprised by issues produced under the new owners' eye.

"I'm heartened and somewhat surprised," said former Esquire editor Harold Hayes. A contributing writer to Esquire, Gay Talese, said, "New York has seen the arrival of two gentlemen from another place." With the "refreshing" Moffitt and Whittle in charge, "Esquire is in good hands" (Harrigan, 1980).

William F. Buckley did not spare his criticism concerning Esquire's change in ownership. In a National Review article he wrote (1979), the "new management is expected to transform the magazine into a 'service-oriented' journal. . . . Lotsa ads. And not

very much journalism." Buckley commented on past editor Felker's willingness to spend money and time on articles, despite the fact that Felker lost millions doing so. "The new owners are not likely to indulge such extravagant curiosities, let alone cultivate them." Buckley's article concluded by asking where the writers go, in the ever-diminishing world of serious journalism. The implied answer, not to Esquire.

After the initial shock had dissolved, critics in the industry made a more tempered judgment of Esquire. A Washington Journalism Review article (Piantadosi, 1981) reviewed a range of opinion concerning Esquire's new management.

"If I know Phillip Moffitt, he may be the only man who is both willing and capable of bringing Esquire through this century," said Gay Talese.

Even Harold Hayes, who vented his "horror at the impending pedestrianization of Esquire" (Hayes, 1979) had calmed down. Hayes said:

At worst, it's Playboy without the sex. What I mean is that it gets so avowedly cheerful and upbeat about its world that it gets somewhat . . . monochromatic in that respect. At worst--again, at worst--it's predictable, some of the ideas are puerile . . . sappy and image-gratifying as a kind of journalism. I think it's to their credit that they came into this town and took it on--that part I admire inordinately. It's very easy for a magazine to maintain, no matter what, the standards of the past and go under. I don't find it as risk-taking editorially, but I find some reluctance to make that a pejorative. They may be getting closer to the audience . . . a new audience. A new Esquire, maybe? (quoted in Piantadosi, 1981).

Under 13-30 control, Esquire changed from its fortnightly publication schedule (started by Felker) to its traditional monthly

schedule. The cover price was raised from \$1.25 to \$1.50 (and ultimately to its present \$2 price) and content was redefined. Emphasis was placed on men's fashions and health, participatory sports, and ethics. The magazine was also redesigned to appeal to a younger audience, the 25-45 age group, and more specifically, the 28-38 college-educated male. The magazine reverted to its previous square back or "perfect" binding and changed its logo.

The primary concern with Esquire at 13-30 was placing the magazine on a healthy financial path. A two-year, \$5 million investment plan was implemented by 13-30 to return the magazine to prosperity. The initial plan eliminated regional advertising editions, trimmed costly subscription sales and concentrated on the more profitable newsstand sales. In 1981, that plan was redefined to \$15 million over five years. As a result, Esquire's newsstand sales increased and advertising pages went up 65 percent from 1980 to 1981 (Piantadosi, 1981).

Esquire ranked No. 1 among all national consumer magazines in advertising page growth for 1982, and is projected to make its first profit in 1983 (Whittle, 1982).

Reflecting on why Esquire has succeeded under 13-30 control, Whittle pointed to demographics. Citing 13-30's success in marketing to the 13 to 30 age group, he said, "All these college-educated people with a common set of values are moving into the 25 to 45 age bracket, and we know they have no other magazine (quoted in Elliot, 1980).

Associated Newspaper Group

The acquisition of Esquire in 1979 by 13-30 and Bonnier prompted the Knoxville publishing house to redefine its corporate title. The 13-30 Group was formed, parent company to 13-30 Corporation and Esquire magazine. Bonnier maintained its equal partnership with 13-30 Group, having an equal share in Esquire and 13-30 Corporation.

After Moffitt and Whittle successfully negotiated the purchase of Esquire in 1979, and began to put millions into the recovery of the magazine, Bonnier Magazine Group ended its two-year partnership with 13-30 and sold its share of the company to Associated Newspaper Group, the same British company which had sold Esquire to 13-30.

On December 17, 1979, Moffitt and Whittle bought 7.5 percent of Bonnier's share of the company for \$700,000, gaining a majority interest in 13-30 Group. Moffitt and Whittle also purchased Associated Newspaper Group's 20 percent share of Esquire for \$1.35 million at this point, giving 13-30 complete control over the magazine.

Bonnier then sold its remaining 42.5 percent of 13-30 Group stock to Associated Newspaper Group for \$3.5 million. This placed Associated in a minority partnership with 13-30 Group (Walls, 1982).

It was the expense of turning Esquire into a profitable property and the difficulty in making immediate corporate decisions with a foreign partner that prompted Bonnier to sell its 13-30 stock (Whittle, 1982).

As we got more into the Esquire situation, it became quite clear that it was going to cost us a lot more than we had predicted. We were going to have to invest heavily out of 13-30 Corporation, and even more than that, we were probably going to have to go significantly in debt again in order to make Esquire work. Our Swedish partners (Bonnier) were not thrilled with those prospects. It concerned them that we were going to take the size risk we were going to take. Moffitt and I were pretty accustomed to taking those sized risks because of our earlier days. We said to the Swedes, "If you don't want to go along, we'll try to find another partner to take your place because we want to push along with this." In the meantime, the British (Associated), who still had a piece of Esquire, were very impressed with what we were doing with Esquire, compared to the prior management. We asked the British if they would like to become our partner in our total operation versus just a minority owner in Esquire. They liked the idea and bought the Swedes' position, but as a minority as opposed to a 50-50 (partnership). Which is where we stand today (Whittle, 1982).

Post-Esquire Expansion

Since the Bonnier and Associated partnerships, 13-30 has grown dramatically (see Table 1, p. 36, and Figure 1). New print specials were developed as well as an innovative printed wall medium.

In 1978, The Good Skin Book, contracted with Oil of Olay, was introduced as a booklet to insert with the Good Stuff product sampling program. The publication's content centered on skin care and other health and beauty tips.

Best of Business, developed for Xerox Corporation, was started in 1979 as a semi-annual periodical for business executives. Mailed directly to a nationwide audience, Best of Business contains reprints of important and useful articles from business journals over a six-month period.

A 24-page college newspaper insert, Sports Bulletin, was developed for the Miller Brewing Company in 1979. The sports magazine

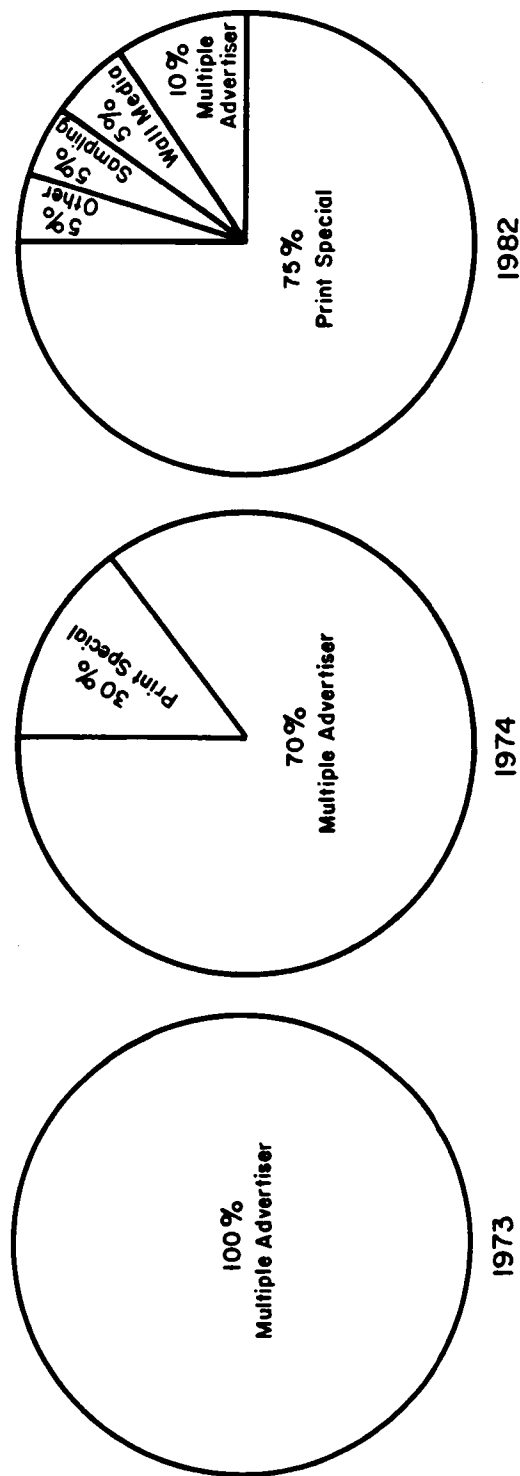


Figure 1. 13-30 Corporation Percentage of Revenue from Various Publishing Forms (1973, 1974, 1982).

Source: Mike Collins, General Manager, 13-30 Corporation, 1982.

consisted of eight regional editions, distributed among the nation's eight major athletic conferences. A tri-annual, Sports Bulletin was the nation's only sports magazine that gave exclusive coverage to intercollegiate athletics. The print special was distributed for one year before being discontinued by Miller in 1980. The company's decision to end the magazine came after a policy change to allocate its advertising budget into other media rather than concentrating on one specific medium (Collins, 1982).

Destinations, a 48-page travel magazine for affluent professionals and business executives, was released in 1980, under exclusive contract with Bavarian Motor Works of North America. Published three times per year, Destinations contains in-depth articles on unique travel opportunities worldwide and is distributed by direct mail to its 250,000 controlled-circulation audience.

One of 13-30's most innovative publishing forms was introduced in 1980. A printed wall medium, combining the impact of a billboard and the readability of a newspaper, The Wallpaper Journal was distributed to 550 colleges at 4700 high-traffic locations on campus, and reaches 1.05 million students. The 2 x 3 foot poster is published bi-weekly during the 40-week school year and presents brief, student-oriented news items in a poster format. The wall medium is financed by 14 national advertisers and sponsored on each campus where it appears by a campus organization.

Moviegoer, 13-30's first monthly print special, premiered in December 1981. Distributed free in movie theater lobbies nationwide, Moviegoer has a 1.2 million circulation, making it the largest

national in-theater movie magazine. The 24-page book contains celebrity features, news items, previews, and a reader trivia quiz.

Moviegoer is financed by R. J. Reynolds Tobacco Company.

The most ambitious print special project of 13-30 was released in 1981, under contract with Johnson and Johnson Baby Products. Titled the New Parent Series, the project includes a series of three magazines targeted to couples expecting their first child.

The first magazine, Pre-Parent Adviser, focuses on the pre-natal period and is distributed to expectant mothers through pre-natal classes. New Parent Adviser is aimed at the new parents within 48 hours of their child's birth and concentrates its content on the first few days at home with a new child. The publication is distributed by hospital nurses. Parenting Adviser, the third and final magazine in the series, is mailed directly to new parents three to five months after their child's birth and deals with the adjustment to a new child in a family. At present, Pre-Parent Adviser is the only one of the three in publication. New Parent and Parenting Adviser are still in testing and expected to be released in 1983.

In 1982, 13-30 contracted with Kimberly-Clark Corporation to develop a magazine designed to reach high school senior women. Titled Young Woman, the 300,000-circulation magazine is mailed directly to the senior's home and is expected to be distributed to 1 million high school senior women by 1983. The editorial content of Young Woman focuses on the role of the emerging woman and her needs and interests.

One of the company's most recent publications, Business Access Quarterly, published its third issue in the spring of 1982.

Designed to reach a controlled circulation of 50,000 presidents, chief operating officers, and owners of small- to medium-sized businesses, Business Access Quarterly is financed by banks, insurance companies, and financial institutions. The journal's content centers on such topics as business trends and indicators, taxes, new technology, and law. Mailing lists are provided by the journal's advertisers to the company for direct mailing. Business Access Quarterly will be produced in 1983 under a new title, Topline: An Executive Briefing Service.

Several other publications are being tested by 13-30 at the time of this writing (Fall, 1982) but have not been released. Two concepts utilizing the wall media are being tested in the field: The Pet Reporter and Sports Page. Marketing studies are also being conducted to determine the possibility of transforming Graduate into book format, and other print special and multiple-advertiser publications are in the design phase but could not be disclosed because of client confidentiality agreements.

Company Milestones

What have been the milestones in 13-30's relatively short, but prosperous, history? Two contrasting points of view were revealed.

Collins, 13-30 general manager and executive vice president since 1976, listed five important events that he believes shaped the company's history (Collins, 1982).

At the top of the list was the development of the print special concept in late 1973 and early 1974. "We have proven the

concept viable and marketable when Datsun and Nikon approved the contracts for the two magazines," America and Beginner's Guide, respectively.

The next milestone was the introduction of 13-30's student sampling program, Good Stuff. "It was unique. A strong concept that brought in big revenue for the company very quickly."

Collins named the company's third milestone as the development of the wall media concept, The Wallpaper Journal, in 1977. "It was a totally new and exclusive medium. It was successful fast and brought in a great deal of revenue."

The acquisition of Esquire in 1979 was a major turning point in the company's history, one that Collins said "established the company in the industry and gave us a strong recognition value that we didn't have before."

The fifth and final milestone noted by Collins was a recent reorganization of 13-30's corporate management. Ivan Samuels, 13-30's chief operating officer, was hired in the summer of 1982, relieving Collins, Whittle, and Moffitt of some of their management responsibilities, allowing them to concentrate on other areas of company development, such as starting new print specials and new publishing forms. "This (reorganization) gave us a business structure we had long needed. It gave us a more defined sense of order and stability within the company."

Whittle, by comparison, provided a similar but less internal perspective of 13-30's development over the past 13 years (Whittle, 1982).

Whittle listed the early formation of talent in 1969 as the first company milestone. "It was an early combination of a unique group of people. What ultimately got us through the beginning and always has been our underlying strength is the quality of our personnel. It was a formation of a talented core group."

The creation of the print special was second on Whittle's list of accomplishments. "The print special began to produce profits of significance to the company through America. More important, it was the subsequent realization of what it (the print special) meant. We didn't know at the time what would ultimately become of the concept."

The partnership of 13-30 with Bonnier Magazine Group was next on Whittle's list. "This brought us into contact with a far larger world. It expanded our horizons, scope, and resources. We saw the world differently because of the relationship and because of the process we went through to get that relationship."

The purchase of Esquire in 1979 was a major turning point in the company's development, according to Whittle:

It established the company and gave us a profile within the industry that we hadn't had. It also demonstrated to the industry the strength of our company. Since the purchase, Esquire leads all magazines in the United States in growth. It is No. 1 of the top 100 national magazines. This stunned the publishing world. They don't know what to think about it.

Whittle's last assessment of 13-30's milestones concerned the relationship the company developed with Associated Newspaper Group. "They are a significant backer and a significant source of resources

for 13-30. They have helped us tremendously and have been a good, solid partner."

The Position of 13-30 in the Magazine Industry

A review of Folio's top 400 consumer magazines in the United States--based on total revenue, advertising sales, subscription sales, and newsstand sales--provides an estimate of the position of 13-30 Group and its publications within the magazine publishing industry. Since 13-30 is a privately owned company, 13-30 is not listed in standard references, such as Dun and Bradstreet.

The position of 13-30 Group among major U. S. magazine publishers for the number of titles owned is high (see Table 2). Fifteen titles of 13-30 Group place it second to McGraw-Hill, which has 18 titles. This places 13-30 ahead of such publishers as Hearst (15), Ziff-Davis (12), Petersen (11), and Cahners (10) (Folio, 1982).

It must be mentioned, however, that the titles listed in Table 2 include only those meeting Folio's specifications for consideration in the top 400 listing. Folio specified that only those consumer publications appearing four or more times per year are to be included in their ranking system. Many of 13-30's publications are published fewer than four times per year. But despite the lack of an adequate listing for annual, bi-annual, tri-annual, etc., consumer publications, the author elected to include all of 13-30's publications, whether published more or less than four times per year, for purposes of comparison with the magazines listed in Folio 400.

TABLE 2
MAJOR U. S. MAGAZINE PUBLISHERS, 1981

Publisher	No. Of Titles	1981 Est. Total Revenue (\$000)
McGraw-Hill	18	308,696
13-30 Group*	15	52,000
Hearst	14	549,390
Ziff-Davis	12	184,981
Petersen	11	104,179
Cahners	10	84,687
Penton/IPC	9	69,586
ABC Publications	9	61,593
CBS Publications	9	389,202
Time	7	1,070,634
Condé Nast	7	292,508
Fairchild Business Publishers	7	70,228

*Chris Whittle, Chairman, 13-30 Group, 1982.

Source for all others: Folio 400, October 1982.

It is assumed that the publishers in Table 2 could own and publish additional titles not meeting the Folio criteria for inclusion in their top 400 ranking. If such additional titles did not exist, 13-30 would rank second, in number of titles, among all U. S. magazine groups.

But 13-30's position decreases dramatically when compared by total revenue (Table 2). Time led all U. S. publishers in total revenue for 1981, with \$1,070,634,000. Hearst was a distant second with \$549,390,000. ABC Publications came closest to 13-30 in terms of revenue, with \$61,593,000 as compared to 13-30's estimated \$52 million.

The only 13-30 publication listed in Folio's top 400 for 1981 was Esquire. The magazine ranked 101 of 400. Esquire placed 78 in advertising revenue, 83 in advertising pages, 85 in newsstand revenue, 69 in the average number of newsstand copies sold per issue, 81 in retailer/newsstand profit, and 69 in annual newsstand copies sold. Esquire was ranked in the top 10 for growth in circulation and subscriptions.

The remainder of 13-30's publications (all controlled circulation) were compared with consumer magazines listed in Folio's top 100 in average circulation and top 100 in annual circulation. Whenever a 13-30 publication failed to rank among the top 100, it was compared with magazines in the top 400.

Based on average per-issue circulation, Nutshell and Moviegoer (1.2 million each) ranked between No. 58 Playbill (1.218 million) and

No. 59 Psychology Today (1.176 million). Nutshell and Moviegoer each have an average circulation above Vogue (1.174 million), Car and Driver (700,000), and Mademoiselle (1.12 million).

When the rankings are based on annual circulation, however, Nutshell (2.4 million) drops from the top 100 list. The No. 100 circulation magazine, Decorating Crafts and Ideas, is recorded at 9.1 million. Moviegoer, with an annual circulation of 14.4 million, falls between No. 71 Playbill (14.6 million) and No. 72 Psychology Today (14.1 million).

The Wallpaper Journal, 13-30's highest circulation publication, is not a magazine. But if compared with consumer magazines with similar circulations, The Wallpaper Journal ranks with No. 17 Penthouse (4.2 million average circulation) and No. 18 The Star (3.47 million average circulation). This would place The Wallpaper Journal above Newsweek, Cosmopolitan, Sports Illustrated, Life, and People in terms of average circulation.

The Wallpaper Journal's annual circulation, 70 million, would place it between No. 18 The New York Times Magazine (74.3 million) and No. 19 Ladies' Home Journal (66.2 million). The remainder of 13-30's publications were not compared on annual circulation because none approached Folio's 9 million cut-off mark for top 100 annual circulation magazines. However, several of 13-30's annual or one-time publications have per-issue circulations comparable to the top 100 magazines.

America and Pre-Parent Adviser, each with an average circulation of 1 million, compared closely with Folio's No. 72 average

circulation magazine, Golf Digest (1.02 million), No. 73 Self (1.015 million), and No. 74 American Baby (1 million).

Sourcebook and On Your Own, 2.9 million average circulation each, ranked with Newsweek (2.957 million) and Cosmopolitan (2.799 million).

The 750,000 average circulation of 18 Almanac compared with Weight Watcher's (755,000), Cuisine (753,000), and Oui (753,000).

Destinations, with 250,000 average circulation, compared to Folio 400's Harper's Bazaar (267,049) and Texas Monthly (277,264). Best of Business and Young Woman, 300,000 average circulation each, ranked with Bride's (344,000) and Industry Week (300,000). Business Access Quarterly, with an average circulation of 50,000, compared with Billboard (43,700), Oil and Gas Journal (61,600), and Women's Wear Daily (62,900).

The Company Today

One of two companies controlled by 13-30 Group, 13-30 Corporation has grown rapidly in the past 13 years. The company headquarters remain in Knoxville, Tennessee at 505 Market Square in the Arnstein Building. Sales offices for 13-30 also are in New York, Chicago, and Los Angeles. The company employs 210 fulltime personnel and has more than 400 part-time employees. The 13-30 Corporation controls 14 magazine titles in addition to its sampling program. Esquire is published separately from 13-30 Corporation by Esquire Publishing Inc. in New York, 13-30 Group's other company.

Total revenue for 13-30 Group in 1982 is projected at 52 million (Whittle, 1982). The 13-30 Corporation has maintained an annual growth rate of 26 percent from 1977 to 1982. Annual future growth is projected to match or exceed this rate (Collins, 1982).

CHAPTER IV

ORGANIZATIONAL STRUCTURE AND PROFILES

The organizational structure of 13-30 Corporation remained basically unchanged for the first six years of the company's existence. But as the organization grew, a more detailed and descriptive structure evolved from the company's basic foundation. The growth and development within the editorial, corporate, and property structure was explained to the author by Beaver, Collins, and Walls, respectively.

Editorial Structure

For the first six years, 1969-75, the editorial department at 13-30 operated as a single unit. The editors, writers, and art staff comprised this unit. Controlled initially by Moffitt, the editorial department is presently supervised by 13-30 vice president Pam Beaver. Beaver was a member of the company's early staff of six or seven people and was made the organization's editor in 1980.

The initial editorial staff of six to seven people included Moffitt, Whittle, Smith, White, Eshbaugh, Beaver, and an editorial assistant. The actual size of the company's staff, editorial and otherwise, fluctuated according to yearly publication cycles. For example, staff numbers were highest in the months preceding a publication date and lowest after the publication was distributed. As the number of publications and publication frequencies increased, so did the number of personnel.

Between 1975 and 1979, the size of the editorial staff grew, paralleling the increase in publications undertaken by 13-30 (see Table 1, page 36). In 1979, two editorial groups were formed to handle the company's diverse publications: College/Youth and Adult/Business.

In July 1981, because of the addition of still more new properties, the editorial department split into four major groups, composed of 20 to 25 people each: Film/Business, Travel/Health, College, and High School/Sports. Each group is supervised by a group editor, who reports to Beaver.

The four groups supervise the production and editing of the following magazines:

1. Film/Business--Best of Business, Business Access Quarterly, and Moviegoer.
2. Travel/Health--America, Destinations, The New Parent Series: Pre-Parent Adviser, New Parent Adviser, and Parenting Adviser.
3. College--Nutshell and The Wallpaper Journal.
4. High School/Sports--18 Almanac, Sourcebook, On Your Own, and Young Woman.

The company's art department is divided similarly among the various groups and contains approximately the same number of personnel per group as editorial.

A single production department controls all copy editing, art production and research for the 14 publications.

In addition to its in-house staff, 13-30 has a large number of contributing editors across the country, specialists in specific topic areas (e.g., travel, sports).

The ratio of staff to freelance material written for the company's periodicals is approximately 2:3, depending on the publication. The Wallpaper Journal, for example, utilizes a national staff of stringers for story facts and ideas, but the actual text for the wall medium is prepared by staff members in the College group. Destinations contains six feature articles per issue, written by freelance travel writers, or contributing editors in the field. Best of Business consists of reprints from various business publications. The only staff-written material for Best of Business is an occasional sidebar or supporting piece.

All of 13-30's magazines are designed by staff art directors, with the exception of Destinations, designed by Life art director Bob Ciano.

Photography and illustrations follow a more equal staff-to-freelance ratio.

Corporate Structure

From the birth of 13-30 in 1969, the company has maintained an informal corporate structure. David White served as the early organization's president, handling the daily operation of the company. The company was divided into two divisions: business and editorial. White and Whittle operated the business division while Moffitt ran the creative and editorial division.

White's duties as president were to keep the company operating on a day-to-day basis and find new sources of revenue for the fledgling publishing company. Whittle concentrated on developing marketing strategy and tactics for 13-30's respective publications. Smith ran the company's field operations, ensuring each magazine was properly and efficiently distributed to its intended audience. In addition, Moffitt freed White of many of the company's administrative services.

Over the years, any changes in 13-30's corporate structure have built upon the framework described above (see Figure 2). From 1975 to 1982, a number of personnel changes have altered the company's structure. White served as 13-30 president until his retirement in 1978. Moffitt stepped in as 13-30 president in 1978. Smith became Esquire's vice president of circulation in 1979 and was made 13-30's senior vice president of planning in 1982. Smith's present duties to the company are investigating and recommending new business opportunities in communications. Collins, hired in 1976 from Parker Advertising of Los Angeles, was placed as 13-30's general manager in 1980. Collins was responsible for the daily management of the company until Ivan Samuels was hired in 1982 as 13-30's chief operating officer. Collins still holds the title of general manager and is an executive vice president. His duties with the company now concentrate on developing and supervising 13-30's exclusive communication systems.

In 1982, 13-30 Corporation reorganized their corporate structure, dividing into the business group and exclusive communication systems (see Figure 3).

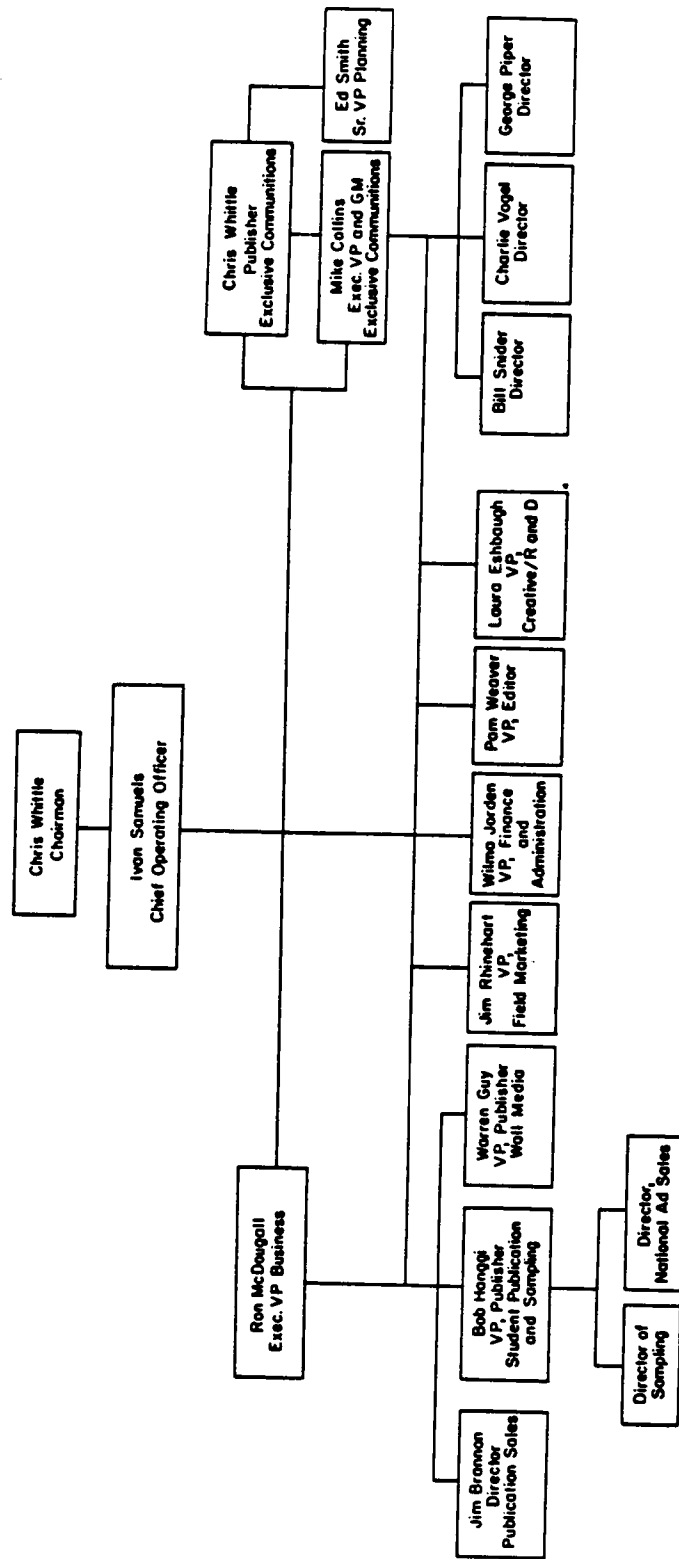


Figure 3. 13-30 Corporate Structure, 1982.

Source: 13-30 Corporation, 1982.

As of 1982, Whittle is chairman and Moffitt is president of 13-30 Corporation. Ron McDougall, executive vice president, oversees the business group, and Collins, with Whittle in a consulting role, oversees exclusive communication systems. McDougall and Collins report to Samuels.

Exclusive communication systems (print specials) are controlled by Collins, general manager; Whittle, publisher; and Smith, planning. The print specials are distributed among three account services directors: Bill Snyder, Charlie Vogel, and George Piper, who report to Collins. Each director is responsible for the overall operation of his respective publications.

The business group, headed by McDougall, is divided into three departments: publication sales--Jim Brannon, director; student publications and sampling--Bob Hanggi, publisher; and wall media--Warren Guy, publisher. A sampling director and national advertising sales director report to Hanggi.

Four additional vice presidents report to Samuels, McDougall, and Collins: Jim Rinehart, field marketing; Pam Beaver, editorial; Laura Eshbaugh, creative/research and development; and Wilma Jordan, finance and administration. Beaver, Eshbaugh, and Jordan have been with 13-30 since its early days, serving various duties in their respective departments, before becoming vice presidents. Rinehart came to 13-30 from Schering-Plough Pharmaceuticals in 1979.

Property Profiles

The 13-30 Corporation directly owns and publishes 14 magazine titles. In addition, the company owns Good Stuff, the nation's

largest student sampling program for the college market. Esquire magazine, purchased by 13-30 in 1979, is operated in New York under the ownership of 13-30 Group, parent company to both Esquire and 13-30 Corporation (see Figure 4).

In this section, each of 13-30's current properties is profiled in its chronological order of appearance from 1969 to the present. The profiles describe the magazine or property with such information, where available, as date of establishment, frequency, number of pages, circulation, distribution and sponsorship, editorial mix, reader concentration, major advertising categories, and advertising revenue. A brief description of content accompanies each profile.

These profiles were prepared from unpublished notes given to the author by Walls over a four-month period. While the profiles obtained from Walls provide basic information about 13-30's publications, some of the information is inconsistent. For example, readership and audience demographics tend to vary in specificity from publication to publication. Advertising revenue figures were available for multiple-advertiser media but not for print specials, wall media, and sampling because of client confidentiality agreements. Every effort, however, has been made to provide consistent categorization of the profile information obtained from Walls. Where applicable, circulation and advertising revenue has been compared to current Audit Bureau of Circulations and Standard Rate and Data Service figures.

Nutshell. Established: 1969. Frequency: Semi-annual, in fall and spring. Pages: 180. Circulation: 1.2 million, controlled.

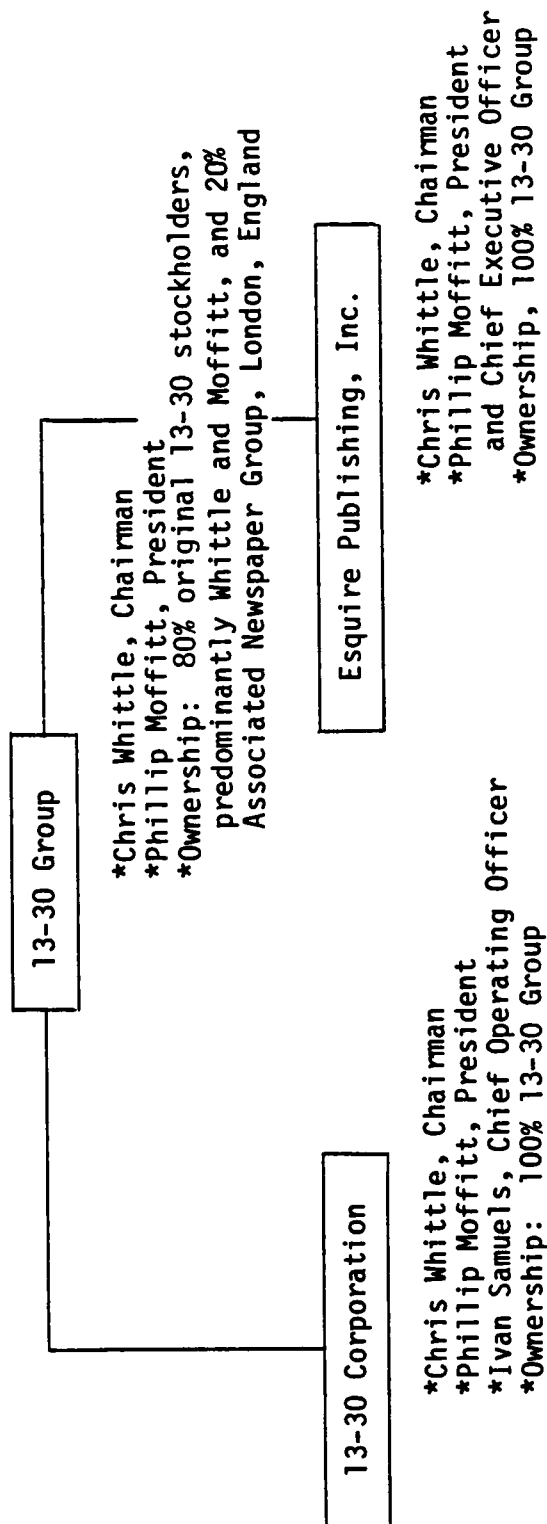


Figure 4. 13-30 Group Organized Structure

Distribution: Copies are delivered in bulk to 350 colleges and universities throughout the United States for redistribution to students through the offices of admissions and registration, university bookstores, student activities, student government, and through alumni associations. The magazine is free to both sponsor and student.

Sponsor: By a recognized campus group. The 13-30 Corporation seeks out sponsoring agents, such as student clubs, university bookstores or radio stations, alumni associations, student government associations, etc. Nutshell is supplied free to these sponsors and distributed with the aid of company field account representatives.

Editorial mix: 60 percent editorial and 40 percent advertising.

Reader concentration: College students, 18-24, 50 percent male, 50 percent female. Major advertising categories: Hi-fi, automotive, cameras, insurance companies. Estimated advertising revenue: \$2 million.

Editorial content: Nutshell: The Magazine for the College Community contains feature articles on college life and other topics of special interest to college students. Content deals with the many facets of college life, from academics, health, financial aid, and career training to entertainment, sports, and fashion. "How-to" articles that relate to the problems and experiences of college students are included.

Graduate. Established: 1971 (suspended 1982). Frequency: Annual, in January. Pages: 124. Circulation: 460,000 controlled. Distribution: Copies are delivered in bulk to colleges and universities throughout the United States for redistribution through alumni associations, offices of student activities, and student

placement offices. A limited number are also redistributed through local banks. Editorial mix: 60 percent editorial and 40 percent advertising. Reader concentration: College seniors and graduate students, 20-24, 65 percent male, 35 percent female. Major advertising categories: Hi-fi, automotive, cameras, insurance companies. Estimated advertising revenue: \$500,000 per issue. Editorial content: The Graduate: A Handbook of Leaving School was an annual magazine for graduating college seniors and contained feature stories on careers, job-hunting, practical living, travel, working life, graduate and professional programs, and other topics of interest to this audience. Graduate was suspended in 1982. (Note: 13-30 is considering consolidating the magazine's editorial content into book form instead of repeating the information in magazine format. The publication was suspended because of its low circulation and the possibility of developing the concept into a book, revised yearly) (Beaver, 1982).

18 Almanac. Established: 1973. Frequency: Annual, in September through February: Pages: 84. Circulation: 700,000 controlled. Distribution: Copies are delivered in bulk primarily to high schools throughout the United States and Canada for redistribution to senior class students. Copies are also delivered in bulk to colleges, universities, and banks for redistribution to high school seniors. Editorial mix: 65 percent editorial and 35 percent advertising. Reader concentration: Males and females, 17-18. Major advertising categories: Hi-fi, automotive, military services. Estimated advertising revenue: \$335,000. Editorial content:

18 Almanac: A Handbook for Leaving High School contains feature articles on college, the working world, and day-to-day realities of living independently. The magazine contains facts designed to help students make decisions about their future after high school. The publication deals with three primary areas: college, careers, and practical living.

America. Established: 1974. Frequency: Semi-annual, spring and fall. Pages: 68 (14 pages advertising). Circulation: 1 million, controlled. Distribution: Copies are delivered in bulk to 230 colleges and universities across the United States for redistribution through sponsorship of campus organizations--student government, student activities, university bookstores, alumni associations, travel clubs, etc., and with the aid of company field account representatives. Editorial mix: 80 percent editorial and 20 percent advertising. Reader concentration: Male and female college students, 18-24. Major advertising categories: Datsun (Nissan Motor Company), exclusive advertiser. Editorial content: America: The Datsun Student Travel Guide contains first-hand travel accounts, practical travel tips, and information about interesting places around the nation. In conjunction with the magazine, Datsun and 13-30 conduct several creative contests for students. Included are the Datsun Student Advertising Contest, Student Writing Contest, Travel Odyssey, Datsun/Nikon Travel Photography Contest, and a filmmaking/film study competition. Winners' entries are published each year in America.

Sourcebook and On Your Own. Established: 1975. Frequency: Sourcebook, Fall; On Your Own, Winter. Pages: Sourcebook, 76;

On Your Own, 60 (18 pages advertising each). Circulation: 2.9 million, controlled. Distribution: After high school guidance counselors have requested a number of copies for their seniors, the books are delivered to more than 16,000 high schools nationwide. Guidance counselors return a confirmation-of-distribution card after distribution is completed. Editorial mix: Sourcebook, 76 percent editorial and 24 percent advertising; On Your Own, 70 percent editorial and 30 percent advertising. Reader concentration: Male and female high school seniors, 17-18. Major advertising categories: U. S. Army, exclusive advertiser. Editorial content: Sourcebook and On Your Own deal exclusively with issues and information of value to seniors in high school. Included are articles about career planning, job hunting, health, first-hand accounts of life after high school, relationships with peers and parents, as well as some articles for entertainment.

The Good Stuff sampling program. Established: 1977. Frequency: Annual, in the fall. Circulation: 1.05 million, controlled. Distribution: Shipped in bulk to 409 residence hall associations on college campuses nationwide for redistribution by sponsoring housing associations to 4,566 dormitories. Target audience: Male and female college students, 18-24, who are dormitory residents. Advertising categories: 10 national manufacturers of various personal care items provide free samples for the kits. Content: Personal care items--shampoo, soap, razors, fragrances, toothpaste, etc.

Best of Business. Established: 1979. Frequency: Semi-annual, mid-October and mid-April. Pages: 116 (19 advertising pages).

Circulation: 300,000, controlled. Distribution: Direct mail to a list of key business executives nationwide. Editorial mix: 83 percent editorial and 17 percent advertising. Reader concentration: Business executives, management personnel in middle-sized businesses. Major advertising categories: Xerox Corporation, exclusive advertiser. Editorial content: Best of Business: A Semiannual Collection of Outstanding Business Articles is a selection of the most important and useful articles relating to business published in a six-month period. Hundreds of publications are reviewed to select articles to be included in each edition. Book excerpts and book reviews are also included. Copies of Best of Business are also placed in the executive lounges of Trans World Airlines, Eastern Airlines, and United Airlines, and in the seat pockets of TWA airliners.

Esquire. Established: 1933, acquired by 13-30 Corporation in 1979. Frequency: Monthly. Pages: 170, average. Circulation: 840,000 (Audit Bureau of Circulation's six-month average as of June 30, 1981 reported Esquire's circulation as 650,947--Standard Rate and Data, 1982). Distribution: National newsstand sales and subscriptions. Editorial mix: 55 percent editorial and 45 percent advertising. Reader concentration: Professional, managerial males, 25-38. Major advertising categories: Liquor, automotive, clothing, audio-visual, fragrance. Advertising revenue: \$8.6 million. Editorial content: Esquire: Man at His Best contains a variety of features and articles aimed at the under-40 professional male. Esquire contains fiction, interviews, profiles, and essays on topics of interest to its audience. In addition, the magazine has monthly departments

covering sports, ethics, outdoor life, and current events. The magazine also concentrates on fashion, food, and humor.

Destinations. Established: 1980. Frequency: Tri-annual, in fall, winter, and spring. Pages: 48 (12 pages advertising). Circulation: 250,000, controlled. Distribution: Direct mail to a predetermined target audience nationwide. Editorial mix: 75 percent editorial and 25 percent advertising. Reader concentration: Affluent professionals, male and female. Major advertising categories: Bavarian Motor Works of North America, exclusive advertiser. Editorial content: Destinations contains in-depth coverage of a limited number of travel options around the world rather than cursory treatment to many. Each issue contains only three or four major articles plus a section of short salutes to hotels, restaurants, and events that merit recognition. Designed for people who appreciate unique travel and can afford to travel well, but who have little time to research and plan trips.

The Wallpaper Journal. Established: 1980. Frequency: Bi-weekly during the 40-week school year. Page size: 2 x 3 foot poster. Circulation: 3.5 million, controlled. Distribution: Shipped to student distributors on 550 university and college campuses nationwide for viewing in 4,700 locations. A computer-designed rotation system at 13-30 outlines poster distribution to student distributors bi-weekly. Sponsored on each campus by a selected student or administrative group, including residence hall associations, student unions, and university centers. Editorial mix: Approximately 60

percent editorial and 40 percent advertising. Reader concentration: Male and female college students, 18-22. Major advertising categories: 14 national advertisers--hi-fi, automotive, etc. Editorial content: The Wallpaper Journal: A Series of National News and Educational Features presents student-oriented news items, useful information, and entertaining features in a poster format. Different in form, frequency, and visual impact from any other student medium, The Wallpaper Journal provides jobs for students as editorial stringers and as bi-weekly distributors.

The New Parent Series: Pre-Parent Adviser, New Parent Adviser, and Parenting Adviser. (New Parent Adviser and Parenting Adviser are still in test stage.) Established: 1981. Frequency: Annual, three months before childbirth, immediately following childbirth, and three to five months following childbirth. Pages: 72 pages each (20 pages advertising each). Circulation: Pre-Parent Adviser, 1 million; New Parent Adviser, 114,000; and Parenting Adviser, 86,000, controlled. Distribution: Pre-Parent Adviser is distributed to couples through pre-natal classes in hospitals around the country. New Parent Adviser is distributed by head obstetric nurses in hospitals to mothers within 48 hours of their child's birth. Parenting Adviser is mailed directly to new parents three to five months after the birth of their child. Hospitals sponsor the first two publications, ensuring they are distributed to expectant and first-time mothers. Editorial mix: 70 percent editorial and 30 percent advertising. Reader concentration: Couples expecting their first child. Major advertising categories: Johnson and Johnson Baby Products,

exclusive advertiser. Editorial content: The New Parent Series is aimed at couples expecting their first child and contains information focused on such topics as the first-time parents' most common concerns, the problems the father has to cope with during the wife's pregnancy, guidelines for inspecting major infant furnishings, and the best books to buy to help prepare for the birth experience.

New Parent Adviser is concerned primarily with the first stressful days at home with a new baby. Parenting Adviser contains articles on how busy parents make time for family and themselves, adjusting to day care, parent-support groups, and pediatric advice to parents. The series contains material not found in traditional baby books, including emphasis on the emotional concerns of both the mother and father as well as practical financial advice.

Moviegoer. Established: 1981. Frequency: Monthly. Pages: 24 (5 pages advertising). Circulation: 1.2 million, controlled. Distribution: Copies are delivered in bulk each month to sponsoring movie theater owners nationwide for redistribution through display racks provided by 13-30. Moviegoer is distributed free to 290 theaters in 100 national markets. Editorial mix: 80 percent editorial and 20 percent advertising. Reader concentration: Movie-going public, 18 and older. Major advertising categories: R. J. Reynolds Tobacco Company, exclusive advertiser. Editorial content: The first monthly print special published by 13-30, Moviegoer is a 24-page magazine that includes two long features per issue, usually about celebrities or filmmaking trends; a two-page article that takes the reader "Behind-the-Scenes" of a current film to see how it

is made; and three sections--"Newsreel," "Clips," and "Screentest"--that offers the reader news items, previews, and a trivia quiz.

Young Woman. Established: 1982. Frequency: Annual, in the fall. Pages: 42 (10 pages advertising). Circulation: 300,000 controlled. Distribution: Mailed directly to high school senior women's homes. Distribution to an additional 800,000 high school women is planned by 13-30 in 1983. Editorial mix: 75 percent editorial and 25 percent advertising. Reader concentration: Female high school seniors, 17-18. Major advertising categories: Kimberly-Clark Corporation, exclusive advertiser. Editorial content: Young Woman recognizes the reader as an emerging woman with a wide range of interests and needs, who is anxious to make the best start possible after high school. Article categories include college, work, marriage, being on your own, issues facing woman today, and relationships with men.

Business Access Quarterly. Established: 1982. Frequency: Quarterly. Pages: 24 (5 pages advertising). Circulation: 50,000, controlled. Distribution: Mailed directly to management personnel in medium-sized businesses nationwide. Mailing lists are provided by the magazine's advertiser. Editorial mix: 80 percent editorial and 20 percent advertising. Reader concentration: Presidents, chief operating officers, and owners of small- to medium-sized businesses. Major advertising categories: Local banks and insurance companies. Editorial content: Business Access Quarterly (to be renamed Topline:

An Executive Briefing Service in 1983) concentrates on such issues as how to organize a company, trends and indicators in business, law and government, human resources, finances, and taxes.

CHAPTER V

INSIDERS' PERCEPTIONS OF 13-30 CORPORATION

Since the first issue of Nutshell appeared in 1969, 13-30 Corporation has expanded rapidly. In gathering information for this thesis, the author spoke at length with Whittle, Beaver, Collins, and Rinehart, and they have been cited in the historical narrative in Chapter III. However, these key personnel are in positions where they have been able to develop keen insights, and it is appropriate here to expand on the interviews concerning their perceptions of the company. Topics such as growth, success, future, and 13-30's role in modern magazine publishing were discussed here by these insiders.

Entering the Field

One of the questions put to Whittle concerned which background, journalism or business, is more advantageous to succeeding in magazine publishing:

It depends on how you want to enter the field. If you want to start your own business, you really need to have a combination of the two. In the beginning, we knew as much about magazine journalism as we did about marketing--nothing. We really started from a basic theme--publishing for our peers. While we didn't know much about magazine journalism, what we did think we knew about was students, because we had spent years being involved with them in an intense way. So we felt comfortable working with material such as that. You can watch that (publishing for peers) progress. Nutshell was a guide for people entering school; Graduate was a guide for people getting out of school; Esquire magazine is for men in their late 20s and early 30s. It has been a progression of the production of publications aimed at the age

group we know. That's not totally true anymore, and it's going to become less true simply because of the size of the company and the diversity of the products. But it has been a continuing thread and it was an important part of our early success, and it is an important aspect of why we're making Esquire work, because we know our market and because in many ways we are our market. There was a time period (1975-79) where that wasn't the ruling theme because we were getting into lots of different markets. But it has been a repeating concept. But, if you're going to be an entrepreneur and start your own magazine, you must either have an intense interest or knowledge in your subject matter. I would put that down as one of the most important items (for success) because I think if you look through different magazine starts, you would find many times it was from people who really didn't know about publishing but they knew their fields. They didn't know about journalism or business. So, the first criteria is to know your field; know what you're trying to do. After that, if you're trying to be an entrepreneur, you're going to have to know something about business or you're not going to make it. Or you're going to have to learn something very quickly (Whittle, 1982).

The 13-30 publication. Placing a label to 13-30's publications is difficult. Whittle and Beaver both believe the company's magazines defy categorization and are instead a new genre of magazine. Beaver said:

13-30 hasn't been primarily an investigative type of publisher, although we will do those types of pieces periodically in various magazines, depending on the magazine. (But) that's not our primary goal. Our primary objective is to provide good, helpful, useful information that people need, targeted very much to transitions people may be going through or special interests people may have. I think there are a lot of publications out there that are primarily entertaining, that don't take it one step further and really try to be used by their audience--a good example being Destinations. As a travel magazine, it truly provides a lot of helpful information that you wouldn't find in the typical article. It goes that extra step (Beaver, 1982).

According to Whittle, one label does not apply:

Right now, 13-30 Group is a \$51 million company. At 13-30 Corporation, we control 15 different properties, from annuals,

semi-annuals, quarterlies, monthlies, to bi-weeklies. They are diverse in terms of the market they reach--pre-natal women, business executives, students, etc.; diverse in content; diverse in distribution systems--hospital wards to walls. What we've really done, if there is an umbrella term, is looked and continue to look at every niche; areas people haven't explored in a traditional way. There was no national film magazine before Moviegoer. No one had figured it out. And the distribution in theater lobbies was so obvious. If there is a way to describe our magazines, I would say we are the publisher of many different types of targeted vehicles that use specialized distribution systems. As for editorial content, it ranges from service, our traditional strength, but also entertainment, like Moviegoer (Whittle, 1982).

Marketing and controlled circulation. The 13-30 Corporation has always considered itself a marketing as well as publishing company. The role of 13-30 in marketing magazines and how much that role influenced the company were discussed by Whittle, Beaver, and Rinehart.

Whittle does not think his company places more emphasis on marketing compared to other publishers:

If you look at the cost, the amount of money we invest in selling of advertising to that individual advertiser, and compare it to a multi-advertiser product, say a Newsweek, and look at costs they invest in selling their advertising to all of their different advertisers, what you will find is our cost of marketing is infinitesimal compared to theirs. Or compare Moviegoer, 1.2 million circulation, with another 1.2 million monthly; they will spend far more on the marketing department than we will. That tells you those people are putting tremendous sums into the selling of their magazines to the marketing community. Given, from an investment or expenditure point of view, you could say 13-30 is less interested (in marketing). We have been more clever, innovative in our marketing. We're trying to change some of the old formulas. We don't place more emphasis on it. We've just done it a different way (Whittle, 1982).

The 13-30 Corporation has built a better mousetrap? "Yes, that's it exactly," Whittle said.

Rinehart explained the building of a better mousetrap:

The beginning of 13-30 was a hit-and-miss situation. It was a group of guys, students at UT, who had some ideas about marketing to students and they felt that major marketing companies in the country were essentially ignoring the college market because it was so difficult to reach. They felt they could provide a way for marketing companies, such as General Motors, Ford, Honda car, Pioneer stereos, whoever, to reach the college market. And the reason why other companies ignored the college market was because they are a very difficult audience to reach through conventional media. The television is on in the typical home about 40 hours per week. The typical college student watches less than six hours of tv per week--not a high tv-viewing audience. They developed a local magazine for Knoxville, called Knoxville in a Nutshell, which was distributed free of charge. Since that time it's been taken all across the country and is the magazine which appeals to all levels of the college experience. It's editorially relevant to the college student. It speaks to the issues that they're addressing in their lives. It is the largest college magazine in the country. And it's been successful primarily because it does dwell on problems facing the college student (Rinehart, 1982).

Beaver talked about the role marketing has with 13-30's publications and the unique aspects of publishing and marketing controlled-circulation magazines. The author mentioned a company prospectus that referred to 13-30 as a publishing and marketing company.

We're controlled-circulation. It isn't as if we've built in a marketing angle to the editorial. That statement of publishing and marketing does not imply that the content of the magazine is marketing-directed to begin with. There are services 13-30 offers in its other departments that enhance the marketing efforts of a particular advertiser. We probably would be more engaged (in marketing) than your typical magazine because we're controlled-circulation publications as opposed to newsstand, subscription publications where it's really harder to develop some kind of marketing program because you can't control your audience. You say to your advertiser, "Here's who our audience is," but how do you really know that? If you're a glamour magazine, you know that because you've taken your magazine out and done some research with focus groups and people like that. Glamour magazine do not have a master list

of all the people who receive their publication. They don't even know that the majority of people fall into certain categories. They can do certain research to try to better determine that. The extent of the marketing services they can offer is more limited as a result. But with controlled-circulation publications, where we put together the mailing list of the people who would receive the magazine--and we bought names from various list sources that we knew and that could guarantee us that the names would be of a certain demographic characteristic--we had a pipeline into a certain audience. We would say to an advertiser advertising in, say, Destinations, in addition to sending the magazine to this person who is our intended reader and presumably the person who's capable of buying a BMW, there are other things we could also do for this audience. Enclose some kind of special mailer with the magazine or separate from the magazine. We could work with you in educating your dealers in how to use the magazine in the showrooms . . . because we've got people in the field already. They could do some kind of briefing with your dealers and show them how to use the magazine and talk more about who's getting the magazine. So we're set up to do that kind of variety of marketing activities to begin with. Other magazines do some marketing, Conde Nast being a good example. They have a pretty active marketing-promotions department and they do things out in the field for various advertisers if the advertisers want to pay extra for the services--set up workshops or clinics or focus groups or gather information for them (Beaver, 1982).

Rinehart described the basic differences between 13-30's controlled-circulation magazines and the traditional consumer publications:

The controlled-circulation publication is designed from the beginning to be distributed free of charge. It has a controlled number of distributed issues. It's aimed at a very specific market with a very relevant message to the market. The difference between controlled and consumer magazines, to use Esquire for an example, is Esquire was developed to generate advertising revenue. But its market is specific. It's sold on a newsstand and distributed through a national distribution network. A print special or any controlled-circulation magazine is sponsored by an advertiser--multiple or single. But it is designed to be distributed to a very specific audience and in a very specific quantity. There is no worry about unsold copies in storage, or printing too many, a problem Esquire suffers. The whole key to a consumer magazine's sales is the cover.

If it doesn't work that month it could bomb. From our experience with Esquire, newsstand sales can fluctuate as much as 90 to 150 thousand per month (Rinehart, 1982).

As for the role of marketing in publishing and its influence at 13-30, Rinehart pointed to the need for publishers to utilize and master marketing techniques:

Any magazine that fails to stay in touch with its market won't be around long. Any magazine company has to be a marketing company. Marketing is a function of publishing. A publisher must stay in touch with his market and deliver to it readers and advertisers. Very careful consideration has to be given to exposure. In editorial, is enough exposure being given to some of their advertisers? It's a continuing question in the industry. An example could be between Chevrolet and Road and Track. Is Road and Track giving too much exposure to imports and not enough to Chevrolet, one of their advertisers? You've got to maintain the editorial integrity of your magazine but at the same time you don't want to turn off your advertiser by what you print. We have to be careful of that as well. A piece taking one extreme or another concerning an advertiser would be stupid. We still have a business to run here. We produce quality magazines that have the right message that we feel for the audience. We really try not to get involved in any discussions related to the product in the issue itself. Moviegoer is not going to speak to any film that speaks to anti-smoking. That's marketing, to a certain extent. Marketing your editorial and selling your editorial to your advertisers and to your consumers is very, very important. That's the meat of a magazine--its editorial substance; why people buy it (Rinehart, 1982).

Rinehart and Whittle spoke up on the use of controlled circulation in publishing 13-30's magazines. Rinehart said:

One of the objections from advertisers to controlled-circulation is that if a person pays for a magazine, they'll have much more interest in reading it than a person who gets it free. There is some validity to that. However, one of the secrets of controlled-circulation magazines is its ability to very specifically define its target audience with a message that is very, very important to that audience. This is also becoming a secret within the consumer magazine market with the trend toward specialization (Rinehart, 1982).

Whittle is very confident of the ability of a controlled-circulation magazine to reach its intended audience and maintain reader interest:

In terms of reaching specific audiences, controlled-circulation is by far the best system to use. Case in point: The New Parent Series. They are highly targeted vehicles; editorially targeted to the differences in the parental process. The content of Pre-Parent Adviser is edited specifically for women in the sixth month of pregnancy. At any given point in time, there are only 250,000 women in the United States who find themselves in that situation. That's about one in a thousand people. The chances of that person finding that magazine on the newsstand in that particular month are so slight that you wouldn't be able to reach a very high percentage of those women. There is no question controlled-circulation is a more effective means of reaching a group your editorial is designed for. As for if readers appreciate or read because they don't pay, it's contingent upon what's inside. Example: the largest publication in the United States is the telephone book. You didn't pay for it. But you use it because it serves very special needs. We have readership studies on every publication we do. It's the quality of the edit that ultimately determines the reader's involvement in the magazine, not whether or not they paid for it. Paying for a book is not as effective as controlled-circulation in terms of readership in many instances. Example: most of our distribution systems do not force the product on the recipient. He can take it at his own whim or sign up for it, but not pay. In most of the distribution systems we have, the reader must make an active choice as to whether he wants it. Paying money is active. Subscription request is active. The subscriber may not respond to a publication (when it arrives) every week or month (because) he isn't making an active choice. 13-30 has been controlled-circulation and we've been so successful with it. The success is the ultimate test of the item. We would not have the support we have if we didn't have properties really impacting on people (Whittle, 1982).

Publishing for the youth market. Beaver discussed publishing magazines for the youth market and the subsequent evolution 13-30 has experienced as the company and its editors have grown beyond the 13-to-30 age group:

The company has grown because, one, we are all getting older and want to edit magazines for our own age group, and, two, in terms of marketing, the baby-boom generation is a major force in the economy. And as that generation grows older, the advertising dollars somewhat follow the baby-boom generation. Demographics played a part in it. The college-age audience was probably more significant (to the company) in some ways several years ago when it was a somewhat larger cohort of people than it is today. Five years ago we could look ahead and say there will be more publications geared to the 24-34 age group because that's the way the baby-boom is moving. The advertisers want to keep up with that group. As they go through significant lifestyle transitions where they're buying different kinds of products, there will be advertisers wanting to reach them. And there are magazines today that are primarily targeted to that group, city magazines being a good example. They're in large part targeted to that simple affluent 24-34 person. The city magazines exist in greater numbers today because of the baby-boom generation. The youth market is a limited market. If you are going to grow, you want to grow beyond. There are only so many things you can do within a very confined market. Conde Nast is a good example. They publish Glamour, Mademoiselle, and Vogue. Glamour and Mademoiselle are two that would share the 18-24 market. Two magazines sharing that market. Where do you grow if you don't go to new markets? There is only so much that any one market can absorb in terms of publications and only so many advertisers who are interested in that market. So the only way to grow is to go into other markets (Beaver, 1982).

Appendix A contains a 13-30 advertisement addressing publishing to the youth market.

The Role of 13-30 in Publishing

Since 13-30 is so diverse in its publishing markets, the question of the exact role the company plays in modern publishing was put to Beaver and Whittle:

13-30 is multi-faceted. I'm not sure it compares easily to any other publishing company. We're very innovative. We come up with totally new ways to deliver information, like The Wallpaper Journal. It simply didn't exist before we came up with the idea. Or the print special. Fundamentally, what we are is an educational, service-type of publishing company. Everything we publish is designed to provide as much information, and really useful, helpful material, as possible. So we have a very strong basis in

service journalism. There is competition for about everything we do. In terms of the college market, there are always been at least another one or two or three companies doing publications for students at the same time 13-30 was doing them. And Newsweek has been in the field for a while. It had a special edition of Newsweek, a college edition, for several years. Time, too, I think. (But) I don't think (this kind of competition) is going to be that big of a problem for us. I think the college market is probably large enough to have several things going on at once. So it hasn't been that big an issue, although 13-30 didn't intend to remain in college-oriented publications forever. We got into that because it's what we knew. In the beginning, that was the audience we were most familiar with and then we grew from that. It's not a threat to 13-30 there are other people engaged in doing magazines for college students. It's pretty much been the situation we've been dealing with from the beginning. There have always been several people. And that's true in other areas as well. In the area of film magazines, there are a number of national film magazines and then there are a lot of local film publications that are done. There are even some that distribute in the movie theater the way we distribute Moviegoer. In the high school publications area, there are several publications that are done for high school students. Some are more like print specials where there is a single advertiser. From area to area, there is competition. I don't know that there is another company that is doing just exactly what 13-30 is doing. There are some companies that are going in the direction of doing more like print specials. An example is American Heritage, a consumer magazine with single copy sales and subscriptions, now selling each issue to a single advertiser. Publishers come up with the idea of offering individual advertisers a particular monthly issue. It may turn into a trend. It might just be a single example. Other people will pick up on the idea of print specials or are beginning to pick up on print specials. We'll probably see more of that type of activity going on. The whole idea of print specials, anyway, came from television, initially. It seemed to us if somebody could sponsor a whole television show, somebody could do the same thing, basically, by buying all the space in a magazine. You see quite a bit of that on cable. I would think you would see more of it in the print media (Beaver, 1982).

The first phrase that came to Whittle's mind concerning his company's role in publishing was "an innovative force."

Look at what we've done. What's characterized us is that we've done different things. We differed from the

norm again and again, including Esquire, meaning few people thought we had a chance. The (publishing) industry was absolutely convinced it would fail and has been shocked that it has not. Our role in that world is that we've been innovators and have been looking for new publishing forms, which I think is crucial in American publishing and which I think is going to become more evident as we close out this century. The tried and true publishing forms in this country have not-so-obvious illnesses that will become more obvious over time. Publishing is not what it was 15 years ago. It has changed dramatically because of a major economic shift in the underlying economies of publishing. If you look at the three major raw materials that go into publishing--paper, postage, and printing--and their costs over the past 15 years versus the increases in purchase price for consumers and advertising prices, I'm sure you will find an enormous increase in the cost of materials that go into publishing that far outstrips the cost which people are able to charge for their product. Particularly when you put that into the context of television, where cost of raw materials hasn't really increased because the raw materials are very different. And furthermore, the consumer doesn't have to pay for tv, at least not until the advent of pay tv. Advertisers can get impressions at a cheaper rate than they can from print. You have tremendous shifts in economies that underlie publishing, and magazine after magazine is feeling that difference. What that requires is that magazines change in order to cope with those differences. Some are. Most aren't. We've attempted to create new forms that attempt to deal with those different economies. And, in fact, we've effectively done that. But not in every case. Esquire is an example. We haven't radically altered the publishing formula of what the old Esquire used to be. We've redefined it, but remain a monthly, newsstand, subscription magazine. In time, we will alter it. Our first objective was to stabilize it. In time, we will. That's our role. If you were able to look 15 years down the road, there's a chance we will fare better in those 15 years than, what might be deemed, old houses (Whittle, 1982).

Future

And the future for 13-30 is bright in Whittle's eyes:

13-30 is going to be a major publishing force. We're going to be some multiple of the size we are now within the next few years. This will move us into a whole other league of significance in the publishing and communications

industry. We're going to do that on a group of fronts. You'll see us moving almost across the board in product development. The bulk will be the launch of new products as opposed to the acquisition of products. We have demonstrated again and again the ability to launch products successfully. That will be our direction more than acquisition. We may make some acquisitions, but more will be done in developing new business. They will be in virtually every form of communications: film, cable, books, magazines. Our first book deal is under way; our first movie deal is in the works; and we're dabbling in cable. Within three years we should be active in those businesses. It should be an interesting time (Whittle, 1982).

CHAPTER VI

CONCLUSIONS

In order to evaluate and interpret the findings of this study, it is helpful to review the thesis' original research questions. The primary aim of the thesis was to determine why and how 13-30 came into being and how and why it achieved success publishing specialized magazines. It was also the purpose of this study to examine 13-30's role in modern magazine publishing, with particular emphasis given to 13-30's use of marketing and controlled-circulation distribution.

The historical narrative explained why and how 13-30 Corporation was started. The company came into being from the efforts of five University of Tennessee students who wanted to go into business for themselves and develop publications for the college community.

Because of their demonstrated expertise in marketing and publishing to the college-age audience, Whittle and Moffitt emerged as 13-30's leaders. This role is further exemplified by their eventual positions within the company--chairman and president. Their inspiration and guidance in developing unique properties and expanding the organization indicate keen foresight and leadership.

This is not meant to subordinate the roles of Mayfield, Smith, White, and other 13-30 personnel. Mayfield's early financial support, Smith's control of field operations, and White's day-to-day supervision as president from 1969 to 1978 provided important and useful contributions to 13-30's growth and success. But Whittle's and Moffitt's

knowledge of the youth market and their ingenuity placed the two at the forefront of the company.

Because of foresight and a willingness to take risks, 13-30 has risen to a notable position within the magazine publishing industry as the nation's largest magazine publishing company to the college market. The company's contribution and significance to the magazine industry can be characterized as an ability to provide innovative, relevant, and highly-defined media to specific audiences while simultaneously providing the advertisers of such media with an efficient method of penetrating previously hard-to-reach demographic groups. Starting with the college market, traditionally a difficult group to reach by conventional media, and expanding to other similarly hard-to-reach audiences (e.g., pregnant women, business officers, high school students), 13-30 developed an expertise in marketing and developing print media to specific groups unlike any other publisher(s) in the country.

Two important events led to 13-30's early and continued success: the development of the print special concept and the organization of the college distribution network.

The college distribution network, developed from the expansion of Nutshell, provided a launching pad for 13-30's early publications (e.g., Graduate, America, and to some extent, 18 Almanac). This ready-made network enabled 13-30 to explore the youth market and start the early print specials on a steady footing with a ready-made audience.

The emergence of the print-special concept in the early 70s allowed 13-30 to increase company revenue at a time when it was

desperately needed. But more important, the conception and execution of this idea opened a new direction for title and corporate growth. As illustrated in Chapter III, the print special evolved from a 30 percent contribution to revenue in 1974 to a 75 percent contribution to the company's overall revenue in 1982.

The company's early emphasis on marketing its properties, as well as developing publishing forms, contributed heavily to the company's present level of success. By concentrating on and mastering marketing techniques for the specialized magazine, 13-30 developed an uncanny ability to intimately understand and evaluate the needs and wants of both the client and the client's market. By keeping in touch with its audience, 13-30 has been able to provide useful information for readers and useful services for advertisers.

The efficiency 13-30 developed in reaching specific demographic groups for the advertiser has been greatly enhanced by the use of controlled circulation. Since none of 13-30's publications, except Esquire, require newsstand or subscription sales, costs have been cut and the company's ability to zero in on specific audiences has been increased.

Perhaps the most lasting and important development in 13-30's growth was the company's partnership with Bonnier Magazine Group and its present association with Associated Newspaper Group. Although 13-30 had proven to be a strong and viable business before joining with Bonnier, the relationship with Bonnier placed 13-30 in an entirely different league within the publishing industry and broadened 13-30's scope and depth. Bonnier's primary contribution was

financial. The capital invested by Bonnier enabled 13-30 to further develop the print special and to eventually purchase Esquire, an event that thrust 13-30 into an even higher level of the publishing echelon. It is safe to say that without Bonnier's contribution, 13-30 would not be where it is today. This is not to say that 13-30 would not have eventually achieved its present level of success and prestige. But this success would have come much later if not for Bonnier's support, or the support of a similar partner. In addition, because of 13-30's recognition in publishing circles from the purchase of Esquire, 13-30 gained its current minor partner, Associated Newspaper Group, which is making contributions to 13-30 similar to those Bonnier once made.

Another factor contributing to 13-30's level of success is the company's willingness and ability to adapt to a changing magazine industry. Instead of holding tight to the proven methods of publishing, 13-30 has pioneered the way in developing innovative concepts. This trait has put 13-30 in the enviable position of a pioneer, a position that carries a role of leadership and, as has been 13-30's case, prestige and profit.

Another factor in 13-30's success, and one that gives the company an added dimension, is the relative youth of its personnel. Working in a rather informal atmosphere, 13-30's employees project an air of confidence and professionalism that one would not expect from so young an organization. This self-assured nature, coupled with enthusiasm and aggressiveness, is reflected in the company's publications and marketing strategy.

From a historical perspective, the start of 13-30 Corporation was not unlike the start of many other magazines and publishing companies. What made 13-30's contribution to and success in magazine publishing significant was not so much the development of the college network or sponsored publication but rather 13-30's timing in introducing its network and marketing its publications to a ready and waiting audience.

Following a period of revolt and protest in the 1960s, the 1970s represented the beginning of what has been termed the "Me" generation, a generation of pragmatism and career-consciousness. The early 70s also marked a period in magazine publishing that placed emphasis on the highly-targeted magazine to a select audience.

The change in attitude from the 60s to the 70s was reflected on the nation's college campuses. The college student's renewed emphasis on goals and career coincided with the introduction of Nutshell in the early 70s. But 13-30's founders did not just happen to stumble onto this coincidence. Through their experience with college students at The University of Tennessee, Knoxville, the founders developed Nutshell for the national college community.

But 13-30's success cannot be evaluated in such simplistic terms as being in the right place at the right time. It was a combination of being in the right place at the right time with the right message, developing marketing and publishing methods, and building on an intrinsic knowledge of a particular market, that congealed into a formula of success for 13-30.

However, 13-30's concentration on marketing--understanding its audience(s)--stands out among all other factors explaining the

company's success. It has been 13-30's innovations and sophisticated marketing techniques (e.g., print special and wall media), not editorial content alone, that have led to 13-30's achievements in magazine publishing.

The future for 13-30 appears unlimited. Now that Esquire is about to become self-sustaining, 13-30 can redirect a sizeable percentage of revenue toward developing new businesses in the communications industry. As Whittle indicated earlier, 13-30 Group is already moving toward book publishing, cable television, and motion pictures. The company's expansion will not end there. It was the author's observation while preparing this thesis that 13-30 is literally growing before the public's eyes. It was not unusual for the author to talk with 13-30 personnel one week only to come back the following week and find that another department had been expanded or that another publication was being introduced for test-marketing studies. While the development of new forms of publishing may not come so rapidly, it is obvious that 13-30 will continue to develop and grow.

With the introduction of new properties, the company's corporate structure will evolve from its present stage. It is likely that the current power structure at 13-30 will last only a few more years. Just as the editorial department expanded from one small department into four groups, the present corporate structure will expand. And as this expansion occurs, the lines of power and responsibility within the company will become more ordered and stable, more defined.

The future growth of 13-30 will depend on its initiative and innovation. The company has proven again and again its ability to

launch successful properties. By continuing to keep in touch with markets and providing expert marketing services for its clients, 13-30 should emerge in the next decade as one of America's leading communication companies.

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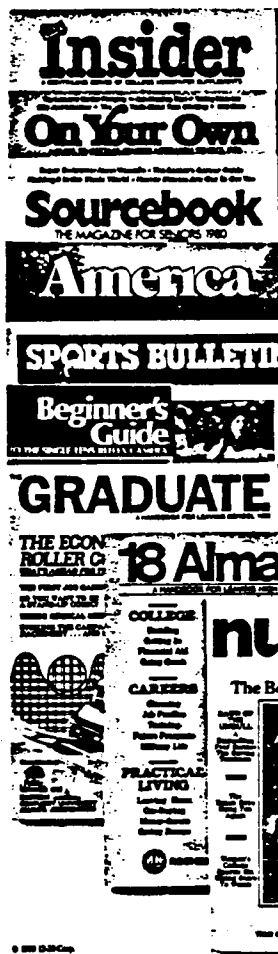
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APPENDICES

APPENDIX A

13-30 CORPORATION ADVERTISEMENT

THERE'S NO SUCH THING AS AN 18-24 YEAR OLD.



People like to toss around a term called "the youth market."

In reality, the youth market is not a market at all. It's a vast series of different markets.

High school students are different from graduate students. Single people are different from married people. Young men and women about to enter the work force are very different from young men and women about to enter college.

It was this understanding of the marked difference among the young on which 13-30 Corporation was based. Very simply, we design publications and programs to meet the real tangible, psychological needs of the different groups that comprise "the youth market."

For college students, we created *Nutshell*, to tell them how to get along from their first day on campus to the day they have to go out into the world. Because of our unique ability to isolate and address what's important to college students, *Nutshell* has become the country's largest college magazine with 1.2 million circulation.

For high school seniors, we created *18 Almanac*, to help them face their first adult responsibilities: from how to buy a car, to how to shop for an apartment, to how to interview for a job.

For graduating college seniors, we created *The Graduate*, to help them cope with the "real" world.

And then there's our Print Specials program:

magazines in which one exclusive advertiser appears, much like TV specials. Currently, we have special magazines sponsored by Ford, Datsun, Miller Brewing, the U.S. Army, Oil of Olay and Xerox.

We also have a unique sampling program called "Good Stuff" that attempts to understand people the same way our magazines do. The realization that the first day of college usually begins with an empty cupboard, led us to create a "Care Package" for students filled with shampoo, toothpaste, soap, and so on.

How do we know what the exact needs of this

market are? 13-30 Corporation provides a research service for its advertisers called The National Student Study. It's the largest primary data source in the history of the youth market.

Our success at meeting both young people's and advertisers' needs with our publications can be judged by our growth.

In only 10 years, our circulation has jumped from 6,000 to 18,000,000. And we have become not only the largest college publishers in the nation, but the one most advertisers think of first when they want to reach young people with one comprehensive marketing and advertising program.

You see, we knew we couldn't be all things to all people. So we settled for being all things to a few.

13-30 Corporation
1800 Market Street • Oakland, California 94612 • Telephone (415) 437-7000

APPENDIX B

SAMPLE WALL MEDIA LOCATION/AGREEMENT CONTRACT

SPORTS PAGE

Location Sheet

(Complete in Black Ink Only)

The purpose of this form is to describe the exact location of the Sports Page at:

[1] Date: _____

Business Name _____

[2] Posting Location Address
(Complete Even If Same As On Contract)

Location Contact _____

Street Address (Must Complete) _____

P.O. Box Number _____

City, State, Zip _____

Phone # _____

Best Time of Day to Call _____ AM
PM

Following is an exact description of where Sports Page will be posted in this building: (A) Write a detailed description of the location including all necessary measurements (please print).

(B) Draw a detailed description of the location, showing all necessary measurements:

1. (Show here where this position is located within the building)

2. (Show here the position of the Sports Page in reference to the surrounding walls.)

Approx. distance of case from front door [3] _____; cash register [4] _____

[5] Comments: _____

This location of the Sports Page has been selected by: _____

I authorize a representative of Sports Page to install the Sports Page display case as we have diagrammed it above.

Business Representative Signature _____

[6] Est. Daily Traffic Within 35 Ft. of the Sports Page Location:

M-F: _____

Saturday: _____

Sunday: _____

[7] Wall Surface

- [1] — stone/brick
- [2] — paneling (wood)
- [3] — formica/plastic
- [4] — sheet rock/drywall
- [5] — other, specify _____

OFFICE USE ONLY

B O X

Inst. # _____

ST / MKT / BS / LOC / AM

13-30 Corporation 505 Market Street
Knoxville, TN 37902 (615) 637-7621

13-30 Copy

APPENDIX C

PRINT SPECIAL PROMOTIONAL BROCHURE

July 1980

\$2.00

Magazine Age

for advertisers and agencies

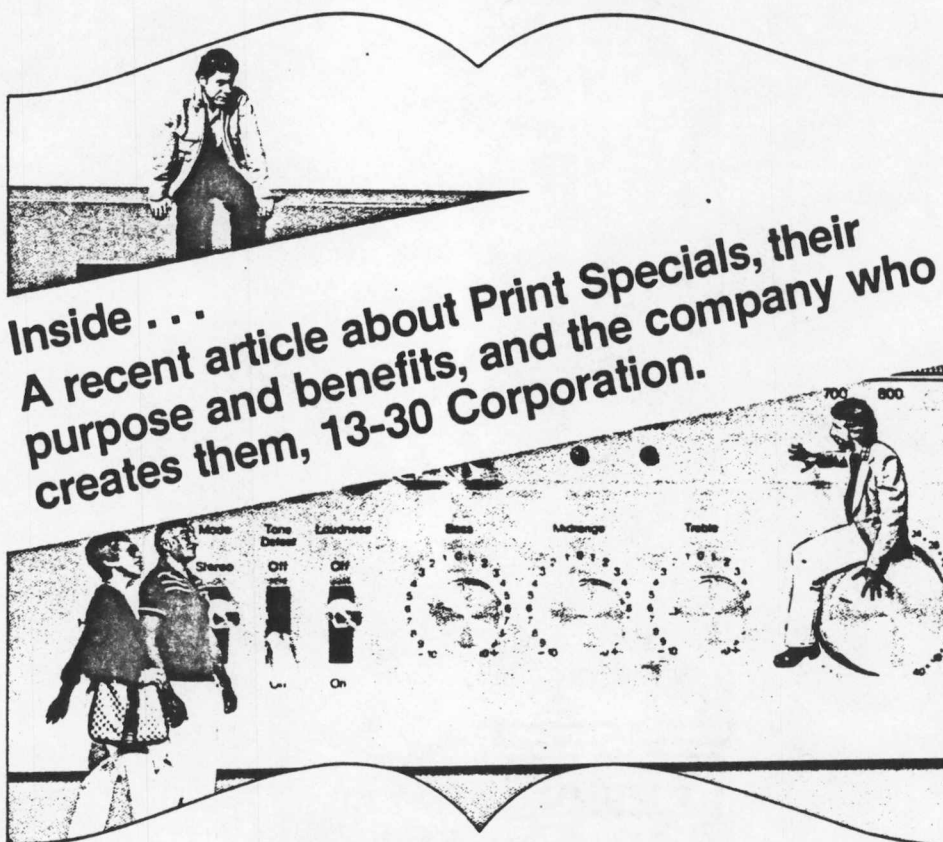
Are Youth Ads Wasted on the Young?

Institutional Advertising:
From Lazy to Lively

Single-Sponsor Magazines

John Meskil on Auditing

A Perspective on Farm Media



Home Entertainment Marketing

Reprinted from the July 1980 issue of Magazine Age, published monthly by Magazine Age Publishing Company, 6931 Van Nuys Blvd., Van Nuys, California 91405.

One Book...One Advertiser

Major corporations target specific audiences with single-advertiser magazines, modeling approach after one-sponsor television specials

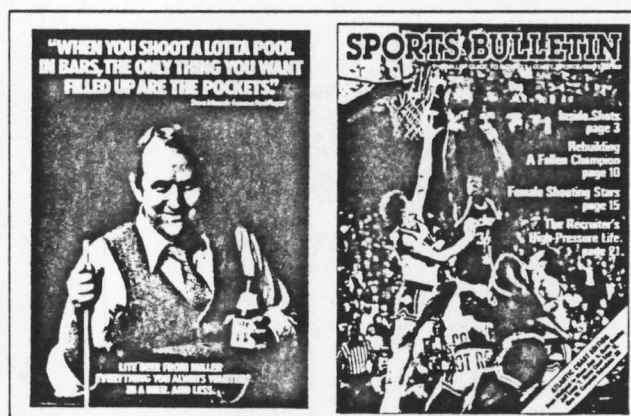
By Robin Holland

The targets are specific, hard-to-reach audiences. The arrows are single-advertiser magazines, called "print specials" by the creator, the 13-30 Corporation. The Knoxville-based publisher models its approach after television specials sponsored by one corporation.

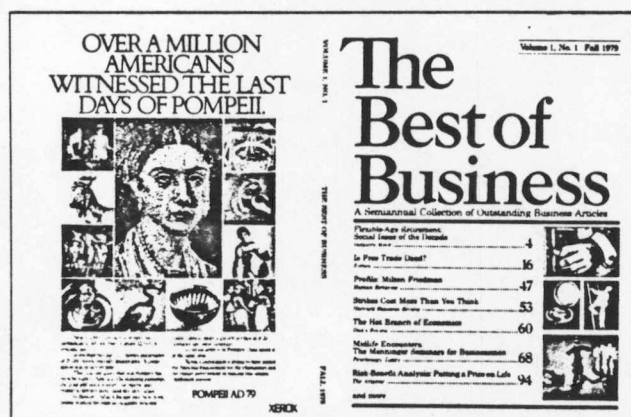
In the past few years Datsun, Xerox, Ford, Miller Brewing, and the United States Army have achieved a kind of "monopoly status" in the college market with the help of such magazines and their publisher, 13-30. The books, fashioned for specific groups with just one advertiser, are independently controlled, written, compiled, and distributed by 13-30.

The publishing unit was started in 1969 by Christopher Whittle and Phillip Moffitt, then seniors at the University of Tennessee (now owners of *Esquire*). The inaugural venture was *Nutshell*, a magazine directed at collegians. After starting as a book for students at the University of Tennessee, *Nutshell* was being distributed in specially targeted editions to 130 schools by 1973. As the publishing group grew, *Graduate* and *18 Almanac* were added to the fold; both books served a high-school audience.

The first print special was launched in 1973 as well, generated for Datsun, already advertising in several 13-30 magazines. The property was called *America* and allowed the Japanese automaker the chance to reach college students. The position was reached directly after the company had concluded that such young adults, busy with scheduled studies, watch less television and read fewer



To coincide with football, basketball, and spring sports, Miller Brewing sponsors *Sports Bulletin* three times a year. Eight regional editions reach 750,000 collegians.



Newest 13-30 print special for Xerox is *The Best of Business*, directed to mid- and upper-echelon executives in business, government, labor, and education.

magazines for entertainment than other large population segments.

Convinced that these specialized magazines give them a captive audience difficult to reach in any other way, companies like Datsun lay out from \$1 million to \$3 million in production costs. Like the single-sponsor television specials after which they're modeled, 13-30 print specials mix corporate and product information. Advertisers hope for what is termed "paired association." This means consumers favorably view the advertiser itself, as well as its products, because they enjoy the magazine it sponsors.

This advantage can be gained through the television version of this single-sponsor approach. But 13-30 reminds advertisers magazine specials also provide longevity or "keeper value," not gained in television. Research by 13-30 indicates consumers keep print specials for as long as six months.

Editorial independence befits effective magazine production, according to 13-30 executive vice president Mike Collins. "Of course, the level of exposure to pressure is higher if there is just one advertiser," he acknowledges. "But both 13-30 and the advertisers understand that people can tell when they're being conned, when articles are designed strictly to serve advertisers' interests. A magazine like that would quickly find its place . . . in the garbage."

Tom Evans, acting director of advertising and sales promotion for the Army Recruiting Command, recalls being told by 13-30 that getting involved with *On Your Own* and *Sourcebook* would only work if the advertising and editorial were kept separate.

"They were right," says Mr. Evans. "While the Army may turn up, along with other branches of the military, in an article on post-high school options, there would never be an article simply on the Army. The only special favor we asked [regarding these two magazines directed at high school seniors] was first mention of the Army before discussion of other service branches."

A request not honored by 13-30 in any of its publications is discounting for print special advertisers. Only frequency of advertising in a specific publication results in a deduction.

Print special advertisers sign contracts with 13-30 for one year, three years, and longer. Though 13-30

TEN TOUGH QUESTIONS TO ASK YOUR ARMY RECRUITER.

1. How old are you?
2. How old is your mother?
3. How old is your father?
4. How old is your brother?
5. How old is your sister?
6. How old is your grandmother?
7. How old is your grandfather?
8. How old is your uncle?
9. How old is your aunt?
10. How old is your cousin?

JOIN THE PEOPLE WHO'VE JOINED THE ARMY.

Army recruiters were told by 13-30 that "getting involved with *On Your Own* would only work if advertising and editorial were kept separate."

can opt to continue such special publications or kill them if the advertiser decides not to renew a contract, the publisher so far hasn't had to make that decision.

The newest 13-30 print special is *The Best of Business*. This magazine—directed to mid- and upper-echelon executives in business, government, labor, and education—departs from the others in both market and content. Joseph Cooper, advertising operations manager at

"The advertisers understand that people can tell when they're being conned."

—Mike Collins
13-30 Corporation

Xerox, says his company underwrites *The Best of Business*, because its readers "are influential in the way Xerox is perceived and make decisions about leasing and buying copiers."

Structurally, *The Best of Business* compiles selected business articles from the previous six months. This sets it apart from the other print specials, written by 13-30 staffers and free-lancers.

Xerox views *The Best of Business* as "a television special in print. As the advertiser, we are closely associated with the product," says Mr. Cooper. "The first page of the Summer 1979 edition was a word from the sponsor, and it was headlined just that."

Xerox by no means emphasizes

magazine use over television, but it does recognize the differences between the two. The glossy, four-color magazines, each with its own staff, are seen as information sources for their audiences, while television is viewed as entertainment. Xerox hopes the executives receiving *The Best of Business* will read it over a long period in varied situations including travel, leisure, and so forth.

Advertising in the 116-page, twice-yearly magazine is a smooth blend of products and messages that build image. Xerox's participation in the recent winter Olympics as well as its co-sponsorship of a recent show dealing with Pompeii at the American Museum of Natural History are two featured subjects. Most of the ads were created for Xerox specifically for *The Best of Business*, says Mr. Cooper.

But regarding overall production of the magazine, Mr. Cooper allows that 13-30 is, and should be, primarily responsible. "We don't want to intrude in this area," he says. "We have no problems with the editorial quality. In fact, no problems at all have surfaced with this magazine."

Explaining why Datsun thought it had to make a special effort to reach college students, advertising director Joe Opre indicates between 70 and 73 percent of Datsun owners have attended or graduated from college, a much higher percentage than with domestic car owners. The company saw America as "a perfect way" to

reach this audience before it graduated but while it was preparing to enter the post-graduate world.

"College-educated people don't just buy out of habit or family preference," says Mr. Opre. "They con-

sider such factors as lifestyle and quality. We think it's important to keep the college market aware of our product. Publishing America was one way to do that. We just signed a new three-year contract."

Datsun says awareness of its automobile is much higher, sometimes as much as double, on campuses receiving America. A once-yearly publication that comes out in the spring, America concen-

Datsun's College Connection

"For the past seven years, Datsun has been giving students throughout the country a chance to show their advertising skills before they graduate from college," according to the 1980 issue of America, sponsored by Nissan Motor Corporation, U.S.A.

The contest is one of five Datsun-sponsored college student competitions. The others are in filmmaking, travel photography, writing, and for the first time this year, travel adventure. The contest winners see their ideas translated into finished, four-color bleed ads by Datsun agency William Esty.

Each category carries a \$100 cash prize, and a \$250 award goes to the teacher whose students submit the "most outstanding" ads. Winners, who attend personal presentations, receive mounted copies of finished concepts. On occasion, Datsun, which last year added a newspaper category for use in dealer kits, uses the ads in other 13-30 student publications.

Schools are assigned specific car

models: students are given fact sheets and encouraged to do independent research on campus. Campaign strategy is essentially limited to determining those Datsun features most likely to appeal to students, and proceeding on that basis. Finalists are selected by representatives from Datsun, 13-30, and Esty. Winners, generally one per model, plus honorable mentions, are chosen by students polled on college campuses by 13-30. Last year's contest, coordinated through instructors at colleges throughout the country, drew more than 400 entries from about 350 students. Nearly 60 schools were represented, from St. Michael's College in Vermont to California State University.

The total number of entries has risen only slightly in recent years, according to 13-30 marketing services manager Madeline Walls, but some changes are evident nonetheless. "The work done on a couple of entries this year was astronomical," says Michael Collins,

executive vice president and general manager at 13-30. And though some entries appeared to have been submitted "on toilet paper," he concedes, "at least 70 percent were well thought out."

"Some entries include copy only; others use primitive drawings that are little more than stickmen. But on the whole, we've been seeing tighter and tighter comps each year," adds Joe Opre, Datsun's Director of Advertising.

Datsun is in the program to develop student involvement as much as to "further exposure for America," Mr. Opre says. Meanwhile students are participating in what Mr. Collins calls a "real-world situation." It's only happened once so far, but Cindy Anderson, a 1978 America Advertising Contest winner, landed a job as account service trainee at William Esty shortly after graduating from Florida State University. According to Mr. Collins, "I'm sure that her participation in the America contest played an important role in landing the job." —Judith Lack

You'll be glad you have a Datsun 310—



here... here... and here!

31/43

Designed by Mark Palmer, Ohio University, this Datsun 310 ad is the only winner not specifically targeted to students.

DATSUN 210 HATCHBACK

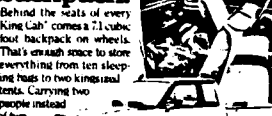
reduces the cost of student activities.



31/43

Photos illustrate the car's features and depict typical student scenes. Idea by Bob Akers, Syracuse University.

The 7.1 cubic foot backpack.



Behind the wheels of every King Cab comes a 7.1 cubic foot backpack on wheels. That's enough space to store everything from ten sleeping bags to two king-sized tents. Carrying two people instead of two tents is no sweat in the King Cab with Grand Luxury package. Because behind those buckets are two cushy, fold-down jump seats. Something you can't get in any other small pickup anywhere, at any price.

What other truck offers you standards like these: AM/FM radio, five-speed overdrive manual stick, tachometer, trip odometer, full cut pile carpeting, need-white-letter, steel-belted radials, analog quartz clock and lots more. All standard on all King Cab GL trucks.

Come and see these quality built, tough little trucks at your Datsun dealer. He can give you your choice of Deluxe or Grand Luxury King Cab. Either way you go you still get the 7.1 cubic foot backpack, too.

31/43

Michael Fazende, University of Texas at Austin, created King Cab ad pitching "7.1 cubic foot backpack."

trates its editorial on travel to target students about to leave school for vacation.

In order to get *America* on a campus, 13-30 representatives contact sponsoring bodies like student unions and housing authorities at each school. When the book arrives, agents set up displays and hand out magazines. And although it is almost unheard of to get commercial displays on campuses, Datsun cars have become part of the *America* displays.

None of this was lost on the Ford Motor Company, which has its own in-house *Ford Times* but wanted another magazine to reach collegians. As car advertising coordinator Bill Snyder says, "When we went to 13-30, we were aware imported cars were penetrating the college-age and educated markets. We didn't want to surrender our share to the foreign auto makers."

Snyder indicates Ford's *Insider*, going into its fourth publication year with a 2.5 million circulation, is "a very effective pipeline to a significant number of campuses. Students polled have a high recognition and opinion of the magazine, and its favorable reception rubs off on Ford."

Insider is distributed three times a year as an insert in college newspapers, runs about 23 ad pages, and deals with a single subject in 13 editorial pages. Topics have included strategies and tactics of studying, career planning, and physical fitness.

While ad kits are sent to Ford dealers prior to each *Insider* appearance, a teaser ad is placed in the college newspapers alerting students the magazine will soon be available. Thus far Ford has used product ads for all but the LTD and Thunderbird models, together with rebate campaigns and other messages directed at the general public. Special material may be put together, however, for the debut of Ford's 1981 models.

Sponsored by the Miller Brewing Company, *Sports Bulletin* appears three times a year to coincide with football, basketball, and spring sports. It, too, is a college newspaper insert and reaches 750,000 students. There are eight regionals corresponding roughly with eight NCAA regional sports conferences. And each edition runs eight pages of conference sports news along with broader coverage.

Sourcebook and *On Your Own* account for 28 percent of the United



Still going strong after a 1973 launch is *America*, sponsored by Datsun. Companies spend from \$1 million to \$3 million to reach captive audiences.

States Army's total print budget, and, according to Mr. Evans, the leads generated from students mailing reply cards cost less per lead than via consumer magazines, but slightly higher than direct mail.

"Distributed through guidance counselors or in homerooms," says Mr. Evans, "both magazines reach 2.9 million high school seniors in 16,000 schools." *Sourcebook* arrives at the beginning of the school term and concentrates on the senior year, while *On Your Own* comes out in mid-year and takes a harder, more practical look at post-graduation options. The Army regularly monitors

"When we went to 13-30, we were aware imported cars were penetrating the college-age markets."

—Bill Snyder
Ford Motor Company

student response cards to determine who is reading the magazines and to keep the cards effective.

Prepared by the Army's agency, N W Ayer ABH International, ads are tailored specifically for *Sourcebook* and *On Your Own*. While some use existing materials, others are entirely new and unique to the college market. The 1979 edition of *Sourcebook* featured a six-page center section listing hundreds of skills one can acquire in the Army.

"Last year, enlistments were 16,000 below the number desired,

but the actual size of the Army did not decrease below that authorized by Congress," Mr. Evans points out. "Blame cannot be leveled at any single factor. Advertising is only part of a total marketing effort, and the print specials are only part of our advertising. We have nothing but praise for *Sourcebook* and *On Your Own*."

Christopher Whittle relates one of the major reasons 13-30 is happy with the print special concept. "They allow us to do things in publishing that wouldn't be possible with normal commercial properties. An example is *The Best of Business*. To be profitable, that magazine would first of all have to be a monthly. But there wouldn't be enough top-notch business writing to compile and print one. For economic reasons the magazine's concept would have to be sacrificed, meaning less fascinating material would be included."

Although 13-30 is the only publishing company now doing print specials, more and more advertisers are showing an interest. Mr. Whittle says he has five new projects in the works for a 1981 debut.

"All are sponsored by Fortune 500 companies, each with a different market, none of them student audiences. We plan between 12 and 15 print specials by 1982. And even though the print special concept is less effective in some markets than in others, we think we can create a magazine for any advertiser looking to reach a well-defined audience." □

PRINT SPECIALS

A SERVICE OF 13-30 CORPORATION

**505 Market Street
Knoxville, TN 37902
615/637-7621**

**If you find the concept of Print Specials interesting, please contact Mike Collins
at 13-30 Corporation.**

VITA

Edward Earl Cook was born in Houston, Texas, on June 12, 1959 to Kathryn and J. Earl Cook. He attended public schools in Mansfield, Louisiana, where he graduated with honors from Mansfield High School in 1977. The following fall he entered Louisiana Tech University in Ruston, Louisiana, and graduated magna cum laude in 1981 with a Bachelor of Arts degree in journalism and minors in English and history. While at Louisiana Tech, he served as reporter, sports editor, associate editor, and columnist for The Tech Talk, student newspaper. He also worked as a sports writer for The Ruston Daily Leader and a general assignment reporter in the Ruston bureau of The Shreveport Times.

In September 1981 he entered The University of Tennessee, Knoxville. After working as a graduate and research assistant, he graduated with the Master of Science degree in Communications, with magazine specialization and a minor in advertising, in March 1983.

While an undergraduate, he was a member of Sigma Nu, Omicron Delta Kappa, and Mortar Board.