TV GUIDE AUDIENCE DECONSTRUCTION AND RECONSTRUCTION

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In October 2005 ***TV Guide*** made a bold decision to drop its circulation from 9 million to 3.2 million; increase the size of magazine to 8" by 10½" from 5" by 7½"; and change the edit to focus on content of the shows and what is behind the scenes. With such radical changes (a 65% drop in circulation and a change from digest to full size), MRI correctly concluded they could not report ***TV Guide*** for at least two, perhaps three waves based on their reporting guidelines. (1)

This paper will describe the circumstances leading up to that decision. This paper will also review the research that enabled ***TV Guide*** and DJG Marketing to develop an audience estimate of what would happen when MRI was able to again measure and report ***TV Guide*'s** audience. The paper will be divided into four parts:

- The historical situation including a description of the circulation sources used prior to the reduction in rate base
- A review of the circulation that led ***TV Guide*** to move it from a digest size version to a full size magazine
- The development of a series of audience estimates that would cover the 12 to 18 months that ***TV Guide*** would be unreported including the host selection and the estimated Reader-per-Copy based on DJG "deconstructing and reconstructing" the RPC.
- Finally, the DJG estimates will be compared to what was actually reported by MRI initially and in succeeding waves

A review of this case study will show how it touches on so many fundamental issues:

- The impact of circulation on audience
- The impact of format change (digest to full-sized magazine) on audience
- The RPC value of different copies in different locations
- The accuracy and the value of prototyping unmeasured magazines

The MRI reporting rules and the ARF prototyping standards are referenced.

Historical background

TV Guide was born as a digest magazine in 1953 with a circulation of 1.6 million. It reached its height in late 1976 when it briefly registered above 20 million paid copies each week. Despite a steady decline in circulation over the following twenty years, advertising remained vital well into the late 1990's.

Traditionally a digest-size publication that television viewers turned to primarily for TV listings, ***TV Guide*** relaunched on October 17, 2005 with a completely new look and a radical new mission. First and foremost, the publication would now sport a larger format (8" by 10½") every week and would no longer ever be printed as a "half-sized" digest. Also eliminated was the traditional black-and-white listing section (formerly customized in nearly 200 weekly editions). This was replaced by a full-color listings grid section aligned with time zones. Now this "real magazine" would consist of 75% of the editorial focused on tv entertainment news and features with the remaining 25% devoted to the updated listings utility. In essence, this was a complete reversal of the prior 25:75 edit ratio previously favoring simple listings.

TV Guide **Publishing Group** retained DJG Marketing to develop a Publisher's Estimate. This audience estimate would be crucial for media evaluation purposes for the repositioning and dramatic re-staging of ***TV Guide***, especially for use with syndicated research. The purpose of this technical report was two-fold: First, outline in detail, DJG's recommendation for a 2005 4Q Publisher's Estimate to be used with the 2005 Spring MRI database. Secondly, rationalize these projections based on the significant changes that were about to occur.

Also set forward were the foundation for future estimates. MRI had indicated that publishing changes of this historical nature were likely to prevent them from reporting a measured ***TV Guide*** audience, with confidence, for a period of about 18 months. In the interim, a publisher's estimate program was developed to build an estimating system that could evolve as the magazine's circulation declined to its new rate base, and to recognize how the demographics of this dramatically different product were likely to change.

DJG Marketing, as the leading developer of Prototypes and Publishers' Estimates had developed more than fifty Prototypes and Publishers' Estimates during the prior three years. They are also the premiere company in evaluating and managing syndicated audiences through Audience Management projects and management of WRSS, the leading distributor of magazines to public places. This experience has permitted DJG to evaluate the ***TV Guide*** changes from many angles.

DJG reviewed the proposed editorial changes, the shifts in circulation by source mix, the demographics by source, custom research done to gauge new product adoption and rejection by continuity subscribers, "prospect" research done among both newsstand buyers and potential subscribers, and measured MRI research over the measured history of the previous ***TV Guide*** product. DJG followed the ARF Prototyping guidelines they helped develop with agencies, magazine, and research company research executives. (2)

❑ Studies done before the Re-launch:

- ***TV Guide*** conducted thorough and diverse product testing to gauge new consumer needs and how best to serve them
- Television Fan Survey conducted by Penn, Schoen & Berland
- Simulated newsstand test and predictive subscriber modeling with Lippincott Mercer
- Live prototype distribution to 50,000 current, former and prospective ***TV Guide*** subscribers by Lippincott Mercer
- Consumer focus groups with RCL and The Diamond Group
- Advertiser focus groups with Brooks Rose Marketing Research Inc.

These studies are summarized in Appendix 1.

❑ Circulation

As part of its transformation, ***TV Guide*** announced a new rate base of 3.2 million to which they would be evolving from a level of over 9 million. The majority of the circulation cut-back would come from "sponsored" sales such as hotel distribution as well as their previous waiting room distribution. Since subscription pricing was to increase (asking the reader to pay more), planned erosion was also projected as a result of this action. At the same time, on newsstands, cover price would drop to $1.99 from $2.49 and this, coupled with a much more attractive editorial product, would hopefully result in major growth in single copy sales. Testing indicated that this would lead to a much younger buyer profile. The publisher also eliminated negative remit circulation, notably Paid During Service circulation that classically attracts an older, less affluent demographic.

The pace of circulation reduction was CRITICAL to consider for agencies and advertisers evaluating schedules in ***TV Guide***. The elimination of bulk circulation was immediate in Fourth Quarter 2005, but the impact of price reductions, like expire schedules, would take time to have their full effect. ***TV Guide*** modeled their business for the next three years in the following way:

Fourth Quarter 2005	4.5 million
First Half 2006	3.7 million
Second Half 2006	3.4 million
2007	3.34 million
2008	3.2 million

The full circulation reduction was estimated to take more than three years to be accomplished. Every DJG audience estimate for ***TV Guide*** over the next few cycles (until they were reported again by MRI) was tied to the <u>appropriate level of circulation that was in the field at the time</u>.

❑ Elements of a Publisher's Estimate

Classically, DJG develops Publisher's Estimates for new, unmeasured magazines that do not have a high quality subscriber study. ***TV Guide*** was a different kind of animal. They had a long history of measurement, a storied brand and a readily recognizable logo. However, they were virtually launching a brand new magazine.

DJG believed the best approach was to examine TV Guide's current measured audience, particularly by place of reading (where their readership was achieved), to "deconstruct" the audience. Who was likely to be kept, who was likely to be lost, and what new readers were likely to be achieved. While some excellent internal research was available for reference, much of DJG's conclusions were educated projections. Thus, this qualified as the Publisher's Estimate.

Ultimately, DJG's final product recommended "hosts," projected a reader-per-copy level and recommended what weighting was best in order to place the new ***TV Guide*** in the proper industry and category context.

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❑ Host Selection

The Spring 2005 MRI estimate was designed to forecast the likely audience for 2005's Fourth Quarter and the early part of 2006. As such, DJG had the benefit of a measured ***TV Guide*** to use as a host component. As DJG and ***TV Guide*** contemplated the Fall 2005 MRI study it was virtually assured that ***TV Guide*** would not be reported and thus, would be unavailable to use as a host. DJG had factored this into the research planning and believed a sensible host evolution was recommended.

DJG recommended ***TV Guide*** be used as ONE of the hosts for this first estimate and that a second host be sought that can help shape the demographics of the future.

The consumer testing for the new product indicates that product adoption was much higher among younger readers, particularly women. Also, the circulation testing indicated that the price increase would most negatively affect the older, retired population. DJG found that ***TV Guide*** (as a digest publication) had had a steady increase in the median age of their MRI Buyers statistic and these pricing and product moves were designed to reverse this trend.

Regardless, DJG thought this was a process that may take time. It was influenced by the fact that the long-time logo was not presently going to change. As such, it was advisable to nurse the median age down until we had more empirical research to validate these trends. DJG recommended a 1-2 year reduction in median age immediately and then estimated it would migrate to 2-3 years younger in the next 12-18 months.

The DJG review of the editorial clearly gave them the impression that the magazine would attract a much higher female composition. Plus, ***TV Guide*'s** Lippincott research showed that the <u>non-renewer profile</u> for the new magazine was much more male (and 55+). As older men leave the franchise, that would likely make the profile more female and younger. As it got younger DJG thought that the percentage of employed readers would rise as retirees dropped off the file.

To find a companion host that could help reflect this evolving demographic picture, DJG looked at a variety of entertainment, celebrity and women's publications *(*See Appendix *2)*. Of the candidate hosts, it was clear to us that ***People*** had the most similar profile. It was just younger than ***TV Guide*** (41.5 vs. 44.1), and had many of the demographic characteristics that we saw the magazine achieving as it was introduced to the market.

For the Spring 2005 MRI study, DJG recommended ***TV Guide*** and ***People*** as equal 50/50 hosts for their prototype. DJG forecasted for the Fall study, that ***Entertainment Weekly*** join ***People*** as the recommended hosts. While close, not all demos have moved as rapidly as initially predicted .

2005 Spring vs. Fall 2006 vs. Spring 2007

Demographics	***TV Guide* *Spring 2005***	***TV Guide* NEW Pub. Est**	**TV Guide Fall 2006**	**TV Guide Spring 2007**
Women	58.8%	**63.2%**	57.6%	55.7%
18-34	31.6%	**33.7%**	32.5%	33.2%
18-49	62.6%	**63.0%**	63.8%	64.0%
25-54	57.6%	**61.9%**	56.6%	56.2%
Median Age	44.1 yrs.	**42.4 yrs.**	43.4	43.5
Married	51.3%	**53.4%**	49.0%	47.9%
Any kids	42.4%	**45.2%**	43.4%	42.4%
Any Coll.+	48.0%	**55.3%**	46.3%	46.9%
Employed	62.0%	**70.0%**	60.8%	61.1%
PM	17.2%	**21.9%**	16.7%	15.8%
HHI $75M+	28.0%	**34.9%**	24.9%	25.1%
HHI $100M+	16.1%	**20.5%**	13.9%	15.1%
Median HHI	$47,684	**$55,936**	$44,103	$44,832
County A	43.7%	**44.8%**	41.5%	42.3%
Heavy Mags. /Heavy TV	57.0%	**51.9%**	58.1%	61.0%

Source: MRI

Analysis of the renewals indicated that TV Guide did not lose as many subscribers as they forecasted, especially older males. TV Guide began targeting women in high Reader-per-Copy locations to increase product sampling and drive readership. This program will be at a consistent level of copies and should impact the Spring ’08 data.

❑ Host Weight Adjustments

The only weight that DJG recommended, other than the host weights, was to weight "Employed" at 70%. ***TV Guide*** was at 62% whereas other titles in the entertainment space were in the mid to upper 70's. ***People***, the closest parallel, was at 71.6%. And while **EW** posted a slightly higher 76.0% level, using a weight of 70 was therefore actually even more conservative.

The weighting of employed helped bring the new magazine's median age down to 42.4, a relatively modest change from 44.1. The median HHI rose from $47.7M to $55.9M, still well below the category norms in the mid-sixties (See Appendix 2). These estimates yielded very reasonable levels given the projected declines in retirees and believed this was a reasonable estimate.

❑ Reader-per-Copy estimate

The Entertainment and Celebrity space averaged just over 6 Readers-per-Copy with **People** on the high side and the old ***TV Guide*** on the low side (given its extreme in-home complement).

2005 Spring MRI RPC Estimates

	RPC
Entertainment Weekly	5.17
People	10.91
Star	7.85
TV Guide	2.76
Us Weekly	6.32
7-title Average	**6.12**

Source: 2005 Spring MRI

DJG projected that the new ***TV Guide*** would advance to a 4.75 RPC. It was believed this would result from the combination of the elimination of non-productive circulation sources and the high level of trial the new full-sized, full-color magazine would achieve.

Rationale – The "deconstruction" and "reconstruction" of the Reader-Per-Copy

TV Guide was eliminating over 2 million hotel distributed copies. Shifflet and Company research (available from ***TV Guide***) showed that this circulation was delivering only 0.2 incremental readers per copy. DJG validated this by examining MRI's place of reading data. By taking 100% of the "during other traveling" and 50% of the "somewhere else" place of reading audience (our best estimate of how to find a "read in a hotel" surrogate) that totaled 409M readers, or a 0.19 RPC.

By assigning a .2 RPC to the hotel copies, their elimination immediately boosted **TVG** to 3.6 RPC

- Current "MRI circulation" – 9,096M (Spring '05)
- Hotel distribution – 2,200M (6/05 ABC, est.)
- Current audience – 25,141M (2.76 RPC)

- Est. Hotel audience – 440M (.2 RPC)
- Sans Hotel audience – 24,701M
- Sans Hotel circulation – 6,896M
- Revised RPC – 3.58

The waiting room circulation of 482M produced a readership in doctor, dentist, beauty and barber of 1,220M … a mere 2.53 RPC, actually less than the national edition. In this model, it was projected that 80% of this audience would be lost when this distribution was cut. When hotel and waiting room are factored out, ***TV Guide*'s** RPC climbed to 3.70.
After eliminating hotel, we were at:

- Sans Hotel audience – 24,701M
- Sans Hotel circulation – 6,896M
- Revised RPC – 3.58

- Waiting Room circulation – 482M
- Waiting Room audience cut – 976M
- Circulation Sans Hotel and WR – 6,414M
- Audience Sans Hotel and WR – 23,725M
- New, progressive RPC – 3.70

Next, an RPC of 1.75 was assigned to the negative remit and less involved circulation (low price gift subscriptions, et al). This forecast was based on the anticipation that the engagement for these copies would not be on par with national average (2.76) and that the older skew suggested that they went into smaller households. Factoring this formula against the balance of 1.9 million circulation, produced a projected national RPC of 4.53.

- Circulation Sans Hotel and WR – 6,414M
- Audience Sans Hotel and WR – 23,725M
- New, progressive RPC – 3.70

- Reduced Circulation – 1,914M
- DJG est. RPC – 1.75
- Audience impact – 3,350M
- "Deconstructed Circ" – 4,500M
- "Deconstructed Audience" – 20,375
- Revised RPC for TVGM – 4.53

As the nearly exclusive in-home nature of this magazine changed, and as consumers took a fresh look at this very different product, it was surmised that there would be incremental pick-up and passalong. Therefore, it was conservatively estimated that this could add just over another quarter of a Reader-per-Copy to the brand (about 1 million new readers).

The result of all of these actions, it was believed, would achieve an RPC of about 4.75. Reasonable thought also followed that this may grow in 2006, as the sales at newsstand grew as projected and some level of public place sampling returned to the mix. It was not unrealistic to target a 5.0+ RPC for the following year, which DJG evaluated in more depth when the Fall MRI was released.

Data comparing old and new *TV Guide*

	Readership	48 State Circulation	RPC
Spring 05 (digest actual)	25.1MM adults	9,096,000	2.76
Spring 05 proto	21.4	4,500,000	4.75
Fall 06 actual	21.3	4,423,000	4.81
Spring ’07	20.0	3,616,000	5.54

In Spring 2005 ***TV Guide’s*** 9,096,000 copies produced 25,141,000 readers. In Fall 2006 TV Guide’s 4,423,000 copies produced 21,272,000 readers yielding a Reader-per-Copy of 4.81 – slightly higher than the DJG estimate. The public place program has already yielded increased audience, but the targeting needs to improve to help the demos.

Impact on fundamental issues

A review of how this case study touches on so many fundamental issues:

- The impact of circulation on audience was much less in this case than it could have been in other cases. Here the planned circulation drop of a huge 65% yielded only a 15% audience decline.
- The impact of format change (digest size to full magazine) on audience did impact the RPC because it was easier to find and not get lost or ignored in public place locations.
- The RPC value of different copies in different locations did have an impact on audiences of both the old version (negatively) and the new magazine (positively).
- The accuracy and the value of prototyping unmeasured magazines was proven to be relatively accurate in the case, especially so for conservatively predicting the audience level.

Summary and conclusions

It is always difficult to forecast the future. This assignment was particularly complex because so many variables were at flux. While the research and the circulation modeling were directionally correct and are proving out over a longer period of time than originally expected, the desired demographic profile has yet to be full realized. This factor was offset by achieving a higher Reader-per-Copy than anticipated.

The larger size and the retention of the ***TV Guide*** logo were critical decisions to help increase the Reader-per-Copy. The logo is especially the all-important prompt in the MRI recent reading system. Finally, with the addition of targeted public place copies, the median age should decline and the composition of women should increase to levels previously forecasted.

References

(1) MRI Reporting Rules. New Release Standards (November 2005)
(2) ARF Prototyping Guidelines: ARF Magazine Prototyping Guidelines. Copyright © 2003 The ARF.

Appendix 1
Studies Conducted Before the Relaunch
By *TV Guide*

TV Guide began numerous in-depth studies to identify, understand and document the shifting trends of consumer behavior well before the magazine's historic relaunch in October 2005. Millions of dollars were invested in proprietary studies and findings/insights compiled responses from nearly 100,000 consumers.

What was learned:

… That today's TV viewers were looking for a different type of magazine to help them enjoy television and their entire viewing experience.

… The more digitally-oriented consumers wanted even more feature-rich TV entertainment content than what was currently available at that time.

… That the incremental changes made to TV Guide over the last few years (prior to radical physical book up-sizing) were not enough to satisfy the thirst for an even more relevant and engaging editorial product.

- **Television Fan Survey conducted by Penn, Schoen & Berland**

Consumers have new and expanding TV needs. They want to be "in the know" versus just knowing "what's on when." Results from the TV Fan Opinion Poll included:

… More than 60% of respondents felt that there was not enough news or information about their favorite TV shows and characters in existing media.

… Nearly 80% want up-to-the-minute, in-depth reporting about their favorite TV shows and characters

… Nearly 90% said they would be more interested in reading TV Guide Magazine if they knew it offered in-depth reporting on TV shows and characters, plus reviews, recommendations and full-color photos

- **Simulated newsstand test with Lippincott Mercer**

TV Guide commissioned a study with Lippincott Mercer to test subscriber needs and consumers' preferences at newsstand. Lippincott Mercer is one of the premier brand strategy consultants and a leader in predictive modeling and choice science (other clients include Jet Blue)

A simulated newsstand test gauged demand for a new entry into the entertainment category. Here both "impulse demand" and "educated demand" (pre and post exposure) were studied. Testing was fielded in 20 representative newsstand sites in major markets. A new TV Guide entry was tested on a simulated newsstand in mall locations against titles selected by relevancy and volume.

Newsstand Testing Results:

IMPULSE DEMAND:

Consumers spent four minutes browsing the full newsstand rack (16+ titles)

Predicted strong newsstand sales at potentially 2x current TV Guide sales

EDUCATED DEMAND:

Consumers spent four minutes reading the new TV Guide prototyped issue

Predicted even stronger sales once readers become familiar with the product

Twice as many respondents rated the new TV Guide as the #1 most likely to puchase title of the entire competitive set

Even with an introduction of another new TV magazine from a competitor (faux TV CHATTER mockup) … demand remained as strong for the new TV Guide

- **<u>Live prototype distribution by Lippincott Mercer</u>**

Subscriber ‘wantedness’ tested for a new TV Guide through prototype distribution to 50,000 current, former and prospective TV Guide subscribers. Test was fielded in 32 representative major markets and used four survey vehicles to measure reaction

Outbound phone survey

Inbound phone survey (toll-free number provided to answer questions)

Inbound written survey (20-page questionnaire, $5 incentive, over 50% response rate)

Inbound web survey

Testing Results:

Women 35+ with presence of children 8-14 were above average in renewal or continued trial

Older subscribers (especially men 65+) were least likely to renew or subscribe

Those who spent more time with the prototype were even more positive

Predicting Subscriber Behavior:

A new TV Guide had impressive renewal and trial rates and just a modest cancellation rate.

Renew/Continued Trial	85%
Let Lapse	11%
Cancel	4%

- **<u>Consumer focus groups with RCL and The Diamond Group</u>**

Research objectives:

Gauge subscriber and newsstand buyer reaction to a new TV Guide

Discern reader perspective of the entertainment information marketplace

Identify unique benefits of the magazine to its reader

Determine current positioning and potential evolution for TV Guide

Understand (directionally) the impact of cover elements

Detect barriers to continued/renewed subscription

Methodology

Respondents recruited from TV Guide and facility databases

Most respondents were between 30-49 years old, with two groups of 20-29 year old female newsstand purchasers

Respondents reflected a range of:

Income levels ($30,000 - $100,000+)
Education (high school graduate through post-graduate degree)
Ethnicity, marital status and presence of children living at home.

Groups were predominantly female, with one or two male participants; the youngest groups were completely female.

Perceptions of Respondents Aged 20-29

- To younger respondents, the previous TV Guide was associated with someone "old" (30+)
- TV Guide is about the shows, not about the actors. "Those magazines are about gossip, this is about TV."
- Their frame of reference featured celebrities in movies, music, and to a much lesser degree, television
- The coolness-factor of the source was critical
- They were interested in very specific actors, shows, fashion and make up tips
- After examining the guide, respondents realized, "It's not your grandmother's TV Guide."

Perceptions of Subscibers

- Information seekers or influencers, perceived a significant loss of control over a fundamental aspect of their lives. If they can't find the info, they can't be influencers.
- Subs were sometimes overwhelmed by the new TV Guide. Change impacting their routine and sense of control.
- Did not realize favorite sections of old TV Guide would indeed still be in new edition.
- Still actively voiced liking the new TV Guide
  - "It's brighter, more pleasant, cheerful."

Perceptions of Newsstand Buyers

- Fervently embraced the grid
  - "I buy it for the back, but I read the front"
- Newsstand buyers bought regularly to ensure they'd read TV Guide rather than placing it in a pile each week
- Balance of articles, pictures and guide works
- Fit with lifestyle, interests
  - "This is really relevant for me because I don't have a lot of time."
  - "The blurbs are good for me. I like the pictures and tidbits. I feel like I'm getting more for my money."
- TV time was "my time" and TV Guide helped plan and guide it

Strategic Challenges

- TV Guide created the ideal entertainment guide – newsstand buyers and lapsed customers seem to embrace it; however, some core subscribers may be resistant to the changes.
  - Overly control-oriented subscribers may have been inundated with too many changes in a short time frame
- Those subscribers with a low involvement with the category appear to treat the magazine now as more of a habit. For them, the risk could be abandoning TV Guide in favor of newspaper inserts. Those who had high involvement with the category may turn to wider ranging entertainment sources (such as ones that also offer movie, music and gossip news).
- TV Guide does not appear to have permission to enter the more traditional "entertainment" arena as respondents pushed back on its foraying too deeply into celebrities' personal information and gossip

- Younger market has limited interest in television-only "celebrities" at present. However, this group needs to be cultivated for that next stage in life when it will evolve into a target.

- Disconnect between title/expectations and content. Trial experience for both readers and non-readers key to growth potential

- Larger issues impacting television audience and viewing experience
  - Evolution of television viewing and content delivery
  - Proliferation of new television/television replacement technology

- **<u>Advertiser focus groups with Brooks Rose Marketing Research Inc.</u>**

- The objective of this research was to provide a qualitative evaluation of reaction to the concept among advertising agency and company decision-makers

- It is important to note that participant reaction was "unaided" by any pre-determined pitch or positioning of the potential new title; prototype copies were distributed "cold" and frank opinions and impressions solicited

- Recruited from lists of agency and company media and magazine decision-makers provided by TV Guide

- Participant titles included:
  - Agency: media director, associate media director; media supervisor, media planner; print director, supervisor and buyer; account director; communication strategy director
  - Company: media director

- All were current advertisers in one or more competitive publications and/or TV Guide

- In each group, participants were exposed to and discussed the key competitors in the category (People, US Weekly, In Touch, Star, and Entertainment Weekly), TV Guide, and other publications

- Each participant was given a copy of the new magazine for personal review, followed by individual reactions and discussion

- Main areas of inquiry included:
  - Reaction to the existing category and publications
  - Reaction to the new magazine ("upsized" TV Guide)
  - Reaction to the business model (circulation/rate base/CPM)
  - Potential introduction of upsized TV Guide
  - Future consideration

CONCLUSIONS

- Media decision-makers acknowledge that while the old TV Guide had great equity and a huge readership, a potential change in the magazine was not surprising given shifts in TV viewing and listings, and changes in TV Guide and overall magazine readership

- Reaction to the idea and actual upsized TV Guide was favorable; respondents liked the larger size, more color, existing TV Guide features, more TV focused information, and improved listings/grids

- While the upsized version was not presented in the context of a media presentation or pitch, respondents felt strongly about the importance of TV Guide clearly communicating the strategy and rationale behind the new TV Guide -- specifically the expected readership (gender and age) and the editorial mission

- Most media decision-makers clearly favor an upsized version of TV Guide as providing more and the most credible information and improved listings for the TV enthusiast (mixed audience and broader age range) -- vs. another celebrity magazine/tabloid for younger women

- Respondents did expect and appeared ready to accept a lower circulation and higher CPM for the upsized version of TV Guide; the goal was to make it as palatable and stable as possible

Bottom line: It was agreed that the prestige and clout of TV Guide required the upsized version to be evaluated and considered -- certainly by existing TV Guide advertisers -- as well as by potential brands that may have been`` unable or unwilling to advertise in the then current digest size.

Appendix 2

Recommended *TV Guide* Publisher's Estimate vs. 2005 Spring MRI Competitive Set

Demographics	**Heavy Mag/ Heavy TV**	***TV Guide* NEW Pub. Est**	***TV Guide***	**Us Weekly**	**People**	**In Touch Weekly**	**Ent. Wkly.**
Women	50.9%	**63.2%**	58.8%	76.2%	68.7%	87.2%	60.0%
18-34	29.6%	**33.7%**	31.6%	57.7%	34.9%	62.4%	51.7%
25-44	36.7%	**41.0%**	37.7%	50.0%	42.6%	54.0%	49.0%
45-54	27.0%	**20.9%**	19.9%	13.4%	21.0%	10.3%	16.9%
Median Age	45.2 yrs.	**42.4 yrs.**	44.1 yrs.	31.2 yrs.	41.5 yrs.	29.6 yrs.	34.4 yrs.
Married	54.9%	**53.4%**	51.3%	42.2%	55.3%	44.6%	43.5%
Any kids	38.8%	**45.2%**	42.4%	52.2%	46.6%	54.5%	46.9%
Any Coll.+	51.7%	**55.3%**	48.0%	67.6%	61.2%	63.4%	59.0%
Employed	59.4%	**70.0%**	62.0%	74.4%	71.6%	75.1%	76.0%
PM	18.5%	**21.9%**	17.2%	24.1%	25.0%	23.1%	24.4%
HHI $75M+	29.4%	**34.9%**	28.0%	41.7%	40.2%	36.7%	34.5%
HHI $100M+	16.2%	**20.5%**	16.1%	25.3%	23.9%	22.3%	19.5%
Median HHI	$50,715	**$55,936**	$47,684	$66,219	$63,114	$64,727	$56,006
County A	42.3%	**44.8%**	43.7%	51.3%	45.4%	43.3%	46.9%
Heavy Mags. /Heavy TV	100.0%	**51.9%**	57.0%	44.7%	47.7%	45.6%	52.0%