

Re-launching *EatingWell* - A Case Study

EatingWell – All well?

- 1990: U.S. subsidiary of Canada's Telemedia Communications launches *EatingWell*, a bi-monthly culinary publication
- James Lawrence, Editorial Director and Publisher
- 1991: Acquired by Hachette Filipacchi
- Lawrence quits
- Circulation figures: 4,00,000 (1991) → 7,00,000 (1995) → 6,50,000 (1999)
- 1999 (mid): *EatingWell* folded up
- Reason: Weak advertising sales, Hachette's profitability goals not met

Lawrence's conviction

- Title's editorial niche — a healthful approach to good eating — is viable within a low-overhead, reader-driven model
- Determined to re-launch, adopts a circulation-dependent model
- Attempting to compete for advertising with large-circulation food titles would have required millions in initial capital investment to achieve a sufficient rate base
- Ad-centered model risk: Smaller, independent titles are the first to be taken off ad plans in tough times

The Re-launch strategy

- *EatingWell* positioned as a glossy publication filled with four-color food photography delivering seasonal recipes that are nutritious as well as flavorful
- Target audience: Intelligent, demanding readers responding to a magazine unfettered by the influences of advertisers
- Independence from advertising influences to be promoted as an editorial and marketing differentiator

...strategy contd.

- Modeled on research on Reiman Publications' *Taste of Home*, 5 million in paid circulation
- Plan: Identify audience → Serve well → Build reader loyalty → Pass along readership → Well honed Direct Mail campaigns → Aggressive marketing of Gift-Giving → Profitable ancillary special interest titles
- Investing the lion's share of dollars in the product, circulation marketing and a small but highly experienced staff. Cost saving by moving to quarterly mode

Implementation

- Operated out of the magazine's old headquarters in Charlotte, Vermont
- Full-time staff of 12. Re-hired many of its original editors
- Photography done in-house. Operation equipped with test kitchens, digital studio
- Direct mail to old-circulation list, healthy introductory price: \$16.97 for four issues
- Web site used as subscription collector, pop-ups avoided keeping with policy, gift promotions run, technically equipped to handle more business
- Circulation and editorial teams tightly coupled
- News-stand component distribution network set up through premium book-stores and food chains

All's well @ *EatingWell!*

- Re-launch proposal attracts \$7,50,000 start-up capital from private investors
- First quarterly issue of the re-launch debuted with a total paid circulation of 80,000
- 6,50,000-piece launch direct mail roll-out campaign drew nearly 40,000 orders — an impressive 6.15 percent gross response
- Web site yields nearly 20 percent of its total subscription
- 30,000 first-issue copies (news-stand) sold out at cover price of \$4.95. Plan for upping total copies distributed to 90,000
- Lawrence aims to grow circulation to 4,00,000 within four years with subscription/news-stand ratio 75:25
- Brand extensions on the drawing board