



Medizine Makes Free Magazine Model Work

November 30 2006

Publisher of Healthy Living, Remedy turning its focus to online. By Marrecca Fiore Medizine CEO Traver Hutchins likes to joke that his magazine company, which publishes the quarterly magazines, Healthy Living, Remedy, Diabetes Focus and Diabetes Espanol, is a 15-year-old overnight success story. But the truth is, Traver and his management team have grown Medizine's free magazine model - its publications are available for free at pharmacy counters, at doctor's offices and consumers can subscribe to free mail delivery service - to a better than \$50 million publishing company with print, direct mail, television, radio and online properties. Circulation and ad revenue is growing at its publications - Healthy Living is the largest quarterly consumer publication with total readership of 16.3 million and its ad revenue in up in the first 10 months of this year to \$36.4 million from \$32 million a year ago and its pages-in-book have increased in the same period to 243.31 from 226.20 a year ago. Likewise Remedy's ad revenue is up 31.7 percent this year to \$29.2 million from \$22.2 million a year ago. Medizine is now focused on growing its online staff and products. It plans to double its staff over the next year, hiring 22 new Web employees on the editorial and technical sides over the next 90 days. It also recently launched a new print title called MD Minute, which is available in doctor's offices across the country. Hutchins discussed his company's success and future plans with Folio: Alert recently. Folio: Alert: So how do you make a free publication available at pharmacy counters look credible in the eyes of consumers? Hutchins: I think there's a pre-conceived conception that if you pay for something you get more value than if you get it for free, but we're in a very different environment now and basically free information is available everywhere, especially online. So why should you charge someone for it, why not just let them pick it up. And there's a study out from MPA that shows that people don't find value in paying for something. Folio: Alert: So your print model is pretty much based on the Internet philosophy that all content should be free. Hutchins: Absolutely. There's absolutely no evidence that people engage any less with content that they receive for free. Right now we have the No. 1 health magazine in the country, Healthy Living, and the third largest health magazine with Remedy. Prevention (a paid monthly magazine) is No. 2 and we assume that Rodale is not giving that up anytime soon. And we have the largest diabetes magazine in the country by a factor of four. We have four times more readers than the American Diabetes Association's Diabetes Forecast has, so we must be doing something right. Folio: Alert: Most publishers turn their attention online to capture those readers looking for free content. Your content is already free, so why focus your attention there. Hutchins: We have our print products. We have our direct-to-patient educational programs through RemedyDirect and we have a broadcast news division Daily Health Updates that distributes health segments to 85 news stations nationwide. Healthyupdates.com completes our 360-degree education marketing strategy. We've grown to a staff of 40 full-time workers in our New York office and over the next 90 days we're planning to hire 22 new staffers all for online recognition. And those jobs are not sales jobs. Sales will come later. We're planning to double our staff over the next year and all of those jobs will be in the online space. Folio: Alert: So does that mean you're moving away from print? Hutchins: Well we just launched MD Minute and we're not ruling out anything in the future, but for right now we're more interested in reaching consumers and doctors and pharmacists in other ways, through marketing programs, on computer screens. We really want to go beyond what we do now and reach people at the point of care.