

IPad subscriptions could boost mag circulation

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(AP) -- Magazine publishers may have a new way to boost flagging circulation: the iPad.

The Audit Bureau of Circulations said Tuesday that it has changed its definition of a digital magazine to accommodate the new class of tablet-style devices.

The new rules allow publishers to count paid digital subscriptions as part of a magazine's overall <u>circulation</u> as long as all the same editorial and advertising material is included.

That means publishers can custom design their articles and photo spreads



for Apple Inc.'s <u>iPad</u>, which goes on sale April 3. Without the rule change, they could only count digital editions that appear exactly the way they do in print.

Magazines need the change because they charge for ads based on the size of their so-called rate base, the circulation they guarantee to advertisers.

By comparison, newspapers have had looser restrictions. Because they don't guarantee a rate base, they can count people who pay for access to their Web sites regardless of what ads run there.

In order for the tablet circulation to count, the Audit Bureau must approve each software application for the iPad and other devices. It already has approved one for Conde Nast's Wired magazine, which will be available for the iPad starting with the June issue. Conde Nast is also planning iPad versions of GQ, The New Yorker, Vanity Fair and Glamour.

Subscriptions on many existing e-readers, such as Amazon Inc.'s Kindle, don't count because those editions don't carry ads. But the iPad will have a backlit screen that can carry color advertising alongside articles, opening up another potential revenue stream.

Of course, magazines would only get this circulation boost out of the iPad if they can persuade readers to pay for applications. Few consumer magazines or newspapers have succeeded in getting large numbers of readers to pay for access to Web sites.

GQ's <u>iPhone</u> app, which meets the auditors' new guidelines, may provide the best barometer. About 6,800 people downloaded the first issue for \$2.99, according to company figures - not a significant rate compared with the magazine's overall circulation of just under 900,000. Still, it does seem to be moving in the right direction, with January downloads



more than doubling to about 15,100.

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