



How fashion magazines fare on Chinese internet

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1 HOW FASHION MAGAZINES FARE ON CHINESE INTERNET

The new breed of China's fashion-conscious readers is reflected in the large number of publications available to them. One press vendor says she carries more than 60 magazines whose readers are primarily female office workers.

Most of these publications have an online version related to the print version or offering specific online content by dedicated editorial staff.

"Offline" and "online" fashion magazines are important for the products they advertise, focusing on premium and luxury brands.

Today, China's luxury market accounts for 6 billion euros (US\$ 8 billion) or 3% of the global market. China and Brazil are projected to be the two fastest-growing luxury markets for the five years through 2012, according to consulting firm Bain & Co.

It is estimated that if China continues to grow at this pace, the nation will surpass Japan as the world's largest luxury goods market within five years.

In light of the stakes, investment in advertising by major luxury brands in China is of strategic importance. Consequently, women's fashion magazines, among the first to harvest this manna, are highly competitive in attracting and keeping advertisers which invest not only in the printed press but in electronic publishing as well.

Our study focuses on a panel of websites comprising the four leading players in this segment of the press in China today: *Elle* (Hachette Filipacchi Medias), *Rayli*, *Vogue* (CondéNast), *Cosmopolitan* (Hearst Magazines).

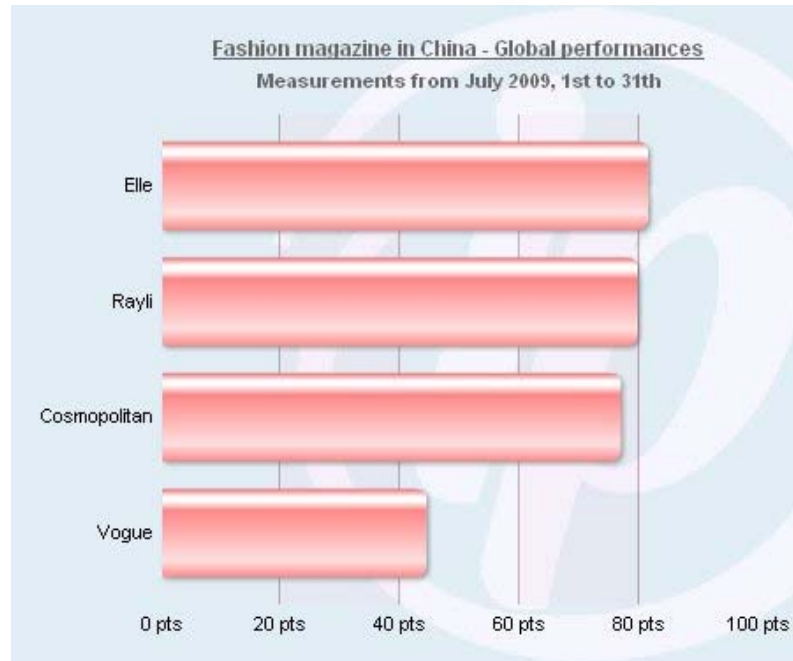
2 DISPARATE PERFORMANCE

As is the case with any means of communication, it is important for these sites to aim for excellent visibility. Good referencing will certainly attract a potential readership, but to keep it the site must be accessible and perform well. To what extent is this put into practice?

By way of response, ip-label.newtest measured the performance of the Chinese websites of four leading fashion magazines, in an end-user environment, the way an internet user would perceive it, from 12 of the largest cities in China⁽¹⁾.

⁽¹⁾ Measurements made from Beijing, Chengdu, Fuzhou, Guangzhou (Canton), Hangzhou, Nanjing, Qingdao, Shanghai, Shenyang, Shenzhen, Zhengzhou, Xi'an.

The table below is built on a 100-point index on the basis of two indicators: the rate of successful connection, and how long it takes for the pages display fully.



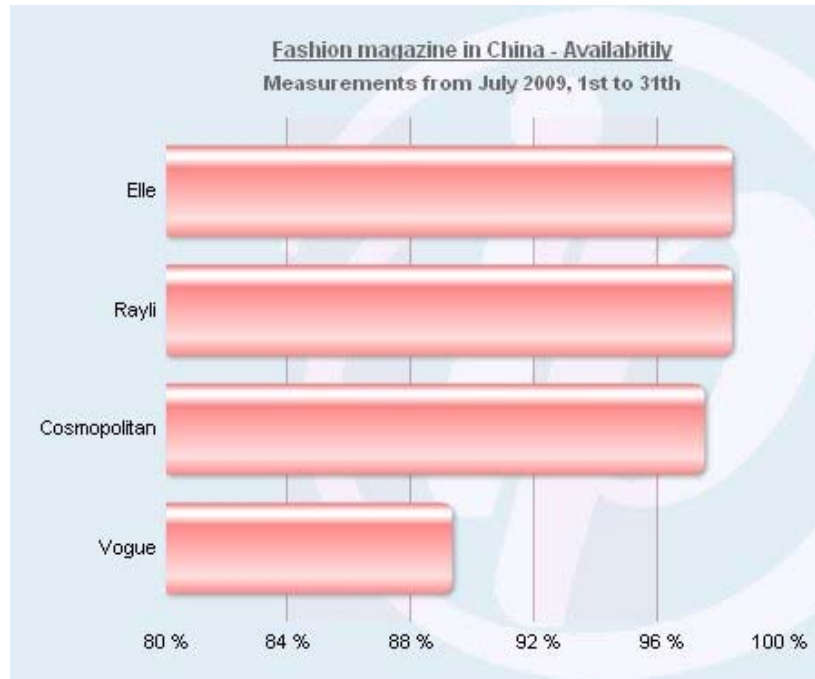
With scores of 81.4 and 79.7 points out of 100, the Chinese internet sites of *Elle* and *Rayli* are at the head of the pack. The score for the *Cosmopolitan* site, for the month of July, lags slightly behind at 76.8 points. These three sites show relatively similar overall performance.

In contrast, the Chinese version of the *Vogue* website presents significantly inferior performance overall.

3 VOGUE'S PERFORMANCE VAGUE IN CHINA

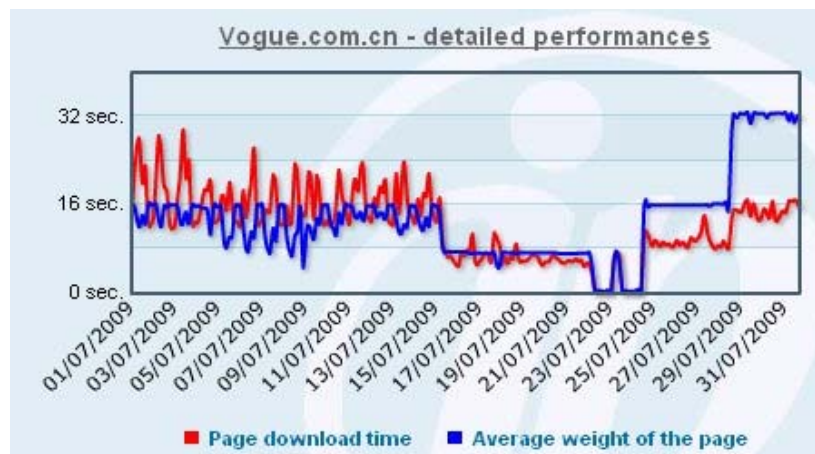
The graph of overall performance highlights *Vogue's* performance shortcomings with respect to the other sites in the panel. But concretely, what do these scores mean for the Chinese internet user?

To get to the bottom of the reasons for such a poor score, it should be noted that the availability indicator represents the percentage of visitors who were able to view the site's home page in full.



With a success rate of slightly over 89% from 1 to 31 July 2009, *Vogue's* performance excluded an average of 11 in 100 visitors from viewing its Chinese site; in other words, over one in ten! These internet users were victims of a particularly "heavy" site made up of very dynamic graphical elements that are pleasing to the eye, but slow to display. Their slowness in loading leads to user frustration.

4 AN EVER-CHANGING SITE...



Rather surprisingly, *Vogue's* Chinese website undergoes major changes on a regular basis, which result in widely different page content and, consequently, significant differences in the volume of data that the visitor has to download to her computer from the site's server in order to view the page. Because of this, the probability of the page displaying in full -- without a wait as long as several minutes, depending on the bandwidth offered by the internet subscription -- is very variable. The user will not wait several minutes to watch the web page appear, and will certainly give up after a few dozen seconds. This results in a failure to display information for the publisher as well as for the advertisers.

For the month of July, the failure rate measured daily ranged from 0 to over 40%.

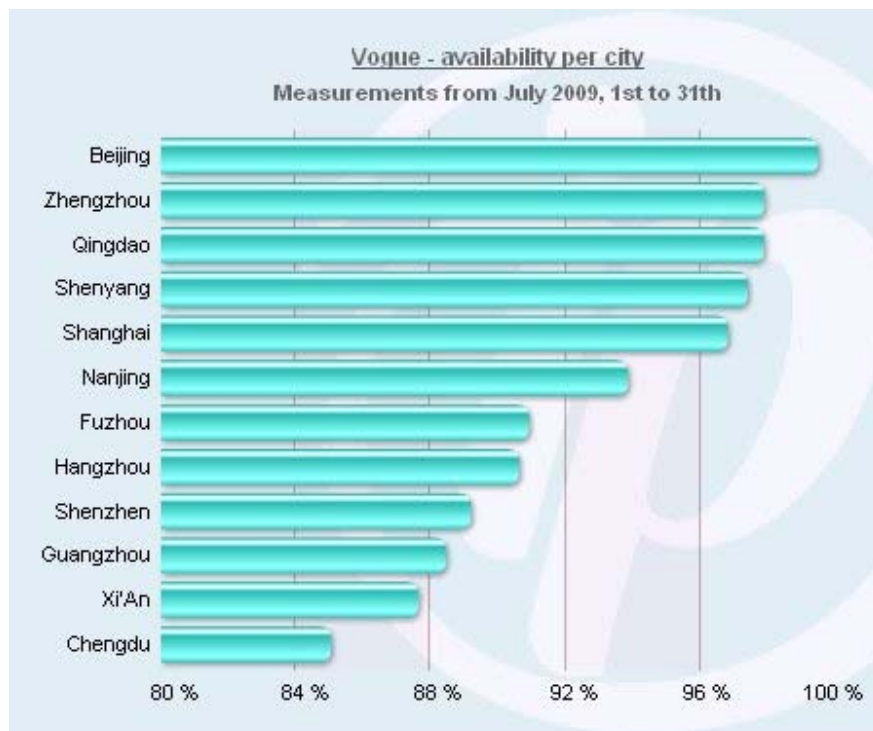
5 ... ACCESSIBLE OR NOT...

40%... This means 4 in 10 visitors could not access the site. Practically one out of two people would not have been able to see any advertisements displayed on the site. These undisplayed advertisements were not counted by statistical tools, and therefore probably were not billed as they could have been.

The results obtained nevertheless require additional analysis. China is a big country with unequal population distribution. Fashion magazine editors may wish to target a potential readership which is definitely more vast in some of the richest cities, like Shanghai or Beijing, while the populations of the towns in the middle of the country is a lesser target.

6 ... DEPENDING ON THE PLACE OF CONNECTION

The following graph shows the rate of successful display of the home page of *Vogue's* Chinese website for the month of July 2009, for each of the cities from which the study was conducted.



To best analyze these results, it should be borne in mind that during internet's beginnings in China, the authorities decided to structure their network in two parts: the North, management of which was assigned to China Netcom, and the South, run by China Telecom. Interconnection between these two networks is very poor. This means internet users connecting in the North of China encounter degraded performance on sites hosted in the South, and vice-versa.

Hosted in the North of China, *Vogue's* Chinese internet site, therefore, predictably offers its best performance to the cities served by the China Netcom network.

To compensate for the impact of China's "digital divide", a CDN solution was set up. The CDN (Content Delivery Network) is a web content local distribution technique which allows internet users to download site data locally, without having to fetch it from the source which may be geographically remote.

Notwithstanding the implementation of this service by CondéNet China (interactive subsidiary of CondéNast), cities in the south or west of China experience inferior availability.

7 IN CONCLUSION...

While the recession is in full swing, even the most prestigious companies are compelled to make drastic budget restrictions. These cutbacks have frozen communications budgets from the start, clamping down most particularly on advertising expenditure.

This effect is attenuated in China, where the luxury market is showing strong growth. Furthermore, as elsewhere, the trend is to shift communications investments from print to electronic media.

A sizeable audience therefore generates income vital to publishers' business. Good overall quality of the websites of their online magazines will enable them to pull ahead of the competition while inciting the internet user to buy the print version, and will also make it possible to generate additional revenues.

Advertisers are generally present across the range of websites of a given segment of the press. Whatever site the user visits, she will see the advertisement that the advertiser wishes to show the public. Whether a particular site is accessible or not matters little to the advertiser, who generally pays only for the advertisements that are viewed. It is the publisher, then, who is directly penalized for less-than-perfect service.