

*Guidelines for
Publishing
In Latin America*

*A White Paper
Prepared by the International Committee of
American Business Media*

*Written by Charles Buckwalter
President, Conexion International, Ltd, Inc.*

November 2001

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OVERVIEW

For years International Publishers have kept an eye on the Latin American market, watching this sleeping giant slowly come awake. Today the attention is more focused than ever, heightened by several factors that have made doing business in the region more attractive, despite recent downsides. Compared with past experiences, publishing in Latin America today is simpler and more opportune in many respects, though still challenging. The scene has improved substantially with developments that include: the political trend toward common markets; extraordinary advances in telecommunications; the powerful impact of the internet; and progress in handling financial matters.

In addition, major regions of the Latin market are now showing viable purchasing power as a consequence of privatization and new movements that favor commerce and international trade. There is ever-increasing demand for better goods, equipment and technology. With it, comes a parallel demand for more information across all levels of the region's complex agro/industrial/professional/socio-economic structure. The need for information opens windows of opportunity for many business-to-business publishers.

How vital is Latin America as a market for B2B publishers today compared to the "fashionable" attractions of Eastern Europe, Russia and China? One of Latin America's leading B2B publishers, R. Christopher Lund, president of the Lund Group of Associated Publishers in São Paulo, Brazil, addressed that question a few months ago before the FIPP World Congress. He pointed out that the U.S. exports more to Brazil today than it does to China.

He indicated that the Latin American economy today is probably close to two trillion dollars, and its population is about 500 million - potential consumers and, among the business currently serving them, plenty of B2B readers avid for information and B2B advertisers seeking more effective communications with their markets. Brazil is about 40% of the region's GDP and

population. As a good example of the potential, Lund mentions the success of just one magazine in his publishing group, *Noticiario de Equipamentos Industriais (NEI)*, an industrial product news tabloid published in J-V with Thomas International, serving Brazil. *NEI* has a monthly, BPA audited circulation of over 50,000 industrial executives and it runs more advertising pages per year than the two leading U.S. industrial product news tabloids combined. That fact alone should give ABM publishers a better idea of the size of the opportunity in the region, compared to the opportunities before them in the U.S., Europe and Asia.

Lund also calls attention to the huge potential about to be unleashed with the proposed Free Trade Area of the Americas (FTAA) which will form a free trade area stretching from Canada to Tierra del Fuego by 2005. President Bush has just received "fast track" authority from Congress to enable him to speed up this process, which was begun in the eighties by his father.

The idea of FTAA is to join regional South American blocks (like Mercosur and the Andean pact group), Central American blocks and eventually link NAFTA to "SAFTA," forming the FTAA. Hemispheric leaders have already confirmed their commitment to have FTAA in place by 2005, issuing a statement to that effect in the Declaration of Quebec at the conclusion of the 3rd Summit of the Americas this past April. The implementation of FTAA will give business information providers from around the world a colossal marketplace combining the potential of Canada, the U.S. and the Latin American block. It will be the largest single trade block in the world. Mercosur, for example, is already the third largest, behind the European Common Market and NAFTA.

Those who are new to the scene discover that Latin America is not a single, contiguous market, but a collection of individual national markets that vary widely in their degree of sophistication and importance. Mexico and Brazil are usually at the top of the marketing priority list. Mexico, because of its long-standing, extensive inter-relations with the U.S.A as a neighboring marketplace – and its easy access through NAFTA. Brazil because of its dominant size, its well-advanced marketing stage, especially in huge population centers like São Paulo and Rio de Janeiro and its primary role in the MERCOSUR trade pact. Other key countries include Argentina, Chile, Venezuela, Colombia, Ecuador, and Peru. The remaining nations in South and Central America are smaller and emerging at a slower pace, yet still hold potential.

One question raised about the Latin American market is that of political/economic stability. Though not to be taken lightly, this factor is often less consequential and more predictable than customarily reported in the Anglo press. In reality, developing Latin countries that experience civil

or political disturbance, often exhibit a business climate that is steady, serious, alert and exceptionally attentive especially in working with exterior customers. Even when Latin economies seriously falter (such as in recent years in Mexico, Brazil, Argentina and other nations) the international community takes steps to steady them, through IMF, World Bank or other protections. And in spite of economies that experience volatile peaks and valleys, day-to-day business in the Latin markets goes on routinely.

As this White Paper is being prepared, Latin American markets are in a downturn, along with the rest of the world markets, resulting from a general economic recession plus the horrific events of 9/11. Magazine publishers everywhere are feeling the impact. But there are still bright spots for those with an eye toward Latin America and other developing markets. The hunger for technical knowledge, product reports, industry news, scientific articles, and more continues to surpass the supply. This White Paper takes a look at the situation today and what it implies for business publishers in or planning to be in Latin America.

**Comments from the President of FIPP
(International Federation of the Periodical Press)**

London, United Kingdom

Published in Magazine World, 3rd Quarter 2001

the web pages of the International Federation of the Periodical Press¹

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By Donald D. Kummerfeld, President FIPP

September 28, 2001

“As we all know, economic stagnation, if not actual recession, is having a negative impact on media and advertising throughout world. And magazine advertising generally is down from last year.

“Those countries like the US which experienced extraordinary growth in magazine advertising in 2000 are taking the biggest hit in 2001 - down about 12% through July with no upturn in sight. In Europe and Asia magazine advertising is either flat or declining. In Japan, the second largest magazine market after the US, magazine ads are down about 5% wiping out the 4.4% growth experienced in 2000.

“While the bad news varies from country-to-country and from magazine-to-magazine, there is no question that profits are being severely reduced or eliminated and most publishers are now focusing primarily on cost reduction and survival rather than growth and new investment.

“Amidst this recessionary gloom, however, there are several reasons to believe that magazines will emerge from the current economic downturn in a strong position to compete successfully for consumer and advertising spending.

“Firstly, magazine readership remains generally strong and stable. Readers are not deserting their favorite magazines and there is no evidence that consumer demand for magazines is declining. Circulation problems exist, of course; but they are usually caused by ineffective sales marketing or by structural changes in distribution systems - problems that can and must be solved.

“Secondly, much of the decline in magazine advertising reflects the bursting of the IT bubble which powered investment capital into magazine advertising for new web ventures and new products - a situation that could not and did not endure. In most magazine industries around the world the level of non-IT advertising remains at or slightly better than 1998-1999.

¹ www.fipp.com

“Thirdly, the decline in magazine advertising is generally no worse and in some cases is actually less than the losses suffered by other mass media such as television, newspapers and radio. The CEO of one of the largest media buying agencies in the world recently told me that he believes magazines may be better positioned to compete for ad spending in the future than any other traditional media, since unlike broadcast, we have loyal, stable audiences and our ads are not overpriced.

“Finally, growth opportunities for magazines in many developing economics continue to exist even during the current economic malaise. Cross-border license and joint venture deals continue to make established titles available to new growing audiences in developing countries of Asia, Latin America, Eastern Europe and to a lesser extent in Africa and the Middle East. International publishing remains a growth area for magazines.

“So while we may all be suffering to one extent or another from the global downturn, the magazine business remains a strong and vital media industry which will grow and prosper again, hopefully soon. In the meantime FIPP is moving ahead with programmes and events that anticipate a brighter future when growth and new technology again take centre stage.

“One of the areas I believe deserves more attention from magazine publishers is research on proving, demonstrating and measuring the effectiveness of magazine ads in meeting advertisers sales objectives. Advertisers have always regarded magazines as an effective medium for brand building but they have tended to rely on newspapers or television to drive sales. As advertisers are increasingly being held accountable for measurable return on advertising investments, it is important that magazines find ways to measure the impact of their ads on sales as well as continuing to provide good environments for brand building.

“This is not an easy task but some initial studies in the United States have shown that magazine ads do in fact appear to drive sales successfully. And it is possible to measure this by linking exposure to magazine ads with actual purchase behavior of the individual magazine readers.

“The FIPP Research Committee will be focusing attention on magazine effectiveness research in the near future, encouraging research in this area by member associations and companies and communicating results to publishers and advertisers throughout the world. If we do this well, I believe it will help magazines everywhere increase their share of the media marketplace as the global economy recovers and advertising growth again becomes buoyant.” *Author's E-Mail Address:*

info@fipp.com

The Market Environment

The economic rippling effect of the 9/11 terrorist shockwave is yet to be determined in many parts of the globe, especially for the emerging nations. Leading analysts believe Latin American markets will take a serious hit compounded by the softening economies that existed prior to the event. But most agree that there are bright spots and the negative impact will be short-term with the potential for great forward strides in the future. Latin business people, who have lived in the shadow of their own nations' brand of terrorism for years, now anticipate a greater sense of empathy and understanding coming from their North American counterparts...and with it more opportunities for collaboration and market development.

A recent report in the London Financial Times², posted on the internet by the Association of American Chambers of Commerce in Latin America, says: "Private capital flows to emerging economies will fall sharply in the wake of last week's terrorist attacks on the US, producing the toughest financial conditions for these countries since the debt crisis of the 1980's, the Institute of International Finance warned on Thursday. The HF, which represents global banks and asset managers, predicted that net private capital flows would drop to \$106bn this year from \$167bn in 2000, before rebounding slightly to \$127bn next year. Net inflows from private creditors will turn from \$20bn last year to an outflow of \$22bn this year. Developing country exports will also decline by 2 percent this year after growing 22 percent in 2000."

Other sources reflect similar negative commentary on the global picture but for Latin America there are some important positive factors, especially from the viewpoint of a business publisher. Take, for example, the well-focused comments by Samuel Silva, Associate Editor of *AmericaEconomia* (Dow Jones)³ in his recent editorial on the magazine's 15-year anniversary. Commenting on the attack of 9/11, he says, "...what the future brings to the world – and by extension for Latin America – is a question that we all ask without having any clear answer. The next 15 years are presented, before all of us, as a giant and threatening question mark. It is hard to find reasons to be optimistic." But further along in the article, Silva raises hope by stressing the many forward leaps the Latin American market has made over the past 15 years despite its previous difficulties.

² 9/21/01 by Edward Alden and Arkady Ostrovsky

³ 15th Anniversary issue, "Los Primeros 15," by Samuel Silva

For B2B magazine publishers trying to divine a little of the Latin American future, perhaps the most significant point in the article is Silva's closing statement:

"...in like manner, we have been discovering an enormous number of small and mid-size businesses, innovative and ingenious, that are beginning to compete for the titles held by the great and the traditional captains of Latin American industry. This is the new blood that has been lacking so much in the corporate world of the region. And now, what will the future provide in view of the terrorist attacks on the USA? The short-term effects are impossible to predict, but for the long view—as our columnists indicate in this special edition—the option to which the world should be dedicated is the deepening of globalization. More commerce, more interchange, more openness."

Other encouraging news for business in Latin America comes from the Dante B. Fascell North-South Center at the University of Miami, a public policy study center specializing in the Western Hemisphere. Dr. Jerry Harr, senior research associate and director of the Center's Inter-American Business & Labor Program, spoke as a panel member on an International Roundtable discussing the state of current links between Miami and key South American countries, conducted October 4 2001 by *Miami Today*, a prominent business and community newspaper. Among his comments are the following:

"The US will recover in 2002. Consumption is dropping, but huge inventories are building up, and that's abroad as well. That's good because it's anti-inflationary.

"Latin America will benefit from this recovery and, as we increase our trade, investment and financial activities with the region, we are the primary sponge to sop up Latin American and Caribbean exports. We get a cold, they get pneumonia.

"For the past couple of years our economy has been strong and they have been able to generate the exports they need to be able to earn the hard currency.

"Colombia, despite its civil war, has a skilled workforce, prudent fiscal and monetary management and some globally competitive industries such as textiles and apparel.

"Argentina has a small and highly educated population, rich natural resources, higher levels of productivity and far less income inequality than its Brazilian neighbor.

"Venezuela, too, has abundant natural resources other than oil and great potential in tourism and the manufacturing of leather goods, furniture and processed food products.

“So there’s tremendous possibility and opportunities and strengths despite the negative overall environment...”⁴

A wider view...

Taking a more historical view of Latin America, it is clear that the environment for business development and investment in the region has improved dramatically during the past 20 years, starting with changes from military leadership to civilian leadership in virtually every Latin American country (except Cuba). The installation of democratic governing bodies brought with it a shift from rigid trade policies to economic freedom and more-open trade attitudes. This movement has been further enhanced in recent years through international trade pacts starting with NAFTA and Mercosur. And now negotiations are being finalized to create the Free Trade Area of the Americas (FTAA), a result of the Summit of the Americas, which will form an integrated marketplace of the whole Western Hemisphere, targeted to start in 2005.

Although growth has been uneven, Latin America’s commercialization continues to attract international financial attention. Foreign direct investment in the region reached \$70.2 billion in 1999, up from \$11 billion in 1991, despite the region’s experiencing two major economic crises during the same period.⁵

A mid-year report, “The 2000 Latin American Business Environment,” by Terry L. McCoy, Director of the Latin American Business Environment Program at the University of Florida,⁶ gives the following assessment based on a study of the 20 largest markets in Latin America:

“Following the Brazilian devaluation in January 1999, Latin America appeared headed for a serious recession, but a recovery began in mid-1999 and has persisted into 2000. However, Latin America’s economic rebound is neither uniform nor assured. While all economies in the region will probably grow this year, the business environment in some countries has deteriorated. The other major conclusions of the report are:

⁴Miami Today, 10/11/01, pages 18, 19. Reprinted with permission.

⁵ Center for Latin American Studies, University of Florida

⁶ tlmccoy@latam.ufl.edu. University of Florida. Report supported by the Center for Latin American Studies and Center for International Business Education and Research (CIBER).

- ☛ Improved terms of trade are important factors in the recovery, but rising interest rates and an economic slowdown in the U.S. have emerged as negative components in the external environment.
- ☛ Macroeconomic performance is good – inflation is under control and foreign investment strong – but rising imports threatens to worsen current account deficits.
- ☛ Social welfare has declined and high unemployment is a serious problem throughout the region..
- ☛ National elections consolidated democracy in some countries, but in others democratic norms and practices are weaker and there are doubts about the efficacy of collective action to advance democratic governance.
- ☛ The open-markets/free trade paradigm continues to dominate, but policy dialogue includes voices questioning whether it is adequate or even appropriate for Latin America.
- ☛ The environment in Latin America’s two largest markets, Brazil and Mexico, is strong, as are those in Chile, Uruguay and Trinidad & Tobago.
- ☛ The outlook for the Andean region of South America is problematic. The environments in Venezuela, Ecuador and especially Colombia have all deteriorated over the past 18 months, and during the first half of 2000, there were setbacks in Peru and Bolivia.
- ☛ The remaining countries present a mixed picture.

Promising Challenges for Brazilian Magazine Publishers

Published in Magazine World, 3rd Quarter 2001
the web pages of the International Federation of the Periodical Press⁷
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By Mike Greehan, COO & Director
Cue Ball Media, Latin American Office
August 16, 2001

“Publishers in Brazil have encountered a series of obstacles throughout the last year which were largely difficult to predict, but there is no real panic as the industry here has weathered much worse...

“First came the ‘Argentina crisis.’ The economic problems facing Brazil’s largest trading partner have deeply affected Brazil’s economy. Argentina's Peso is tied to the US dollar while Brazil’s Real is not, exacerbating the already difficult situation. Next came the unexpected devaluation of the Real versus the Dollar. When the 2001 budgeting process began at this time last year, the Real traded at 1.83 to US\$1.00. Today, the Real trades at 2.55 to 1 U.S. dollar. With paper costs accounting for roughly 1/3 of publishing costs, they are generally paid in dollars. The 27% paper cost increase in Reals represents a 9% increase in overall costs, nearly wiping out most projected profits.

“A number of the 2000 launches have already been suspended as investment in new titles falls from publishers’ priority lists. However, most publishers see the shakeout as having long-term positive effects, creating a renewed focus on finding synergy between media platforms, particularly internet and print.

“More challenges followed, including Brazil’s energy crisis. Brazil, which depends on hydroelectric power, has been in drought conditions for several years. With water and power supplies running low, the Brazilian government imposed a mid-year energy reduction plan. The Brazilian population responded at they do to most crises, by over-performing. When the government mandated a 20% reduction in energy consumption, the population of Sao Paulo, Brazil’s largest city, responded by saving over 25%. The population, as a whole, beat the government goal, although businesses reportedly fell short of the goal. Still, the effect is evident in every Brazilian office. Unnecessary lights and machines are turned off. Many companies have reduced the number of

⁷ www.fipp.com

working elevators. The rolling blackouts that were predicted only three months ago have been averted, and reduction of energy use has become a source of Brazilian pride.

“But still, the psychological effect on the economy has been felt by publishers. And some question whether there will be a rebound soon. Said one publisher, ‘People responded to the energy crisis by turning off their 2nd or 3rd television, the extra refrigerator and the air conditioner. Now they have learned that they can live without those things. The companies making those products have responded by cutting advertising. The question is whether people will go back to buying those products when the energy crisis is over.’

“Circulation is down nearly 10% in 2001, although that's mostly from the first two months of the energy crisis. After the initial two months, circulation has rebounded to near-normal levels. 2001 advertising is down nearly 10%, as well, with some publishers’ estimates even more harsh. The dot.com problems felt throughout the world have been equally felt in Brazilian advertising. Automobile companies, the largest advertising category, have responded to the economic challenges by shifting much of their brand-building magazine budgets to price promotion advertising in newspapers.

“Many publishers look to a change in the laws, which would allow foreign investment in “traditional media” (newspapers, television and magazines) to help ease the situation. But most quietly believe that the laws won’t be changed until 2003. One publisher who asked not to be quoted by name said, “It appears that the lawmakers are no longer considering the proposed law (that would allow up to 30% foreign ownership of ‘traditional’ media) for 2001. Our hope is that it will be addressed in early 2002. But if that does not happen, it won't be considered again until 2003, because of the national elections in 2002.”

“Many publishers said that they look forward to the influx of publishing experience of potential investors/partners, as much as the influx of cash.

2002 promises to be a critical year in Brazilian elections. A leftist candidate, Lula, leads the polls, although the traditional coalition of right-center parties has not yet announced a candidate. Many in Brazilian publishing fear that the election of a leftist candidate will dissuade foreign investment in media, even if it is allowed by law.

“Still, many companies have found ways to work ‘technically’ within the laws and invest in Brazilian publishing. Since the law’s intent is to keep traditional media in the hands of Brazilians’, other forms of media have been allowed to attract foreign investment including

internet and 'technical' magazines. It seems unlikely that politicians will dissuade foreign investment in the next year. If so opportunity for potential investors may be at its peak in the next months, except for investment in the largest, and thus most visible media companies.

“Despite the challenges, most Brazilian publishers remain upbeat. “The challenges we face today are very small compared to what we have faced in the past,” said one leading publisher.

“These difficulties make us stronger and more competitive,” said another, “and competition will be good for us. We will be better at the end of 2002 than we are today.”

Basics of Business Magazine Publishing in Latin America

DEFINING TARGET MARKETS

The whole Latin American Pie consists of some twenty nations in the Americas, from the Mexican border to the tip of Chile. All share the common language of Spanish except the vast region of Brazil where Portuguese is spoken. All share a similar Latin heritage, but there are significant cultural differences nation to nation and within nations. A few small countries on the northeast edge of the South American continent don't fit the "Latin" pattern because of language and cultural differences (Guyana, Surinam, French Guiana)...although others like those in the Caribbean are still part of the picture. Grouped by geography, the Latin American region may be defined as:

Mexico (NAFTA)

Central America:

Costa Rica; El Salvador; Guatemala; Honduras; Nicaragua; Panama

Caribbean:

Dominican Republic; Jamaica; Trinidad & Tabago

South America – Andean Group:

Bolivia; Colombia; Ecuador; Peru; Venezuela

South America – Southern Cone:

Argentina; Chile; Paraguay; Uruguay

Brazil

(Note: MERCOSUR, a common market agreement in the Southern Cone currently includes Brazil, Argentina, Paraguay and Uruguay)

The business information needs emanating from this multi-faceted, multi-billion dollar marketplace are as diverse as the landscape, and the demand gets more intense in step with the growth pattern of each segment. Trying to define or re-evaluate the best markets of opportunity for B2B publishers interested in the region today is an on going challenge. Traditionally the opportunities for trade publishing in Latin America were driven by the information needs of agrarian economies that sustain the region. Agriculture is still the prime engine, but the information needs are much broader today, in keeping with the expansion of industry and commerce. During the past 10 years, along with sweeping movements toward free trade and a huge leap ahead in

telecommunications, the cry for information from Latin America is resounding from a multitude of new sources...seeking contemporary guidance and solutions for the simplest to the most complex industries, businesses and professions

This White Paper could not possibly catalog the huge number of markets and sub-markets that B2B publishers might want to examine as potential targets for a new, or re-positioned magazine serving Latin America. But today there is a huge abundance of excellent material, sources, and market analysis about the Latin American market, readily available from government, private publishing companies, educational institutions and other entities. Much of it can be instantly accessed on the internet. The appendix of this White Paper will include such references and key contacts. By way of example, one of the useful websites that can help you evaluate specific target industries in specific Latin countries is that provided by The U.S. Commercial Services, under the Department of Commerce. This facility is available at www.usatrade.gov. Log on and register for free. This takes you to the Market Search opening page and gives you the following options:

Search Market Research

From Argentina to Zimbabwe – and everywhere in between – zero in on just the right markets with the world's best and most comprehensive market research.

Country Commercial Guides

Provides overviews for doing business in more than 120 countries with information on market conditions, best export prospects, financing, finding distributors, and legal and cultural issues.

Industry Sector Analyses

Offer succinct, international market information on specific industries that can help determine market potential, market size, and competitors for your products and services.

Webcasts

Present market opportunities and insights on how to do business in specific countries.

From that screen select the **Search Market Research** category and from there you can pick a country and a market category. For example if you choose:

Argentina

Architectural/Construction/Engineering

You will get a listing of currently available reports, statistics and other useful information in that country and market segment. The listings are continuously updated. Here is a sample of the kinds of reports generated by choosing “Argentina, “Architectural/Construction/Engineering”:

03 Oct 2001 ECONOMIC UPDATE - AUGUST 2001
05 Sep 2001 \$20.5 BILLION INFRASTRUCTURE PLAN 2001-2005
08 Aug 2001 ARGENTINE GOVERNMENT TO SELL STAKE IN 21 FIRMS
28 Jun 2001 TRANSPORTATION OPPORTUNITIES IN ARGENTINA
03 May 2001 TRANSPORTATION OPPORTUNITIES
07 Nov 2000 ARCHITECTURAL, CONSTRUCTION & ENGINEERING SERVICES
12 Aug 1999 6TH HEALTH EXPO '99
02 Mar 1999 HIGHWAY CONSTRUCTION PROJ
15 Dec 1998 BRIDGE PROJ WITH ARGENTINA
15 Dec 1998 BRIDGE PROJ WITH ARGENTINA

When these reports appear on screen, by clicking on any of the listed topics, you then see the full report and any cross-references, which can be freely copied, passed on by email or printed out for further study.

Other features of this U.S. Commercial Services website include “click-on” buttons to Find International Partners, Trade Events, Consulting and Advocacy, and Trade Resources. This is a comprehensive source that can help B2B publishers better define their interests in the Latin American (or other international) markets. Many other useful websites like this, as well as print sources, are available from government and privately sponsored organization dealing with international commerce.

CIRCULATION

How many magazines?

There is no “official” count of the number of business, trade and professional magazine titles being circulated in all of Latin America today. But based on informal input from several organizations that are familiar with the field, the number of “B2B” magazines published by the private sector is probably around 3,000, depending on how you count them. That includes pan-regional magazines reaching across all countries in the hemisphere plus national magazines serving vertical trades within their own country. Add to that a multitude of journals and periodicals put out or sponsored by government bureaus, associations, professional societies and special interests. These dot the landscape and often compete for reader attention—as well as ad dollars—with the national and international B2B magazines circulated in the same market niches.

Although solid data about the shape of the B2B field across the whole spectrum of nations and industries is not readily available from any single source, some countries do have a business magazine association that can provide good information.

In Brazil, for instance, ANATEC (Brazil’s National Association of Specialized, Technical and Controlled Publications) reports there are 1,389 B2B magazine titles being circulated in that country. The figure comes from an extensive study recently completed by ANATEC. Detailed results of the research are being offered on-line (for a fee) at www.anatec.org.br.

The single largest B2B publishing company in Latin America is the Lund Group of Associated Publishers in Sao Paulo, Brazil, established in 1960. Since 1976 under direction of R. Christopher Lund, son of founder Robert T. Lund, this group has actively fostered the growth of the Brazilian B2B publishing industry, as founding members of ANATEC, Brazil’s national association of business magazine publishers, and of ANER, the national association of magazine editors.

The Lund Group encompasses four publishing companies, including joint ventures with ABM members Thomas Publishing Company, worldwide publisher of industrial directories and magazines, and with Hearst Business Media. A separate Lund Group company provides services to all four of the publishing companies. The Lund Group likely serves more readers and advertisers than any B2B publisher in the Latin American marketplace. Its magazine titles include:

Modern Supermarket

Industrial Equipment News – Brazil

Industrial Equipment News - Spanish Latin America

NEI Industrial Buyer's Guide – Brazil

NEI Industrial Buyer's Guide – Mexico

Electronic Product News,

NPE Electronic Products Buyer's Guide

The Top Five (industrial directory)

In addition, with Thomas, and as part of the Thomas Global Register, the Lund Group has established a comprehensive internet portal, "IEN Guide," that gives access to more than 40,000 suppliers and 150,000 industrial supply sources in Brazil and Mexico. The portal functions in Portuguese, Spanish and English (see www.guianei.com. Also: www.lund.com.br).

In Argentina, Marcelo Burman, president Argentina's B2B association (Asociación de la Prensa Técnica y Especializada Argentina) reports there are 700 publishing companies in Argentina producing about 1,000 magazines. The B2B Association has 180 members with 250 magazine titles. Burman notes that many of the publishers in Argentina are small companies with only one magazine. He estimates that the advertising market for Argentina's B2B magazines is near 60-70 million U.S. dollars. The most important publishing companies in Argentina are:

- ☛ **Grupo Industria Latina:** 9 magazines in different markets
 - Sepa Como Instalar:* Plumbing and HVAC industry
 - Cema:* Wood and lumber industry
 - Contact Centers:* Magazine for call center industry.
 - Bebiendo:* Beverage Industry
 - Sintesis Forense:* Magazine for lawyers
 - Proyecto de Obra 4:* Magazine for architects.
 - GastronomiCo.:* Magazine for restaurants, hotels and institutions.
 - El Auto Colectivo:* Magazine for companies of public transportation.
 - Ocular Reader:* Magazine for ophthalmology market and three annual guides.
3 annual industry guides
- **Emma Florentino:** 8 magazines in the plastics industry
- **Brain Storming:** 4 magazines in the IT industry, one in Sport Business and one in the Beauty Business
- ☛ **Edigar:** 5 magazines in different industries
- ☛ **Publitec:** 4 magazines in food industry.
- ☛ **Ladevi:** 3 magazines in travel industry.

In Mexico, Andrzej Rattinger, publisher of *Adcebra*, a leading marketing and media magazine for Mexico, estimates there are 227 B2B magazine titles published in Mexico by 130 companies.⁸

⁸ Source: CIMA, research arm of Adcerba

The largest and most well known is probably Expansion S.A. de C.V. with three national magazines, covering general business, manufacturing and construction. Ediciones PLM , which publishes mostly medical titles, is also significant. Only three companies in Mexico publish more than seven B2B titles each. Expansion magazine is the only one with pan-regional reach. (The figures provided by Adcerba were compiled by the magazine's research arm, CIMA.)

Mexico does not have a distinct business-to-business magazine association. It does have a government bureau, The Mexican National Chamber of the Publishing Industry that compiles data on the nation's whole publishing field. The Chamber produces an annual report on the magazine industry, but does not take a close focus on the B2B publications. The most recent report covers 1998 – 1999, available for purchase from the bureau at US\$150. A new study covering 2000 – 2001 is currently underway.

Other countries, through similar organizations, may also be able to provide statistics on their growing business publishing industries.

Pan-regional Magazines.

The number of business, trade and professional magazines published by U.S., European, and other international publishers for circulation throughout the Latin America nations is also difficult to quantify accurately, since not all are affiliated with organization like ABM, nor are they necessarily listed in SRDS or elsewhere. A few hundred or so magazine titles can be readily identified as those produced by well-known magazine publishing firms in the U.S.A. Europe or Asia. These companies range greatly in size from small independents to mega-corporations. Some of the publishing companies with pan-regional magazines circulated in Latin America are: Advanstar, Allured Publishing, Dow Jones (AmericaEconomia). B2Bportales (Carvajal), Billian Publishing, Crain Communications, Dana Chase Publications, Expansion S.A. de C.V., Euromoney Institutional Investor PLC (LatinFinance), Freedom Magazines (LatinTrade), G&T International Co. (BV) Ltd., International Data Group (IDG), International Construction, Jobson Publishing, Keller International, Latin Press, Lund Group of Associated Publishers, MediMedia-Asia, Meister Publishing, Pennwell, Sosland, Salud Publications International, The Americas Publishing Group (Latin CEO), The Economist, Thomas International Publishing, VNU/Bill Communications, Watt Publishing Company...and the list goes on.

Audited Circulation

Until very recently, the concept of audited circulation was unheard of for magazines in Latin America. In-country publishers held their circulation numbers close to the vest. And those who wanted to be more open and who understood the value of a bonafide audit, could not find it. Few such services existed in the market. And those that did were either unrecognizable or untrustworthy.

But the picture has already begun to improve with BPA now providing its valid auditing services to the marketplace and with a growing number of more-sophisticated publishers in the marketplace, raising the competitive bar for advertising sales. BPA is operating within the marketplace as it does in the U.S.A. or anywhere. Here is how Glenn J. Hansen, President & CEO of BPA describes the service for Latin America:

“BPA audits to a global standard. No matter where in the world the audit is conducted, the rules, requirements and procedures are the same.

“The costs are the same with the exception that the international publishing company would pay the travel expenses for the auditor. The auditors are sent from the U.S. to conduct audits in Latin America.

“An additional charge of 50% of the regular auditing charge is also billed to provide for the travel time and lost time to the auditor. For multiple publishing companies whose audits are conducted at the same time, this 50% surcharge is levied against only the highest audit charge.

“An audit conducted in Latin America would take approximately three to four days, same as in the U.S.

“There are now 18 members and applicants from Latin America.”

Controlled vs Paid

Most B2B vertical magazines circulated throughout Latin America are based on free, controlled circulation. Obtaining paid subscriptions has been traditionally a difficult and dubious task—even in markets where the info need is hot and readers are willing to pay. The process has been fraught with problems of effective promotion, fulfillment, collection and other factors. However, in recent history, developments in the marketplace may provide a better ambiance for paid subscription approaches, such as the introduction and rapidly growing acceptance of international credit card purchases. With the entrance of Visa, Mastercard, Amex and other leaders into the international market, Latin business consumers are becoming more secure about card purchases. And

the instant nature of processing payment by card resolves currency exchange problems that used to exist with time delays consequent of payment by check, money order or bank paper transfers. The practicalities of credit card use, plus other technical innovations and more-reliable delivery systems already underway in the Latin marketplace should facilitate the capacity for attracting paid subscribers for suitable magazines in the B2B field.

Although publishers may like the extra revenue appeal of potential paid subs, controlled circulation is still likely to dominate in the publishing paradigm for most vertical B2B magazines in Latin America because of its traditional advantages highly targeted, qualified market penetration. On the other hand, horizontal business magazines, especially those with high-end appeal can have substantial success with paid subscriptions. For instance: two of the leading general business magazines for Latin American execs, *Latin Trade* and *AmericaEconomia*, each with circulation in excess of 100,000, currently have about 72% of that base in paid circulation. Also important in the field is *The Economist* edition for Latin America. It has less total circulation—about 20,000, but is 100% paid. What's significant is the increasing trend by readers toward paid subscriptions. In 1997 *AmericaEconomia* had a paid circulation factor of 55%. Today's 72% level is an increase of 17% in 4 years... a clear indication of the market's growing willingness and capacity to pay for valued editorial⁹.

Circulation Lists

Building a controlled circulation base for a B2B magazine serving the Latin American market is comparable to the way it is done in the U.S.A, yet different in some key respects. The process is likely to be more tedious, if not daunting, because well-defined lists may not be readily available. Even when you find them they may be unreliable, out of date, or in poor shape. And you can't count on List Brokers because that business is virtually undeveloped in Latin America except possibly in a few major cities...and using those will be costly. The major sources for circulation list building will similar to those you may be accustomed to in the U.S.A., but you'll need the capacity to work in Spanish and/or Portuguese. Those sources would include:

- **Directories.** Much progress has been made in recent years in the publishing of telephone books and specialized directories of industries and professions in the major market countries. However, the task of extracting a list specific to your needs may still require

⁹ Circulation statistics fro publication's Media Kits

considerable manual labor. Many of these directories, when you find them, are likely to be in hard copy format only. A few may have database capabilities that can be tapped but even so, formats may vary and present difficulties in compatibility. The data base scene is steadily improving, but it's still several years behind the technology curve.

☛ **Trade Associations and Trade Shows.** Working with trade or professional associations is one of the most practical and effective means for developing good mailing lists. But this is apt to be more complex and frustrating than your U.S.A. experience. Every Latin nation has a large number of trade associations, societies, institutions and quasi-governmental bureaus that serve a mix of business, social, and political needs for their affiliates. The major ones are the primary developers of the big trade shows, meeting, or congresses. The attendance lists at these events are excellent for circulation purposes...but getting them is not easy. Latin associations are highly protective of their membership. To get access you need to establish a close and cordial working relationship. Some suggestions:

- *Be sensitive to the culture.* If the association perceives you or your magazine as a “gringo” competitor disruptive to the aims and goals of their own organization, cooperation is not likely. Quite the opposite. On the other hand, should your publication be perceived as useful and friendly to the association interests, i.e. serving the educational needs of their members (while not competing the associations own publication, if they have one), then hand-in-hand cooperation could be extremely open and helpful...and circulation lists will be available. The key, as always, is in human relations...with an extra measure of tact and patience.
- *Collaborate in earnest...*and be generous on your part. Go beyond the blunt “ad trade-off” mentality. Think creatively how your magazine can participate and help with association programs and goals. Get to know the folks and establish confidence. In return you'll receive not only good lists, but also entrée to the top contacts and the inner workings of the trade or profession your magazine hopes to serve.

☛ **Clients.** One of the best and fastest means of establishing a Latin American circulation base is by going straight to prospective advertisers who are already active in the market place. They may be existing clients of yours willing to share their list of Latin prospects

and dealers. Or they may be new prospects interested in your publishing concept and in helping to open wider marketing potentials.

A word about handling lists. Circulation lists for Latin America may come to you in many forms, from hand-written sheets to computer disks. If your company is not already set up to handle lists in Spanish or Portuguese, do not plan on absorbing the data entry work by using personnel who do not speak the languages fluently. The result can be costly if names and addresses are not entered properly. Many Spanish names and addresses are too long to fit in standard data base fields. Data entry people must know how to properly abbreviate such entries. For example, in Spanish, a person's "second name" is the father's (or family) name and the "last name" is the mother's maiden name. In English the father's name is the "last name" and the one you would keep in abbreviating. It's the opposite in Spanish: the rule is that you drop the "last name," which is the mother's name (or shorten it to a single initial) and keep the second name (which is the father's name). Confusing? Certainly...if you don't know the language. Such errors can cause extensive non-delivery of copies and, consequently, poor response rates for advertisers.

DISTRIBUTION

● **The Private Postal Network.** Experienced publishers in Latin America agree that the most vital component of success in the market is efficient and reliable distribution. Over the past 20 years considerable advances have been made in direct delivery of magazines to readers in every industry and field of interest. Most of the advances have come from the private sector in Latin America or the U.S.A. Leading the development of trade magazine distribution services in Latin America has been the Cargarphics magazine printing division of Carvajal S.A., international publishing conglomerate based in Cali Colombia. Others that have innovated progressively in the field are companies such as TNT International Mail, Inc. (Miami, FL) and PDS International Mail Service (Mineola, NY)

These private companies recognized the gross flaws that have existed in many of the Latin national postal systems (i.e. slow delivery, no delivery, lost or stolen packages, government bureaucracy, poor accountability and excessive rates). They set out to do something about it by building up their own private distribution network over a period years dedicated to business magazine delivery. In effect they created a parallel, private postal system that combines the best services of air carriers, international re-mailing regions, local messengers, and even national post

offices in countries that do maintain good public systems. The result today is a highly dependable distribution network ideally suited for magazine delivery direct to readers—and its faster and at less costly than the public postal systems.

Cost-efficient. The private distribution network provides publishers with the same mail-handling services they expect for any postal system, such as getting mail returns for updating lists. And the rates are more favorable. Comparable magazine mailings made from the U.S.A. to readers throughout Latin America by using the U.S. Postal Service at the lowest special rates for airmail delivery of publications show the U.S.P.S. service to be somewhat slower and notably more expensive than the private system. The reason is that for magazine delivery in Latin America, U.S.P.S. works solely in partnership with the Official Post Office operations of the foreign nations. U.S.P.S. airlifts bulk copies of the magazines, pre-address in envelopes, to the capital cities of the Latin countries. Once there the magazines are simply dropped into that country's official postal system...and that's where things can break down.

In the few countries that do have reliable local postal delivery, readers may get their magazines on time. In the many other countries, where the official postal systems continue to be unreliable...readers may get their magazines late or never.

As a free enterprise, the private distribution network can use the same technique but obtain better rates by shopping aggressively among air carriers and other facilities. And at the local level the private distribution network gets around inefficient (often corrupt) local post offices, in places where such exist, by making deliveries with its own private messenger affiliates—services that are tightly managed and accountable.

Publishers find they can further increase their savings on distribution costs by printing their magazine within Latin America as the starting point for distribution--as opposed to printing in the U.S.A. or other country outside Latin America--and starting from there into Latin American countries. The extra savings are made simply because of relative geography. Distribution costs are based on two factors: weight and distance. The shorter the distance to the distribution target, the less you are likely to pay. Publishers also find that nowadays they do not need to sacrifice printing quality or service in order to gain the distribution advantage of printing in-country.

📌**National Postal Improvements.** Concurrent with the growth of independent magazine distribution networks, some nations have also greatly improved their general postal service in recent years. Brazil, for instance, has leapfrogged ahead by quazi-privatizing its entire post office system

through a unique franchising program. It has also established new zip-code regulations and is offering useful services such as business reply mail. For magazine delivery to readers in this country, the Brazilian national postal system is excellent. It's dependable, well-run and low-cost. Magazines printed within the nation benefit even more from special reduced rates for their publication mailings.

Mexico has also advanced considerably with its post office service. It, too, has begun zip-coding regulations and is providing users with better service and reasonable costs. Several other nations in the region have made significant improvements in their national postal services.

As a whole, distribution services for B2B magazines across the Latin American panorama have reached a much more acceptable level...perhaps not yet ideal, but far better than they have been in the past. Magazines are getting delivered with reasonable promptness and fair costs. Advertisers are sensing better exposure...with improved reader response coming in not only by mail and fax but also on the internet.

PRINTING

The magazine printing industry in Latin America has made significant improvements in recent years. Leading printing firms in key markets, particularly Colombia, Chile, Mexico, and Brazil, are keeping up with the technology curve, providing quality and service on par with sources in North America and elsewhere around the globe. Paper stock choices have also become much more available and comparable. Publishers who opt for in-country printing at one of the primary suppliers can be largely confident they will get a print product at least as good as what they might expect at home. The question that remains is price. In today's competition, the print prices being offered in at least a few countries of Latin America are generally "ball park" compared to U.S.A. print prices.

But print cost alone is not the true indicator of efficiency in evaluating the choice between printing a magazine domestically or printing offshore. The other key component is distribution cost. You might pay a bit more to print, but a lot less to distribute by printing in-country, getting a lower total cost per issue...and, at the same time, gaining the powerful advantage of better delivery. That is why some 40 magazine titles for Latin America, from publishers in the U.S.A., are currently being printed and distributed out of Colombia by the Cargraphics division of Carvajal. Colombia has the unique geographic advantage of being located at the hub point for reaching throughout the Andean countries as well as into Mexico, Central America and the Caribbean. The air flight distances are

ideal for efficient delivery to all points in the region. And the private postal distribution network utilized by the printer also gives effective delivery to countries in the southern cone of the continent as well.

Colombia's location is also advantageous regarding print production management. The county is about 3-1/2 hours flight time due south of Miami. Language presents no difficulty--the leading Colombian printing companies have bi-lingual service personnel who speak English. They also maintain a Miami-based office or representative to facilitate workflow. Today's email, fax and phone services also help make communications easy. And the latest production technology is available, including CTP, data-file transmission by internet and other high-tech applications.

For magazines with circulation that is predominately in the southern cone, Chile may be a preferable option. Printing quality and service is excellent. Distribution is reliable for the region. Costs are fair. Here again, geography plays a key role. Chilean print sources are located too far away from the northern Andes, Mexico and Central America to provide competitive, economical distribution to readers in those regions. For magazines produced in Brazil, printing and distribution within that country is generally the best option. One observation regarding the print purchasing procedure in Brazil: magazine printers do not want to include paper costs in their pricing. They prefer that the client supply the paper and deal directly with the paper source.

Mexico and Argentina have good printers, but printing prices there are impacted by a Value Added Tax (about 20% or more). That makes printing costs prohibitively high compared to printers in other countries. The two most prominent magazine printing companies currently in Mexico are R.R. Donnelley and Transcontinental (Canadian). There are two other national Mexican large printing companies that also compete. But most B2B magazines in Mexico have small print runs they tend to use smaller printers.¹⁰

The option of in-country printing, especially weighed with the distribution factor, is valid choice in today's B2B publishing picture for Latin America. Each situation must be evaluated on its own circumstances, but it is not unreasonable to expect impressive savings at equal quality, utilizing print/distribute sources inside Latin America.

EDITORIAL

¹⁰ Source: Adcebra magazine

The approach to providing editorial content in B2B magazines for readers in Latin America depends on the degree of involvement the audience may need to have with the publication. The market is comprised of magazines ranging from product tabloids to think-tank journalism. The key to successful editorial in this marketplace, as in every other, is in comprehending the view from the side of the reader. For Latin America that means two things: being aware of the shades of cultural difference throughout the marketplace and tailoring the editorial product to fit the level of need. To deal with those factors, some magazines, especially ones with scientific or technical content, often seek a degree of local input to mix in the shape their editorial product. That may be a section, a few pages, an item, or simply a consulting role. There are several ways to do it: use of local stringers; editorial advisory boards; on-site visits by staff editors; help from associations; contacts with companies active in the region; and checking local research and reference sources. Whatever the approach, the intent is to help readers connect with the stream of valuable outside information that is pertinent to their field...but not lose them because content is beyond their immediate or practical reach.

Culture. It is important for publishers to remember that “Latin America” is not a monolith. Understanding that point does not necessarily require the publishing of separate regional editions. It does mean that editorial content should be reviewed through a prism that favors common denominators where possible...and avoids gross mistakes or affronts. Editors who know their stuff and their markets will understand the nature of this problem. Publishers themselves must also be alert to cultural variations. A few simple examples:

- Argentines, Brazilians, and Colombians like to watch soccer, but Venezuelans and Dominicans like to watch baseball.

- Argentines like rock.(and tango). Brazilians like samba. Colombians like cumbia, Dominicans like merengue. Venezuelans like salsa. It’s impossible to provide music that will appeal to the whole region.

Such distinctions go further into each nation as well:

- Brazilians in Rio have little interest in watching soccer teams from Sao Paulo play each other.

- People in western Mexico like mariachi. People in the north of Mexico like Tex/Mex. People in eastern Mexico like haupango. In Colombia, people on the Atlantic coast like cumbia and vallenato. People in Los Llanos like llanera. People from Choco like Afro-Colombian.

With such intense local distinctions, a magazine cover sports or music would need to balance editorial quite carefully to hold readers.

The Language. Although Spanish is spoken all over Latin America except Brazil where Portuguese is spoken, editorial content delivered to these markets must be sensitive to differences within the language as it is used in various regions and countries. Serious mistakes can be made when editors use colloquial expressions in magazines circulated across the mix of nations that comprise Latin America. Even native Latin editors can err when they use terms from their home country vocabulary without considering the implications those words might have in other regions. A simple example: Colombians commonly use the word “tinto” when ordering a small cup of black coffee at a restaurant. In Mexico, if you ask the waiter for “tinto” you’ll get a glass of red wine. Experienced editors and writers in the Latin American market are always conscious of usage discrepancies and they know how to keep text in the generic or “universal” mode. They describe the process of going from English into Spanish or Portuguese as “trans-literating,” not “translating.” For publishers the task is to stay sensitive to the value of proper use of language. It is unwise to assign language responsibility to the hands of amateurs. The potential for consequences for error could be grave, with reaction coming from outraged readers or, worse yet, offended advertisers.

ADVERTISING

Multi-levels. Ad sales for magazines in the Latin American market must be tackled with a multi-level approach. At the top of the prospect/client list are advertisers with an eye to Latin America who are already running schedules with you in existing domestic magazines. They may be international corporations starting to go after the market, or already well entrenched in it with some form of dealer structure or rep network. Such corporations are likely to have dedicated Latin marketing departments with sophisticated strategies. The sales tactics for reaching these top prospects are relatively the same as those used for selling into domestic magazines, with media data fine-tuned to the Latin American edition. Savvy marketing people at international corporations or agencies will get the picture, when properly presented, and buy schedules if the magazine fits their strategy. Clients like these, that are existing advertisers or are closely familiar with a publisher's English-language edition, are ideal for transitioning into a Latin American version. These kinds of clients are often the main support of successful publishers of B2B magazines in Latin America. But it is prudent not to neglect other sales levels that can be essential to the long-range growth picture.

At the mid- level of prospects are independent companies, small or large, that may be hoping to start or expand export operations into the region. Ad sales decision at these companies may be directed by a key team or person at the top. Closing ad sales at companies like this can be more complex and difficult, depending on the company's existing knowledge or capacity to understand the Latin American market, or for that matter, to appreciate the role of advertising itself. Ad sales people will usually need to do more homework to close ad schedules in this arena. The process of "educating the client" takes on new dimensions when selling a Latin American edition. And clients at this level are likely to have smaller budgets and less sense of commitment to the marketplace. To get ad contracts with these companies...and keep them running...ad sales people need to truly function as "marketing partners" by strengthening their own knowledge of the Latin market as well as knowing their customer's business and goals. Sales enthusiasm and high motivation are vital here.

At the local level of the prospect/client mix for the Latin American market are the in-country contacts. These include established, independent national companies looking to extend their reach from their home country across Latin America; Divisions, Branches, or Departments of multi-national corporations operating with local autonomy; and possibly large dealers networks. Selling the in-country independents is much the same as selling them domestically, but with even greater

need to educate them on both the market and the concept of advertising. Almost always they will ask for things that might shock the journalistic sensitivities of U.S. publishers, such as: a) free publicity stories about their company, product or founder (preferably on the front page); b) bargain basement advertising rates, off the card; c) ad placement of their choice. Such demands are often customary in Latin countries between indigenous advertisers and publishers. As a foreigner, you can stick to your own standard, or you may find it imperative to make some modification if you hope to get any local business.

This publishing “cultural” aberration is commonly felt when competing head-on with an aggressive, local magazine in the same field. Small, narrowly distributed competitive magazines can not only operate with lower published rates...they do not hesitate to slash prices to get the business, selling at a fraction of your bottom price. More often than not, local clients will buy on price alone...especially if they have not been previously “educated” to the intrinsic values of your quality product.

Selling advertising to local divisions, branches or representatives of international corporations presents another set of challenges. The in-country appointees or employees frequently are the key decision makers and they have their own share of the corporate budget. This is a mixed blessing for selling ads into a B2B magazine reaching multiple nations in Latin America. One advantage is that marketing operations come under the corporate umbrella, and your magazine pitch can be made at headquarters as well as locally. The sales message for corporate management is “support your troops in the field” by promoting throughout the region. That message plays well at headquarters but the “troops in the field”—the national managers--are often turf conscious of their own country. They may insist on spending their budgets in local media only. And their motives might not always be professional or objective, like buying ads in local magazines where a relative or friend might be employed. Nepotism is common in Latin markets. Your sales efforts for Latin America often require an extra measure of tact, humor and schmooze.

The Sales Team. Putting together an effective sales team for your Latin American magazine presents its own set of difficulties.

Existing Staff. If most of your advertising prospects for Latin America are the same as those for your domestic edition, your first instinct might be to load these new sales duties on the back of your existing sales force. Natural enough--and possibly workable...but only if you provide proper training. That must reach beyond that basic statistics in the new media kit.

Calling on existing clients to pitch a Latin America edition generally will mean calling on another contact at the company who is charged with the responsibility for the market. You sales people may need to start from scratch facing knowledgeable and skeptical Latinos who will test them on the spot. Or they may be pitching to an overall marketing person at the company who's just been assigned to handle "Latin America" and is at square one in the learning curve...making your sales person's market knowledge vital to the sales situation. Publishers who want to apply the talents of sharp ad sales people in their organization to selling ads for a Latin American edition, must choose wisely and train thoroughly. Not everyone adapts easily or quickly.

Latin Sales Reps. Appointing good, independent ad sales representatives within key Latin American countries who know the markets, the clients, the language and the culture would seem to be an ideal solution for covering the offshore sales activity. The problem is finding them. Professional ad sales rep organizations interested in handling pan-regional B2B magazines are virtually non-existent. Individuals such as professionals in the discipline your magazine serves, who have had some experience or exposure to the advertising business, might make suitable in-country reps. Locating them and qualifying them is a tedious process, but possible. One way is by contacting major advertisers in the market who be able to recommend or help screen candidates. Another is by contacting the deans of marketing schools at major in-country universities (some are huge, like UNAM in Mexico City). Trade associations can also be helpful.

Once found, a good in-country rep can be a valuable asset, generating ad sales and also providing insight into the shifting aspects of his marketplace.

Sales Tools. Developing a well-organized media kit and sales presentation is essential in helping capture ad sales for Latin American magazines. Your sales people need them as part of their own educational process. Clients need them to review your story. Your Latin American sales tools should be professionally designed, contain meaningful data and, preferably, are in both languages. Properly done they will make a definite and winning impression, especially against amateur competition among prospects unaccustomed to seeing a professional approach.

INTERNET

Use of the internet continues to expand across Latin America, despite current belt-tightening by major players like AOL Time Warner, Inc./ Cisneros Group and others. More and more consumers and businesses are getting into the picture. The costs of personal computers, ISP charges

and telecommunications in Latin America have all been coming down quickly. At the Same time, both the public and the private sectors have recognized the importance of the internet, and there are observable efforts being made to bring the internet into education, commerce, industry and all suitable sectors.

E-commerce is also making its impact. A study by the Boston Consulting Group and Visa International showed that e-commerce transactions in Latin America reached about \$580 million for year 2000. Compared to the previous year's sales of \$109 million that's a growth of about 432%. Brazil alone was the largest e-commerce user in Latin America. It had about \$300 million for year 2000. Mexico had about \$91 million and Argentina \$82 million.

Predictions are that about 40 million Latin Americans will be connected to the internet by 2003 and that e-commerce in the market could reach over \$10 billion.¹¹

Many B2B publishers in the Latin American market have already gotten a jump on the boom, creating online versions of their magazines, industry directories, reader response capabilities and other services. One of the best examples of formulating synergism between a group of vertical, Latin trade magazines and the dynamics of the internet is B2Bportales.com, created under the direction of President/CEO David Ashe, as part of Colombia's Carvajal Group, based at the company's office in Coral Gables Florida. (Details on B2Bportales appear elsewhere in this White Paper, under Commentary from Experienced Publishers)

¹¹ Source: exportit.ita.doc.gov. U.S. & Foreign Commercial Service and U.S. Dept of State

Commentary from Experienced U.S. Publishers

American Business Media members currently publish magazines in the Latin America for many segments of the market, from agriculture to high-tech. Their experiences are invaluable for others now evaluating efforts for the near and long term in the region. Following is a collection of practical comments from some of these publishers who have generously shared their experiences for readers of this White Paper.

Watt Publishing Co. - Mount Morris, Illinois
Jim Watt, Chairman/CEO...

Watt Publications has published *Industria Avicola* since 1956, and *Alimentos Balanceados Para Animales* since 1994.

Industria Avicola serves the commercial poultry and egg industry in Latin America with both Latin American oriented editorial material as well as international information on the latest technological innovations in production and processing as well as addressing the marketing and management issues throughout the industry. It is a monthly magazine with a circulation base of approximately 14,000. It's published in Spanish and printed in Colombia.

📌 **Ad Sales.** Over the years almost all of the advertising has been sold to USA or European based firms that are exporting into Latin America, but as free trade agreements start to encompass more of Latin American countries, we anticipate growth in advertising from Latin American firms as well.

📌 **Competition** does exist from both European and American based publishers who also attempt to cover all of Latin America in Spanish, as well as from some Mexican based publishers who are also publishing in Spanish throughout Latin America. Brazilian based publishers also serve the industry in Portuguese, but normally limit their distribution to Brazil only.

📌 **Economic conditions** in Latin America greatly influence the growth of the poultry industry in Latin America and by the same token advertising schedules from the suppliers. Volatility in economic cycles in Latin America has been the norm during the last twenty years and probably will continue in the foreseeable future.

Alimentos Balanceados Para Animales covers the poultry and livestock feed manufacturing industry. It's a bi-monthly magazine and has a circulation base of approximately 9,000. It's a market

that we serve in North America with Feed Management publication and in the eastern hemisphere with Feed International. It is published in Spanish and printed in Colombia.

While most of the advertising is sold in either North America or in Europe, we are starting to sell some advertising in Latin America.

☛ **Credit/Collections.** All of the credit and collection on both *Industria Avicola* and *Alimentos Balanceados Para Animales* is handled from our corporate headquarters in Illinois. All advertising in both publications is priced in USA dollars. We do not maintain any offices in Latin America, but we do extensive travel both from an editorial stand point, as well as trade shows, so we have an opportunity to stay on top of exhibitors pursuing the market in Latin America.

International Data Group - Boston, Massachusetts
David F. Hill
President, International Publishing Services...

IDG produces approximately 45 publications in 16 countries of Latin America. The two primary product lines are **Computerworld** and **PC World**.

Computerworld is a weekly or bi-weekly tabloid that serves the professional computing staff of major companies in each country. While this product has access to a large amount of international content through IDG, it is a local edition in local language in every country. All content decisions are made by local editors in each country.

PC World is a monthly magazine covering hardware, software and tips and tricks for greater productivity using PCs and related equipment. The magazine is targeted at a business audience, specifically departmental level managers whose staff uses PCs. However, there is much readership in the consumer sector, particularly in smaller markets. IDG delivers to each country a core of 88 pages in Spanish and fully paginated. This content averages 72 pages translated from the U.S. edition of **PC World** and 16 pages of regional content produced by an editorial staff in Miami. Each local publishing operation develops local content that is packaged around the regional content, and each edition carries a cover for the local country. All editorial decisions are again made locally.

The additional IDG titles in Latin America include a handful of computer networking titles, technology-specific titles, reseller titles and product guides.

☛ **Cyclical market.** Perhaps the most salient fact about the Latin market is its cyclical, boom-and-bust nature. The IT press is highly sensitive to economic instability which is usually

triggered by political instability and economic mismanagement. For largely cultural reasons, most of Latin America has not been able to escape the cycle. Thus it is important for the long-term health of a local publisher to hold the line in good times in order to have an organization of sustainable size in the difficult times.

📌 **Not monolithic.** It is important to realize that Latin America is not a monolithic, Spanish-speaking region surrounding Portuguese-speaking Brazil. Though they share a language and a culture, each country is distinct, and there are as many national rivalries and long-standing issues as among the nations of Europe. Publications that attempt to cover the entire region with one editorial package often find themselves irrelevant in each individual country. A useful way to look at Latin America is as three regions: 1) the southern cone which is dominated by events in Brazil and Argentina; 2) the Andean region of northern South America dominated by Colombia, Venezuela and Peru; 3) Central America and Mexico.

📌 **Circulation** is a significant issue throughout Latin America, where postal services can be abysmally bad and newsstand distribution is often a near monopoly. Each country operation is responsible for circulation development.

📌 **IDG maintains an international sales force** whose responsibility is to sell the entire portfolio of IDG's 300 publications worldwide. A sales office in Miami contributes a significant share of the advertising pages in all the Latin American titles. Local ad sales staff in each country are responsible for local sales.

📌 **Competition.** The last few years have seen major changes in the competitive environment. Our major U.S. competitor has fallen on hard times and largely withdrawn from the international sphere, including Latin America. A handful of local titles throughout the region have greater or lesser followings but cannot generally compete with the IDG combination of international and local content.

B2Bportales, Inc. – Coral Gables, FL
David Ashe – President/CEO...

A. Corporate Overview

B2Bportales is an affiliate of Latin America's Carvajal group of companies. Established in 1904, Carvajal is a publishing and printing conglomerate with a multi-national presence in Latin America, employing over 10,000 people in 14 countries in the region, plus Spain and the USA.

Carvajal's publishing operations include books, textbooks, telephone directories and business-to-business media.

On the business-to-business side, **B2Bportales** publishes five pan-regional titles and has been active since 1984.

Artes Gráficas – With 24,108 subscribers, it serves the commercial printing and graphic reproduction sector in Latin America with a monthly magazine and its web site, www.artesgraficas.com

Conversión – Reaches the converting industry (paper, film and foil) in the region, with 15,556 subscribers receiving 7 issues of the magazine. Its site is www.conversion.com

Plástico – Informs the Latin American plastics processing market, with 10 magazine issues reaching 15,123 subscribers. The site is www.plastico.com

Metalmecánica – For the metalworking industry in the region, 8 annual issues of the magazine with 13,018 subscribers and its site, www.metalmecanica.com

TV y Video – 10,087 subscribers in the TV broadcasting production business receive 10 annual issues of the magazine and consult www.tvyvideo.com

Audited Circulation. All the magazines enjoy **BPAInternational** audited circulation. While this may be the norm in the USA, audited circulation is rare in local business media in Latin America.

Our advertising sales, marketing and finance are located in Coral Gables in the greater Miami area. Our editorial and circulation offices are based in South America, editorial in Bogotá, Colombia, and circulation in Cali, Colombia. In this way, we feel we achieve the best of both worlds. Since our clients are mainly located in North America and Europe, having ad sales located in the USA is a must. Content development based locally, however, gives us advantages in quality, context, and cost. The same with circulation and distribution, having deep local knowledge in the countries saves us money and makes for better list quality.

B. The Competitive Environment

In most of our niches, we enjoy the status of being the sole pan-regional title. This does not mean, however, that there is no competition. On a local basis, there are two types of competitors. On one end of the scale, there are some local publishers of quality media, with good content and

circulation, and reasonable ad rates. Since they tend to be in the larger countries (Brazil, most notably, has some very good business publishers), this can pose a problem for pan-regional titles, as some advertisers will assign their budget to the local offices instead of spending it centrally. Since it can be less expensive to buy Brazil and Mexico alone than the entire region, these publishers have price advantages and enjoy strong local positioning.

On the other end of the scale, there are many local publishers of low-quality media, both on a content and circulation basis. On the circ front, they will usually claim to mail 3x-4x what they really print, and they rely on strong networks of personal local relationships to sell advertising, which they do at tremendously low prices, mainly to local distributors. They create a negative pressure upon rates that is not based on any realistic measurements yet influences some advertisers.

Where a given industry can support three or four trade magazines in the USA, it is important to realize that the Latin American version of the same industry is smaller by about a factor of 5-10 and so cannot support more than one or two titles. Also, where an average trade magazine in the USA operates comfortably in the range of \$3 - \$4 million in annual sales, the average Latin American trade magazine is about half that.

C. Content

Latin American businesspeople have a far greater need for information than their counterparts in the USA. Trained personnel are hard to come by or non-existent, reinforcing the need for value-added technical content in the local language (Spanish or Portuguese). Local industry associations are largely political and do not supply the training and materials we are used to here. Local media are largely dedicated to reporting on social events in the industry. Local trade shows generally do not showcase the latest technology being launched by the manufacturers. Thus, the user's need for business media is very high, creating tremendous opportunities in the content field, and fostering very deep reader loyalty and interaction. Technical information, how-to articles and product features are highly sought after.

D. Circulation and Distribution

In a word: Expensive. Average per-magazine prices for mailing run at about \$0.75, and for all this you have to suffer through 10 to 15 day delivery periods. Mailing into 19 countries also

makes for interesting combinations of “direct injection” where you ship the magazines into the country for mailing, and “re-mailing”, where you mail from an outside, third country.

Gathering data in order to keep an audited database is a constant challenge, given the cost of telecommunications, the lack of specialized companies for phone surveys, and the general cultural disposition against sharing personal info, making the database perhaps an even more valuable asset than it is for US publishers.

E. Ad Sales

Ad sales into the region depend on the performance of two economies. Since most industrial advertisers are headquartered in Europe or the USA (with Asia coming along fast), a first condition is that their local economy be doing well. If the US or Europe are in a recession, then advertisers will cut their budgets, no matter if the overseas market is performing well! Then, of course, the local economic performance in the region is important. Latin America has been very volatile, with some years up and others down. The nineties were consistently good, though, and all indicators finished well up at the end of the decade after market reforms were introduced throughout. A good part of pan-regional vs. local publishing is that rarely does the entire region under-perform. When Mexico is in a down cycle, Brazil and Argentina may be up, and vice versa.

As mentioned before, certain practices by local publishers create severe rate “sticker shock” when selling in local markets, as they are used to paying \$500, not \$5,000, for an ad page in a business medium!

F. Internet

Much has been made of the dismal web-access penetration level in Latin American households, and the negative effect this has had on consumer portals. The business state of affairs is diametrically opposed. Almost 90% of our direct-request users have e-mail access and use the web frequently... from work!

Coupling this factor with the need for information mentioned before, and taking into account the huge expenses associated with distributing printed information, we have built content portals around all our magazines, with the objective of consolidating ourselves as the preferred sources for value-added information in each industry served. The magazines shall of course continue, but supported by a huge content deposit on the web, where users may consult our entire archive, visit

manufacturers' virtual showrooms, and generally have access to far more content than previously possible.

Our first portal, www.conversion.com, rolled out in September/2001, with the other four slated to go online using our content-management platform by end of November/2001. Up until now, all our magazines were already online, but using a simple HTML-based system to put up the articles from the print versions and with very limited interactive tools.

In Closing...

Latin America presents opportunities for information suppliers, if for nothing else due to the need for quality content. However, we have seen too many US publishers enter the market simply by putting out a reduced-size, Spanish language version of their title only to close it two or three years later. The approach must be more than marginal, with dedicated resources and local presence.

Dana Chase Publications, Inc. - Oak Brook, Illinois

Susan Chase Korin, Vice President/COO...

Dana Chase Publications publishes one magazine in the Latin America market — **APPLIANCE-Latin America Edition** — which was introduced to the market in 1995. Initially it was printed through our U.S. printer and distributed through a third party mail distribution company. In 1999, we began printing in Colombia and substantially reduced our postage costs while at the same time improving our delivery time. Dealing with the printer in Colombia is not without its challenges (communication, logistics, etc.) but the quality of printing is as good if not better than our U.S. printer.

The two largest markets for appliance production in Latin America are Mexico and Brazil. **APPLIANCE-Latin America Edition** is published in Spanish with our News Section and article summaries in Portuguese. This is more of a cultural nod than a true service to our Brazilian readers, but we have surveyed our readers and they do appreciate it.

Advertising. The majority of our advertising has historically come from U.S. and European companies looking to enter the market or already manufacturing in the market. We have consistently had a few Latin America advertisers and those companies usually export to or manufacture in the U.S. We did attempt to use the service of a local sales representative in Brazil, which proved unsuccessful. Currently all sales efforts are based in our U.S. headquarters.

Editorial. Much of the editorial is created by our U.S. editors traveling to Latin America. Some of the editorial is adapted from an article written for the U.S. market. When the editor is collecting information they also contact many Latin American companies and incorporate that information for the Latin version of the article. We are always on the look out for a Latin American correspondent but we almost need two, one in Mexico and one in Brazil.

Circulation. The circulation of **APPLIANCE-Latin America Edition** is 8,000, and by far our biggest challenge is to obtain new, qualified circulation. We have worked closely with Latin America associations but they tend to be much smaller with fewer members. Quality list sources are few and far between in many Latin American countries, or they are too general and don't have the option to choose by SIC Code and title.

The turbulent economic conditions in Latin America certainly affect our market but many manufacturers see it as both an untapped market and a haven for lower cost manufacturing much closer to home than Asia.

Allured Publishing Corporation
Theresa LaFontaine, President...

The Latin American market is a challenge - partnering with a Latin American publisher is probably prudent. Beginning with the revenue stream, ad sales are volatile as is the economy. Most companies looking to advertise in Latin America (U.S., Asia, and Europe) are seeking expansion into new markets. Investing in the Latin American market will produce results that mirror the economic conditions. Some companies are not prepared to make a long-term investment under those conditions and it is difficult to budget and forecast your revenue stream for both the advertiser and the publisher.

Even more difficult is the editorial development. Hiring a bi-lingual staff knowledgeable in the industry in and of itself is a difficult task. Understanding the nuances of businesses in Latin America equates to understanding the language and culture. Latin American companies have a set of needs that differs quite a bit from U.S. companies. The companies tend to be smaller and business managers have a broader set of responsibility and decision making power. It is difficult to be a niche publication in Latin America.

Operationally there are hurdles to overcome. All of a sudden, one finds they need a bi-lingual staff member in production, circulation & marketing, and customer service. If you are printing your publication in the U.S. your printer is not able to deliver the same level of service unless they too have a bi-lingual staff. Distribution is a nightmare - claims are very high. However, it has been our experience that Latin American technology with regards to the internet is very good. Consideration of an online publication is certainly worth evaluating.

In short, considering a Latin American publication is a fairly large risk. One cannot repackage the equivalent information from a English publication and be assured success. The market is smaller and the investment is bigger. As with any industry doing business in any foreign market, it is wise to seek a partner familiar with the product you will be selling as well as the culture you are selling into.

PennWell Corporation – Tulsa, Oklahoma
Jayne Gilsinger, Senior Vice President, Planning & Development...

PennWell owns and publishes two Spanish language magazines, ***Oil & Gas Journal Latinoamerica*** and ***Potencia***.

Oil & Gas Journal Latinoamerica, launched in 1995 by PennWell, serves the growing oil and gas industry throughout Latin America. It is published six times per year for a circulation of about 12,000 petroleum business executives and professionals. The circulation is audited by BPA.

PennWell originally launched this magazine under a different name, ***Revista Latinoamerica***, but soon realized the value of linking this Latin American publication to the established and well-known brand of its global parent, ***Oil & Gas Journal***.

Editorial and sales direction for ***Oil & Gas Journal Latinoamerica*** is provided by PennWell's Houston office where its oil and gas publications and products are based. The magazine uses correspondents in Caracas, Argentina, Bolivia, Brazil, Colombia, Ecuador, Mexico, Peru, and Venezuela. The sales staff of ***Oil & Gas Journal*** sells this magazine, supplemented by independent sales contractors in Colombia, Peru, and Brazil. The major advertisers are global companies that provide equipment and services to the oil and gas industry, such as Halliburton, Schlumberger, and Baker Hughes.

An interesting side note is that the major competitor of ***Oil & Gas Journal Latinoamerica***, ***Petroleo Internacional***, was originally started and owned by PennWell. PennWell launched ***Petroleo Internacional*** in 1943. It won three Neal Awards in the early 1960's before being sold to its current owner.

Oil & Gas Journal Latinoamerica is printed in Colombia by Cargraphics S.A. PennWell has been pleased with the quality of their work. While the printing costs are comparable to what they would be in the States, it is more efficient and cost-effective to distribute from Latin America.

Potencia, acquired by PennWell in April 1999 from a Miami-based company, means "power" in Spanish and is a business management magazine for the power and electricity supply industry in Latin America. It is also printed by Cargraphics in Colombia and distributed in every major Latin American country to an audited circulation of about 6,000. PennWell is evaluating its frequency, which has traditionally been six times per year. Major advertisers include Bechtel, Caterpillar, Siemens, and Westinghouse.

PennWell acquired *Potencia* to complement its annual Latin American Power conference and exhibition held annually since 1998 in various Latin American countries, such as Venezuela in 2000 and Brazil in 2001. However, the latter underscores one of the major publishing and event management obstacles in Latin America: Language differences. *Potencia* is published in Spanish but Portuguese-speaking Brazil, the largest and most populous country, accounts for about one-third of the entire GDP of Latin America.

In addition to language and regional/sub-regional differences, other challenges for U.S. publishers in Latin America include political and economic turmoil, exchange rate volatility, usually small circulation bases, and problematic distribution and delivery reliability.

Meister Publishing Company – Willoughby, Ohio
Jess Ennis, Publisher-Latin America...

In 2002, we're celebrating the 10th Anniversary of publishing our specialty-agriculture Spanish monthly magazine for Mexico. In '99, we launched a separate quarterly edition for Central America. We're on the lookout for additional opportunities – print and non-print – where we're currently active and elsewhere in Latin America. Some observations:

- **Gringos, Inc.** – It's a double-edged sword being a U.S.-company publishing for Latin American markets. Our Mexican competitors enjoy certain advantages just by virtue of being Mexican. They're better situated to cover the market editorially, and some Mexican-based advertisers just prefer doing business with their *paisanos*. On the other hand, being a U.S.-company brings instant credibility for quality – and we can and do deliver a higher-quality product than our competitors do – so some Mexican companies advertise with us exclusively. We enjoy a large advantage with U.S.-based advertisers.
- **Operating in dollars from the U.S.** – So far, we have no office nor any other legal entity in the countries we cover, and, this way, we're not required to pay foreign taxes, nor are our Mexican clients required to pay a 15% valued-added tax on their advertising. The sales and editorial people working for us in Mexico do so as independent contractors, not as employees, as Mexican regulations can make it difficult and expensive to send an employee packing. Operating strictly in dollars and without an account in a Mexican bank practically eliminates the possibility of our charging small sums (under \$100) for subscriptions, company-listings, and the like, because of the high cost of converting currencies.

- **Competition** – Competitors’ main advantage is their ad-price, generally half of ours, or less. They’re also closer to the market. Our advantages are in the quality of design, content, and market penetration.
- **Culture & language** – Generally, Latin clients want to know they’ve negotiated the best price, so we’ll start with the 1-time gross ad-rate and then offer frequency and pre-payment discounts. In doing business, it’s critical to speak Spanish, especially when selling and negotiating. It’s very helpful to have Spanish speakers involved in circulation, editorial, and proofreading. The Latin view of time differs from ours. There is, generally, less and later planning, things are apt to happen in a flurry at (or after) a deadline, and *mañana* can be pretty late for confirming ad-placements and receiving ad-materials.
- **Making *dinero*** – Profit margins can be thin. It’s hard to command high ad-rates, because the market is probably small compared to its counterpart in the U.S., and because the native competition offers very low rates. Costs are generally higher – for distribution and because of extras, like translations. But, with Latin American markets growing, trade rising, and relatively little competition, there are opportunities capitalize on Latin markets, introduce innovations, capture market share, and grow.

Key Contacts / Resources

Numerous reference sources are available on the Latin American market from both the public and the private sector in the United States and other nations. Publishers who want to thoroughly probe and analyze can find help at most of the trade consular offices of individual countries, as well as the U.S. Department of Commerce and other divisions of government. There are well-run private trade councils that assist in establishing cross-border relationships, magazine associations, university departments and think-tanks, and a proliferation of media focused on the every aspect of the marketplace. With the advent of the internet a great deal of excellent information, that was available before only in cumbersome print form, has now become easy to access.

MARKET DATA

U.S. Commercial Services

U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230
<http://home.doc.gov/>
www.usatrade.gov

Office of Information Technologies

U.S. Department of Commerce
International Trade Administration
<http://exportit.ita.doc.gov/>

AACCLA

Association of American Chambers of Commerce in Latin America

1615 H Street, N.W.
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Tel: 202 463-5485
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E-Mail: inbox@aaccla.org
www.aaccla.org

AACCLA is the one of the most active and influential voices for American business operating in Latin America today. Founded in 1967, AACCLA is the umbrella group for 23 American Chambers of Commerce in 21 Latin American/Caribbean nations. Representing over 20,000 companies and individuals managing the bulk of U.S. investment in the region, AACCLA advocates trade and investment between the United States and the countries of the region through free trade, free markets, and free enterprise. The Association of American Chambers of Commerce in Latin America advocates trade and investment between the countries of the region and the United States through free trade, free markets and free enterprise.

Brazil-U.S. Business Council.

1615 H Street, NW.
Washington, DC 20062
E-Mail: host@brazilcouncil.org
Tel: 202 463-5485
Fax: 202 463-3126
www.brazilcouncil.org

The Brazil-U.S. Business Council is a bilateral trade organization that works to provide a high-level private sector forum for the business communities of both countries to engage in substantive dialogue on trade and investment issues and communicate private sector priorities to both governments. The U.S. Section of the Council represents the majority of the largest American corporations invested in Brazil and operates under the administrative aegis of the U.S. Chamber of Commerce. The Brazil Section of the Council is sponsored by major Brazilian business associations led by the National Confederation of Industry and represents a wide range of Brazilian corporations.

MAGAZINE PUBLISHING GROUPS

International Federation of the Periodical Press (FIPP)

FIPP, Queens House
55-56 Lincoln's Inn Fields
London, WC2A 3LJ, England
Tel: 44 20 7404-4169
Fax: 44 20 7404-4170
E-mail: info@fipp.com
www.fipp.com

Founded in Paris, France, in 1925 as the Fédération Internationale de la Presse Périodique, The International Federation of the Periodical Press (FIPP) is a trade association with membership from national associations, magazine publishing companies and associate members worldwide. Today, the membership of FIPP consists of more than 37 national magazine associations and over 100 publishing associate companies in direct membership. FIPP serves a global market with total annual advertising expenditure revenue in the region of US\$40 billion and approximately 100,000 titles in more than 40 countries, based on figures from FIPP/Zenith World Magazine Trends.

The FIPP mission is to promote nationally and internationally, the common editorial, cultural and economic interests of magazine publishers, both in print and electronic media.

Brazilian National Association of Specialized, Technical and Controlled Circulation Publications

Associação Nacional dos Editores de Publicações Técnicas Dirigidas e Especializadas
Rua Mourato Coelho, nº 798 - Cj. 12 - 1º andar - CEP 05417-001 - São Paulo - Brasil
Tels: (11) 3034.2550/4566 / 3813.1941 - Fax.: (11) 3814.3025
(In Portuguese)
E-mail: revista@anatec.org.br
www.anatec.org.br

Argentina National Association of Business-to-Business Magazines

Asociación de la Prensa Técnica y Especializada Argentina
Marcelo Burman, President
M.T.de Alvear 976 Piso 6 Of. E - 1058
Buenos Aires – Argentina
Tel: 54-11-4328-2170
Fax: 54-11-4328-2170
E-mail: info@apta.org.ar
www.apta.org.ar

Mexican National Chamber of the Publishing Industry

Mauricio Zaldo Rodriguez, President
Mexico City, Mexico

Tel: 5688-20-11ext 734 and 735

Fax: 5688-22-74

EDUCATIONAL INSTITUTIONS

University of Florida

Latin American Business Environment Program

Center for Latin American Studies

319 Grinter Hall

PO Box 115530

Gainesville, FL 32611-5530

Tel: 352 392-0375

Fax: 352 392-7682

E-mail: www@latam.ufl.edu

www.latam.ufl.edu

University of Miami

The Dante B. Fascell North-South Center

1500 Monza Avenue

Coral Gables, FL 33146-3027

Tel: 305 284-6868

Fax: 305 284-6370

E-mail: www@miami.edu

www.miami.edu/nsc/

MAGAZINES, WEBSITES

Zona Latina. *ZonaLatina.com* is a prime website for media and marketing in Latin America. It contains an extensive collection of web resources: 850+ newspaper links, 1250+ magazine links, 800+ radio links, 700+ television links and much more, updated daily

www.zonalatina.com

LatinTrade. *LatinTrade.com* is the website for LatinTrade magazine which reports in-depth on the Latin American markets, in three editions: English, Spanish and Portuguese.

www.latintrade.com

AmericaEconomia. *AméricaEconomía.com* is the website for AmericaEconomia magazine, leading business news magazine in Latin America, published in Spanish and Portuguese (no English edition). Founded by Chilean publishers, it is now supported by the Dow Jones publishing group.

www.americaeconomia.com

(in Spanish)

LatinCEO. *Latinceo.com* is the website for LatinCEO magazine, a business news/marketing publication covering Latin America. Published in English.

www.latinceo.com

LatinFinance. *Latinfinance.com* is the website for LatinFinance magazine which reports on the financial, marketing and economic conditions of Latin America. Published in English.
www.latinfinance.com

REFERENCE BOOKS

World Magazine Trends Handbook 2001/2002

FIPP/Zenith World Magazine Trends, published annually for the past 7 years, is an authoritative source of international data on magazine publishing. It provides information about consumer and business magazine markets around the world. The seventh edition is the most comprehensive yet with extended business-to-business sections for the major markets. In addition to profiles of 66 countries worldwide it includes the reintroduction of regional summaries, international overviews, advertising expenditure forecasts, top 10 magazine titles etc. Subscribers to this publication will also be able to view individual country data online at www.magazineworld.org for no additional cost. Published in association with Zenith Media, and sponsored by ConsigniaA4. 236 pages/September 2001. ISBN: 1464-6463. FIPP, Queens House, 55-56 Lincoln's Inn Fields, London, WC2A 3LJ, England. email: info@fipp.com

AUDITING /RESEARCH /CONSULTING

BPA International

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New York, NY 10016-0699
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www.bpai.com

BPA International is a global provider of audited data to the marketing, media and information industries. BPA International was founded in 1931 by a group of publishers, advertisers and agencies. Audited data presently provided by BPA International includes circulation of print publications, Web site traffic, newspapers, trade shows, industry databases, wireless communication, and other advertising-supported information providers. For business publications and consumer magazines, BPA International verifies all-paid, all-controlled, or any combination of paid and controlled circulation. Web audits document general traffic for non-registered sites, demographics of registered users, advertising activity across an entire site, and ad-specific traffic. BPA works with more than 2,600 media properties and 2,800 media buyers in over 20 countries.

Strategy Research Corporation (SRC)

100 N.W. 37th Avenue
Miami, Florida 33125
Tel: 305 649-5400
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Strategy Research Corporation (SRC) is leading marketing research firm serving the U.S. Hispanic market, Latin America and the Caribbean. Clients include major multinational marketers of products and services to consumers and businesses. Research capabilities include multi-market or multi-country marketing research projects, from questionnaire development and translation, to field design, interviewer briefings, data processing and analysis and reporting.

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ESOMAR is the World Association of Opinion and Marketing Research Professionals. Based in Europe. ESOMAR has over 4,000 members in 100 countries, both users and providers of research. Members come from all industry sectors, from advertising and media agencies, universities and business schools as well as public institutions and government authorities.

Conexion International Ltd., Inc.

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E-mail: conexion@earthlink.net

Private bi-lingual company founded in 1991 to provide exclusive consulting, marketing and management services for B2B and other publishers who are in or entering Latin American and Hispanic U.S.A. markets.

PRINTING/DISTRIBUTION

Cargraphics S.A.

Calle 29 Norte 6A-40
Cali, Colombia
Tel (572) 661 8150
Fax (572) 661 8155

Office in USA:

Carvajal International Inc.
901 Ponce de Leon Blvd., Suite 901
Coral Gables, FL 33134
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One of Latin America's largest printing conglomerates with some 10,000 employees at plants and offices in 15 countries. Provides both printing and distribution services to customers around the globe. The company is organized into several divisions, each one specializing in a specific capability, including: magazines, books, industry directories, telephone directories, specialized pop-up books, packaging, educational materials, direct-to-plate and more. Headquarters is Cali, Colombia. Customer service offices are located in Coral Gables, Florida, Bogotá and Cali, Colombia. ISO 9002 Certified.

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Tel: 305 640-5999
Fax: 305 640-5998
E-mail: optima@gate.net

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A division of St Ives PLC, a worldwide printing organization based in London, England, one of the largest printing organizations in Europe with facilities in England, Wales, Germany and Holland. The St Ives printing plants at Hollywood, Florida and Cleveland, Ohio provide multicolor web offset production for a number of well-known consumer and special-interest magazines in Spanish. The company offers pre-press facilities, computer-to-plate and state-of-the-art technology. ISO 9002 Certified.

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E-mail: info@antartica.com
www.antartica.cl

One of the largest printing and distribution companies in Chile for magazines and books. Provides modern technology.

Impres – Companhia Brasileira de Impressão e Propaganda

Rua Dr. Alfredo de Castro, 299
São Paulo – SP – Brazil
01155-060
Tel: 55 11 3825-3255
Fax: 55 11 3826-9137
(Portuguese only)

One of the leading magazine printing companies in Brazil. Company may be contacted through the following English-speaking agent and publishing consultant:

ELF – Comunicações Ltda.
Attention: Ernesto Leme F.
Av/ Brigadeiro Luiz Antonio, 1564 – 3 andar – lj. 12
São Paulo – SP – Brazil
01318-002
Tel/Fax: 55 11 3107-7404
E-mail: erneleme@hotmail.com

TNT International Mail

G3 Worlwide (US) Inc.

2250 NW 84th Avenue – Suiite 103

Miami, FL 33122

Tel: 305 506-2700

Fax: 305 506-2721

E-mail: carlos.barbosa@tnt.com

www.tnt.com

One of the leading B2B magazine distribution services for delivery of magazines to readers in Latin America. TNT is an international corporation (TNT Holdings B.V.) specializing in global express, logistics and mail. The Miami office handles operations for Latin America.

PDS International Mail Service

Contact: Andrew D. Lehrfeld ext. 114)

393 Jericho Turnpike

Mineola, NY 11501

Tel: 800-MAIL-PDS or 516-877-7770

Fax: 516-742-1760

E-mail: alehrfeld@pdsmail.com

www.pdsmail.com

PDS is a NewRoads Company (Greenwich, CT). It is one of the longest-established international publications mailers in the U.S. It provides magazine mailing services for Latin America.

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