

Magazines in the Czech Republic

By John W. English

Edited by Kristina White

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The James M. Cox, Jr., Center for International Mass Communication Training and Research, Henry W. Grady College of Journalism and Mass Communication, The University of Georgia, Athens, Georgia, 30602, U.S.A.

Last year's dispatches from Prague effusively touted the Czech Republic's new reputation as the Eastern European glamour capital and as a tourist magnet of gigantic proportions--it attracted an astounding 80 million visitors during 1994. The small nation of ten million "bounded forward like an untethered horse" after the "velvet divorce" from Slovakia in 1993, observed Chicago Tribune correspondent R.C. Longworth last fall. Among the factors contributing to its nascent growth were a stable government and currency, a balanced federal budget, declining inflation, low unemployment, extensive privatization of industry and a healthy infusion of foreign investment from Germany and the United States.

As might be expected during such a developmental surge, the top media story in the Czech Republic last year had nothing to do with print, but with the launching of the first commercial television station in the country. After New York businessman and cosmetics heir Ronald Lauder put TV Nova on the air early in the year, by late summer it had already swept past its state-owned rivals in ratings. That feat was credited to slick, fast-paced news, prime-time movies and reruns of American sitcoms such as M*A*S*H.

With much less fanfare, the print media industry in the Czech Republic went through the convulsions of rapid expansion and contraction during the past year, the obvious result of a bustling economic climate and the accelerated competition of the post-communist half-decade.

After the sudden mid-year death of a national newspaper, Lidova demokracie, which had been publishing since 1945, the Czech press agency CTK candidly acknowledged that since the local press had gained its freedom in 1989, numerous periodicals had been launched, but many had not survived the tough competition and had disappeared. The numbers tell the boom-and-bust story with precision. In 1989, there was a total of 772 registered titles, including 18 dailies and 180 weeklies. By 1992, the total had grown to 2,983, with 76 dailies and 465 weeklies. By mid-1994, the number of dailies had dropped to 54 and the weekly total was halved to 241. No aggregate 1994 total was given.

Post-Revolution Boom Has Subsided

Magazine circulations document how the post-revolution boom in reading has subsided. Reflex Magazine, a respectable news magazine begun in 1990, built its circulation up to 150,000, only to see it fall back to 80,000 last year. Respekt, the world press review which has won awards for its incisive investigative reporting and crisp interpretation, at one point had a circulation of 70,000. In mid-1994, as its circulation plummeted to 15,000, the magazine appeared on the verge of foundering when a daily newspaper, Mlada Front Dnes, bought and saved it. Another magazine, Kvety (Flowers), has retained its 200,000 readers with an editorial mix of cooking and gardening and crime and soft porn.

Despite such vagaries, no one in the media industry any longer fears that the "free pluralistic periodicals press could collapse," as a 1991 study had gloomily predicted. It's not that the three major publishing barriers have disappeared--high prices for paper and printing services and a 22 per cent turnover tax. Publishers simply are convinced that the Czech knack for operating on a limited budget and the prodigious energy of their staffs will see them through.

Foreign Control of Czech Media

During the communist era, most specialized magazines received government subsidies; without such support, most faced certain closure when the old regime was voted out. A new publishing formula is still evolving, but it's now clear that the forecast of extinction was premature, as other European media companies have begun to invest heavily in Czech publications. Foreign firms now own or control more than half of the press published in the Czech Republic. Among the major players are the Swiss company Ringier, the French Hersant Group and several German media firms.

The case of Mlady Svet (Young World) illustrates how quickly changes are occurring. For 36 years, this magazine had been published by the Social Union of Youth with a circulation of about 500,000. The periodical's support vanished with the communist system and the magazine became an independent, share company with a greatly diminished circulation of 90,000. A German publisher, Passauern Neue Presse, which already owned some 30 newspapers in the Czech Republic, swept in to buy up 51 percent of the magazine's stock.

Some American media corporations have also invested in Czech operations, albeit more cautiously than the Europeans. Gannett has set up a joint venture with Ringier to open a tabloid-format economic weekly modeled after Switzerland's CASH. Reader's Digest opened a Czech edition as a vehicle to market its books, videos and music to subscribers.

Perhaps the most visible form of Western investment has been the franchising trend, in which Playboy was the first major player. Ivan Chocholous, managing director of the Czech and Slovak editions of Playboy, explained that after meeting with Playboy executives in Chicago and signing a licensing agreement in 1990, he set up an independent company and launched the Czech and Slovak editions of Playboy on April 26, 1991.

A Lifestyle Magazine

"Under the communist regime, Playboy was prohibited, confiscated and considered pornography," says Chocholous. "We are still struggling with that image among middle-aged men, so we have a lot of public relations activities such as sponsoring tennis and golf tournaments, opera and a Christmas concert. We advertise on radio and in newspapers, but not on television because it's too expensive.

"We are strictly keeping with a lifestyle magazine. We don't use the tag line, 'Entertainment for Men,' as the U.S. edition does. There's been no interference from Chicago, so our editorial focus is wider. Our Playboy 'Forum,' for example, is not just sex advice; it includes eight pages on computers, including a recent profile on Bill Gates. We have a business section about investment and travel. We also reprint Playboy interviews from the U.S. and other editions. That's one of the advantages of being in the family. Sure, I attend the group meetings in Chicago, but we have the closest contact with the Dutch edition.

"Most of our readers are in their 20s and 30s and looking for good writing and entertainment. We aim to be a classy magazine with sophisticated content. Penthouse is not a competitor here because their editorial philosophy is so different. We are cooperating with the best Czech writers and are involved in sponsoring social events. Playboy parties in Prague are attended by top people in all walks of life.

"Yes, we publish three pictorials in each issue. Nudity must always be elegant and non-explicit. We recently published an article on a Czech actress, who posed nude for the first time," he says, pausing to deflect a call on the portable telephone on his chic desk. The spiffy Playboy offices, which accommodate a staff of 20, are located in a newly renovated building in a residential sector near the city center.

"We had both the advantages and disadvantages of being first to launch. We made mistakes which others saw and later tried to avoid. In 1991 our cover price of 99 crowns (about U.S. \$3.65) was too high, even though it was below the psychological barrier of 100. We've retained that cover price, but it was too high at the outset. Now Elle is 75 crowns and the environment has changed. Our circulation mix includes 10,000 subscribers and 30,000 copies on newsstands. We use bind-in cards to try to get newsstand readers to subscribe," the 30-something general manager continues.

Distribution is a big problem because there are no Czech news distribution agencies. There are also no ground rules that encourage newsstand owners to keep a magazine title on the racks for an entire month. "The old mentality still exists--news vendors still won't contact you when they need more copies," Chocholous says. "And, they want turnover, so if it doesn't sell immediately, they just remove it. Ten percent returns are normal here." (In Western economies, these returns may seem low, but by frugal Czech standards, where surpluses are rare, these figures are considered high.)



Shown here are examples of Czech editions of foreign magazines.

A Small and Fragmented Market

Advertising hasn't been easy from the beginning, especially during a recession in European print media. "We're in a good position in the market and carry about 20 pages minimum each issue. Most advertisers are commercial banks, airlines and importers and producers of automobiles. I don't want to be too optimistic, but we're still on top," he concludes.

Elle's editorial director, Antonin Herback, admits that the population and advertising base in the Czech Republic, as well as the five million in Slovakia, are barely large enough to support a thriving Western-style magazine industry. "Hungary is simply too small and here we're on the borderline," the former design manager of American Elle says in his dark and cluttered downtown office. Herback launched Elle in April 1994 as a joint venture with Hachette in Paris. To assure a smooth launch, he brought over a number of staffers from the American Elle, including the publisher, fashion director and art director.

Because the magazine market is still so small and fragmented, Czech advertisers are more likely to spend their budgets on television commercials than magazine ads, according to Herback. Glossy magazines obviously cost more to produce than those published on newsprint, he explains, so they must carry a higher cover price. "Magazines used to cost five crowns. Now Elle is 75 crowns and Cosmopolitan is 59. A higher cover price means readers have to get greater value for their money."

Herback says Elle's editorial content focuses on fashion, new cosmetics and travel and that he has access to all the editorial material in the 23 editions of Elle around the world. "Less than half

of our editorial comes from foreign sources," he says. "Local magazines don't have access to the contacts and vast picture library that we do, so that helps to fend off competition."

The Czech market is mostly single copy sales at newsstands, with only a few subscribers, a distribution pattern common in Britain and other countries. Of Elle's circulation of some 40,000, only 1,000 are mail subscribers. "It will take time to build up a subscription base, but we are working on it," Herback says. "We bind subscription coupons into the magazine and offer a fragrance as a gift to new subscribers."

Lower Production Costs

Elle's biggest advertisers are global firms marketing beauty products, he continues. Some ads--those run in all Elle editions--are sold in New York. Local advertising is sold locally. "We expect to carry 35 to 40 pages of advertising in our usual 164-page book," Herback says. "Because production costs are much lower here, we can make a profit on a lower percentage of advertising." American magazines, for example, rely on a 50-50 split between editorial and advertising to be profitable.

The Elle name has long-established cachet in the Czech market. He explained that the French edition of Elle had been sold in Prague in small numbers for 30 years. Herback says the company now licenses the title for such goods as coffee cups, tee shirts and ball caps, hardly the staples of high fashion. "We mostly do direct mail sales, but plan to open an Elle boutique to sell these items."

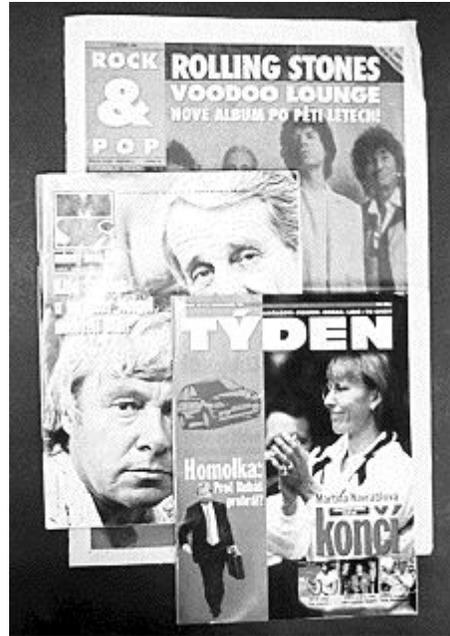
Another editor of Elle admitted that many of the couture fashions shown in other editions of the magazine simply are not available in Prague and unaffordable to all but a handful of wealthy citizens, so she puts editorial emphasis on cosmetics, which are widely available in stores.

New Competition Not Likely

Herback says he doubts new competition is likely since the Czech pie is simply too small to be cut up too many ways. "I can't decide if Czech readers will continue to be satisfied with low quality and low-cost local magazines or not, but I'm convinced that once they buy Elle, they won't go back to low quality."

"Elle appears to be doing well," observes Kim Conger, an American freelance graphic designer in Prague. "Editorially, they inspire women and make them aware of what the world has to offer. They are getting big advertisers. They are attracting readers with sample packets of perfume or lotion and the office is always bustling with models. In a short time, they have become one of the best editions of Elle in the world."

Whether the pie is too small or not, as Herback contends, Cosmopolitan was also licensed in the Czech Republic last September, ratcheting up the competition among the franchisees.



Examples of new magazines in the Czech Republic, 1994.

Not an Import

Not all new Czech magazines are imports. Tyden, a new weekly newsmagazine, was also launched last fall. Tyden publisher Jaroslav Kavarik was enthusiastic about: "There is a market for this magazine because the price is right. That's our best advantage--at 20 crowns, we're one-third of the others. We can compete well because Tyden is a Czech magazine done by Czechs, not using material from abroad.

"Our target is the modern family. Our title means 'week' in Czech and we intend to examine what happened last week and what is likely to be of interest next week. We will be similar to Time and Newsweek, but will cover a wider spectrum. In addition to news, we will cover entertainment, including television program listings. Television in the Czech Republic doesn't compete with print media because TV has a dominant position and a strong influence. We simply have to be the best print magazine.

"Tyden's editorial mix will include photo stories and departments dealing with events, money, health, life in small towns, fashion, arts reviews and travel. Features will examine such issues as the Czech royalty trying to reclaim their property, the ugliness of the border with Germany and antisemitism in the Czech Republic.

"Playboy's audience is quite different and Cosmopolitan will focus on the top part of the market. We will aim for the middle class. A general interest magazine is actually something new in this market. There is a hole in the market to fill and if we don't do it, some one else will. We used News in Austria and Focus in Germany as models. We also did a study before the launch, focus groups and readership studies. Our advertisers will reach a large, diverse audience.

"Our circulation will mostly be newsstand sales, and we expect trouble with vendors since we don't have an established distribution system. We are also looking into alternative distribution possibilities.

"Last fall, we used the biggest promotion campaign to launch our title ever seen in this country, including prizes for readers. I am very optimistic about the fortune of this new magazine," Kavarik concludes.

Czech Music and the International Scene

More typical of low-budget magazine niche publishing is a pop music tabloid that aspires to be like Rolling Stone.

Vojtech Lindaur, editor of Rock & Pop, appears satisfied that his independent publication has survived four years:

"I got the idea for this magazine in 1988 and we began fortnightly publication in 1990. In the beginning our circulation shot to 100,000, but it has stabilized at 22,000 and that's enough. After more than a hundred issues, we have been able to keep our price at 15 crowns.

"Our style of writing is in the same vein as Melody Maker and New Music Express. We cover all music--rock, pop, jazz and country, whatever is in the market now. About 30 percent of our stories deal with Czech music; the rest covers the international scene.

"Rock & Pop is the only Czech magazine without any great publishing firm behind it. Since it was my idea, I'm the only one who has been around from the beginning and I don't know how it will stand in the future. We think about going weekly or being more of a monthly-type magazine, but we'd have to increase our circulation to do either and we can't seem to sell more.

"Our average issue is 32 pages and we carry about five pages of advertising in each. While advertising is difficult, distribution is a hatful of problems. For example, when our magazine sells out quickly on a newsstand, the vendor never thinks to reorder more copies. One-third of readers subscribe. Most are in high school or the first couple of years of university.

"We try to present intelligent writing about music, be serious," he says, in spacious, spartan offices near Prague's main bus station. "All five of our staff writers are in their early 20s and they know every type of music--from the '60s to today. I've been in music journalism for 20 years and think we have the best product. None of the other magazines for teenagers--Bravo, Popcorn, Pop Life or the fanzines of hardcore or heavy metal are competition."

Lindaur proudly shows off his Apple-based desktop publishing system, which allows his staff to do all typesetting and layout in house. "Our major expense is printing and color layouts which have to be done elsewhere," he adds.

Beginning to Differentiate

There are lots of signs that the Czech magazine industry is still in its infancy. Czechs simply don't carry and read magazines publicly like they do newspapers, observes American Logan Mabe, a former Atlanta Magazine staff writer who has been writing about sports for the English-language weekly, Prognosis, for the last two years. "The media marketplace is just beginning to differentiate," Mabe says. As examples to prove his point, he cites a new sports magazine, which simply publishes lists of winners of various sporting events, and a popular new shopper published three times a week, which gives readers free classified ads. "It's introduced the idea of doing commerce through publications," he theorizes.

Mabe also believes that Czech magazines are not yet ready to pay for the high quality of research and writing associated with magazines, because it's neither economically feasible nor cost effective. To produce a typical 2500-word article, magazine writers have to conduct long interviews in person, integrate information from multiple sources and rewrite several drafts, Mabe notes. Editorial free-lance rates are not high enough to generate truly creative and insightful articles. Mabe also suggests another reason why few Czech magazines publish articles with a long-term perspective: "Things are happening here so quickly, it's hard to analyze them."

While Czechs are relatively well-educated and avid readers, they still show a preference for short articles with a simplistic vocabulary, preferences readily served by the tabloid press. "Snippet journalism has been popular since it was introduced three years ago," Mabe observes. Tabloids predominantly appeal to working class readers with short attention spans and lean media budgets. These breezy papers also run scantily clad "Page 3-girls," just like their sensationalistic counterparts in the West. A few new magazines focus entirely on erotica and they routinely appear on newsstands next to mainstream publications.

"Until this hectic time slows down, reading habits will change slowly," admits Daniel Anyz, a Czech magazine writer who recently studied journalism in the United States. He believes that magazines will eventually find their niches, but that newspapers will continue to dominate the mass market in the near future.

Bi-lingual magazines have not yet found a niche. The Czech-English monthly, X-Ink, an arts and culture periodical featuring essays, poetry and photography, died after six months. And, La Tribune de Prague, a French-English business bi-monthly begun in 1993, has already changed its title to The Prague Tribune to indicate its shift to English dominance and it has cut its price in half, from 250 crowns to 125.

Stability Predictably Elusive

A further shakeout in the Czech media is probably inevitable. Stability for both magazines and newspapers seems predictably elusive. Already one Czech magazine publisher has naively complained that it was daunting enough to sell advertising locally, but it's sometimes doubly difficult to collect bills once the ads are published. Bankruptcies and dislocation seem axiomatic in any free market system. The pace of closing may already be accelerating. For example, in late 1994, the first English-language daily, The Bohemia Daily Standard, closed after only six weeks in operation. Weak circulation and dismal prospects were Publisher Erik Best's reasons for the

move. Best also runs a daily fax paper called The Fleet Sheet, which culls business news from the Czech press.

While most news from the Czech Republic remains decidedly upbeat these days, there is a curious twist to its media story. The recent spurt and retrenchment of the print media ironically followed the collapse of a long-established and successful paper recycling program which routinely turned old magazines and newspapers into other reusable forms of paper. It's a fact that gets overlooked almost as frequently as travel articles neglect to tell prospective visitors about Prague's incredible air pollution.

Editor's note: Research for this article was in part funded by a travel grant from the James M. Cox Center for International Mass Communication Training and Research at The University of Georgia.

About the Author

John W. English is a professor of journalism at The University of Georgia in Athens. A versatile writer, he has authored and edited six books, three feature films, a half-dozen documentaries for television, radio commentaries, scores of magazine articles and three Fodor's Travel Guides.

His first reporting trip to Czechoslovakia was in 1972 when he was writing about films in Eastern Europe. In 1991 he spent a month in the region doing research on the influence of television and feature films on the democracy movement in Czech Republic, Hungary and Poland. The research for this article stemmed from a trip there in August 1994. Prof. English has worked on newspapers and magazines in Tulsa, Oklahoma, Washington, D.C., New York City, Madison, Wisconsin, and Atlanta, Georgia. He has lived and worked in Asia some six years, including visiting professorships in Hong Kong, Malaysia and Tokyo. He also runs the UGA Studies Abroad Program in Italy and England.

Professor English can be contacted by e-mail at english@uga.cc.uga.edu.