Thanks for considering HNN and HI News as suitable channels for your marketing. We’re very proud of what we have created — with a lot of assistance from the hardware community. Like you, we value hard work and commitment, and we hope our publications have demonstrated that.

We didn’t start HNN just to be digital in a traditionally print area of the media industry. What we saw was that the hardware industry was not being well-served by existing print publications. We wanted to produce a magazine that was actually useful to retailers and suppliers, that provided insight rather than advertorial, was willing to take risks, dig deeper into issues, and provide, through a lot of hard work, an overview of the industry.

We think it also represents a great marketing opportunity for your business, and we hope we can work together to assist you in realising a real success.

Thanks again,

Betty Tanddo
Publisher
Super Vertical Marketing

We launched the Hardware News Network (HNN) in 2014 because, after decades spent in print publishing, as editors of both trade and newsstand magazines, and in the Hardware, Home Improvement and Outdoor Living (HHIOL) industry in particular, we knew that existing industry publications were no longer serving the needs of their readers. We were very aware that the HHIOL industry needed a business magazine. It needed a magazine that would present well-researched, in-depth articles. These articles needed to cover everything from the latest practices to strategic analyses of new markets. And it needed to be tech-savvy, to see technology as the future of the industry.

Over the past five years, that is very much what we have delivered. We refer to this as a “super vertical” business model, because we cover a wide range of tightly-focused topics, wound around the issues that affect a single industry. And we’ve been rewarded with what, for the trade publishing industry, is a very high level of readership, and a high level of regard by our industry peers.

In 2019 we’re tackling the next stage of our development. We’re building more digital tools, more digital services, and expanding to offer more to the industry, at both the retailer and supplier level. We hope you will join us in taking advantage of the opportunities for expansion we see in HHIOL.

The Marketing Quandary

For the majority of businesses in the HHIOL area, decisions regarding marketing through advertising come down to two key questions:
• Should we advertise at all?
• If we do, what channels should we use — print, digital publications, or social media?

Many suppliers are realising that, long-term, severely cutting back on ad spend does not benefit them. The situation in the current market, in fact, is that there are a lot of great new innovative products available — but many retailers are unaware of them, or unaware of all the benefits they offer. Major opportunities are being lost.

At the same time, suppliers need advertising to really perform, and to offer a high ratio of benefit to cost (RoI). We’re very confident at HNN that, through our suite of products, headlined by our industry-leading pdf magazine HI News, we can deliver on the benefits. As a digital publication, our costs are also much lower than traditional print magazines, and we pass those savings on to our advertisers, increasing their RoI.
New products

In 2019 HNN is expanding its product offerings and services to provide more timely and also deeper content to our readers.

Our experience over the past five years has taught us that the HHIOL market is made up of a wide range industry participants, who each have a somewhat unique combination of needs. Furthermore, those needs tend to evolve over the months and years, as they adjust to their own stage of development, and the direction the market is taking.

Our solution to this is to offer a wider range of products, each tailored to meet a specific need in the industry, as well as satisfying personal preferences for accessing information.

That starts with the redesign of our website, which launches in early March. We've made it faster, crisper, and more user-friendly, with better access to archival information through search, with the ability to pull up topics, and to follow tags to better inform about items of interest.

New mobile apps, for both the iPhone and Android phones, will provide convenient access to the website information, with added features.

We're redesigning our email newsletter, making it more vibrant and lively.

While our flagship publication, HI News, will continue as-is (though we seek constantly to improve it through more in-depth articles and new topics of vital interest), we are supplementing it with a second publication, HI Focus. HI Focus will have a deeper product-based focus. This will include articles that simply compare what is available across certain key ranges (e.g., power drills, Lithium-ion batteries, impact drivers) based on specifications and RRP. It will also feature in-depth articles that go into the developments in key product lines, explaining, for example, how Lithium-ion batteries really work, and what both retailers and end-users such as builders really need to know about them.

We will continue to grow and expand our HNNCast Podcast, which provides insights behind the news we write about, as well as interviews with industry figures, and audio excerpts from other sources.

We are also launching HNN Executive Services. This service will provide information of use to corporations operating in HHIOL. This includes updated market data based on statistics (such as housing, alterations and additions, house prices, company performance, and market shifts). ES will also make available a full range of graphics for use in presentations and reports, as well as complete PowerPoint slide decks, to help executives better communicate with their teams.

Finally, we're introducing a new, enhanced version of HI News, available only on the iPad. HI News Extra, as we call it, will feature the same content as HI News, but also deeper content, in a multimedia format. We will bring more stories to life with video content, as well as slideshows of images, and interactive graphs for statistics.

And there will be a couple of further surprises during the year as well!

Introducing HNN DMS

While this wealth of available opportunities is a good thing, we're also aware that it can be a little overwhelming for some advertisers. To help with this we're also introducing our HNN Digital Marketing Services, available for free to our advertisers.

With HNN DMS, advertisers brief us on their needs and what they plan to achieve with their marketing. They can provide us with their standard marketing materials, and we will then use these to create the range of ads, in different sizes and formats, that will work across our range of products.

It's close to “push button” marketing for the digital era.
About numbers

One of the questions that advertisers often have in moving from print to digital advertising is: how do you compare the value of digital with the value of print?

To understand that, it’s necessary first to look more closely at the numbers that print publishers do provide. The number provided by print publishers, which is often an Audit Media Association of Australia (AMAA) audited number, under its CAB branding, is a distribution number. It relates only to how many magazines have been mailed to recipients. That is all.

This is significant because the distribution number does not take into account the open-rate for unsolicited mail items, such as free trade magazines. Australian company Thomas Marsden Advertising puts the open rate on catalogues distributed to mailing lists at something over 60%. Allowing for the additional attraction of magazines, the open-rate is likely to be around 70%. So, effectively, a magazine with an audited distribution number of 5000 is likely to be opened and read by only 3500 recipients.

Mailing Lists

It’s also important to understand how trade publishers obtain their mail distribution lists to send out those magazine copies. While they usually have a high quality private list they maintain themselves of 500 to 1000 industry recipients, the remainder of the mailing list is sourced from commercial mailing list resellers.

Publishers “rent” these lists from suppliers, obtaining the right to use the data for a specific period. They do not have direct access to that data, so they cannot assess it.

Print magazines do not have a feedback mechanism — there is no such thing as an unsubscribe button on a print product. Because of this, it is a matter of luck than science whether the list they end up using produces good results for advertisers.

The digital side

If a digital publisher did the equivalent to what trade print publishers do — bought a list of email addresses and sent content to those — that publisher would be fined by Australian Communications and Media Authority (ACMA) under the Spam Act. What is legal for print and post, is illegal for digital and email.

As a consequence, everything HNN does as a digital publisher has to be all about audience pull. To achieve circulation we need to engage, interest, and even enthral our readers. We don’t choose them, they choose us, and we need to be good at what we do in order to be chosen.

The question is, what number should we use to represent the attraction of our magazines to our audience? The one which we use internally to judge our performance, and which we think best communicates the success of each issue to advertisers, is the number of downloads of each specific pdf of the magazine.

Download numbers are a composite performance indicator. They combine both the number of readers, and the number of times each of those readers re-downloads the magazine. This is a direct reflection of how engaging each issue of the magazine is.

The reality is that, while print publishers will pretend that their distribution numbers have some special significance, they are a very poor indicator of value for advertisers. Advertisers are left knowing how many copies were in the mail, but with no evidence of how many readers resulted from that distribution. Downloads gives an active, changing, and more accurate measure of value.
**Distribution**

HNN’s distribution strategy is somewhat unique in the industry. The majority of our distribution does not come directly from the emails we send out, but from the ongoing forwarding of those emails. From a base of fewer than 1400 emails, we will see MailChimp record over 100,000 downloads based on the email links.

The advantage of this means of distribution is that our content arrives in readers’ inboxes pre-approved by friends and business associates. In fact, HI News has become a kind of industry standard “email payload”. People distribute links to our magazine as part of planned contact with business associates.

One result of this form of distribution is that we reach an incredibly broad range of people involved in the industry, far wider than any competitor.

Through IP address tracking, we know this includes retailers at the major retail groups, IHG and HBT, the executive and buying teams at Bunnings, the paint industry and paint specialist retailers, most supplier categories, and the investment analysts who follow the hardware retail industry as well.

**Market Size**

One frequent argument trade publishers make is that the markets they go to are limited in size, and their distribution numbers more than cover that market.

That statement is usually based on estimates originally made 20 years ago. Very few trade publishers have grown their distribution in even the past 10 years, while it is a matter of common knowledge that most Australian industries, especially HHIOL, have expanded rapidly over that time.

We can make some estimates of the overall size of the HHIOL market. Bunnings has 31,000 workers. The Independent Hardware Group (IHG) has (including associated retailers) around 20,000. There would likely be at least 10,000 more retail associated workers in HHIOL outside those numbers, and then there are suppliers, supplier corporations, tradies and builders interested in the industry, and so on. It’s likely the total addressable market is around 65,000 to 70,000 readers.

**Performance**

One aspect of digital that advertisers need to consider is that the distribution of the issue in which their ad appears continues for at least three years after publication. In tracking downloads, we see strong activity through the first 10 weeks of release, followed by spikes throughout the first year, as new pockets of readers discover the issue.

On the page that follows, we provide a profile of the download numbers for our issues during 2018.
YOU NEED TO FUTURE PROOF YOUR BUSINESS.
Still relying on print? Consider this: how much time do your customers spend using their mobile phone and computer? And how much time do they spend reading magazines? Which matters more to them?

**DIGITAL** is all about performance and engagement. **DIGITAL** readers opt-in to receive your message — they’re not just another address on a mailing list.

**DIGITAL** doesn’t just earn attention, it measures it as well. No other media has the equivalent of downloads, which directly show reader engagement.

And **DIGITAL** is also less expensive, simpler and more flexible.

To make the move to **DIGITAL**, just call HI News on 0411 431 832, or email Betty Tanddo on betty@hnn.bz. The future looks great, believe us.