

PRINT

## Cond Nast in talks with Hearst to fortify business distribution, payment silos

December 7, 2015



*Cond Nast's Vogue, September 2014*

By STAFF REPORTS

Media conglomerates Cond Nast and Hearst may have plans to partner behind-the-scenes for title management in the United States.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

According to [Women's Wear Daily](#), these "strange bedfellows" would strike a strategic partnership to mutually benefit from Hearst's Magazines Publishing Services (HMPS). The shared services program launched in 2014 without a roster of clients, but gives publishers access to Hearst's CDS Global, a publishing firm specializing in print and digital operations.

### Joining forces

While both Cond Nast and Hearst did not respond to inquiries or were unable to go on the record with WWD, sources say that Hearst Magazines' president David Carey has been in talks with Bob Sauerberg, Cond Nast's incoming CEO.

HMPS grew from CDS, an operation that is run separately from Hearst. CDS currently manages outsourcing for 450 print and digital publications from houses such as a Cond Nast and Rodale to smaller firms such as August Home Publishing and Garden & Gun LLC. End-to-end operations include order management, payment and customer service.

The formation of HMPS came after a number of CDS clients inquired about services that were outside of its management offerings. This third-party role with HMPS will move Hearst higher on the value chain, an option that may become increasingly appealing as the print publication industry evolves to be more digitalized.



### *Cond Nast titles*

In the future HMPS may offer clients consumer marketing, content creation and advertising sales consultant, procurement, production, Web site, application and digital edition development, financial management or subscription and fulfillment management.

To ease competing publishers' concerns, HMPS will be led by high-level executives, including Hearst Magazines' head of consumer marketing and the head of production.

In a statement given to WWD, John Loughlin, executive vice president and general manager of Hearst Magazines said, "The world is going through a period of real consolidation. We are committed to the magazine business. We are committed to growth and we are going to be here a long time."

For Cond Nast, the media giant has strengthened its positions through ecommerce ventures.

In April, Cond Nast announced that it is launching an ecommerce business designed to reach global consumers, including its 300 million readers of titles such as Vogue and Vanity Fair.

The new enterprise will be branded Style.com, a name currently being used by a fashion news site owned by the media company, and will sell merchandise directly through the desktop sites and digital editions of its publications on mobile applications, as well as on Style.com. The new venture will launch this fall in Great Britain, to be followed by the United States and later other global markets ([see story](#)).

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.