

MEDIA/PUBLISHING

Meredith looks toward multichannel media growth with Time Inc. deal

November 27, 2017



Time Inc. is being acquired by Meredith Corp. Image credit: Time Inc.

By STAFF REPORTS

Media group Meredith Corporation has entered into an agreement to purchase Time Inc. in a deal that it expects will boost its position in luxury, fashion and beauty advertising.

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In a \$2.8 billion transaction slated to close in the first quarter of 2018, Meredith will buy all of Time Inc.'s outstanding shares, paying \$18.50 per share. Among other benefits to joining forces, Meredith is looking to strengthen its reach among millennials, a portion of the population that is expected to generate the next wave of luxury growth ([see story](#)).

On print and screen

Meredith's magazine brands primarily center on lifestyle topics such as parenting, cooking and home improvement. While Time Inc. also has titles aimed at a mass audience, it publishes lifestyle magazines that cater more to affluent pursuits such as high-end travel brands Departures and Travel + Leisure and Yachting World.



Time Inc.'s Travel + Leisure speaks to affluent explorers. Image credit: Travel + Leisure

Time Inc. is also the publisher of InStyle, and its U.K. division includes the British version of Marie Claire.

The total readership of Time Inc. and Meredith's brands is 135 million, with 60 million paid subscribers.

"We are creating a premier media company serving nearly 200 million American consumers across industry-leading digital, television, print, video, mobile and social platforms positioned for growth," said Stephen M. Lacy, chairman and CEO of Meredith Corporation, in a statement. "We are adding the rich content-creation capabilities of some of the media industry's strongest national brands to a powerful local television business that is generating record earnings, offering advertisers and marketers unparalleled reach to American adults."

Combined, Meredith and Time Inc.'s revenues for 2016 were \$4.8 billion, \$2.7 billion of which came from advertising. Additionally, the companies had total digital advertising revenues of \$700 million, with 170 million unique monthly visitors.

As part of this merger, Meredith will also be able to leverage its database of 250 million email addresses and device IDs, enabling it to serve more relevant ads to readers. It is also looking ahead to the potential to further leverage its capabilities in digital marketing solutions such as native, video and programmatic advertising.

Beyond advertising, Meredith also has plans to create revenue through activities such as licensing, events and ecommerce.

Time Inc.'s Marie Claire UK has an existing partnership with online retailer Ocado Group on a premium beauty platform.

Fabled by Marie Claire markets products from the likes of Este Lauder and Bobbi Brown alongside content developed by a dedicated editorial team. More publishers are getting into the commerce game as a way to increase profitability and shorten the path from inspiration to purchase ([see story](#)).

In the first two years of operation, Meredith expects to generate cost synergies of \$400 to \$500 million.

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