

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis Abstract

**Economic Analysis of Media Market: A Case Study of a
fashion magazine**

Author: Ksenia Shapko

Supervisor: Ing. Petr Procházka, MSc, Ph.D.

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Summary

The bachelor thesis deals with the economic analysis, in particular with marketing research of Vogue magazine. The aim is to define and prove social trends and offer possibilities of economical success increase. The first theoretical part is dedicated to market and marketing theory, questionnaire creation rules, Vogue historical overview and its positioning today. The practical part is devoted to the evaluation of the survey results and data analysis with binomial distribution, logistic regression, correlation application. Results demonstrate how different factors impact on the magazine readers and followers.

Keywords: economic analysis, fashion magazine, binomial regression, media market.

Introduction

There are thousands and millions of companies trying to keep head above the water from year to year on media market. Now at the time of high technologies it is very hard to hold the top position, especially for printed issues. Yet, one magazine allocates from the others; Vogue. Being published in 23 countries, it is The Fashion and Art Bible for millions of readers and followers. It is the diamond among all other fashion publications that target stylish and sophisticated women. Who is that mysterious, independent Vogue women? How one of the most progressive periodicals can seize larger audience?

Objectives

The research explores how and why Vogue has managed to make its way to the peak of the industry. The aim of the investigation is to find out and prove social trends, offer possibilities of economical success increase.

Why is the topic so actual?

Vogue.com: “From its beginnings to today, three central principles have set Vogue apart: a commitment to visual genius, investment in storytelling that puts women at the center of the culture, and a selective, optimistic editorial eye. Vogue’s story is the story of women, of culture, of what is worth knowing and seeing, of originality and grace, and of the steady power of earned influence. For millions of women each month, Vogue is the eye of the culture, inspiring and challenging them to see things differently, in both themselves and the world.” – the magazine’s mission, that’s visibly fulfilling annually, which is empirically clear to ordinary man living a progressive social life.

Methods

To fully analyze and deeply understand the roots of the magazine economical growth the mixture of two oppositely different research methodologies - qualitative and quantitative - should be introduced. **Quantitative approach** contains systematic computational and statistical study of some hypotheses. **Qualitative research** is connected with examination and interpretation of observations for the purpose of discovering underlying unknown meanings and relationships between diverse aspects, without using or involving mathematical models. Deductive research, inductive reasoning, syntheses, extraction are also appropriate methods for the analysis. A **deductive research** is related to “developing a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis” (Wilson, 2010). **Synthesis** is an opposite type of approach method to analysis. **Extraction** is a process of retrieving needed information from the source for further

storage, analysis, process. **Inductive reasoning** begins with observations that form a theory, which can be counted as a conclusion of investigation. topic of the investigation is obviously connected with trends and preferences of the society. One of the most suitable tools to find out the interests of the public is an anonymous questionnaire, in which the respondent has a possibility of multiple answering. The results of it can be used for revealing the target audience, understanding its opinions about the Vogue content and predict the future popularity of the object of the study.). Poisson distribution can be applied to complicated samples, while ordinary binomial is unique. **Correlation** is also an appropriate tool to indicate a degree to which two variables move in dependence to each other. **Logistic regression** is the appropriate regression analysis to conduct when the dependent variable is dichotomous (binary). Like all regression analyses, the logistic regression is a predictive analysis. Logistic regression is used to describe data and to explain the relationship between one dependent binary variable and one or more nominal, ordinal, interval or ratio-level independent variables. Response variable-dependent, follows a Bernoulli distribution for parameter p (p is the mean probability that an event will occur) when the experiment is repeated once, or a Binomial (n , p) distribution if the experiment is repeated n times (for example the same dose tried on n insects). The probability parameter p is here a linear combination of explanatory variables. In logistic regression Probability or Odds of the response taking a particular value is modeled based on combination of values taken by the predictors.

Conclusion and recommendations

The thesis primary purpose was to investigate how the journal got to the top, the up-to-date social trends and offer conceivable way how to improve the economic condition of the periodical. At first the historical back ground was reviewed, that gave the understanding of the Vogue present. Then the common market trends were examined. Comparing information about quantity of following last January and this January about Vogue and In Style, which dominated also above Allure, Elle, Glamour and Harper's Bazaar for ad revenue in 2009-2013, it was concluded that Vogue wins in almost all types of publications. The anonymous online questionnaire was the tool of determination the public's characteristics and interests. Responses from 135 participants (122 women and 13 men) were coded and correlation, binomial distribution and logistic regression analysis were applied to the sample. All calculations were made in Excel. The results were influenced by the platform where it was held – Google disc form was posted on Facebook and vk.com in appropriate communities and sent to friends. Possibly that is the reason that the average age of the followers differs from officially introduced 38.3. It is 21-30, 51% finished university,

together with college/gymnasium that gives 77% to 66% official. Fashion and life-style are among the most interesting topics, 38,6% of the sample population follow the new time-to-time. Logistic regression analysis showed that model can be applied to the population, though university education, and CIS countries residence (the majority of replies – 31%) do not have an impact on the readership or following, when age of 21-30 and gender play a substantial roles. As a recommendation or a economical development program proposal, according to the calculations, new marketing campaign should be concentrated on active educated younger women, who goes in for reading, arts and keen on articles about different cultures, fashion, life-style.

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