

The Magazine About Magazines

Masthead

Q&A

The News Group
President
Glen Clark



Q While speaking at Magazines University, there was some discussion about the roles wholesalers, retailers and distributors play in newsstand distribution. How do you think these roles should be defined?

A Not surprisingly, I think that wholesalers should play a bigger and bigger role.

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MAGS U REVIEW

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Your **guide** to
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Advice gleaned from Magazines University has been packaged into tips supplied by our industry's best and brightest. The annual four-day conference at Toronto's Old Mill saw 1,500 in attendance with 44 seminars and over 100 speakers and panelists. Don't worry if you missed anything. We've gathered the best advice from the most popular seminars, all organized under specific departments. While packaging this wealth of info, we decided to incorporate some of it. Cut and post the lists on your bulletin board at work; see page 8 on refrigerator journalism. Also, certain elements in this article have been duplicated from other sources, following one editor's advice to steal, see page 9. With over 150 tips, this is *Masthead's* most comprehensive professional development guide to date. Enjoy.

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PEOPLE IN PRINT

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Consolidation of the wholesalers, combined with significant IT investment, should allow wholesalers to deal directly with publishers and retailers to optimize sales. The wholesalers are in the best position to champion the category and drive sales.

You commented that our current distribution model is “the most wasteful, antiquated system” you’ve ever seen. Where do you see inefficiencies and how do you think it can be improved?

The biggest inefficiency is obvious. Namely, 60% of what we put out at the newsstand comes back unsold and is shredded. Clearly, it is in the publishers, wholesalers, and retailers interest that we work together to increase the sales efficiency of magazines.

You recommended streamlining it, how?

First of all, through better category management we ought to be able to increase sell-through significantly. On a more long-term basis, I think that RFID [radio-frequency identification] tags on magazines hold great promise to improve the accuracy of scanning and ultimately reducing double-handling of our product.

What is The News Group’s position on scan-based trading? How will it affect Canadian retailers, publishers, distributors and wholesalers?

We are cautiously embracing scan-based trading with those retailers who can meet the onerous technological requirements required for such an undertaking. Publishers and national distributors have initially been unsupportive of any SBT initiatives, preferring instead to maintain the current model, thereby placing any risk of exploring SBT possibilities solely with the servicing wholesaler. From a wholesaler perspective, there has yet to be a fully successful SBT program initiated and expanded to any retailer in North America, regardless of effort, as the shrink factor has not been fully resolved. Ultimately, scan-based trading holds out the possibility of reducing costs for wholesalers, publishers and retailers.

How does The News Group intend to grow its magazine distribution business in Canada?

1) We are making significant investments in IT and sophisticated category management tools to grow sales. As a large wholesaler, we have access to an enormous volume of useful data. Effectively utilized, we can use this information to drive sales.

2) Combining our people, technology and services strategically with our relationships with national distributors and publishers to organically grow magazine sales with our high growth retailers.

3) Continue to look for profitable new channels for magazine distribution.

What’s your advice for publishers hoping to break through all the clutter on the racks?

Most importantly, [try] to understand the retailer perspective [when] in the process of determining where best to place your title. Every publisher feels they need placement on every rack, but does it make the most sense to place a hunting and fishing magazine into a chain of stores whose proven demographic shopper profile is 80% female? There

is significant and increasing pressure by retailers to remove unproductive titles from the newsstand and focus on those that sell well, with selected new title testing. A publisher who can uniquely and strongly demonstrate they have a title that matches closely with the retailer’s core customer will be most successful in obtaining this increasingly valuable space on the newsstand.

How does your category management software work? Will it allow publishers to demonstrate that their titles match with the retailer’s customers?

The big success (relatively speaking) of magazine subscriptions in Canada demonstrates that Canadians want to buy Canadian magazines. Efficiently analyzing the huge amount of data from sales at newsstands in North America allows The News Group to better understand customer demographics and buying patterns. This means that we can better tailor the distribution of magazines to target the profile of individual store’s customers. We can also examine buying behaviour and modify our distribution by category, sub-category, and title...maximiz[ing] the opportunity for sales.

Why do you think publishers shouldn’t pay retailers for premium positioning?

I understand why publishers pay fees directly to retailers. However, it seems to me that this sometimes undermines overall sales in the magazine category. That is, retailers accept fees to place magazines in premium locations, but, those magazines (sometimes) don’t sell. Retailers then complain that magazines are a “mature” or “declining” category.

In your opinion, how can the federal government help the single copy sales business?

The federal government and magazine publishers have worked together to promote subscriptions. They should now work together with the wholesalers and retailers to promote single copy sales. A small amount of subsidy to the wholesaler (and perhaps to the retailer) could give significant exposure to Canadian magazines at the newsstand and result in increased sales.

What U.S. retail trends should we be watching closely in Canada?

Self-checkouts, the replacement of magazines at the checkout with chicken-warmers, soda pop, DVDs. In the U.S., self-scan checkouts are becoming more and more prevalent. Our challenge with these checkouts is to ensure that the design of the checkout fixture gives us the maximum display of magazines. The number of retailers focused on scan-based trading is growing in the U.S.

What’s your media diet?

As a “recovering politician”, I remain a news junkie. I read *24 Hours* (of course!), *The Globe and Mail*, and *The Vancouver Sun* every day. I read *The Walrus*, *Maclean’s*, *The Economist*, and *Mother Jones*. I monitor a great B.C. website about politics called *The Tyee*. I have not much time for TV, but usually fall asleep to Peter Mansbridge. **M**

The News Group is Canada’s largest wholesaler, part of The Jim Pattison Group based in Vancouver.