

The Modern Newsstand Marketplace

Presented by Joe Luca, JK Associates
& Joe Berger, Jos. Berger Associates



The Modern Newsstand Marketplace

So How Bad Is It, Really?

Newsstand Difficulties Persist, But There Is Hope

Big publishers are renewing efforts and there's room to survive on the margins.



BY BAIRD DAVIS
08/18/2011 -08:57 AM

More Newsstand Distribution Changes May Be Coming—From Wal-Mart?

A chain-wide initiative at the retailer may cost magazine publishers dearly.

Analysis and Review of 1st Half ABC-BPA Newsstand Results

Newsstand Slump Continues. There Are Many Questions, But Few Answers

By John Harrington

www.nsc.com



Analysis and Review of 1st Half ABC-BPA Newsstand Results

Newsstand Slump Continues. There Are Many Questions, But Few Answers

By John Harrington

www.nsc.com

Dead Tree Edition

Insights, analysis, practical advice, and smart-aleck comments related to the production and distribution of publications, such as magazines and catalogs, in the United States.

MotorBoating Magazine Shuttters Print Edition, Goes Online-Only

Will relaunch as digital in early 2012.

UPDATED: BPA Report Shows Newsstand Declines

Only two of the titles of the 110 surveyed saw considerable increases.

BY T. J. RAPHAEL
WEDNESDAY, AUGUST 24, 2011



BoSacks

@BoSacks UT: 42.259956,-73.860585

A veteran of the printing/publishing industry, BoSacks has always been innovator who regularly electrifies the media
<http://www.bosacks.com>

The Modern Newsstand Marketplace



- Latest ABC/BPA Audit: -10% Jan-Jun 2011.
- Only 2 of 110 BPA Audited titles saw growth Jan-Jun 2011.
- Retail Revenue declined 10.6% to \$1.272 million.

- Unit sales are down 47% since Jan-Jun 2001 sales report.

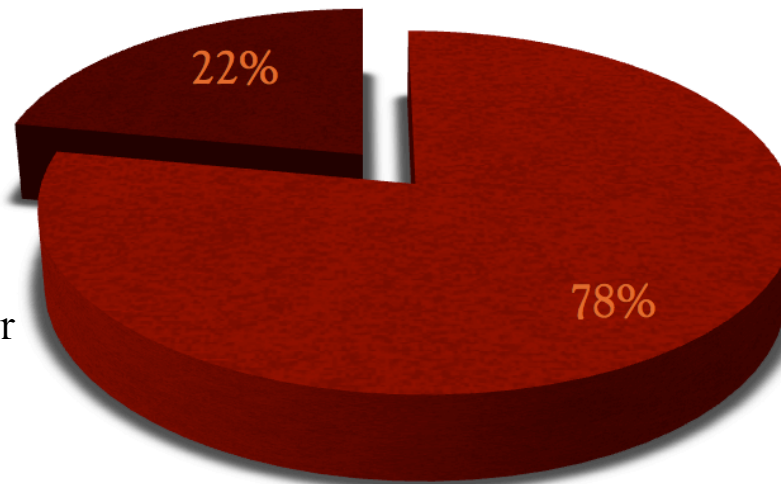
- Check Out titles are down 10.5%.
- Mainline oriented titles are down 14%.
- Six large publishers: Time, Inc, Hearst, Conde Nast, Wenner Media, Bauer, American Media, control +70% of audited unit sales.
 - That means they get a lot of wholesaler and national distributor and media attention.

- Declining sales in celeb category means wholesaler and retailers will focus elsewhere.



The Modern Newsstand Marketplace

How Six Major Publishers Control the ABC Reporting Process for the Newsstand



The Top Six Publishers Represent 78% of All Circulation Reported for Every ABC Period.

Keep that in mind every time you read a report about the industry....

The Modern Newsstand Marketplace

Who are the players in the wholesaler market?

Three Major Mainstream Retail Wholesalers

- The News Group (And Affiliates)
- Source Interlink (Now Privately Held)
- Hudson News (New England, North East & Mid Atlantic)

I.D. Wholesalers (You Should Know)

- Newsways (Los Angeles)
- Kent News (Colorado)
- Gopher News (Minneapolis)
- Valley News (Minneapolis)
- Harrisburg News (Mid Atlantic)
- There are still 20 to 30 ID wholesalers. Is there one in your market?

Key Direct to Retail Distributors

- Ingram Periodicals
- Media Solutions (Books A Million)
- H.D.A
- Source Interlink (Retail Vision)
- Select Media (Part of TNG)
- Hudson Direct (Part of Hudson News)



The Modern Newsstand Marketplace

How the Borders Bankruptcy Impacts Regional Publishers



- The impact will differ depending on the number of stores in your market.
 - A WI publisher lost less than 3% of their newsstand circulation.
 - A western PA publisher lost 8% of their newsstand circulation.
 - Density is everything.
- According to Harrington Associates, Bookstores were 11% of all single copy business.
- MagNet says Borders was 3.6% of US magazine sales

What Can You Do?



- Manage your print order carefully. Know your numbers!
- If you have a national distributor, talk to them, ask questions. If you have a consultant, do the same.
- Look to other book chains and indie stores. Promote in them to gain rack space.
- Look to local supermarkets and drugstores for expanded distribution.

The Modern Newsstand Marketplace

How the Borders Bankruptcy Impacts Regional Publishers (Cont'

Books A Million Re-Opens in
14 Markets This Month

Store #	City	State
125	Bangor	ME
136	Canton	OH
89	Columbia	MD
340	Concord	NH
292	Davenport	IA
138	Eau Claire	WI
334	Edwardsville	IL
193	Mays Landing	NJ
133	Portland	ME
369	Rapid City	SD
442	Scranton	PA
168	Traverse City	MI
524	Waterford	CT
384	West Lebanon	NH



If these are your markets, make sure you move your copies.

The Modern Newsstand Marketplace

What is the Impact of Digital Editions on The Newsstand?

Example: The New Yorker

June 2010	Single Copy Sales: 31,178
	Digital Replica: 3,734
May 2011	Single Copy Sales: 29,000
	Digital Replica: 5,304

Source: ABC Rapid Report



For your publication, we ask that you answer these questions:

- How good is your digital?
- How good is your website?
- How much content are you giving away for free?
- How well are you engaging your reader via social media, web, print?

and most importantly (for newsstand)

- How hard are you working your newsstand?

The answer depends on your content, your strategy and how important newsstand is to your title. We believe that savvy publishers will integrate print and digital.

The Modern Newsstand Marketplace

Is it Worth It to Remain on the Newsstand?

Yes, for these reasons:

- Cash flow.
- High visibility in your community.
- High visibility for your advertisers and to your advertisers.
- Increased circulation opportunities.
- Unique display opportunities.
- Excellent source of dedicated subscribers.
- Quick response from readers and advertisers re: Editorial and advertising content.

No, for these reasons:

- Fear for the future.
- Is there a lack of confidence in the content?
- Content should be free.
- A lack of understanding of the newsstand.
- A belief that print will be dead soon anyway.



You can easily guess which way we lean...

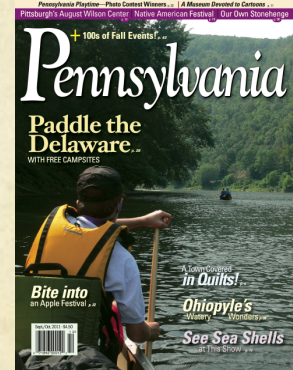
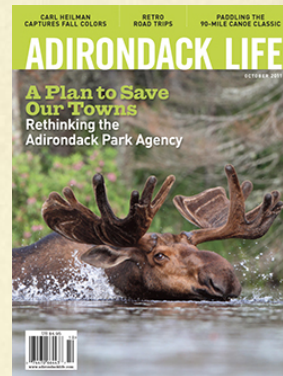


The Modern Newsstand Marketplace

How to Remain Relevant on The Newsstand

Content First!

No amount of single copy or digital or social media promotion can cover up weak editorial, poor design or a lack of depth of understanding of the market that is served.



The Modern Newsstand Marketplace

Our Content is Great! Now What?

- Get a National Distributor.
 - If you have a national distributor, get to know them. Well.
 - Know your break even point. Where are you comfortable?
 - You know your reader demographic, but do you really know where they live? Where they shop? Learn how to reach them on the newsstand and be clear about where (in retail) you want to be. And be clear you understand the costs.
 - Know your circulation peaks and valleys. Are you seasonal? Do some issues sell better than others? Promote your best selling issues.
- For city magazines, look to promote popular topics:
-Top Docs Best Restaurants Cheap Eats
 - Bridal titles peak in January, late July and October.
 - Promote at the start of tourist season. Key in on locations.
 - Take note of the start of sports seasons.
 - Learn your class of trade and know where your areas of strength are.



The Modern Newsstand Marketplace

Remember: Audience Development and Circulation are One and The Same

facebook 

twitter 

flickr®
from YAHOO!™

You Tube

- Announce your on-sales, pre-sell your cover.
- Create a gallery of images (covers, displays, events)
- Ask where people find the magazine - have contests.
- Hide a unique cover or insert for newsstand.
- Engage your advertisers.

The Modern Newsstand Marketplace

For more information:

Joe Berger
Joseph Berger Associates
1028 Hazel Avenue
Deerfield, Illinois 60015
847.405.0584 Phone
847.845.3785 Mobile
847.282.1481 Fax
joe.berger@newsstandpros.com

Joe Luca
JK Associates
1105 SE Willow Ridge Drive
Blue Springs, Missouri 64014
816.229.2305 Phone
816.213.4101 Mobile
816.229.9482 Fax
jkluca@aol.com

twitter.com/newsstandpromos
newsstandpros.wordpress.com

Copyright 2011 by Joseph Berger Associates, Newsstandpros.com. May not be used without the express written consent of the authors.