

# Saskatchewan success

*A small-town magazine earns big-time profits*

BY SCOTT BULLOCK

Smart money is on Saskatchewan. Oil and gas investments are rolling in. Housing starts are up 61%, and re-sale housing prices lead the nation with 29% annual growth. According to Statistics Canada, Saskatchewan's unemployment rate is second best in the nation, a mere 4.2%. A new business-friendly government has been installed. And the Saskatchewan Roughriders are Grey Cup Champions.

All of this is great news for *Prairies North*, a perfect-bound gem published quarterly out of a small office in Norquay, Sask. Like the province it comes out of, the magazine is thriving. But publisher Michelle Hughes admits she's faced a steep learning curve since first launching the book as *SK Naturally* in October of 1998. In fact, she didn't even plan to sell advertising.

"We printed 10,000 copies of the premiere issue and gave them away at sixteen different trade shows across the province," Hughes says. "We thought people would see it, love it and subscribe. We had grand visions of exponential growth and prosperity. We quickly realized that giving away free copies was not the way to build a subscriber base."

At the time, Saskatchewan had 400,000 households. Hughes believed *SK Naturally* could penetrate 10% of that base quickly. "By the end of the first year we had 1,200 subscribers," she says, "but we have been 100% paid circulation for 10 years now." The launch sub price was \$19.95.

Renewal Period	Industry Benchmark (Dan Capell's Circ Trac)	Prairies North (Actuals)
1st Time Renewals	37%	55%
2nd Time Renewals	63%	78%
3rd Time Renewals		86%
<b>Total Average</b>	<b>48%</b>	<b>71%</b>

Hughes soon turned to alternative circulation methods, including flyers using unaddressed ad mail with a response mechanism, before eventually graduating to more traditional methods, such as direct mail solicitation.

"Putting out a quality product was central to our plan," says Hughes, who is quick to name *British Columbia Magazine* and its former publisher, John Thompson, as her inspiration.

In 2004, *SK Naturally* was re-branded *Prairies North*, and became "a bit more lifestyle focused," Hughes says. Print contract negotiations allowed Hughes to upgrade to perfect binding for the

Spring 2007 issue. "The Junos were in Saskatchewan that year, and we wanted to look our best. [The negotiations] gave us the incentive to investigate the possibility. It was a leap of faith, but it has really paid off."

Indeed, ad sales revenues improved by 31% in 2007 and are up a whopping 188% from 2004. The Spring 2007 issue set a new all time advertising sales record, immediately eclipsed by the Summer 2007 issue. The record was broken once again with the Spring 2008 issue.

From a circulation perspective, paid subscriptions increased 19% in 2007 and are up 74% from 2004. The paid subscription file now averages 11,800 per issue, with an additional 1,600 copies sold on newsstands. *Prairies North* now commands a subscription price of \$24.95 for four issues, and sells on newsstands for \$6.95.

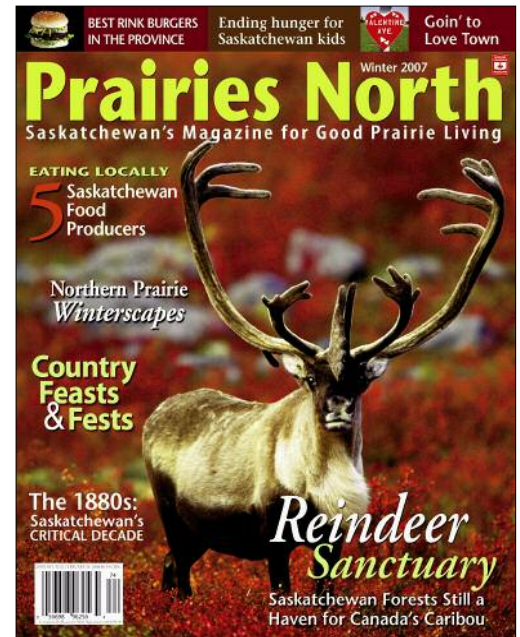
Hughes is quick to point out that she has been blessed with extraordinary help. "Our ad director, Steve Sutton, joined us in 2005 and brought 25 years of experience to the table. It was like a God-send." And while she's clearly biased here, Hughes says her husband, Lionel, who serves as editor and art director, is the "creative force and visionary spirit that connects the brand to our readers so deeply."

Covers have improved drastically over the years, Hughes says. "I give much of the credit to sessions we've attended at International Regional Magazine Association conferences. We've realized our covers need to be very focused. No more old men. We pay attention to what others are doing and talk to as many peers as we can. We read in *Masthead* about the importance of using skybars, and now use one on every issue."

Newsstand sales have increased by 27% since the magazine was re-branded. Because Hughes was able to increase the cover price from \$5.95 to \$6.95, and grow unit sales simultaneously, newsstand revenue is up 49%.

Strong renewal rates are essential to any magazine's ability to sustain growth. *Prairies North's* are indeed eye-popping, relative to industry benchmarks (see chart).

As for generating new business, Hughes is particularly proud of a campaign executed in 2005, the year of Saskatchewan's Centennial



Ad sales for *Prairies North* are up 188% from 2004.

Celebration. "With the assistance of the Canada Magazine Fund we were able to print 400,000 double postcards, which produced 4,028 gross responses. We were thrilled that our pay-up rate on this soft offer was 62%, as we yielded 2,501 net new subscribers," Hughes says.

In 2007, *Prairies North* got more aggressive promoting gifts to both its current active file and its expired file. "As additional incentive, we offered a series of three 8x10 prints as a premium. So with each gift, you could collect all three posters. Not only did we get tons of renewals, more importantly we generated 1,100 new subscriptions."

*Prairies North* is firing on all cylinders. And with the smart money moving to Saskatchewan, *Prairies North* is perfectly poised for growth. **M**



Scott Bullock operates *Circ3*, a circulation consultancy. He has been consumer marketing director with *Toronto Life*, managing partner with *Coast to Coast Newsstand Services* and in 2003 was named *Magazine Marketer of the Year* by the *Circulation Management Association of Canada*. His column appears regularly in *Masthead*. You can reach him at [scott@circ3.com](mailto:scott@circ3.com).