

Score with SIPs

They're a great way to extend the brand and cash in on the newsstand

BY SCOTT BULLOCK

While single copy sales remain a small percentage of total revenue for most Canadian publishers, our fascination with the newsstand has arguably never been greater.

Many reasons for this newsstand obsession are negative: the rising cost of direct mail solicitations, list fatigue, declining universes of quality lists, postage cost increases, declining response rates to traditional sources and price sensitivity have all made selling subscriptions more difficult.

But there are also positive reasons. Single copies offer the ability to raise price and increase revenue. Sales and efficiency from this channel are improving and the availability of data has never been better. The newsstand is also

a cost-effective source for helping launch new titles (such as *More*), a cost-efficient way to deliver rate base (such as *Hello! Canada*), a great barometer on how effectively covers are connecting with consumers and a very telling way to test how powerful a magazine brand really is in the marketplace.

Which brings me to *Vancouver Magazine* and its fabulous special interest publications, *City Guide* and *Eating & Drinking Guide*. This year, for the first time ever, an SIP was honored at the Canadian Newsstand Awards, when the *City Guide* won for best cover in the mid-size circulation category. This is a welcome development, in my view.

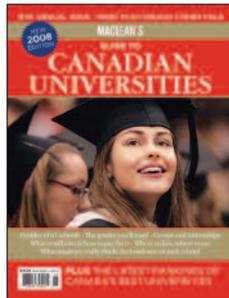
Vancouver's City Guide, in its first year of publication, sold 7,133 copies of the 9,715 copies distributed for an astounding 73.4% sell-through efficiency. And they did so at a cover price of \$9.95. That's \$70,973 in new gross dollars.

Newsstand sales also improved in 2007 at *Vancouver*: average units sold per issue and sell-through efficiency increased, and overall dollars improved, in part due to a successful cover price increase from \$4.50 to \$4.95.

But take note: the SIP sold 53% more copies than a regular issue of *Vancouver*, and because of the \$9.95 price, generated 207% more newsstand dollars. Plus, it did so much more efficiently (the average sell-through is a very

FOUR SIPs THAT SING

Smart Canadian publishers have been doing SIP's for years. By focusing in on key editorial value propositions, editors and art directors can create deeper, richer, thicker and more useful magazine products that readers and advertisers can't seem to resist. Here are just four examples of SIPs that have been a boon to the publisher's bottom line.



Maclean's University Guide 2007
Unit sales: 23,385
Cover price: \$19.95
Gross revenues: \$466,530.75
Sell-through: N/A



Outdoor Canada Hunting Annual 2007
Unit sales: 20,110
Cover price: \$5.95
Gross revenues: \$119,654.50
Sell-through: 41.6%



Toronto Life Eating & Drinking 2008
Unit sales: 27,475
Cover price: \$9.95
Gross revenues: \$273,376.25
Sell-through: N/A



Vancouver Magazine City Guide
Unit sales: 7,133
Cover price: \$9.95
Gross revenues: \$70,973
Sell-through: 73.4%

respectable 42%).

Vancouver publisher Kim Peacock, while extremely pleased, wasn't really surprised. After all, as she points out, her editorial team is winning tons of awards (including seven at the Western Magazine Awards), the brand is highly respected by advertisers and her single-copy team is top drawer.

Plus, given the performance of *Vancouver's* 2007 *Eating & Drinking Guide*, which sold 15,364 copies of the 18,400 copies distributed to newsstands (a staggering 83.5% efficiency) at \$8.95, and subsequently raised to \$9.95 in 2008, Peacock's team was quietly confident of a successful outcome.

Her advice: "Do it. SIPs are a true test and true reflection of your brand's clout in the marketplace. Strong brands lend themselves to this format."

Vancouver was able to re-purpose content that was already paid for, since it already publishes a hardcover version of the *City Guide* that is distributed to high-end hotels in the Greater Vancouver Area. This resulted in a very inexpensive editorial cost per page, and allowed for an advertising rate card hike of 5%, with 100% retention of all advertisers from the hard copy version to the soft cover newsstand version.

As Peacock points out, "Advertisers are looking to partner with strong brands that are in

ascendency. They are looking for multiple platforms from which to connect with our audience, and our guides are just another way for them to do just that. These fragments of our content are glittering gems, and our readers and advertisers love them."

While the Internet dazzles us with its potential to expand our magazine's reach and provide our readers and advertisers with an exciting new way to interact with each other, Peacock points out that building new electronic ways of delivering content can be very expensive and time-consuming.

"What I love about these SIPs is that they are proof positive that our readers and advertisers want more of us in the new multi-platform paradigm that we are all working so hard to build."

Build it and they will come. **M**



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