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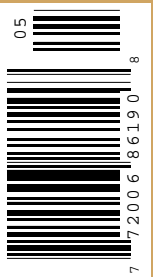
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TOP 35 Magazines

Women's and shelter titles sizzle with impressive revenue gains

By WILLIAM SHIELDS

Momentum. If there's one word that explains what's behind this year's strongest performers on our Top 35, that would be it. The largest gains were made by titles inhabiting the hottest areas in periodical publishing in recent years: the women's and shelter categories.

And, not surprisingly, those titles that have seen their revenues moving in the other direction tend to occupy categories facing unique challenges—think of the news-and-business category in a post-dot-bomb economy and television listings titles that must find ways to compete with on-screen listings and declining viewership.

Overall, combined revenues of the Top 35 magazines increased 1.6% last year to an estimated \$472.7 million. In 2001, aggregate revenues were virtually flat (down by 0.01%)—so at least we are once again heading in the right direction: up.

Women's category is hot

Is anyone really surprised that for the second year in a row, *Chatelaine* has emerged as Canada's largest magazine? We predicted last year that its reign as Canada's largest magazine had begun. The Rogers Media title had strong forward momentum when



No. 1 for the second year in a row

it narrowly nudged sister title *Maclean's* out of the top spot by just a couple of hundred thousand dollars. The glossy monthly posted impressive gains with estimated revenue jumping by 26% between 1999 and 2002. Publisher Donna Clark, who is also senior vice-president of Rogers' women's group, says what's driving growth is the strong ad support from packaged

goods advertisers. "Their target group is women," she says, and so many women's titles have been reaping benefits. Another positive influence on *Chatelaine's* bottom line is the close integration of the print product with the Web site. "The Web actually helps the magazine," she says. "We're able to offer more integrated communications programs and solutions to advertisers." *Chatelaine.com* is "pretty darn close" to breaking even, she says. While brand extensions are not factored into Top 35 calculations, they can deepen reader relations and thereby contribute to the core brand's prospects during agency presentations. In *Chatelaine's* case, the latest extension will be unveiled next month—*Chatelaine Recipes*, a digest-sized publication to be published 10 times annually.

While *Chatelaine* was busy locking up its hold on the top spot, French cousin *Châtelaine* climbed two spaces up the list to the No. 13 position after what editor/publisher Lise Ravary describes as "one of the largest research programs probably ever undertaken by a magazine in Quebec." She's referring to the October 2002 relaunch issue which, at 300 pages, was the

Note on methodology

The Top 35 measures magazines by revenue. The estimated advertising revenue figures reflect run-of-press pages (ROP) only; that is, revenue from inserts and supplements is not included. The ad-tracking firm of Leading National Advertisers Canada (LNA) provided the ROP data. Since publishers rarely receive rate-card prices, we assume the yield is more like 70% of rate card. Accordingly, we apply a weighting multiple of 0.7 to LNA's data.

Utilizing data supplied by auditors ABC and CCAB, we estimated circulation revenue by combining sales of both subscriptions and single copies. Again, as publishers often offer discounted subs, we've applied a weighting multiple of 0.6 to reflect that tendency. The sole exception remains *Canadian Geographic* which has negligible discounts. In the case of newsstand sales, the publisher generally sees only 50 cents of every revenue dollar with the remainder getting cut three ways between the retailer, the distributor and the wholesaler.

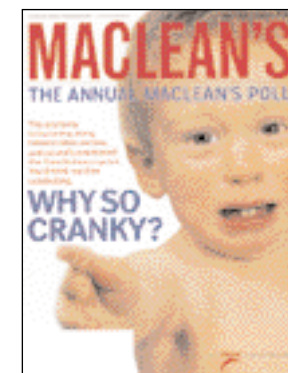
So, a weighting multiple of 0.5 is applied to newsstand revenue.

Because we're endeavoring to measure magazines in their purest form, revenue generated by brand extensions, special one-off editions, trade shows or any other commercial appendage is not measured. Not only does this simplified approach yield the purest measurement of a magazine's performance, it also makes the task of collecting the data a manageable one.

Rank 2002	Rank 2001	Title	Estimated Advertising Revenue	Estimated Circulation Revenue	Estimated Total Revenue	Annual % Change
1	1	Chatelaine	\$33,640,170	\$9,013,426	\$42,653,596	5.8
2	3	Reader's Digest	\$18,013,524	\$22,116,944	\$40,130,468	6.6
3	4	Canadian Living	\$28,357,686	\$9,765,403	\$38,123,089	7.6
4	2	Maclean's	\$22,390,869	\$15,373,834	\$37,764,703	-5.9
5	6	Time	\$16,564,734	\$9,545,868	\$26,110,602	-5.7
6	5	TV Guide	\$11,135,265	\$13,616,140	\$24,751,405	-14.4
7	7	7 Jours	\$5,337,554	\$10,654,260	\$15,991,814	-2.8
8	12	Canadian House & Home	\$10,098,047	\$4,271,615	\$14,369,662	19.3
9	9	StarWeek	\$13,582,701	\$0.00	\$13,582,701	-0.02
10	8	Flare	\$11,474,882	\$2,004,997	\$13,479,879	-2.9
11	13	Coup de Pouce	\$8,489,595	\$4,111,849	\$12,601,444	17.0
12	11	L'actualité	\$7,927,798	\$4,134,855	\$12,062,653	-0.46
13	15	Châtelaine	\$9,325,772	\$2,553,716	\$11,879,488	14.7
14	10	NOW [†]	\$11,025,940	\$0.00	\$11,025,940	7.1
15	14	TV Hebdo	\$2,565,574	\$8,281,963	\$10,847,537	3.6
16	17	Canadian Business	\$7,972,827	\$2,095,791	\$10,068,618	13.9
17	21	Style at Home	\$6,781,725	\$2,847,657	\$9,629,381	13.9
18	16	Homemaker's	\$6,610,688	\$2,445,912	\$9,056,600	-5.8
19	—	TV Times	\$9,041,061	\$0.00	\$9,041,061	—
20	18	Fashion	\$8,106,957	\$845,578	\$8,952,535	3.0
21	19	Canadian Geographic	\$2,268,140	\$6,590,066	\$8,858,206	4.4
22	24	Sélection du Reader's Digest	\$3,403,324	\$5,142,787	\$8,546,111	9.3
23	26	Report on Business	\$8,312,570	\$0.00	\$8,312,570	7.3
24	20	Elle Québec	\$6,392,337	\$1,773,053	\$8,165,390	-3.6
25	27	Today's Parent	\$6,392,337	\$1,133,011	\$7,896,070	10.4
26	23	Toronto Life	\$6,507,739	\$970,559	\$7,478,298	-4.8
27	25	enRoute [†]	\$7,111,195	\$0.00	\$7,111,195	-9.1
28	30	Elle Canada	\$5,776,330	\$1,275,195	\$7,051,525	14.6
29	33	Western Living	\$5,855,810	\$27,236	\$5,883,047	19.1
30	32	Clin d'oeil	\$4,772,284	\$964,331	\$5,736,615	8.7
31	31	eye [†]	\$5,616,479	\$0.00	\$5,616,479	5.9
32	29	National Post Business	\$5,528,710	\$0.00	\$5,528,710	-16.9
33	34	Décoration chez-soi	\$3,713,993	\$1,391,555	\$5,105,548	14.2
34	—	50Plus	\$3,581,430	\$1,012,234	\$4,593,664	—
35	22	Elm Street	\$4,117,681	\$88,263	\$4,205,944	-49.4

[†] Monitored by LNA, not a member. Year-over-year gain reflects LNA estimate

thickest ever in the magazine's 43-year history. Ravary was hired in July 2001 to reposition the title as more lifestyle-driven and less service. *O* and *Real Simple* served as exemplars, Ravary says. Add to the relaunch a re-invigorated newsstand strategy backed by a multimedia public relations



Once king, now No. 4

campaign and single-copy sales rose by 27% last year. Ravary chuckles when she notes that her public decision not to alter model's images (see her Back of the Book column in *Masthead* last month) "was probably the one thing that drove PR more than anything else"—mainstream Quebec media ate the story up.

Another success-

ful relaunch story belongs to Transcontinental's controlled-circ *Western Living*. The \$100,000 effort was unveiled a year ago this month. Speaking to a group of Alberta magainers in Calgary in March, editor Jim Sutherland explained how dou-

ble-digit declines in readership and revenues between 1995 and 2000 had to be cauterized with a repositioning away from shelter and toward home and garden, food and travel and, well, western living. The finished product was shopped around at 65 ad agencies over a two-week period. "It really made a difference," Sutherland said of the whirlwind roadshow. The results: a 19.1% jump in ad revenue last year. Bookings this year appear to be up as much as 30%, Sutherland adds.

Other Transcontinental titles posting solid gains in the women's category include *Coup de Pouce* (17%), *Décoration chez-soi* (14.2%) and, perhaps most remarkably, *Elle Canada*. Launched in partnership with the U.S. division of Hachette Filipacchi

Magazines in March 2001, the women's lifestyle monthly surpassed for the first time its nearest rival, *Fashion*, in ROP ad pages last year with 804 (*Fashion* had 684). Francine Tremblay, senior vice-president, consumer publications (she also founded *Décoration chez-soi* in 1978), says the powerful *Elle* brand has been a hit with readers and advertisers alike. With its circulation currently being audited, the claim is 72,681 paid subscribers and 10,981 single-copy sales. When sistered with *Elle*



Promo blitz fuels growth

Québec, Tremblay points out “it makes a national sell that much easier.”

Shelter in shelter

King, or should we say Queen of the shelter books in 2002 was the irrepressible *Canadian House & Home*, published by Canadian Home Publishers principal Lynda Reeves—Canada’s answer to Martha Stewart. Revenues were up 19.3% to \$14.4 million in 2002, pushing *House & Home* up four spots on our list, past *L’actualité*, *Now* and *Starweek* as the country’s eighth largest magazine. Circ rev jumped by 26.8% while ad rev jumped 16.4%. In 2001 revenues were also up 12.5%.

Why? Timing. Reeve, a student of demography, believes that we are witnessing an explosion of the “nesting” impulse. There is the “echo boom” (children of the boomers who are getting their first apartment or home), then there are the boomers who are seeking to downsize or renovate, and then there are the “affluent yuppies” who are helping their parents to upgrade. “So you’ve got the nuclear family splitting up into three families,” she says. “It’s driving our business.” She also cites brand extensions into television, the Web and home products as key drivers. She says a “very big” announcement will be made at the end of this month regarding a new product line to be launched in association with a prominent retailer. “These kind of deals just build the brand with the consumer.”

\$37.8 million, *Maclean’s* is still no slouch and publisher Paul Jones says it’s not all bad. “Last year we had our most profitable year at *Maclean’s* for some time,” he says. Nevertheless, economic uncertainties and recent political instability on an international level has idled as much as \$250,000 that could have found its way into *Maclean’s* pages, Jones believes. “I don’t think these budgets are gone forever,” he says. *Time* (Canada) managing director Joan Brehl agrees. “We’ve seen advertisers delay,” she says. Circulation revenue at both *Maclean’s* and *Time* (Canada) have declined by 13.6% and 6.2% respectively. “It’s been a challenging environment, without a doubt,” says Brehl.

Hear, hear, say the folks over at *National Post Business*, the monthly magazine insert to the daily *National Post*. While editor Anthony Keller takes issue with the 16.9% revenue decline attributed to his magazine by LNA (“it wasn’t as sharp as that,” he says), he admits there was a drop. “The paper went through a rough patch,” he says, alluding to staff layoffs in the fall of 2001 (when parent CanWest also axed the weekly *Saturday Night* magazine insert). “We were affected [by those changes],” he says. “Among some people there were perceptions of the news-

paper that had a negative impact upon the magazine...but I think a lot of that has changed,” he says, adding *Business’s* fiscal 2003, which starts in September, is looking up.

Bucking the downward trend in the news-and-business category was *Canadian Business* which posted a robust 13.9% gain—thanks largely to a 17.9% gain in ROP ad revenue. A strong editorial product and sales reps’ close

working relationships on the agency side explain the gains, says publisher Deborah Rosser.

Television tribulations

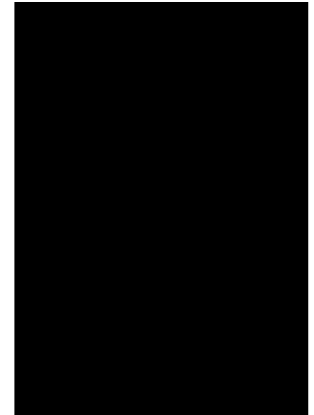
Listings publications are another hard-luck category. *TV Guide’s* revenue is down 14.4% by our estimate, although publisher Pam Kirk says it’s not quite that bad. Estimated ad revenue was down by 9.1% and circ revenue declined an estimated 18.2% but Kirk hopes circulation will stabilize this year. “I think *TV Guide* still definitely has an edge over

every competitor out there, it’s just that there’s more competition now than there ever was,” she says, pointing to satellite guides and on-screen program guides, the Internet and the traditional rival—newspaper listings and insert guides.

Speaking of which, CanWest’s *TV Times*, an insert to Southern newspapers and the *National Post*, makes our list for the first time with revenues of about \$9



Grows revenue by 19.3%



Leads business category



Elm Street scales back



No. 34 at \$4.6 million

How's business?

In a word, tough. While established women’s and shelter titles are tracking ever upward, the news-

and-business category is not. Estimated revenues at both *Maclean’s* and *Time* (Canada) both declined by almost 6% last year—the second consecutive year of losses at the national newsweeklies. Gone are the glory days of 1998 when *Maclean’s* towered indomitably over all other titles, hauling down an estimated \$49.1 million. At

million, serving more than 30 markets. (It recently renewed its membership with LNA.) David Titcombe, CanWest Media Sales national sales director with *TV Times* says broadcaster ads account for about 60% of the volume, followed by regional retail accounts. Revenue at *StarWeek*, *The Toronto Star’s* weekly television listings insert—and the largest catch basin for magazine-based retail advertising in the GTA—remained stable last year.

The most dramatic loss of revenue occurred at *Elm Street*—a 49.4% drop—but that’s deceptive. Formerly published eight times a year, parent St. Joseph Media group president Greg MacNeil decided to reduce frequency to bimonthly and launch a twice-yearly fashion spin-off called *Elm Street The Look*. Nevertheless, combine the ad revenue from both titles in 2002 and it’s still 35.9% off 2001’s mark. “*Elm Street* is down and we are working hard to improve it,” says MacNeil. “We did what we did by design, and we did it to react to Recent Reading,” he says, referring to the new methodology adopted by the Print Measurement Bureau—a methodology which some maintain yields higher readership levels for monthlies than for irregularly published titles such as *Elm Street*. Advertiser support for *The Look* should help offset losses at *Elm Street*, says MacNeil.

Conclusions? As Transcontinental’s Tremblay put it, as goes the economy, so goes the women’s and shelter categories. Come to think of it, that pretty much sums up all categories. ☐