

Membership Note: It's time to renew your CMC membership. Our thanks to those who have and for those who still have it on your to-do list, please see the detailed information at the end of this newsletter.

Part One of an exclusive interview with Ken Whyte



Ken Whyte is the Publisher of Maclean's, Canadian Business, Moneysense and Profit. We were able to reach Ken on the first day of the new Ontario law banning cell phone use while driving. We asked Ken if he was in fact driving. He said yes. We surmised that they likely wouldn't throw him in jail, this being the first day and all. He assured me he was using a head set. And added they may throw him in jail but it wouldn't be for this.

Q: You started at Maclean's as Editor-in-Chief in March of 2005. I'm certain you had a plan for revamping the publication. What's your assessment of the progress to date?

A: I think it's gone about as well as we could have hoped. We put a lot of emphasis with our relationship with our readers. We were able to keep our circulation steady, the way we wanted it, at the 350,000 level while continuing to ask our audience to pay more for the magazine whether on newsstand or by subscription. The money we get from readers is well over 50% of our revenue now, more than we actually get from advertisers. So we feel we're in a very good place, especially in this economic climate.

Q: What about physical changes to the magazine? It certainly looks different than a number of years ago.

A: Yes, well all of the changes were done in order to re-engage with the audience, to get people to pick up the magazine, to notice it and pay attention to it. So it's now much bolder, the presentation more provocative. We're also presenting a more original voice than simply telling last week's stories. That approach seems to be working and is one of the reasons we've been able to ask our readers to invest more in the magazine.

Q: It's also a fun read as well. You can go to any page and you'll find something provocative, interesting, easy to get into, it's quite refreshing.

A: Thanks, that's good to hear, it's absolutely part of the strategy. We don't want to make it a chore for people. Everyone needs to stay informed about what's going on in the world around them. It shouldn't be hard work and there's no reason why a magazine can't be occasionally entertaining and make you laugh or get outraged and get a response while also delivering the information.

Q: *The Economist is quite a successful news publication but none of their writers ever receive a credit. Any comment on the importance of "credited" columnists to a magazine such as Maclean's?*

A: I don't think there's any right or wrong way to do it, I have a lot of regard for what the Economist does; we find with our audience which is a very broad, mass audience of 2.5 million readers a week in Canada, they like to know who our writers are, they recognize some of the regular voices and follow them. As a publication we like to present a wide diversity of points of view. We offer different styles of writing rather than just one editorial voice and one editorial style. We think it's more exciting, more engaging for readers.

I think one of the real reasons that The Economist does it is because they are generally relying on stringers, freelancers, people who don't have profile. Most of the heavy lifting in their operation is done by the editors who have to take all of it and craft the Economist's voice. That's because their magazine doesn't have staff writers all over the world

Q: *Great covers drive newsstand sales. I assume with a weekly there's not that much time to agonize over what will be on the next cover. Can you say a few words about the cover process and what the deciding factor is for the cover that makes the final cut.*

A: We may be a weekly but we do find a lot of time to agonize over the covers. I spend more time on the covers than anything else at the magazine quite frankly. It's the window into the content and not only important at the newsstand where it's obviously competing against other magazines for the attention of the magazine buying public but for subscribers as well. They will decide whether or not to pick up the magazine when it comes through the mail and start reading it immediately or whether they can just put it aside and let it sit for awhile on the basis of the cover. Our subscribers who are the bulk of our audience will spend more time and read it if the cover delivers.

(to be continued in the Holiday edition of the E-Circulator, coming in December)

Are you Ready for HST?

By Barbara Bates



Effective July 1, 2010 the taxes charged on magazine newsstand sales and subscriptions will be changed to Harmonized Sales Tax (HST) in both Ontario and British Columbia.

Since the HST rate will be 13%, not much will change for customers who purchase magazines on newsstand in Ontario as they are already charged both the provincial sales tax (PST) of 8%, plus 5% GST, for a total of 13%.

The story is different for those in British Columbia, however, where both newsstand sales and subscription sales will increase by 7% to charge the full 12% HST. As well, subscribers in Ontario will be hit with an additional 8% to have copies of their favorite magazines delivered to their address.

As these numbers indicate, the impact of HST will be felt most strongly at the subscription level, as magazine subscriptions are currently charging 5% GST only, but on July 1st, subscribers will feel the pinch with HST when that figure rises to 13% in Ontario and 12% in BC.

Retailers in Ontario and British Columbia can likely expect a uniform reaction from their

customers – misdirected anger & irritation toward retailers at the hike in taxes they're now being charged – but unfortunately, there is nothing either the retailer, or the customer, can do about a governmental increase in the nationwide tax scheme beyond deciding whether to continue their subscription.

The real difficulty facing retailers & companies will be determining what products are charged the HST and which charge only GST.

Retails in the Atlantic Provinces, where HST is already in effort recall that it was a hassle in the beginning, but customers quickly get accustomed to the change. Some customers may not purchase an issue, but they typically do come back again to purchase their favourite titles.

The harmonized sales tax will affect all companies' operations including billing systems, invoicing & purchase orders, accounting systems, payment to suppliers, reimbursements of employees' expenses and tax reporting requirements.

Bearing all this in mind all magazine operations should ensure that the Harmonized Sales Tax is in place regarding:

- All subscription offers (including web offers)
- All external agency orders
- Customer Service Departments handling inquiries

Note: cost savings for payments to suppliers – Ontario and British Columbia HST will be fully refundable while currently the PST is included as an expense.

-Barbara Bates is the Executive Director, Consumer Marketing at Magazines Canada

Oct 7th - Special CMC Events Day

"Driving Newsstand Sales" started the afternoon followed by The Canadian Newsstand Awards, and finally finished with the Annual CMC Fall Social !!!

It was truly one of those days. Information, people, awards, a cocktail or two, people, and of course a few short speeches otherwise it wouldn't be the CMC. Did we already mention the number of people that were there?

We especially want to thank first up our speakers for the afternoon session – these included Arlene Shepard, Christa Blaszczyk, Mike Martin (and a nod of our head to Anita Baldwinson who was prepared but unfortunately sick that day). Plus a special thank you to our event hosts - Doug Bennet and Tuppy Blair!

Our congratulations as well to the Newsstand Award Winners and once again to HDS Retail for their ongoing sponsorship of the awards themselves. And of course to each and every one of you for showing up to be a part of our day!

In just case there is still any doubt as to the number of people who attended this year, please click on the following link. You may even see yourself!

[**Fall Social Pictures**](#)

Renewal Time

It's that time again! Make the best investment you will make this year and renew your membership to the CMC for 2010 today!

Renew by December 15 and *You* could win a \$100 HBC Gift Card!

[Click here for CMC benefits and renewing](#)

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