

# **Magazine Economics Based on Stats Can data**

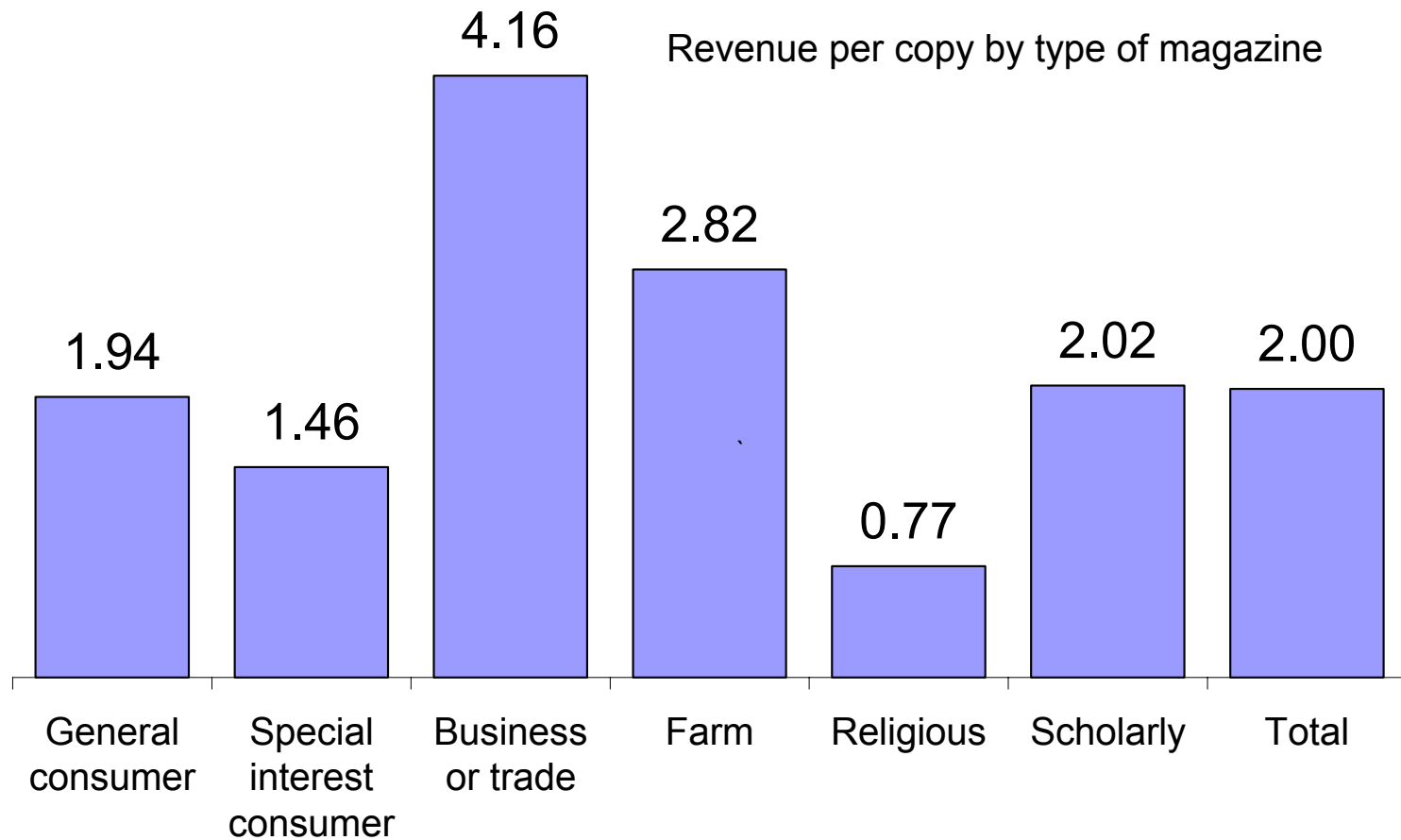
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# Magazine economics

- **Statistics Canada survey**
  - 2,383 periodicals data for 2003/2004 (before PAP changes in April 2004)
  - Released in June 2005
- **59% reported making a profit**
- **Total revenues: \$1.5 billion**
- **Circulation total: 777.9 million**
  - Comparison: Publications Mail volume is 540 million (of which estimated 440 million is Canadian origin)
  - Average circ per issue: 27,178
  - Gaps and flaws in data: No split for subscriptions, mail

# Revenue per copy



# Margins per copy

	General consumer	Special interest consumer	Business or trade	Farm	Religious	Scholarly	Total
Revenue	1.94	1.46	4.16	2.82	0.77	2.02	2.00
Expense	1.76	1.35	3.67	2.32	0.73	1.78	1.80
Margin	0.18	0.11	0.49	0.51	0.04	0.23	0.19

# Expenses per copy by type

	General consumer	Special interest consumer	Business or trade	Farm	Religious	Scholarly	Total
Editorial and design	0.28	0.22	0.73	0.47	0.17	0.38	0.32
Production and printing	0.56	0.46	1.01	0.77	0.23	0.61	0.57
Fulfillment and invoicing	0.30	0.09	0.18	0.14	0.04	0.07	0.18
Marketing and promotion	0.21	0.18	0.68	0.28	0.04	0.15	0.24
Distribution	0.13	0.13	0.30	0.26	0.13	0.17	0.15
Administration and general	0.25	0.23	0.55	0.39	0.10	0.35	0.28
Web site/E-commerce	0.02	0.01	0.03	0.01	0.01	0.04	0.02
Ancillary products	0.02	0.03	0.18	0.00	0.01	0.01	0.04
Total expenses	1.76	1.35	3.67	2.32	0.73	1.78	1.80

# Distribution as % of costs

	General consumer	Special interest consumer	Business or trade	Farm	Religious	Scholarly	Total
Editorial and design	16%	17%	20%	20%	23%	22%	18%
Production and printing	32%	34%	28%	33%	32%	34%	31%
Fulfillment and invoicing	17%	7%	5%	6%	6%	4%	10%
Marketing and promotion	12%	13%	18%	12%	6%	9%	13%
Distribution	7%	9%	8%	11%	17%	10%	9%
Administration and genera	14%	17%	15%	17%	14%	20%	15%
Web site/E-commerce	1%	1%	1%	0%	1%	2%	1%
Ancillary products	1%	2%	5%	0%	1%	1%	2%
Total expenses	100%	100%	100%	100%	100%	100%	100%

# Expense per copy by circ size

	< 5,000	5,000 to 19,999	20,000 to 49,999	50,000 to 99,999	100,000 +	Total
<b>Total revenues</b>	8.99	3.98	2.27	2.28	1.33	2.00
<b>Expenses</b>						
Editorial and design	1.99	0.74	0.41	0.38	0.16	0.32
Production and printing	2.69	1.08	0.64	0.61	0.39	0.57
Fulfillment and invoicing	0.39	0.17	0.12	0.17	0.20	0.18
Marketing and promotion	0.86	0.58	0.29	0.30	0.14	0.24
Distribution	0.61	0.29	0.20	0.18	0.10	0.15
Administration and general	1.49	0.59	0.36	0.33	0.16	0.28
Web site/E-commerce	0.12	0.03	0.01	0.02	0.02	0.02
Ancillary products	0.17	0.15	0.04	0.06	0.01	0.04
<b>Total expenses</b>	8.31	3.62	2.07	2.04	1.19	1.80
<b>Margin</b>	0.68	0.36	0.20	0.24	0.14	0.19

# Margin per copy trend by type

Margin per copy by type of magazine

	<u>1999</u>	<u>2004</u>	<u>Difference</u>
Religious	\$0.037	\$0.044	0.007
Special Interest consumer	\$0.122	\$0.107	-0.015
General consumer	\$0.153	\$0.178	0.025
Farm	\$0.343	\$0.506	0.163
Business or Trade	\$0.615	\$0.494	-0.121
Scholarly	\$0.674	\$0.234	-0.441
Total	\$0.214	\$0.194	-0.019

Source: M. Fox calculations based on Statistics Canada, Periodical Publishing in Canada. Note: Data groups vary for periods.

# Margin per copy trend by size

## Margin per size by type of magazine

	<u>1999</u>	<u>2004</u>	<u>Difference</u>
< 5,000	\$0.805	\$0.683	-0.123
5,000 to 19,999	\$0.410	\$0.360	-0.050
20,000 to 49,999	\$0.256	\$0.195	-0.061
50,000 to 99,999	\$0.133	\$0.237	0.104
100,000 +	\$0.155	\$0.144	-0.012
Total	\$0.214	\$0.194	-0.019

Source: M. Fox calculations based on Statistics Canada, Periodical Publishing in Canada. Note: Data groups vary for periods.