The Role of Magazines at Retail
A Magazines Canada Reader-and-Buyer Study
2017
Project Background

✓ As the magazine industry continues to evolve, perceptions and perspectives continue to change. While some believe that print is dying, consumers still engage more with print magazines than digital, with 92% (Source: Vividata) of magazine readers in Canada reading print only, or in both print and digital.

✓ Current Challenges at Retail:
  • Limited shelf space for Canadian magazines and magazines in general
  • Changing approaches and formats at checkout
  • The shifting location of magazines in retail (disappearing over the belt spots, sections moved to the back, fewer spots available)
  • Retail spots that are designated for specific titles without rotation – less exposure and fewer sales
  • Canadian retailers only carrying a very small selection of Canadian magazines
  • Retailer focusing on digital purchases vs. brick and mortar – no chance for magazine purchase
  • Sell-thru rates – reported to be 26% - at the publisher's expense. This needs to improve
Research objectives were divided into two main categories

Shopper Objectives:
- Who are the people buying magazines in-store?
- Demonstrate how magazines attract and satisfy shoppers, and can help larger retailers differentiate their stores.

Retailer Objectives:
- Understand the business issues facing retailers and how these issues might offer opportunities for the magazine category.
- Define the issues that lead retailers to limit the quantity and quality of shelf space allocated to magazines and Canadian magazines in particular, and possible opportunities for increased space.
- Explore opportunities for increasing sale of magazines beyond “standard” promotion and display
Key Findings:
Magazine consumers value print and are likely to purchase at grocery & drug retail

✓ Most readers still value the print magazine format
✓ Most readers are willing to pay for content in a physical copy

✓ Among household shoppers, retail purchase penetration continues to rival the reach of paid subscriptions

✓ While magazines are more likely to be purchased on a given trip to a book store or newsstand, a larger share of shoppers occasionally purchase via the grocery & drug channels as they reaches both heavy and light readers.

✓ Almost half of magazine purchases at grocery are impulse/basket builders
✓ Conversion from ‘notice’ to purchase is stronger than for books and cards

✓ Buying a magazine at grocery correlates with greater satisfaction with the trip
Methodology

Survey Details

Online survey was fielded July 9th through 20th, 2017.

The interview duration was 15-20 minutes and conducted in both English and French.

Sample Profile

N=1504 magazine readers/buyers

National sample, ages 18+, household shoppers

Readers and/or buyers of magazines were identified with a blinded screener. The following qualifications were included for the study:

- Must read magazines at least monthly
- and/or
- Must buy a magazine at least every 2-3 months

Gender, region, and language were targeted based on a general population profile, with incidence falling out based on magazine readership or purchase history.
INTERVIEWS WITH CANADIAN GROCERY RETAILERS
Perspectives from Supermarket / Grocery Banners

Magazines’ are an *impulse basket builder*

Sales are primarily *driven by checkout lane* placement

- Sizeable mainline section in larger format stores
- $/sq ft is relatively high on the limited space and variety currently stocked

Magazines “deserve” to be on the front end

ex. a 6.99 magazines sale is more profitable than most other checkout lane purchases
Perspectives from Supermarket / Grocery Banners

Merchandisers who do not work in the magazine category perceive that sales are down much more than they are.

In the absence of data to support magazines it becomes a self-fulfilling prophecy.

“Sales decline has come from space loss, changing formats of the front checklane, and loss of pockets. Less variety on the lane. Magazines are relatively stable otherwise.”

Still a big business for many supermarkets, worth the space and category management.

Sales decline is mainly attributed to space loss:

Changing checkout lane formats, loss of pockets, less variety on the lane
Checkout lane time is down
Reduced time to browse
More checkout space = more sales
Perspectives from Supermarket / Grocery Banners

“The ability to get magazines in other parts of the store has created a sales lift”

Merchandising varies with little consistency across banners
- Displayers are occasionally used
- No corporate push to reduce display points around the store
- Cross-category merchandising programs are difficult to implement

Out-of-section magazine displays have been successful at times
- Driven sales lifts related to more points of disruption
  “More points of disruption in store could offset sales decline”
- Success rate similar to that for books, cards, etc.

Merchandising revenue to the retailer is the surest way to maintain space
Perspectives from Supermarket / Grocery Banners

**Best-selling titles** are weeklies, gossip / celebrity, and food

Titles are carried based on successful sales

There is **little regional variation** in the top selling titles

Newsgroup coordinates titles so there is no retailer preference for a standard set of titles

Magazines are **easier to retail** than other print material because they are shipped direct to store

At most banners all **pockets are paid** positioning and can be bought

New titles can pay for pocket
How can magazines win more space?

- Don’t lose space as it drives topline sales declines and starts a vicious cycle
  - Category directors must justify retail space by revenue per sq ft

- Present data to fight the perception that print is dying

- Aim for zeitgeist capturing cover content
  - A small set of top-selling titles account for a large portion of sales
  - Need to show the benefit of more variety and turnover of titles

- Leverage merchandising opportunities
  - Paid merchandising can drive sales apart from the $/sq ft calculation
  - Competition for checkout lane space with brand merchandising dollars
What do magazine readers say?

Shopper recommendations for improving magazine retailing fall into 5 key themes:
What could MASS RETAILERS do to improve the way they sell magazines?

1. VARIETY
   “They don't sell a lot of magazines but for the ones they do carry the price is very good. So maybe carry a few more titles.”

   “More variety especially ones that deal with kitchen with recipes.”

2. DISPLAY
   “Put them in categories. Sometime I have look behind other titles to find the one I am looking for. As usually there is no segregation in the section people mixup the titles.”

   “Fewer magazines, but more spaced out to see covers”

   “I keep forgetting that they have a specific section of magazines...if they moved it by the fresh produce I might be more inclined to go to it as I'm shopping...the mags they have at the end caps are usually just recipe ones.”

   “Depending on the Walmart. Each has it's independent way of displaying magazines. The only thing I would change is that they not have their magazine and book section in a heavy traffic area. It makes it aggravating and nearly impossible to check what magazines are available.”

3. PLACEMENT

4. PRICE
   “Bring the price down to 35-40% off cover price.”

   “they have a good selection and the price is reasonable....I guess they could lower the price”

5. PROMOTION
   “Continue offering deals on multi purchases.”

   “Some free samples or free trials”
What could CONVENTIONAL RETAILERS do to improve the way they sell magazines?

1. VARIETY
   “Keep the racks neat and full sometimes they don't have the magazines in stock so I go to Walmart and get them.”
   “there are many similar topic magazines offered rather than a broader subject offering.”

2. DISPLAY
   “Have the section better organized (often messy) - not just celeb magazines more actual article magazines ie. The Week; Mental Floss etc.”
   “have a aisle with a book shelf with magazine on it instead of a spin rack.”

3. PLACEMENT
   “Put their magazine rack facing the customers at the front of the store. Right now they are down an aisle that there is nothing else down that aisle except books. The aisle is all on its own and you need to be looking for a magazine to want to go down that aisle. If it was facing the customers at the front of the store, you would get more impulse buyers but also the people that like to read magazines but don't get subscriptions to them.”

4. PRICE
   “More selection or special prices.”

5. PROMOTION
   “Have promotions and sale pricing.”
What could DISCOUNT RETAILERS do to improve the way they sell magazines?

1. DISPLAY
   - “Have a dedicated magazine section/rack to make it easier to find specific titles.”
   - “Larger racks with a bit more selection. They have what I like.”
   - “Make sure to have current magazines titles.”
   - “Have a magazine section with better choices like the Hockey News.”
   - “If the magazines are right at the cash and they fit into my grocery budget that day I will buy one.”

2. VARIETY

3. PLACEMENT
   - “Put them in Grocery Aisles too not just checkouts.”

4. PRICE
   - “Give discount”
   - “Have the same offer as at Walmart where they sell three magazines for $10.”

5. PROMOTION
   - Promotions like the Walmart 3 for $10 deal resonate with shoppers and can push shoppers toward purchase. There is a large gap between full cover price and steep discounts at Walmart and Costco that can be explored.
What could DRUGSTORE RETAILERS do to improve the way they sell magazines?

1. DISPLAY

“Make sure magazines are in the right category and are neatly stacked. Magazines bearing their expiry should be discounted ... that is if anew issue is arriving soon.”

“Separate stands for interest types instead of one big mass of magazines.”

2. VARIETY

“Concentrate on those types that sell well and bring more variety of those types in. Also reduce those types that don't sell well.”

“They have good service so you move quickly through check out. Hard to browse magazines in line sometimes but I don't have time to browse in other area of the store.”

“Move them closer to the front of the store.”

3. PLACEMENT

“have a better selection and do promos for rewards for their loyalty optimum program for their customers! magazines are never included why not??”

4. PROMOTION

“Offer promos...loyalty points specifically or buy 3 for $.”

“Maybe if they were less expensive? And they aren't really expensive, but so much is free on the internet now.”
INTERVIEWS WITH CANADIAN PRINT RETAILERS
Book, Magazine & Lifestyle Products Retail

“Magazines are core to a lifestyle experience"

Have reduced book space but **maintained magazine space**

**Sales are down slightly**

$/sq ft is not high vs. other front-of-store categories

Magazines are key to being a store for readers and being a lifestyle brand

Magazines are a **traffic draw**

  Located prominently

Magazines more labour intensive due to turnover

  Lower selling titles are culled periodically
Best-selling titles are weekly news magazines, entertainment/celebrity, and cooking

_These are the titles typically found at grocery_

Priority placement goes to high potential magazines and top selling books

**Capture the zeitgeist:** timely magazines sell best

Canadian and local magazines outperform the category as a wholeCanada 150 content sold well this year

New titles are capturing **Millennials:** zines, coffee table style magazines
Book, Magazine & Lifestyle Products Retail

**Browsing** is key to drive magazine sales so a comfortable environment is important

Planned browsing and impulse buying is common

Occasional readers of title require browsing time

Magazine in-store sales are not threatened by e-commerce as are books

Somewhat distinct from subscription streams
Book, Magazine & Lifestyle Products Retail

How can magazines win more space?

✓ Need to show an increase in sales volume or sales relative to other categories

✓ Publishers can leverage merchandising opportunities to drive more sales

✓ Supermarkets that want to strengthen lifestyle positioning could learn from the book retailers
Newsstand Retail

Newsstands are still destinations for magazine buyers. The category has declined, but is stabilizing now.

Newsstands have maintained their selection and magazine sales have declined less than at other retail channels.

Depending on location, magazines are typically the #1 revenue category, followed by tobacco, lottery, candy, and books.

Locations that support purchase for immediate consumption do especially well: transit, airports.

The value of the magazine is clearest at that time.
Newsstand Retail

Magazines remain attractive to retail:

- New titles each week helps with turnover
- Pre-priced, title sales predictable
- Commission structure with publishers is better than books

“Our total volume of magazines is higher than books. They are easier to retail with better turnover.”

Major discounts like 3 for $10 at Walmart are concerning as those deals have not been available to smaller retailers.

“3 for 10 offers are concerning, it lowers the value of magazines”
Newsstand Retail

Even small stores aim for a 6ft mainline. They aim to carry ‘as many titles as possible.

Popular titles are often planned purchases, while impulse drives new titles and special editions.

Strong merchandising is important to drive new titles and can lead to large lifts.

The cash wrap remains important to drive sales.

“Magazines that are properly merchandised can lift 7-40%. The publisher’s promotional budget determines most of the feature selection, but we also pick titles we know will lift.”
Newsstand Retail

The cover story and personality featured are almost as strong predictors of sales as the title.

Magazines with more local content generally sell better, especially in Quebec. This is most true for French magazines, but also true for English magazines in Quebec.

“Quebecois celebrity sells very well. English Canadian celebrities don’t pull unless they are a North American celebrity.”

Content that is unique and timely sells best, esp. commemorative issues.

“The decline of some major titles has opened opportunities for new titles to get displays and end caps.”

“Canadian titles need support or they can be lost behind the well known US title.”

“We can always beat the trend with Canadian magazines when we promote them.”
Newsstand Retail

Millennials are a ‘huge challenge’ but will be the ‘core consumer by 2020’

Magazines for them are often an impulse buy when getting other ‘convenience items’

Content that is online is likely to be found by Millennials.
Content that is technical or hobby related and credibly available online has been hit hardest. Ex. Automotive

“Putting the magazine content online diminishes the value of the physical copy.”
Newsstand Retail

How can magazines win more space?

✓ Newsstands value the category and seek to maintain space for magazines

✓ The surest way to win wider distribution and drive sales is via merchandising opportunities

✓ Titles that are not available via other channels need the newsstand but are also the lifeblood of the newsstands. Canadian titles need to main strong relationships with Canadian magazine destinations, where they are discovered by readers.

✓ Canadian publishers may be able to more broadly negotiate merchandising deals for multiple titles
CONSUMER STUDY

MAGAZINE READERS AND BUYERS
HOW AND WHY PEOPLE BUY MAGAZINES
1 in 2 are reading a magazine weekly and the print format continues to reach many more consumers than digital format magazines.

<table>
<thead>
<tr>
<th>Media Consumption Frequency</th>
<th>Base: Monthly magazine readers and/or past 3 month purchasers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>1 to 3 times a week</td>
</tr>
<tr>
<td>1 to 3 times per month</td>
<td>Once every 2-3 months</td>
</tr>
<tr>
<td>Once per year or less</td>
<td>Once every 4-6 months</td>
</tr>
<tr>
<td>I don’t use this type of media</td>
<td>I don’t use this type of media</td>
</tr>
</tbody>
</table>

- **Newspapers**
  - Daily: 34%
  - 1 to 3 times a week: 21%
  - Once per year or less: 8%

- **Books, Print**
  - Daily: 29%
  - 1 to 3 times a week: 18%
  - Once every 2-3 months: 13%
  - Once per year or less: 46%

- **Books, Digital**
  - Daily: 11%
  - 1 to 3 times a week: 8%
  - Once every 2-3 months: 7%
  - Once per year or less: 5%

- **Magazines, Print**
  - Daily: 9%
  - 1 to 3 times a week: 18%
  - Once every 2-3 months: 23%
  - Once per year or less: 39%

- **Magazines, Digital**
  - Daily: 7%
  - 1 to 3 times a week: 10%
  - Once every 2-3 months: 14%
  - Once per year or less: 8%

- **Movies at Home (Streamed or Physical)**
  - Daily: 6%
  - 1 to 3 times a week: 18%
  - Once every 2-3 months: 17%
  - Once per year or less: 23%

On average, please indicate how often you read, watch, or listen to each of the following media.

Among readers, purchase of a magazine is more frequent than book purchase and more common than purchase of video content on physical media.

<table>
<thead>
<tr>
<th>Media</th>
<th>Daily</th>
<th>1 to 3 times per month</th>
<th>Once per year or less</th>
<th>At least once per week</th>
<th>Once every 2-3 months</th>
<th>Once every 4-6 months</th>
<th>I don’t use this type of media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>25%</td>
<td>9%</td>
<td>11%</td>
<td>9%</td>
<td>7%</td>
<td>5%</td>
<td>19%</td>
</tr>
<tr>
<td>TV or Movies on DVD/Blu-Ray</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>10%</td>
<td>15%</td>
<td>15%</td>
<td>30%</td>
</tr>
<tr>
<td>Books</td>
<td>2%</td>
<td>8%</td>
<td>4%</td>
<td>17%</td>
<td>24%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Magazines</td>
<td>14%</td>
<td>7%</td>
<td>29%</td>
<td>25%</td>
<td>11%</td>
<td>18%</td>
<td>6%</td>
</tr>
</tbody>
</table>

For the following types of media, how often do you purchase something within that category?
Demographic differences between Heavy and Light Magazine Buyers tend to be aged based, with Light Buyers skewing younger.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Heavy Magazine Buyers (1 to 3 times per month or more)</th>
<th>Light Magazine Purchasers (Once every 2-3 months or less)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base</td>
<td>1504</td>
<td>613</td>
<td>891</td>
</tr>
<tr>
<td>Male</td>
<td>32%</td>
<td>1.03</td>
<td>1.00</td>
</tr>
<tr>
<td>Female</td>
<td>68%</td>
<td>0.99</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 - 35</td>
<td>11%</td>
<td>0.82</td>
<td>1.09</td>
</tr>
<tr>
<td>35 - 44</td>
<td>11%</td>
<td>0.91</td>
<td>1.00</td>
</tr>
<tr>
<td>45 – 54</td>
<td>22%</td>
<td>1.05</td>
<td>0.91</td>
</tr>
<tr>
<td>55 – 64</td>
<td>37%</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>65+</td>
<td>20%</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>29%</td>
<td>0.93</td>
<td>1.03</td>
</tr>
<tr>
<td>Ontario</td>
<td>44%</td>
<td>0.95</td>
<td>1.02</td>
</tr>
<tr>
<td>Quebec</td>
<td>19%</td>
<td>1.21</td>
<td>0.84</td>
</tr>
<tr>
<td>East</td>
<td>8%</td>
<td>0.88</td>
<td>1.25</td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural area of less than 10,000 people</td>
<td>17%</td>
<td>1.06</td>
<td>1.00</td>
</tr>
<tr>
<td>Town or city of 10,000 to 100,000 people</td>
<td>24%</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>City of 100,000 to 500,000 people</td>
<td>24%</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>City of more than 500,000 people</td>
<td>32%</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>20%</td>
<td>0.90</td>
<td>1.05</td>
</tr>
<tr>
<td>No</td>
<td>80%</td>
<td>1.03</td>
<td>0.99</td>
</tr>
</tbody>
</table>
Magazine readers can be segmented by heavy users and light users, with heavy users reading magazines every week and light users 1-3 times per month.

On average, please indicate how often you read, watch, or listen to each of the following media.

Magazine subscribers still purchase magazines in-store, albeit slightly less frequently. This suggests that their subscription does replace in-store purchases.

### Print Magazine Purchase Frequency

- I purchase magazines at retail (n=409)
- I have a paid magazine subscription (n=511)

<table>
<thead>
<tr>
<th>Frequency</th>
<th>At retail</th>
<th>Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>1 to 3 times a week</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td>At least once per week</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>1 to 3 times per month</td>
<td>35%</td>
<td>41%</td>
</tr>
<tr>
<td>Once every 3 months</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>2-Once every 6 months</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>4-Once per year or less</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>I don’t use this type of media</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

For the following types of media, how often do you purchase something within that category?
Among magazine readers, 1 in 3 regularly purchase at retail. With a much larger total base interested in magazines, driving impulse is important.

**Usual Methods for Accessing Magazine Content**

- 39% I have a paid magazine subscription
- 33% I read magazines available in public places
- 32% I purchase magazines at retail
- 28% I pick up free magazines at retail
- 27% I read magazine content online but do not subscribe
- 24% I receive magazines from family or friends
- 16% I receive free magazines in the mail
- 13% I receive magazines available at my work place
- 9% I have a digital subscription
- 4% Other

How do you access this content? Select all that apply.
Consumers can be segmented into exclusive groups based on how they access magazine content:

**Usual Methods for Accessing Magazine Content**

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a paid magazine subscription</td>
<td>39%</td>
</tr>
<tr>
<td>I read magazines available in public places</td>
<td>33%</td>
</tr>
<tr>
<td>I purchase magazines at retail</td>
<td>32%</td>
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<tr>
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</tr>
<tr>
<td>I read magazines available at my work place</td>
<td>13%</td>
</tr>
<tr>
<td>I have a digital subscription</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

*How do you access this content? Select all that apply.*

---

Consumers can be segmented into exclusive groups based on how they access magazine content:

**Usual Methods for Accessing Magazine Content**

**ONLY Access Paid Magazine Content – 28%**

- 39% I have a paid magazine subscription
- 33% I read magazines available in public places
- 32% I purchase magazines at retail
- 28% I pick up free magazines at retail
- 27% I read magazine content online but do not subscribe
- 24% I receive magazines from family or friends
- 16% I receive free magazines in the mail
- 13% I read magazines available at my work place
- 9% I receive free magazines in the mail
- 4% Other

How do you access this content? Select all that apply.

Consumers can be segmented into exclusive groups based on how they access magazine content:

**Usual Methods for Accessing Magazine Content**

- **ONLY Access Paid Magazine Content** – 28%
- **ONLY Access Free Magazine Content** – 35%

- 39% I have a paid magazine subscription
- 33% I read magazines available in public places
- 32% I purchase magazines at retail
- 28% I pick up free magazines at retail
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- 9% I have a digital subscription
- 4% Other

**How do you access this content? Select all that apply.**

---

Consumers can be segmented into exclusive groups based on how they access magazine content:

**Usual Methods for Accessing Magazine Content**

- **ONLY Access Paid Magazine Content** – 28%
- **ONLY Access Free Magazine Content** – 35%
- **MIX Paid + Free Magazine Content** – 37%

How do you access this content? Select all that apply.

Paid and Mix content magazine users tend to read magazines more often than those who only read free content.

On average, please indicate how often you read, watch, or listen to each of the following media.

Grocery, mass, and drug channels are regular purchase points for magazine readers who participate in household shopping.

**Where Regular Magazine Purchases Are Made**

Base: Purchases Magazines

- **Grocery Store**: 56%
- **Mass Merchant**: 44%
- **Drugs Store**: 41%
- **Book Store**: 24%
- **Convenience Store**: 14%
- **Newsstand**: 11%
- **Gas Station**: 5%
- **Other**: 1%

From which type of retailer(s) do you regularly purchase magazines? MULTI SELECT

Mixed, paid+free, content users are most likely to browse in-store. Overall, 1 in 3 who browsed magazines converted to purchase, with heavy readers and Mixed content users most likely to buy.

<table>
<thead>
<tr>
<th></th>
<th>Browsed Magazines</th>
<th>Purchased Magazines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Average:</strong></td>
<td>3.5</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Heavy Magazine Reader:</strong></td>
<td>3.8</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Light Magazine Reader:</strong></td>
<td>3.1</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>ONLY Paid Content</strong></td>
<td>3.2</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>ONLY Free Content</strong></td>
<td>3.0</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>MIXED Paid+Free Content</strong></td>
<td>4.3</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Out of your last 10 shopping trips how many times have you:

Out of your last 10 trips to retail stores where magazines are sold, how many times did you pick-up a magazine while in store?
Motivators of In-Store Magazine Purchase

**Novelty**

“It was a magazine that I don’t subscribe to but make a point of purchasing if it has features that I am interested in (based on the front cover and a brief skim)”

“The article highlighted on the front cover was of interest to me, and it was a magazine that I often buy.”

“Interesting cover line and being a magazine that I could not get on my tablet easily”

“I noticed the cover, it was interesting and I picked it up to read as I had an appointment and would be killing time”

**Specificity**

“I generally purchase a few particular magazine titles monthly - I opt not to get a subscription so I can choose only the issues I want”

“The cover story pertained to something I was interested in and the price was decent”

**Price**

“3 for $10 at checkout at Walmart. Makes them a great deal.”

Thinking of your last purchase of a magazine in store, what inspired you to purchase a magazine on that occasion?
**Barriers to Magazine Purchase**

**Why have you not purchased a magazine in store recently?**

- **Internet**
  “I think over the last few years, anything I can read in a magazine, I can read online. Any entertainment information is usually splashed all over the pages, and I am able to catch up on the daily news that way. It would have to be something that was really eye catching that I wanted to read for me to purchase a magazine now.”

- **Price**
  “Magazines have become more advertising than actual content of interest. If I am interested in a topic now I search the internet for information.”

- **SUBSCRIBE**  
  “Magazines are too expensive for the content they provide. Why should I pay for advertising?”

- **Existing Subscription**
  “I subscribe to magazines which are delivered to my home - and I also get their online versions - so I don't buy magazines in a store”
In or near the checkout lane is the most common location from which magazines are purchased, but mainline sections, which allow time for browsing, also capture a significant share of sales.

### Location In Store Where Magazines Are Purchased

<table>
<thead>
<tr>
<th>Location In Store</th>
<th>Grocery Store (n=227)</th>
<th>Mass Merchant (n=180)</th>
<th>Drugs Store (n=124)</th>
<th>Newsstand (n=24)</th>
<th>Book Store (n=65)</th>
<th>Convenience Store (n=42)</th>
<th>Gas Station (n=18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the checkout lane</td>
<td>49%</td>
<td>43%</td>
<td>40%</td>
<td>21%</td>
<td>28%</td>
<td>21%</td>
<td>28%</td>
</tr>
<tr>
<td>Just before the checkout lane</td>
<td>19%</td>
<td>12%</td>
<td>19%</td>
<td>42%</td>
<td>17%</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>In a magazine section by the front of the store</td>
<td>13%</td>
<td>21%</td>
<td>23%</td>
<td>8%</td>
<td>26%</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>In a magazine section elsewhere in the store</td>
<td>17%</td>
<td>23%</td>
<td>15%</td>
<td>7%</td>
<td>28%</td>
<td>26%</td>
<td>11%</td>
</tr>
<tr>
<td>In a magazine display within another section</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

From where in PIPE Q25 SELECTION do you most often purchase magazines?

Even when magazine purchase is planned, the trips are rarely just about buying a magazine. Magazines are more likely to be purchased on larger basket trips: the higher spend may ease the incremental purchase decision to buy a magazine.

Magazine-specific trips are much more common to drug stores, driven by awareness of availability, selection, larger merchandizing areas, and the convenience of location.

### Trip Type Where Magazines Are Purchased

- A specific trip to pick up magazines
- Regular grocery / household trip
- Quick trip for specific grocery / household products
- Focused trip for over-the-counter health products
- Stock-up grocery / household trip
- Fill-in between larger grocery / household trips
- Focused trip for beauty or personal care products
- Other:

<table>
<thead>
<tr>
<th>Retailer</th>
<th>A specific trip</th>
<th>Regular</th>
<th>Quick trip</th>
<th>Focused trip</th>
<th>Stock-up</th>
<th>Fill-in</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery Store (n=227)</td>
<td>5%</td>
<td>18%</td>
<td>53%</td>
<td></td>
<td>8%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Mass Merchant (n=180)</td>
<td>5%</td>
<td>22%</td>
<td>50%</td>
<td></td>
<td>6%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Drugs Store (n=124)</td>
<td>8%</td>
<td>19%</td>
<td>40%</td>
<td></td>
<td>10%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Newsstand (n=24)</td>
<td>4%</td>
<td>25%</td>
<td>46%</td>
<td></td>
<td>4%</td>
<td>4%</td>
<td>13%</td>
</tr>
<tr>
<td>Book Store (n=65)</td>
<td>6%</td>
<td>15%</td>
<td>51%</td>
<td></td>
<td>5%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Convenience Store (n=42)</td>
<td>2%</td>
<td>36%</td>
<td>26%</td>
<td></td>
<td>7%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Gas Station (n=18)</td>
<td>0%</td>
<td>11%</td>
<td>50%</td>
<td></td>
<td>11%</td>
<td>6%</td>
<td>11%</td>
</tr>
</tbody>
</table>

On what type of shopping trip do you typically purchase magazines at this retailer?

Heavy magazine users are more likely to make a trip to the grocery store specifically for a magazine, but the vast majority of purchases remain add-ons.

### Trip Type Where Magazines Are Purchased (Base: Buy at grocery)

<table>
<thead>
<tr>
<th>Trip Type</th>
<th>Light Magazine Readers (Once a month or Less) (n=112)</th>
<th>Heavy Magazine Readers (Once a Week or More) (n=115)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A specific trip to pick up magazines</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Regular grocery / household trip</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Quick trip for specific grocery / household products</td>
<td>54%</td>
<td>53%</td>
</tr>
<tr>
<td>Focused trip for over-the-counter health products</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Stock-up grocery / household trip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fill-in between larger grocery / household trips</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused trip for beauty or personal care products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On what type of shopping trip do you typically purchase magazines at grocery stores?

The majority of magazine purchases are made on impulse with \(\frac{3}{4}\) of magazine shoppers inspired to buy once in store. With just 1 in 4 shoppers having a specific title in mind prior to their shop, increasing retail space to drive visual attraction to titles will promote sales.

To what degree is your magazine purchase typically pre-planned? (n=1505)

- I do not plan to purchase but I am inspired to buy once in store: 54%
- I plan on purchasing a specific title: 28%
- I plan on purchasing a specific genre but do not have a title in mind: 12%
- I plan on purchasing but have not decided on genre or title: 6%

Heavy Magazine readers are more likely to have a title in mind before entering the store, while the purchases of Light Magazine readers are more likely to be impulsive.

To what degree is your magazine purchase typically pre-planned?

- I plan on purchasing a specific title
- I plan on purchasing a specific genre but do not have a title in mind
- I plan on purchasing but have not decided on genre or title
- I do not plan to purchase but I am inspired to buy once in store

Heavy Magazine Readers (Once a Week or More) (n=752)

- 32%
- 13%
- 5%
- 50%

Light Magazine Readers (Once a month or Less (n=753)

- 23%
- 11%
- 7%
- 59%
Over 50% of readers have researched a product online after seeing an ad in print and 44% went straight to the advertiser’s website.

### Actions Triggered by Magazine Advertising

- **Searched online about the product**: 55%
- **Used or planned to use the coupon/promotion listed on the ad**: 46%
- **Visited the advertiser’s website**: 44%
- **Clipped/saved the advertisement**: 29%
- **Mentioned the advertisement to others**: 21%
- **“Liked” or “followed” the advertiser on a social network**: 14%
- **Had a better opinion of the advertiser**: 11%
- **Used the QR code / 2D Barcode provided on the Ad**: 8%

Which of the following have you ever done after seeing a magazine ad that captured your attention? Select all that apply.
Heavy Magazine Readers undertook more actions after reading than Light Readers

### Actions Triggered by Magazine Advertising by Reading Frequency

<table>
<thead>
<tr>
<th>Action</th>
<th>Heavy Magazine Readers (Once a Week or More)</th>
<th>Light Magazine Readers (Once a month or Less)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Searched online about the product</td>
<td>57%</td>
<td>52%</td>
</tr>
<tr>
<td>Used or planned to use the coupon/promotion listed on the ad</td>
<td>48%</td>
<td>45%</td>
</tr>
<tr>
<td>Visited the advertiser’s website</td>
<td>45%</td>
<td>42%</td>
</tr>
<tr>
<td>Clipped/saved the advertisement</td>
<td>34%</td>
<td>24%</td>
</tr>
<tr>
<td>Mentioned the advertisement to others</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>“Liked” or “followed” the advertiser on a social network</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Had a better opinion of the advertiser</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Used the QR code / 2D Barcode provided on the Ad</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Which of the following have you ever done after seeing a magazine ad that captured your attention? Select all that apply.

Women are more likely than men to follow through on most post-ad viewing activities. The exception to this is ‘visiting the advertiser’s site’ where just under half of both men and women would visit.

<table>
<thead>
<tr>
<th>Action</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Searched online about the product</td>
<td>53%</td>
<td>55%</td>
</tr>
<tr>
<td>Used or planned to use the coupon/promotion listed on the ad</td>
<td>37%</td>
<td>51%</td>
</tr>
<tr>
<td>Visited the advertiser’s website</td>
<td>44%</td>
<td>43%</td>
</tr>
<tr>
<td>Clipped/saved the advertisement</td>
<td>24%</td>
<td>31%</td>
</tr>
<tr>
<td>Mentioned the advertisement to others</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Had a better opinion of the advertiser</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Used the QR code / 2D Barcode provided on the Ad</td>
<td>6%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Which of the following have you *ever done* after seeing a magazine ad that captured your attention? Select all that apply.
Among readers, Millennials are just as likely as older readers to take action based on the advertisements they see in magazines.

**Actions Triggered by Magazine Advertising by Age Segment**

- **Searched online about the product**
  - 18 - 35: 55%
  - 35 - 44: 58%
  - 45 - 54: 49%
  - 55 - 64: 42%
  - 65+: 57%

- **Used or planned to use the coupon/promotion listed on the ad**
  - 18 - 35: 49%
  - 35 - 44: 48%
  - 45 - 54: 46%
  - 55 - 64: 42%
  - 65+: 48%

- **Visited the advertiser’s website**
  - 18 - 35: 43%
  - 35 - 44: 51%
  - 45 - 54: 45%
  - 55 - 64: 38%
  - 65+: 47%

- **Clipped/saved the advertisement**
  - 18 - 35: 39%
  - 35 - 44: 26%
  - 45 - 54: 23%
  - 55 - 64: 29%
  - 65+: 33%

- **Mentioned the advertisement to others**
  - 18 - 35: 29%
  - 35 - 44: 24%
  - 45 - 54: 22%
  - 55 - 64: 23%
  - 65+: 21%

- **Had a better opinion of the advertiser**
  - 18 - 35: 15%
  - 35 - 44: 13%
  - 45 - 54: 17%
  - 55 - 64: 10%
  - 65+: 9%

- **Used the QR code / 2D Barcode provided on the Ad**
  - 18 - 35: 7%
  - 35 - 44: 10%
  - 45 - 54: 10%
  - 55 - 64: 10%
  - 65+: 9%

Which of the following have you **ever done** after seeing a magazine ad that captured your attention? Select all that apply.

PROFILING SHOPPERS’ MOST RECENT GROCERY TRIP
Nearly 1 in 2 respondents purchased an item they did not plan to buy on their last grocery trip: magazine readers show a willingness to make discretionary purchases in-store.

Activities Done on Last Grocery Shopping Trip – In-Store Behaviour

- Purchased items I didn't plan on buying: 45%
- Used the flyer while shopping: 39%
- Looked for special loyalty point offers: 22%
- Checked for in-store coupons: 19%
- Purchased a new product I hadn't bought before: 17%
- Forgot to pick up items that I needed: 16%
- Asked a clerk for help or for information: 9%
- Sampled products: 8%
- Looked for recipe inspiration in-store: 3%

Magazine readers are more likely to use flyers in-store: in the Canadian Shopper Study 15% picked up the flyer in-store.

Magazine readers are more likely to try new products: in the Canadian Shopper Study 8% bought a new product.

Which, if any, of the following activities did you do on this trip?

[2017 Magazines Canada Reader-and-Buyer Study, BrandSpark International. All Rights Reserved.]
With about 1 in 2 noticing magazines in store, 1 in 5 of those who noticed had browsed. Browsing a magazine was as common as purchasing any item from the checkout lane.

**Activities Done on Last Grocery Shopping Trip – At Check Out**

- Collected loyalty program points: 58%
- Redeemed print coupons: 17%
- Redeemed a digital coupon or offer: 12%
- Received a price-match discount: 9%
- Browsed a magazine: 7%
- Picked up items for purchase at the checkout line: 7%

This was consistent across channels.

Which, if any, of the following activities did you do on this trip?
People who read both paid and free content are slightly more likely to have browsed magazines on their grocery trip.

**Activities Done on Last Grocery Shopping Trip – At Check Out**

- **Collected loyalty program points**: 55% (ONLY Paid), 55% (ONLY Free), 63% (MIX)
- **Redeemed print coupons**: 13% (ONLY Paid), 17% (ONLY Free), 20% (MIX)
- **Redeemed a digital coupon or offer**: 8% (ONLY Paid), 11% (ONLY Free), 17% (MIX)
- **Received a price-match discount**: 6% (ONLY Paid), 10% (ONLY Free), 11% (MIX)
- **Browsed a magazine**: 7% (ONLY Paid), 6% (ONLY Free), 10% (MIX)
- **Picked up items for purchase at the checkout line**: 4% (ONLY Paid), 8% (ONLY Free), 10% (MIX)

Shoppers who consume both Paid and Free magazine content were more likely to have browsed a magazine on their last grocery trip.

Which, if any, of the following activities did you do on this trip?

At grocery and mass, the checkout is the most common spot magazines are noticed. At drug stores the mainline section is prominent.

<table>
<thead>
<tr>
<th>Location Where Magazines Noticed on Last Trip</th>
<th>Conventional Grovery</th>
<th>Discount Grocery</th>
<th>Mass Merchant</th>
<th>Drug Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the checkout lane</td>
<td>29%</td>
<td>30%</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Just before the checkout lane</td>
<td>18%</td>
<td>30%</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>In a magazine section by the front of the store</td>
<td>9%</td>
<td>20%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>In a magazine section elsewhere in the store</td>
<td>4%</td>
<td>20%</td>
<td>14%</td>
<td>36%</td>
</tr>
<tr>
<td>In a magazine display within another section</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Where in the store did you see these products? Select all the locations in which you saw them.

Almost 1 in 2 magazine purchases were impulse, but half were planned, supporting the additional value of a mainline section.

Degree of Planning for Magazine Purchase on Last Grocery trip
(Base: bought magazine on last trip, n=75)

- 40% planned on purchasing the specific magazine title
- 16% planned on purchasing a magazine of that genre but did not have a title in mind
- 4% planned on purchasing a magazine but had not decided on genre or title
- 40% had not planned to purchase a magazine before I went shopping

Planned purchase supports the addition of a mainline section with a broader title selection that can drive trips and pull a broader group of shoppers.

Impulse purchases may be well served by a limited selection of broadly appealing titles prominently merchandised.

To what degree was your magazine purchase pre-planned?

Magazine purchasers were 28% more likely to be satisfied with their overall in-store experience than those who did not purchase magazines. This may be driven by a combination of factors: magazines elevated the shopping experience and stores with magazines have better overall selection and atmosphere.

### Satisfaction With Aspects of the In Store Experience

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Purchased Magazine on Last Trip (%)</th>
<th>Did Not Purchase Magazine (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The overall in-store experience</td>
<td>45%</td>
<td>35%</td>
</tr>
<tr>
<td>Length of time waiting in the checkout line</td>
<td>47%</td>
<td>35%</td>
</tr>
<tr>
<td>Assortment of products in the store</td>
<td>47%</td>
<td>35%</td>
</tr>
<tr>
<td>The value of the products you purchased</td>
<td>39%</td>
<td>34%</td>
</tr>
<tr>
<td>The customer service you received</td>
<td>52%</td>
<td>39%</td>
</tr>
<tr>
<td>Types of products at checkout</td>
<td>24%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Magazines are like a treat the shopper buys for themselves. Additional calls to buy for family and kids may resonate, as may messaging like “curl up at home with a new magazine.”

How satisfied were you with the following aspects of your trip?
Magazine purchase on last trip drove higher satisfaction than purchasing other checkout lane items. Acquisition of an enjoyed magazine adds utility to the retail visit.

**Satisfaction With Aspects of the In Store Experience**
*(Top Box; 5pt scale)*

- **The overall in-store experience**
  - Purchased a Magazine on Last Trip: 45%
  - Purchased an Item That Was Not a Magazine: 43%
  - Did Not Purchase Anything: 31%
- **Length of time waiting in the checkout line**
  - Purchased a Magazine on Last Trip: 47%
  - Purchased an Item That Was Not a Magazine: 39%
  - Did Not Purchase Anything: 34%
- **Assortment of products in the store**
  - Purchased a Magazine on Last Trip: 47%
  - Purchased an Item That Was Not a Magazine: 44%
  - Did Not Purchase Anything: 30%
- **The value of the products you purchased**
  - Purchased a Magazine on Last Trip: 39%
  - Purchased an Item That Was Not a Magazine: 36%
  - Did Not Purchase Anything: 33%
- **The customer service you received**
  - Purchased a Magazine on Last Trip: 52%
  - Purchased an Item That Was Not a Magazine: 45%
  - Did Not Purchase Anything: 35%
- **Types of products at checkout**
  - Purchased a Magazine on Last Trip: 24%
  - Purchased an Item That Was Not a Magazine: 28%
  - Did Not Purchase Anything: 17%

How satisfied were you with the following aspects of your trip?

The impact of magazine purchase on trip satisfaction was strongest at conventional grocery and to a lesser extent, drug stores. There was not as much of an impact on magazine purchase on satisfaction at mass merchant, likely due to the low expectations of magazines being available.

<table>
<thead>
<tr>
<th></th>
<th>Conventional Grocery</th>
<th>Discount Grocery</th>
<th>Mass Merchant</th>
<th>Drug Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Magazine</td>
<td>47%</td>
<td>50%</td>
<td>21%</td>
<td>56%</td>
</tr>
<tr>
<td>Purchased Not a Magazine</td>
<td>40%</td>
<td>65%</td>
<td>32%</td>
<td>55%</td>
</tr>
<tr>
<td>Did Not Purchase Anything</td>
<td>32%</td>
<td>20%</td>
<td>35%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>The overall in-store experience</strong></td>
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<td><strong>56%</strong></td>
</tr>
<tr>
<td>Purchased Magazine</td>
<td>41%</td>
<td>50%</td>
<td>21%</td>
<td>61%</td>
</tr>
<tr>
<td>Purchased Not a Magazine</td>
<td>38%</td>
<td>35%</td>
<td>35%</td>
<td>53%</td>
</tr>
<tr>
<td>Did Not Purchase Anything</td>
<td>36%</td>
<td>29%</td>
<td>31%</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Length of time waiting in the checkout line</strong></td>
<td><strong>41%</strong></td>
<td><strong>50%</strong></td>
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<tr>
<td>Purchased Not a Magazine</td>
<td>40%</td>
<td>73%</td>
<td>36%</td>
<td>50%</td>
</tr>
<tr>
<td>Did Not Purchase Anything</td>
<td>32%</td>
<td>18%</td>
<td>37%</td>
<td>33%</td>
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<tr>
<td><strong>Assortment of products in the store</strong></td>
<td><strong>47%</strong></td>
<td><strong>50%</strong></td>
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<tr>
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</tr>
<tr>
<td>Purchased Not a Magazine</td>
<td>31%</td>
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<td>39%</td>
<td>34%</td>
</tr>
<tr>
<td>Did Not Purchase Anything</td>
<td>28%</td>
<td>29%</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td><strong>The value of the products you purchased</strong></td>
<td><strong>38%</strong></td>
<td><strong>50%</strong></td>
<td><strong>36%</strong></td>
<td><strong>39%</strong></td>
</tr>
<tr>
<td>Purchased Magazine</td>
<td>59%</td>
<td>50%</td>
<td>36%</td>
<td>61%</td>
</tr>
<tr>
<td>Purchased Not a Magazine</td>
<td>43%</td>
<td>54%</td>
<td>38%</td>
<td>61%</td>
</tr>
<tr>
<td>Did Not Purchase Anything</td>
<td>35%</td>
<td>30%</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>The customer service you received</strong></td>
<td><strong>59%</strong></td>
<td><strong>50%</strong></td>
<td><strong>36%</strong></td>
<td><strong>61%</strong></td>
</tr>
<tr>
<td>Purchased Magazine</td>
<td>26%</td>
<td>25%</td>
<td>14%</td>
<td>28%</td>
</tr>
<tr>
<td>Purchased Not a Magazine</td>
<td>27%</td>
<td>54%</td>
<td>20%</td>
<td>29%</td>
</tr>
<tr>
<td>Did Not Purchase Anything</td>
<td>16%</td>
<td>12%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Types of products at checkout</strong></td>
<td><strong>26%</strong></td>
<td><strong>25%</strong></td>
<td><strong>14%</strong></td>
<td><strong>28%</strong></td>
</tr>
</tbody>
</table>

*Note: Small sample size, directional results only

How satisfied were you with the following aspects of your trip?

IN-STORE CONVERSION MODEL
The In-Store Conversion model models consumers path from awareness to purchase.

**In-Store Conversion**

- **Aware of Sale**: Were they aware that the product is being sold?
- **Noticed During Shop**: Did they notice the product while they shopped?
- **Interacted With**: Did they pick up or browse the product?
- **Purchased**: Did they purchase the product?

Most shoppers who are aware that the retailer sells magazines noticed them on their last trip, but just 1 in 6 who noticed interacted. Magazine browsers are likely to buy, with 1 in 2 interactions leading to purchase.

In-Store Conversion – Base: All Channels

Strong conversion from interaction to purchase implies that browsing may be difficult and those who pick up a magazine are already leaning toward purchase.

Making browsing easier should help drive the cascade toward purchase.
Most shoppers who are aware that the retailer sells magazines noticed them on their last trip, but just 1 in 6 who noticed interacted. Magazine browsers are likely to buy, with 1 in 2 interactions leading to purchase.

**In-Store Conversion – Base: All Channels**

<table>
<thead>
<tr>
<th>Aware of Sale</th>
<th>Noticed During Shop</th>
<th>Interacted With</th>
<th>Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>80%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>52%</td>
</tr>
</tbody>
</table>

Soft drink conversion in a refrigerated display is **25%** from notice to purchase.

Soft drink conversion in a refrigerated display is **38%** from interacting to purchase.

Among shoppers, magazines are highly noticed in their current placement, and more likely to be interacted with than related categories. Interaction (browsing) is a key step toward purchase for magazines.

In-Store Conversion – Base: All Channels

- Aware of Sale
  - Magazines: 80%
  - Books: 68%
  - Gift Cards: 66%
  - Newspapers: 66%

- Noticed During Shop
  - Magazines: 75%
  - Books: 66%
  - Gift Cards: 19%
  - Newspapers: 66%

- Interacted With
  - Magazines: 15%
  - Books: 13%
  - Gift Cards: 15%
  - Newspapers: 52%

- Purchased
  - Magazines: 15%
  - Books: 37%
  - Gift Cards: 66%
  - Newspapers: 74%

The lack of magazine merchandising at checkout in many discount stores is a missed opportunity to increase basket with impulse purchase of magazines.
At Conventional Grocery stores, awareness and notice of magazines on trip is high, and the conversion funnel is stronger than for related categories.

![In-Store Conversion – Base: Conventional Grocery](image)

- **Aware of Sale**: 90%
- **Noticed During Shop**: 70%
- **Interacted With**: 50%
- **Purchased**: 10%

**Base**: Conventional Grocery

- **Magazines**
- **Books**
- **Gift Cards**
- **Newspapers**

At Discount Grocery stores, awareness of magazines in-store is lower than for other retail channels. Among those aware, 4 in 5 noticed them on their trip, suggesting they are prominent when sold.

In-Store Conversion – Base: Discount Grocery

- Aware of Sale
- Noticed During Shop
- Interacted With
- Purchased

The In-Store conversion for magazines at mass trails slightly behind books throughout the funnel, suggesting that additional magazine placement alongside books at these stores is an opportunity.

**In-Store Conversion – Base: Mass Merchant**

- Magazines
- Books
- Gift Cards
- Newspapers

The graph shows the percentage of customers who are aware of a sale, noticed during shopping, interacted with, and ultimately purchased the items. The data is based on the 2017 Magazines Canada Reader-and-Buyer Study by BrandSpark International.
In Drug Stores, the prominent mainline location increases notice and leads to a higher rate of purchase for magazines.

**In-Store Conversion – Base: Drug Stores**

- Magazines
- Books
- Gift Cards
- Newspapers

Aware of Sale | Noticed During Shop | Interacted With | Purchased

PERCEPTIONS OF MAGAZINE RETAILER
Lukewarm agreement that magazines are easy to browse at grocery and drug stores indicates potential to improve the shopping experience.

### Buying Magazines at Retail – Shopper Attitudes

<table>
<thead>
<tr>
<th>Statement</th>
<th>Completely Agree</th>
<th>Agree</th>
<th>Neither Agree Nor Disagree</th>
<th>Disagree</th>
<th>Completely Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magazines at my regular drug store are arranged in an easy to browse way</td>
<td>15%</td>
<td>40%</td>
<td>37%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Magazines at my regular grocery store are arranged in an easy to browse way</td>
<td>12%</td>
<td>40%</td>
<td>38%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>I am happy with the assortment of magazines at my go-to retailer</td>
<td>13%</td>
<td>36%</td>
<td>40%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>I often browse the magazine section but do not buy any</td>
<td>12%</td>
<td>31%</td>
<td>30%</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>I’d like more variety in the magazines my regular grocery store carries</td>
<td>9%</td>
<td>21%</td>
<td>46%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>I tend to spend time browsing through magazines when available in store</td>
<td>6%</td>
<td>22%</td>
<td>31%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>I am often reminded to buy a magazine when I see them in the store</td>
<td>6%</td>
<td>21%</td>
<td>33%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Magazines encourage me to buy other things I would not have thought of buying</td>
<td>5%</td>
<td>19%</td>
<td>32%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>I look forward to browsing the magazine section / stand</td>
<td>5%</td>
<td>18%</td>
<td>40%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>I will visit a store more often if magazines I like are available there</td>
<td>5%</td>
<td>10%</td>
<td>30%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>I would switch stores occasionally if I could not find my preferred magazine</td>
<td>4%</td>
<td>10%</td>
<td>24%</td>
<td>27%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Please indicate how much you agree with the following statements about buying magazines:

Overall having magazines present in-store promotes basket growth, and increased shopping experiences. Millennials are 1.2x more likely to state that magazines encourage them to buy products they would not have thought of buying.

Please indicate how much you agree with the following statements about buying magazines:

- I am happy with the assortment of magazines at my go-to retailer
- I often browse the magazine section but do not buy any
- I'd like more variety in the magazines my regular grocery store carries
- I tend to spend time browsing through magazines when available in store
- I am often reminded to buy a magazine when I see them in the store
- Magazines encourage me to buy other things I would not have thought of buying
- I look forward to browsing the magazine section / stand
- I will visit a store more often if magazines I like are available there
- I would switch stores occasionally if I could not find my preferred magazine

2017 Magazines Canada Reader-and-Buyer Study, Brandspark International. All Rights Reserved.
Men are far less likely than women to be happy with the assortment of magazines in store.

Please indicate how much you agree with the following statements about buying magazines:

Magazine selection at mass merchants (i.e. Walmart) is rated more highly than at grocery or drug.

### Magazine Selection At Retailers

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Very good selection of magazines</th>
<th>Somewhat good selection of magazines</th>
<th>Somewhat bad selection of magazines</th>
<th>Very bad selection of magazines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Merchant (n=180)</td>
<td>52%</td>
<td>43%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Grocery Store (n=227)</td>
<td>42%</td>
<td>53%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Drugs Store (n=168)</td>
<td>42%</td>
<td>53%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Convenience Store (n=57)</td>
<td>40%</td>
<td>53%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Newsstand (n=43)</td>
<td>37%</td>
<td>47%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Book Store (n=97)</td>
<td>31%</td>
<td>55%</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>

How would describe the selection of magazines at this retailer?

Across channels, men are less satisfied with the variety of magazines.

**Magazine Selection At Retailers** *(Base: Male magazine readers)*

- **Very good selection of magazines**
- **Somewhat good selection of magazines**
- **Somewhat bad selection of magazines**
- **Very bad selection of magazines**

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Very Good</th>
<th>Somewhat Good</th>
<th>Somewhat Bad</th>
<th>Very Bad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery Store (n=43)</td>
<td>30%</td>
<td>56%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Mass Merchant (n=38)</td>
<td>45%</td>
<td>53%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Drugs Store (n=41)</td>
<td>34%</td>
<td>59%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Newsstand (n=23)</td>
<td>22%</td>
<td>57%</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Book Store (n=39)</td>
<td>21%</td>
<td>56%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Convenience Store (n=31)</td>
<td>32%</td>
<td>55%</td>
<td>3%</td>
<td>10%</td>
</tr>
</tbody>
</table>

How would describe the selection of magazines at this retailer?

Magazines have a positive impact on purchases and seeing them in store ‘reminds’ many readers to pick up a title they like.

Buying Magazines at Retail (Strongly Agree / Agree)

Please indicate how much you agree with the following statements about buying magazines:

Two main themes emerge among magazine readers in response to what would encourage them to read more magazines: content and value.

1. CANADIAN CONTENT
   “I live in Canada so I would like to read things about Canada, recipes that can be made in my kitchen with everyday ingredients and clothing that the average person wears on a daily basis, decor that we can find here in Canada.”

2. NEW & ORIGINAL
   “Directly relatable, reliable information pertaining to my interests. (outdoor/adventure activities, gardening in Alberta, backpacking, canoeing, etc).”
   “Better content. Eg. I have not renewed subscriptions to Cottage Life and Canadian Living since the content has become repetitious and, hence, boring. Not worth the cost.”
   “More unique editorial pieces - too much similar content right now. More diverse covers and content.”

3. EXCLUSIVITY
   “Special collector's editions of magazines. The last one that I looked at was a national geographic archive of over 100 years worth of magazines on DVD format.”
   “I have more than enough to read. The only thing I can think that might incentivize digital readers to buy paper copies is having at least some content not available online.”

4. VARIETY
   “Wider selection that appealed to Women's Lifestyle topics yet contained more intellectual articles on politics, arts, literature, etc. I am not necessarily into "gender branded" magazines, as I could be equally interested in articles in a Men's or Women's magazine.”
   “Magazines that are specialized on topics of my interests, deeper articles or reviews that I cannot find online, better information or topics.”
Two main themes emerge among magazine readers in response to what would encourage them to read more magazines: content and value.

1. SPECIAL OFFERS

“Special offers (e.g., value deals for subscribing, free products included with a subscription or with a particular issue - e.g., I have a couple of tea towels from a magazine promotion from over 7 years ago!!).”

“Limited edition gifts (crossover gifts from the magazine and another brand name), sample coupons, "additional" than what the magazine normally contains.”

2. DISCOUNTS

“Have prices like you get in the states, we in Canada pay to much, while in the USA you can get deals for as little as a dollar a magazine for subscribing.”

“Magazines are way too expensive these days, some over 7 or 8 dollars. I'd never pay that price for essentially paper with ink and lacquer sprayed over it.”

3. ADVERTISEMENTS

“Less advertising. I hate paying for a magazine that seems to be more advertising than articles. The companies pay the magazine for advertising space, why should I pay the cost on magazines just to have all that advertising...waste of money”

“I only purchase magazines that have information that is relevant to me. Lately, I've realized that there isn't much content but there is lots of advertising”
CONCLUSIONS AND RECOMMENDATIONS
Conclusions

How do magazines attract and satisfy shoppers, and differentiate stores?

• **Attract Occasions**: 1 in 2 purchases are planned adding another reason to select a retailer that carries the title sought
  – Browsing is important for magazines, insulating the category from e-commerce competition

• **Valuable Visitors**: magazines buyers are more likely to buy new products

• **Bigger Baskets**: 1 in 2 purchases are impulse, adding to the basket

• **Satisfy Shoppers**: magazine purchase on trip correlates with higher satisfaction with the shopping experience
  » Magazines are a little gift for themselves. A ‘zero calorie’ indulgence.
Recommendations

Shoppers who purchase magazines during a grocery trip have higher satisfaction with their retail experience. Increasing magazine sales can increase retailer satisfaction.

The following approaches are recommended to drive magazine sales at retail:

✓ Increase visibility of magazines in-store to increase interaction and leverage strong conversion from browsing to purchase:
  – More magazine merchandizing throughout the store - this will increase purchase and prime shoppers to pick up a magazine at checkout

✓ Promotional pricing will help drive sales and help shoppers feel like they’re getting a deal
  – Experiment with multi-deals
  – Promo sticker driven promotion reduces average price per copy but can be offset by improved sell-thru
  – Blanket discounts off title price at Discount banners
Recommendations

The following approaches are recommended to drive magazine sales at retail:

✓ Focus on higher turnover of magazine titles: shoppers want to find novelty and specificity among titles
  – Resonant cover content and updated titles are key non-promotion drivers to push sales (zeitgeist capturing content)
  – Experiment with lifestyle titles that relate to the target shopper: cooking, cuisine, home décor

✓ Leverage magazines to help drive purchase of related products and increase overall basket size
  – Match product interest to content interest
    – Ex. Special editions alongside related seasonal merchandise, Kids titles near lunch snacks, Cooking titles in the specialty foods section, Canadian Living with the baking products, Beauty titles in cosmetics/beauty section, Zoomer at the pharmacy counter, etc.
THANK YOU!

Please contact us with any questions.

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