HOTSHEET

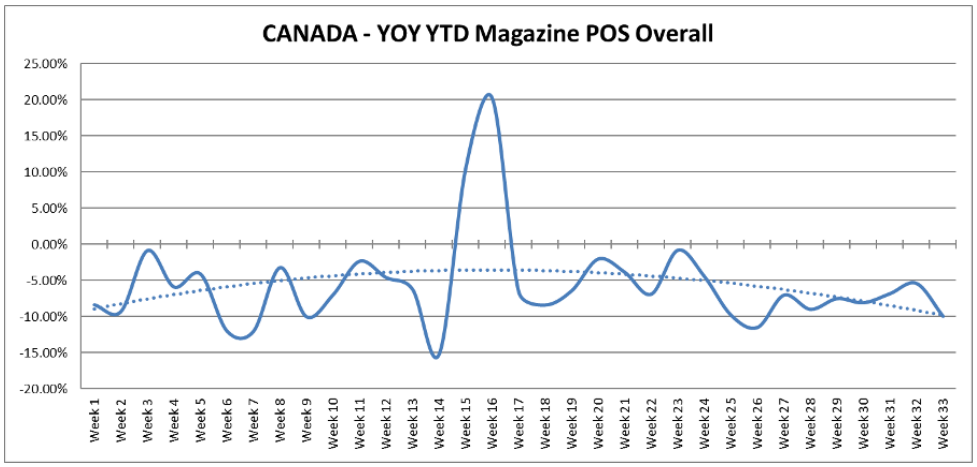
State of the Newsstand Q3 2022

By Craig Sweetman

Newsstand and Circulation Consultant Craig Sweetman/CRS Media shares a quarterly update on the state of newsstand magazine sales for the 3rd/Quarter – 2022 for the Canadian Marketplace.

- There are some very positive Individual Retailer numbers to report in that Costco is up 4.5%, Michaels is up 51% and Airport locations continue to post exceptional sales growth with Paradies up 48% and Hudson News up 47%. Also, some new Airport locations have been opened by both Paradies and Hudson News.
- As far the Newsstand Retail Footprint is concerned, both TNG and CMMI have been successful in protecting Mainline space and in the case of Walmart Canada have added hundreds of new checkout fixtures in the 3rd/Qtr starting in August which will drive additional retail sales going forward.
- E-Commerce – we're still trying to get tests initiated in retail chains in Canada via the IAG (Industry Action Group) and there are currently several tests being run in US chains via Syndigo with positive results being documented. In many cases consumers have requested that retailers put magazines and books on their websites for purchase.

Magazines Canada



- The current Year over Year trend for the Canadian market is negative 9.9% per trend line in graph seen above.
- This current decline has mostly been driven by reductions in copies to the retail market which are down roughly 7.5%. The decline in copies to market has mostly been driven by the rising costs of printing copies, which have gone up anywhere between 20-35% depending upon the printer. Another factor involved has been availability of paper for printing which has led to reductions in frequency in some cases as well as some issue cancellations. It should also be noted that 2021 was a very strong year for print, so these reductions in sales are being run against a positive year for results which usually leads to some decline in results.
- SIPs and Bookazines continue to gain market share in terms of overall retail dollars sold at Newsstand per chart below and are currently representing 37.8% of retail dollars. With the recent passing of the Queen and Olivia Newton-John and the raft of specials related to their passing headed to retail there is no doubt that this, marketshare percentage will increase. Additional areas of growth in the Canadian market in the first 9 months of 2022 are Puzzles, General Interest, Hobby, Computer, Business and Finance, Entertainment and Automotive.

CATEGORY	Category Share
SIPS	37.8%
WEEKLY	15.2%
WOMENS	9.5%
PUZZLES	7.7%
HOME	5.8%
GENERAL INTEREST	3.4%
SPORT	3.2%
HOBBY	2.8%
CRAFTS	2.0%
DIGEST	1.9%
AUTOMOTIVE	1.9%
NEWS FINANCE	1.6%
OTHER	7.2%
Total	**100.0%**

- The outlook for the 4th/Qtr remains cautiously positive with several SIPs hitting the market into October and also entering the strongest period of the year for magazine sales starting the 1st week of November through Christmas where sales always spike. As long as there are no severe supply chain or retail disruptions I believe we can look forward to a strong 4th/Qtr of 2022.