

# Retail Magazine Growth



*The truth about  
magazines, consumers...  
and retail profits*



#1

Myth:  
Reality:

The magazine category is too small to impact my bottom line.  
**Selling magazines can boost your total store profits.**

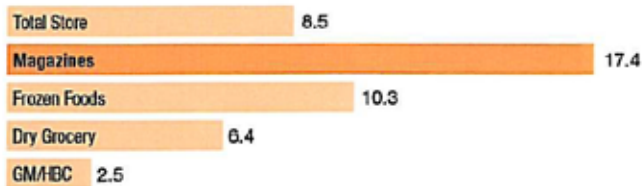
- Magazines rank in the top 10% of retail category revenue, generating over \$4.5 billion annually.<sup>4</sup>
- Magazine buyers spend \$67 per weekly market basket — that's 71% more than non-magazine buyers.
- Magazines generate inventory 17.4 turns, more than double the number of turns generated by the total store.

#### Weekly Market Basket



Source: MSA

#### Inventory Turns



Source: Retail Experience Study, Northwestern University

#2

Myth:  
Reality:

People don't read magazines anymore — especially the youth market.  
**Magazine readership is growing among all targets.**

- More than 85% of Americans read magazines.
- Magazine readership grew over the last five years — with audience growth up more than all other media except the internet.
- The average number of issues read by an adult increased 4% since 2004. For 25–34 year olds, the growth rate was 11.5%.

#### 5-Year Trend in Media Usage: Fall 2004 - Fall 2008



Source: Mediarmk Research & Intelligence (MRI)

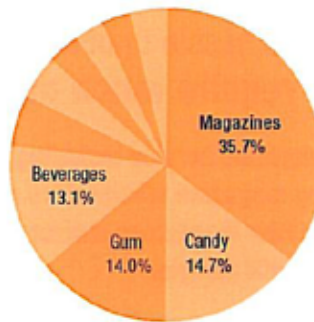
For more information go to [www.magazine.org/retail](http://www.magazine.org/retail).

# #3

Myth:  
Reality:

Candy and Gum are the main drivers of profits at checkout.  
**Magazines generate more sales and profits than any other category at checkout.**

- Magazine profits per unit are higher than any other front end category including snacks, gum, candy, and carbonated beverages.
- Magazines deliver 35.7% of total checkout profits.
- 58% of consumers would miss magazines if they were gone from the checkout.<sup>8</sup>
- Magazines are the #1 checkout favorite for women ahead of candy, gum, and mints.

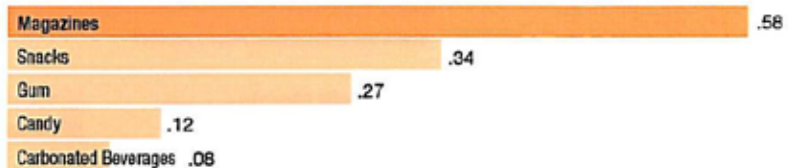


Share of Checkout Profits—by Category

Magazines	35.7%
Candy	14.7
Gum	14.0
Beverages	13.1
Mints	5.5
Batteries	4.5
Film/Cameras	3.4
Snacks	3.0
Razors/Blades	3.0
Other	3.8

Source: Front End Focus

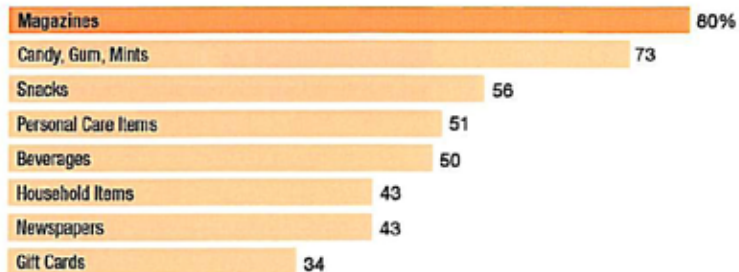
### Magazines provide higher true profit per unit than other front end categories (in dollars)



Source: Willard Bishop Grocery Super Study, 2007

### #1 Desired Item at Checkout

Women ranked magazines #1 when asked "at the checkout in a store, what do you like to see there?"



Base: U.S. Adults 18+

Source: WSL Strategic Retail, Magazine Publisher Survey, 2008

For more information go to [www.magazine.org/retail](http://www.magazine.org/retail).

**#4** Myth:  
Reality:

Magazines make no difference in my store.

**Consumers say that magazines enhance their shopping experience—helping to differentiate your store and encouraging the sale of other products.**

- One third of consumers who don't find the magazine they want will go to another store to buy it.
- Consumers perceive checkout times to be shorter when magazines are available at checkout.<sup>a</sup>
- Magazine recipes, beauty tips, product reviews, and advertisements have been proven to drive traffic and product purchases.<sup>b</sup>

**#5** Myth:  
Reality:

Magazines are more hassle than they are worth.

**Other products require much more labor than magazines.**

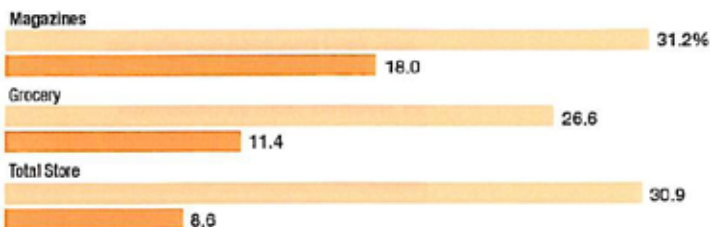
- In-store magazine service including delivery and merchandising is provided by magazine wholesalers rather than retail store employees.
- Dollar for dollar magazines deliver more than double the average store true profit margin.

**Direct Labor Per Unit**



Source: Willard Bishop Grocery SuperStudy, 2007

**True Profit Margin (by percent)**



Note: Profit after all Activity Based Costs (including direct and in-direct labor, occupancy, transportation and overhead)  
Source: Willard Bishop Grocery SuperStudy, 2007



Magazine Publishers of America (MPA)  
and International Periodical  
Distributors Association (IPDA)

Additional Sources: A – Nielsen, 2006. B – WSI, Strategic Retail, Magazine Publishers Survey, 2008.

For more information go to [www.magazine.org/retail](http://www.magazine.org/retail).