

ABC-BPA Review

Units Up in the Second Half of 2006. But Low Cover Prices Slow Dollar Sales Growth

An observer commenting on recent trends in magazine advertising sales said, "Flat is the new up!" The comment can apply to newsstand sales as well. In 2005, unit sales for audited and non-audited magazines were up, albeit by less than a single point. By that standard, 2006 is a runaway success. Based on the release this past week of the preliminary reports of the Audit Bureau of Circulations and BPA Worldwide, unit sales were up 1.6% in the second half. However, because of the continuing presence of low-priced titles, retail dollars during the period grew by a smaller 1.4%. Although there are many channel problems still plaguing the mass market magazine distribution system, the "Flat/Up" results of the last several years have to be viewed positively, especially after a decade or more where units declined, sometimes by nearly double-digit rates. For the first since *The New Single Copy* has been tracking numbers, the average price of a magazine sold at

newsstand fell, although by less than a penny, and stands at \$3.32. It appears that the "strong" performance of the second half has compensated for the softer first half sales of audited titles and brought the total 2006 figure up by a fraction of a point. (Note: In our next issue, 3/4/07, *The New Single Copy* will feature total 2006 performance numbers, audited and non-audited, as well as a look at the market shares of various retail classes of trade).

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Schedule

The New Single Copy will not be published on February 26, 2007. We will resume our regular 45-times schedule, on March 5, 2007, with a special 3-page issue, which will be available at the Retail Conference in Orlando, Florida.

As has been the case for the past few years, celebrity weeklies were the main engine of growth. *People* (2.1%), *Us* (2.4%), *In Touch* (7.7%), and *Life & Style* (25.3%) all continued to improve their per-issue sales numbers. *OK!* made its debut with sales of half a million-plus copies. Only *Star*, in the category was down, at minus 13.9%. However, titles in other categories also posted some good numbers: *First*

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TOP 20 RETAIL DOLLAR PRODUCERS 2ND HALF 2006

Magazine	Per Issue	Retail \$	Trend	Magazine	Per Issue	Retail \$	Trend
1 PEOPLE	1,561,386	\$144,115,928	2.1%	11 GLAMOUR	861,006	\$20,612,484	-7.1%
2 US WEEKLY	978,285	\$88,769,581	2.4%	12 O, THE OPRAH	866,884	\$20,545,151	-9.9%
3 STAR MAGAZINE	743,439	\$67,459,655	-13.9%	13 FIRST F' WOM'*	1,262,581	\$20,100,290	-6.7%
4 IN TOUCH W'KLY	1,227,350	\$63,503,089	7.7%	14 IN STYLE	765,937	\$18,336,532	-7.9%
5 NATIONAL ENQ"	812,686	\$63,178,210	-0.4%	15 SOAP OP' DIG'	178,705	\$16,262,155	1.3%
6 WOMAN'S WORLD	1,407,355	\$54,520,933	-2.9%	16 TV GUIDE	275,452	\$15,469,384	-13.4%
7 COSMOPOLITAN	1,945,296	\$50,071,919	-1.1%	17 WOMAN'S DAY	685,250	\$15,294,780	-10.3%
8 LIFE & STYLE	744,453	\$38,517,998	25.3%	18 TIME	133,084	\$14,601,976	-3.9%
9 GLOBE	391,984	\$30,472,836	3.3%	19 FAMILY CIRC'	867,008	\$13,802,767	0.3%
10 OK! WEEKLY	513,473	\$26,166,584	NA	20 MAXIM	450,575	\$13,490,216	-12.2%

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ABC-BPA (Cont.)

for Women, 5.0%; Playboy, 23.7%; Men's Health, 5.0%; Real Simple, 4.6%; Soaps in Depth, CBS, 7.8%; Elle, 4.2%; The Economist, 11.2%; and M, 13.0%. People generated the most retail dollars, \$144 million. In fact, it was not even close: \$55 million more than runner-up,

Us. Cosmopolitan again has the most unit sales-per-issue number, 1.945 million, even though it represented a decline of 5.9%.

The new optimism is, "It could have been worse."

2ND 6 MONTHS PERFORMANCE - AUDITED TITLES— BASED ON PRELIMINARY ABC AND BPA DATA

<u>2006 Data</u>	<u>Overall</u>	<u>Top 25</u>	<u>26 to 100</u>	<u>Top 100</u>	<u>Rest of Line</u>
Units per issue	48,277,692	17,560,535	16,729,576	34,290,111	13,987,581
Units total period	469,665,222	292,336,512	110,273,141	402,609,653	67,055,569
Units +/-	7,171,763	9,427,029	739,420	10,166,449	(2,994,686)
\$ Total period	\$1,558,468,132	\$831,543,382	\$414,452,455	\$1,245,995,837	\$312,472,295
Average Cover price	\$3.32	\$2.84	\$3.76	\$3.09	\$4.66
\$ +/-	\$20,815,586	\$20,842,355	\$6,948,985	\$27,791,340	-\$6,975,754
Issues in period	3,382	402	635	1,037	2,345
Subs per issue	247,727,850	31,977,527	85,701,370	117,678,897	130,048,953
Subs per period	1,909,330,578	496,529,050	714,828,524	1,211,357,574	697,973,004
Total circ issue	296,005,542	49,538,062	102,430,946	151,969,008	144,036,534
Total circ period	2,378,995,800	788,865,562	825,101,665	1,613,967,227	765,028,573
NS as % of circ	19.74%	37.06%	13.36%	24.95%	8.77%
<u>2005 Data</u>	<u>Overall</u>	<u>Top 25</u>	<u>26 to 100</u>	<u>Top 100</u>	<u>Rest of Line</u>
Units per issue	47,836,505	17,488,997	16,672,997	34,161,994	13,674,511
Units total period	462,493,459	282,909,483	109,533,721	392,443,204	70,050,255
\$ Total period	\$1,537,652,545	\$810,701,027	\$407,503,470	\$1,218,204,497	\$319,448,049
Average Cover price	\$3.32	\$2.87	\$3.72	\$3.10	\$4.56
Issues in period	3,336	378	629	1,007	2,329
Subs per issue	246,120,732	35,373,932	84,003,918	119,377,850	126,742,882
Subs per period	1,984,275,198	587,028,533	707,954,997	1,294,983,530	689,291,668
Total circ issue	293,957,237	52,862,929	100,676,915	153,539,844	140,417,393
Total circ period	2,446,768,657	869,938,016	817,488,718	1,687,426,734	759,341,923
NS as % of circ	18.90%	32.52%	13.40%	23.26%	9.23%
<u>2005-2006</u>	<u>Overall</u>	<u>Top 25</u>	<u>26 to 100</u>	<u>Top 100</u>	<u>Rest of Line</u>
Units per issue	0.92%	0.41%	0.34%	0.38%	2.29%
Units total period	1.55%	3.33%	0.68%	2.59%	-4.28%
\$ Total period	1.35%	2.57%	1.71%	2.28%	-2.18%
Average Cover price	-0.19%	-0.74%	1.02%	-0.30%	2.18%
Issues in period	1.38%	6.35%	0.95%	2.98%	0.69%
Subs per issue	0.65%	-9.60%	2.02%	-1.42%	2.61%
Subs per period	-3.78%	-15.42%	0.97%	-6.46%	1.26%
Total circ issue	0.70%	-6.29%	1.74%	-1.02%	2.58%
Total circ period	-2.77%	-9.32%	0.93%	-4.35%	0.75%
NS as % of circ	4.44%	13.95%	-0.25%	7.26%	-4.99%

Note: The above figures are based on the preliminary FAS Fax reports of the Audit Bureau of Circulations (ABC) and the Consumer TRAC reports of BPA Worldwide for the second half of 2006. They reflect data for 487 magazines that reported any newsstand sales. Final numbers for the entire year will be calculated when supplemental figures are available.

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