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The Retail Conference

More than 550 Attendees Honor Retailers, Hear About Connections and Data

Nearly 570 executives from publishers, national distributors, wholesalers, and retailers attended last week's Retail Conference: The Marketing of Magazines and Books, in Orlando, Florida. Although the program was not as consistently engaging as some of the conference's most recent editions, the best presentations and workshops conveyed a sense of excitement about the product, as well as about developments in the industry's use of data. In addition, the "Best Practices Awards" to retailers highlighted the profits and enthusiasm that well-coordinated publications programs can generate.

Editorial presentations by Stephen Madden, Rodale Cycling Group, and Catherine Cassidy, Reiman Media Group, were reminders to everyone in attendance of the special qualities of magazines and books. A closing breakout session, "Turning Data into Dollars," was clearly the outstanding business-oriented event on the program. Representatives from retailers, wholesalers, publishers, and national distributors delivered constructive information about their current and future uses for the increasingly accessible amounts of data in the distribution channel.

The Best Practices Awards: \$2,000 will be donated by The Retail Conference to a charity of the retailers' choice. *For outstanding performance in checkout merchandising:* **H-E-B Grocery Company.** *For promotion and cross-merchandising:* **Wegman's Stores.** *For excellence in mainline merchandising:* **Safeway Stores.** *Book Retailer of the Year:* **The Kroger Company.**

2008 Retail Conference: February 27-29, Washington, DC.

Around The Business

Ads Flat in First Two Months. Bauer-DSI. Titles Folded. A Buy. Postal Rates Up. More

For the first two months of 2007, magazine advertising page sales were flat: down less than a percentage point, minus 0.9%, in January; and up a reasonably strong 1.8% in February. The cumulative performance was a positive 0.3%. The numbers were reported by **Publishers Information Bureau (PIB)**. In January, ad revenues were up 5.9% and they improved by 5.7% in February, for a year-to-date growth of 5.5%....**Bauer Publishing and Distribution Services Inc. (DSI)** announced a multi-year sales, marketing, distribution, and merchandising agreement, extending their current relationship. Bauer, whose titles include *Woman's World*, *In Touch*, *Life & Style Weekly*, *First for Women*, and others, uses Kable Distribution Services for billing and collection services....**Hachette Filipacchi Media U.S.** announced that the April issue of *Premiere* would be its last, although the brand will continue to exist in digital form on the Internet. *Premiere*, on a 10-times schedule, averaged 56,000 single copy sales-per-issue (down 25.6%) in the last half of 2006, or a total circulation of 492,000 (down 2.0%). Its annual retail dollar sales were \$2.9 million, ranking it as #163 among audited magazines. It had a newsstand sell-through figure in the mid-30% range*....**MTV Networks** will cease publishing **Nick Jr. Family Magazine**, also with its April issue. The nine-times title had limited newsstand sales-per-issue, less than 10,000, of a total circulation of over

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* Circulation figures are from the most recent reports of the Audit Bureau of Circulations and BPA Worldwide, which are also used to calculate annual retail dollar sales. Sell-through numbers are provided by MagNet, the database of wholesaler sales information.



Save the Date! April 12, 2007

The Fourth Frank E. Herrera Dinner

In Support of The 25 Year Club, at The Copacabana, New York City

For more information contact Mike McCarthy, 845-519-7578

or Wayne Beder, 212-852-5630

Around the Business (cont.)

641,000....**Rodale**, which publishes *Runner's World*, bought *Running Times* magazine. *Runner's World* averages 90,000 single copy sales (plus 14.1%) of a total circulation of 635,000 (plus 1.0%). It's annual retail sales are \$4.5 million (#128) and its sell-through is around 40%. *Running Times* has average newsstand sales of 14,000 (plus 9.0%) and a total circulation of 84,000 (both numbers were up strongly). Annual retail dollars are under \$1 million....The sale of 16 **Time Inc.** magazines to **Bonnier Group**, a Swedish publisher, was completed early this month. The new company will be known as the **Bonnier Corp.** Terry Snow, who was already president and CEO of World Publications, in which Bonnier already owned a large stake, will hold the same positions with Bonnier Corp....When postal rates increase later this year, magazine publisher costs for mailing of subscription copies will go up by as much as 18.3%. Even at that level, some publishing groups had feared the raises were going to be even higher, over 20%....**Dennis Publishing** acknowledged that it has retained **Allen & Co.**, an investment banker, to "explore strategic options," including a possible sale....**Koen-Levy Book Wholesalers** will cease operations. The company was the result of an effort by **Levy Home Entertainment** to salvage **Koen Book Distributors**, which had filed for bankruptcy in July 2005....**Curtis Circulation Company** will be the national distributor for *Garden & Gun*, six-times frequency, on-sale 4/3/07, cover price \$4.95/\$5.95; and *Hui 'O Hawaii*, quarterly, 6/5/07, \$5.95/\$7.95....**Rider Circulation Services** will be the national distributor for *Art & Design*, quarterly, \$5.95/\$7.95; *Tiki*, quarterly, \$4.95/\$5.95; *Peel*, quarterly, \$6.99/\$8.99; *Wend*, quarterly, \$3.99/\$4.99; *Dust*, six-times, \$4.99/\$6.95; and *Muslim Girl*, six-times, \$4.95/\$5.95.

Personnel

New Position for Flegel. DSI-AMI. Source Interlink

Leslie Flegel, who resigned in November from The Source Interlink Companies, where he was chairman and CEO, was named chairman of the Board of Directors of **Five Star Products, Inc.** Five Star is a wholesaler distributor of home hardware and decorating products. It operates in twelve states, primarily in the Northeast....At **Distribution Services Inc. (DSI)**, Don Seidel was promoted to vice president, information & category management; and John Sutphin was promoted to vice president, client relations & new business development....At **American Media Inc. (AMI)**, Candace Trunzo will become editor-in-chief of *Star* magazine, replacing

Joe Dolce, whose contract, which expires at the end of March, was not renewed. Trunzo was executive editor at **National Enquirer**, which is also published by AMI....Terrence J. Wallock was appointed to the Board of Directors of **The Source Interlink Companies**. He has been a senior executive officer and general counsel to several grocery and foodservice companies.

Retail Notes

Wal-Mart Magazine Advisor. A&P-Pathmark. Whole Foods-Wild Oats. RFID

In mid-February, **Wal-Mart Stores** notified publishers, national distributors, and servicing wholesalers that Norm Bilek, of **Distribution Services Inc. (DSI)**, would be the front end category advisor for the chain's magazine business. Last year, Wal-Mart appointed executives of Time/Warner Retail Sales & Marketing and Comag Marketing Group as advisors for mainline sales....**A&P Stores** signed an agreement to acquire **Pathmark Stores** for \$1.3 billion....**Whole Foods Markets** announced it will acquire its principal competitor in the health foods retail market, **Wild Oats Markets**, for around \$700 million, according to *SupermarketNews.com*....Note: Regarding the last two items, a major shareholder in both Pathmark Stores and Wild Oats Markets is **Yucaipa Cos.**, which is also the largest shareholder in The Source Interlink Companies....A feature article in *The Wall Street Journal* (2/15/07), "Wal-Mart's Radio-Tracked Inventory Hits Static," looked at developments in the retailer's use of Radio Frequency Identification (RFID).

Magazine Pricing Spotlighted

The feature article in the March issue of **Circulation Management** is "Increasing Sales in a Competitive Environment." Its subtitle is, "If the newsstand is going to accommodate many different titles, it must make room for the differing economic models of its main participants." Noted is the recent study by Harrington Associates, "The Impact of Low Price Magazines." (A copy of the report is available via email request to info@nscopy.com). On the same subject, the **Periodical and Book Association of America (PBAA)** has announced it will hold a workshop on pricing issues, in New York, April 12. For more information, visit www.pbaa.com.

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In Memoriam: William Paden, Sr., an owner of the mass market magazine wholesaler, Sudbury News Ltd, passed away in mid-February. He was 80.