

THE CENTOFANTE GROUP

City and Regional Magazines are Profitable for Wholesalers!

City and regional magazines are hot in their metropolitan areas in terms of copies sold, sales growth, dollar sales, sales efficiency (averaging 50% and growing), and profits (often in the top 3 for wholesaler profits – and sometimes even #1!)

Since 1996, the whole magazine industry has seen an overall 10% increase. City and regional magazine titles, however, have experienced off-the-charts' sales growth:

- *New Jersey Monthly* is up 16% •
- *Mpls St. Paul* is up 38% •
- *Westchester* is up 62% •
- *St. Louis Magazine* is up 97% •
- *Mainline Today* is up 173% •
- *5280* is up a mind-boggling 749% •

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Then there's magazine sales efficiency: The industry average for 2007 was only 38%, while city and regional titles typically sell between 45% to 60%! In 2007, *Baltimore* averaged a 50% sell through, *D Magazine* 53%, *Honolulu* 62% and *Arizona Highways* a whopping 66% in 2008.

Portland Monthly, *Seattle Metropolitan*, *Bend Living*, *Chicago*, *Boston*, *Philadelphia* and many of the other leading city magazines are #1 in terms of copies sold per issue in their respective cities.

CMG is the national distributor to many of the leading city and regional magazines. Bruce Thompson, Group Director in Client Services, says, "CMG firmly believes that city and regional magazines will continue to show sales growth in this challenging environment, and we are excited to be a partner."

Perhaps the best news to come from all of this data is that there are a few simple things that wholesalers can do to create these kinds of success stories in their own marketplaces. The best-selling local magazines are monthly in frequency, they give their wholesalers fair margins, they have a high sales efficiency (45-60%) and a high cover price (normally around \$4.99 now). City and regional magazines rank among the highest wholesaler profit-per-copy distributed of all titles and overall profits.

Wholesalers should provide a split distribution since most stores physically cannot handle, at one time, as many copies as the best stores can sell (many stores are selling more than 150 copies per issue). A split distribution reduces premature returns and increases sales. It's helpful to remember to reorder into the stores with the highest sales and to have city and regional titles placed on premature protect.

Also, city and regional magazines can work with the wholesaler store merchandising staff on local promotions. These magazines can work with local wholesaler supervisors to get their staff fired up to sell more magazines.

For expert guidance on all these issues, The Centofante Group, which represents more than 50 city and regional magazines, can be reached by calling (503) 635-9435 or emailing alan@centofante.com.