ATTRACTING NEW ADVERTISERS AND RETAINING OLD ONES: CARVING A NICHE IN VANCOUVER'S CITY MAGAZINE MARKET

by

Kathryn McCready
Law LLB, Kings College London, 2006

PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF PUBLISHING

in the
Faculty of
Arts & Social Sciences

© Kathryn McCready 2009

SIMON FRASER UNIVERSITY

Spring 2009

All rights reserved. This work may not be reproduced in whole or in part, by photocopy or other means, without permission of the author.
Approval

Name: Kathryn McCready
Degree: Master of Publishing
Title of Project: Attracting New Advertisers and Retaining Old Ones: Carving a Niche in Vancouver's City Magazine Market

Supervisory Committee:

John Maxwell
Senior Supervisor
Assistant Professor, Master of Publishing Program
Simon Fraser University

Mary Schendlinger
Supervisor
Senior Lecturer, Master of Publishing Program
Simon Fraser University

Bob Mercer
Industry Supervisor
President and Publisher
VLM Enterprises Ltd., Vancouver B.C.

Date Approved: March 17, 2009
Declaration of Partial Copyright Licence

The author, whose copyright is declared on the title page of this work, has granted to Simon Fraser University the right to lend this thesis, project or extended essay to users of the Simon Fraser University Library, and to make partial or single copies only for such users or in response to a request from the library of any other university, or other educational institution, on its own behalf or for one of its users.

The author has further granted permission to Simon Fraser University to keep or make a digital copy for use in its circulating collection (currently available to the public at the "Institutional Repository" link of the SFU Library website <www.lib.sfu.ca> at: <http://ir.lib.sfu.ca/handle/1892/112>) and, without changing the content, to translate the thesis/project or extended essays, if technically possible, to any medium or format for the purpose of preservation of the digital work.

The author has further agreed that permission for multiple copying of this work for scholarly purposes may be granted by either the author or the Dean of Graduate Studies.

It is understood that copying or publication of this work for financial gain shall not be allowed without the author’s written permission.

Permission for public performance, or limited permission for private scholarly use, of any multimedia materials forming part of this work, may have been granted by the author. This information may be found on the separately catalogued multimedia material and in the signed Partial Copyright Licence.

While licensing SFU to permit the above uses, the author retains copyright in the thesis, project or extended essays, including the right to change the work for subsequent purposes, including editing and publishing the work in whole or in part, and licensing other parties, as the author may desire.

The original Partial Copyright Licence attesting to these terms, and signed by this author, may be found in the original bound copy of this work, retained in the Simon Fraser University Archive.

Simon Fraser University Library
Burnaby, BC, Canada

Revised: Fall 2007
Abstract

This report examines city magazine advertising in Vancouver. It explores the types of advertisers that use this medium, their marketing needs, the range of media in Vancouver that attempt to satisfy these needs, and how these local businesses plan and execute their media campaigns.

It uses a case study of a local city magazine, *VLM* to explore and analyse the advertising sales process. It provides an overview of the changes in editorial, circulation and advertising strategy that *VLM* introduced in 2008, and explains how these might make the magazine more attractive to local advertisers. It concludes by taking a closer look at the workings of the sales department. It outlines a selling strategy that sales reps must use to showcase their magazine's unique selling point, to defend the magazine medium as a viable advertising option, and hence to compete in Vancouver's saturated media marketplace for local advertisers' finite marketing dollars.
Acknowledgements

Most of all, I would like to thank the entire staff of VLM for hosting my internship and for their graciousness in sharing their knowledge about the magazine industry. In particular, I am incredibly grateful to Julie Hamilton for her continuous support and faith in me during my time at VLM, and to Bob Mercer for his patience in answering my questions and his encouragement in writing this report.

I would also like to extend my thanks to John Maxwell for his guidance in developing this report.
# Table of Contents

## Approval................................................................. ii
## Abstract ........................................................................... iii
## Acknowledgements ........................................................ iv
## Table of Contents .............................................................. v
## List of Figures................................................................. vii

### Introduction ..................................................................... 1

### Part One:

**Local Advertising in Vancouver** ........................................ 6

1.1 Types of Advertisers in Vancouver's Media Market ............... 7
1.2 Understanding the Needs of Local Advertisers ..................... 8
  Who Makes the Decision? .................................................. 11
1.3 The Extensive Choice of Media in Vancouver ....................... 20
  City Magazines ................................................................ 20
  Newsweeklies and Daily Newspapers .................................... 25
  Internet Advertising as an Option for Local Advertisers .......... 29
1.4 Media Substitutability ..................................................... 30
  The Use of Imperfect Substitutes ......................................... 31

### Part Two:

**Case Study: Vancouver's Lifestyle Magazine (VLM)** .............. 36

2.1 *Vancouver Lifestyles* to VLM: An Overview ..................... 36
  Editorial and Design ...................................................... 38
  Reviewed Circulation Model (and Resulting Readership) ........ 39
2.2 Improvements from an Advertising Perspective ................. 41
  Editorial ................................................................. 41
  Circulation Advantages ................................................ 42
  Advertising Rates and Placement ...................................... 44
  Presenting a Unique Selling Point to Advertisers ................ 45
List of Figures

Figure 1: The Purchase Funnel ................................................................. 15
Figure 2: The Ad Sales Funnel ................................................................. 53
Introduction

In the past decade, there has been a huge increase in the number of city magazines on the market. In 2001, the largest category of magazine launches in the U.S. was that of metropolitan/regional/state; a category that originated with Clay Felker's introduction of New York Magazine in 1968.\(^1\) Since then, city magazines have become more and more diverse as new publishers expand into smaller markets (community or district magazines within cities) whilst many others launch brand spin-offs and multiple titles. *Folio*'s 2008 regional survey showed that 21% of respondents published two or more titles, and 12% published three—a significant rise of 4% from the previous year's survey.\(^2\) This diversity and innovation have ensured that the genre continues to flourish in spite of rapidly growing competition and publishers' reliance on the print medium. Another reason for the rapid growth of city magazines throughout the past decade is that the barrier to entry into the market is very low. Many titles start out with a conservative page count that they can afford to print, and they may also use independent means of circulation such as door-to-door drop-offs and bulk-drop distribution. Further, cities are now supporting multiple local magazines; recent annual *Folio* surveys show that more than one-quarter of city and regional publishers

---


in the U.S. have reported observing three to five new competitors coming into their respective markets. ³

Although the majority of city publications use a controlled distribution model, the influx of competitor titles into their market has forced many publishers to re-evaluate their models and customize them in order to stand out from their competitors. This is represented in Folio's 2007 survey, in which 22% of respondents described "controlled not requested" circulation as their major source of circulation, compared to 14% who described "controlled requested" as their model (a substantial increase compared to 9% of respondents in Folio's 2006 survey who said it accounted for a significant distribution of their magazines). ⁴ This shift suggests that publishers are attempting to distinguish themselves in a competitive market by becoming more accountable to their advertisers by showing them that even though their magazine is free for most recipients, it is thoroughly read and enjoyed by them.

Finally, these recent Folio surveys demonstrate that despite the fact that city magazines are constantly competing for the same readership and the same advertising dollars, many publishers remain optimistic about the future of the genre. The 2008 survey showed that 53% of publishers expect their revenue to increase compared to what it was three years ago. ⁵ However 11% expected their revenue to drop and a significant 6% of these

³ 28% in 2007, and although slightly less-24%- in the 2008 survey, a significant 10% reported observing six or more new competitors enter their respective markets. "Regional Magazine Survey." Folio (2007).

⁴ Ibid.

⁵ Kinsman. "2008 Regional Magazine Survey."
respondents expected it to drop by at least 10%, suggesting the possibility that some publishers are being defeated by their competition and forced out of the market.

Although no such comprehensive data exists for Canada, Vancouver's current vibrant, competitive city magazine market may also reflect Folio's findings. As I began my internship at VLM: Vancouver's Lifestyle Magazine in May 2008, the magazine had been the underdog in Vancouver's city magazine market for most of its fifteen years in existence, and might well count itself among the "revenue expected to drop" respondents. However, at that time the magazine was at the start of an exciting new chapter in its life. At the end of 2007, new owners had taken over the publication Vancouver Lifestyles, and this change-over was working to bring the magazine back to life. The new product was a revitalized version of the former magazine, re-branded with a new name, design and editorial outlook.

This new beginning seemed to contradict Clay Felker's observations regarding the life stages of magazines; "there appears to be an almost inexorable life-cycle...that follows the pattern of humans: a clamorous youth eager to get noticed; vigorous, productive middle-age marked by an easy-to-define editorial line; and a long slow decline, in which efforts at revival are sporadic and tragically doomed." 7

Forty years later, Samir Husni and Emily Main put forward the idea of an additional stage to those that Felker observed, defining a reincarnation stage as one "in which titles are resurrected from the dead with a new editorial approach"8—a stage that few titles are fortunate enough to go through. The authors' premise was that in order to remain

6 Ibid.
8 Ibid. 5.
successful, magazines must not be beaten by unsuccessful attempts at reviving their publication during a decline in ad sales and/or readership, but must instead choose to enter a reincarnation stage in which they adapt to market and readership changes.

The inescapable challenge of revenue generation (for a small independent publisher) has followed VLM from its dying stage into its current reincarnation. In this report, I focus on the new challenges that have arisen for VLM in this phase, which stem from VLM's external environment, increased media competition, a slower economy, changes in how people are consuming media, as well as how businesses are buying space in various media. In this paper I will investigate the extent to which VLM must consider this changing environment from a sales perspective, in order to continue to attract the more robust local advertisers who are a consequence of this new environment, and thereby succeed in its reincarnation stage.

Part One of this report gives an overview of city magazine advertising in Vancouver. It explores the types of advertisers that use this medium, their marketing needs, and the range of media in Vancouver that try to satisfy these needs. It also contains a discussion of the impact of the intense media competition that has resulted from a multitude of publications vying for local advertisers' finite marketing dollars. Part Two introduces VLM as a case study, explaining the changes that the new ownership has implemented and ways in which these changes may make the magazine more attractive to advertisers. Part Three focuses on the sales strategy; particularly the sales team: the group of people who undertake the vital role of selling space in the magazine (the predominant revenue source for VLM and many other city publications). I propose that the sales department is particularly important during a magazine's reincarnation stage, as it is the sales team that must show off the improved product to potential advertisers, convincing them that it is now best placed to
meet their advertising needs. Hence, Part Three takes a closer look at the workings of the sales process and at VLM's new sales strategy which aims to defend the magazine medium (by promoting its advantages as an advertising vehicle when compared to other local media), as well as showcasing how VLM is adapting and evolving in terms of editorial, circulation and strategy. The report concludes with a discussion on the extent to which VLM has evolved to carve out a niche for itself in Vancouver's city magazine market.
Part One:

Local Advertising in Vancouver

It is reasonable to assume that the majority of small to medium businesses in Vancouver undertake some sort of promotion and/or advertising efforts. However, a closer look is needed to understand the different decisions made by various businesses, and the variables that determine which media each business advertises in. The decision-makers have an extensive range of local media to choose from, and when faced with this choice, many become confused as to which publication(s) and/or other media such as TV, radio, direct mail, and Internet, best reach and engage their primary target market. To attract the business of these potential advertisers, city magazine publishers must be aware of their tendency to choose a media mix that often does not perfectly address their marketing needs. Publishers must then work to gain their trust, learn about their business goals, marketing needs, expectations and decision-making process, and use this information to propose a customized advertising solution in their publication. What follows is an overview of these matters in the context of local advertisers in Vancouver.

9 VLM Sales Meeting, August 5th, 2008.
10 Ibid.
1.1 Types of Advertisers in Vancouver’s Media Market

Advertisers aren’t so much buying space in the media they choose as they are buying the opportunity to reach an audience that will read the publication and therefore be exposed to their marketing message. Many local advertisers approach city magazines because they perceive their target market to be similar to the audiences that these magazines reach—i.e., largely upscale, well-educated home-owners with a high disposable income. Businesses that offer products/services that appeal to this high-end audience fall into many categories (including automotive, luxury goods, fashion, travel, real estate, furnishings, arts venues, spas, and restaurants to name but a few), and therefore there is a wide variety of potential advertisers for city magazines to approach. However, city magazine publishers are not alone in their strategy to approach these businesses. They must compete with other media that also are approaching local businesses and proposing that their publications reach this high-end audience. For example, homeowners wishing to redecorate their homes may scan local newspapers for current store sales and home-décor magazines for refurbishing tips and ideas, whilst also consuming other media (such as watching their favourite TV shows or glancing at public transit campaigns) without direct intention of gaining information related to decorating their home. Hence, there are many opportunities for furniture stores to reach this category of consumer, and the media buyer must make a decision as to where to get the maximum return on advertising investment. Therefore although there is a wide range of potential advertisers, not all of them will be convinced that city magazines are the best place to spend their limited budget.

It is important to note that the majority of advertisers in city magazines are local and regional businesses whose primary market is the same as the magazine’s primary readership.
They choose to advertise in this medium to distinguish themselves from their national counterparts, focusing their efforts on appealing to a local consumer base. Unlike national brand advertising, local advertising aims to close the sale by naming the location of particular retail stores, sales incentives, etc. National advertisers may also choose to run ads in local publications (in addition to their brand advertising, which aims to create general awareness and desire), but as their ad agencies’ main goal is to expose a targeted universe of potential buyers to their clients’ national campaigns, a large percentage of the media mix consists of national media. Another reason that local and regional publications are less commonly selected is that they often cannot give the audited readers-per-copy statistics and/or other extensive reader information that national advertising agencies look for, and their CPMs can be extremely high when compared to their national counterparts. Further, as city magazines in Vancouver are not located close to many national ad agencies’ head offices (which tend to be based in Toronto), they are less likely to be on the radar of these agencies and to receive attention from them. Vancouver is a large, cosmopolitan city, and many publications have been successful in attracting national advertisers’ dollars; however, as these advertisers constantly review and change their marketing plans, their placement in local magazines is sporadic. Therefore, on the whole, it is local business that sustains most local media in Vancouver.

1.2 Understanding the Needs of Local Advertisers

In my role as an advertising sales rep for VLM (which I will discuss further in Part Three), I found that some local advertisers have a tendency to run ads in a range of publications. For example, a local business might switch from magazine advertising to a
larger, more frequent newspaper campaign, then (because of poor response) abandon this strategy and embark upon extensive online advertising instead. This kind of local advertiser may move away from the magazine medium, only to come back to it later when they find another publication that seems to be more attractive (in terms of measuring results, advertising rates, etc). To better understand this to-fro behaviour, it is necessary to understand the advertisers' attitudes towards advertising, their marketing needs and expectations, and their reasons for considering print ad campaigns as a vehicle to satisfy these needs.

To make appropriate decisions about where to advertise, the advertisers need the answers to three basic questions concerning audience. First, to what extent does the medium reach qualified prospects? Second, will these prospects actually be exposed to the ads? To do so, prospects must consume the media in which the advertising message is contained (for example, drive past an advertising billboard, glance at public transit campaigns or pick up a magazine and read the relevant pages). Third (and arguably most important), will they buy the product?\footnote{Dr Scott McDonald and Rebecca McPheters. "Audience: The Appropriate Measure of Magazine Quality." 2003, www.magazine.org/ASSETS/08BEAC3078BD45869337E58B27578713/audience.pdf} Although circulation data can answer the first question, the other two questions are harder to answer.

In a paid-circulation publication, for example, the circulation data is likely to answer the first question, as the advertisers can see clearly from the paid subscriber list that this publication can reach a body of readers who demographically fall within their desired primary target market. This is also true for controlled circulation publications that distribute to select postal codes. However, when attempting to answer the second question, the answer becomes less clear.
In my role as a sales rep for VLM, I found that many local advertisers place the highest value on paid subscriptions. They believe that by reaching an audience that pays for the privilege of reading the magazine, they are reaching people who will thoroughly read its editorial and hence be most likely to be exposed to their advertising messages. However, this is not always the case. In practice, paid subscriptions do not necessarily translate into engaged audiences. Subscriptions may be given as gifts, or a subscriber's interest may wane during the year and they might start reading a competing publication. Print Measurement Bureau (PMB) attempts to achieve the answer to the second question by showing advertisers which magazines are read most thoroughly. It does so by conducting interviews with respondents from a national stratified sample, covering magazine readership, demographics, and other media information. Respondents are shown cards with the logos of various publications (from over 120 titles that PMB reports on) and asked when they last read or looked into any issue of these publications. Respondents claiming to have read a specific publication within the period corresponding with the average publication interval, are counted as average issue readers.12 PMB uses this information to calculate the number of “readers per copy” (RPC) for each title, and also goes some way to gauging the level of engagement in each (by asking the respondents to state how much time they spent reading/looking through each title, and their degree of interest on a scale from 1 to 10).13 Although of some use to advertisers, this information does not specifically address the level of engagement/exposure to the ads within the publications. Further, many city publications

13 PMB 2008 “Personal Questionnaire.” http://www.pmb.ca/public/e/pmb2008/questionnaires.shtml,
and other local titles cannot afford to sign up as members of PMB, and so local advertisers cannot compare RPC statistics for many of their local advertising options.

The third question (Will qualified prospects actually buy the product?) is the hardest to answer, as there is no mechanism to gauge readers’ responsiveness to advertising messages. Magazines Canada publishes summaries of up-to-date, research-supported statistics, but these are vague when applied to answering the third question. Although these statistics can show that readers enjoy magazine ads as part of their reading experience, it is impossible for the advertiser to accurately calculate whether the reader will go and buy the product they read about in the magazine ad. Therefore, the decision to advertise, especially for small to mid-sized local businesses with a limited budget, is a great leap of faith. Local advertisers cannot obtain accurate answers to these three basic questions concerning audience, and thus find it difficult to make objectively sound decisions about where to advertise. Hence it is necessary for representatives of local media to assist them in finding the answers to these three questions, and to aid them in making the best advertising decision, by understanding the various factors that influence their decisions, such as their marketing aims and expectations.

**Who Makes the Decision?**

Among retail advertisers, it is common for the retailer to hire an in-house person to look after sales and marketing, to take responsibility himself or assign it to the general manager. The company may also give this role to an advertising agency, media buyer or other external party, to create and place retail advertising for the company. In general, small to medium-sized businesses lack the funds to hire an agency, whereas larger businesses
(usually national or franchised companies with a larger number of stores) are in a better position to do so.

These different decision-makers plan their media buy in different ways. For example, at VLM, sales reps often found that the smaller businesses they approached did not know how to put together an effective ad campaign. However, they did have an idea of where they wanted to see their advertising messages, so their buying process was to select from a variety of media options. Their choice (of type of publication, ad size, and positioning) was usually limited by what they could afford, and as the in-house decision maker usually lived locally, they sometimes exercised bias by choosing the publications that he/she read most, or saw distributed most widely.

Agencies, on the other hand, go through a more complex step-by-step process. The business side of an ad agency consists of three departments: account management, the media department, and the research department.\textsuperscript{14} Account management works with clients to define their marketing objective, come up with a plan to implement that objective, and then convey the objective and plan to the other departments of the agency. The media department is responsible for placing advertising where it will reach the right people at the right time and place, and in the most cost-effective manner (assisted by the research department's understanding of consumer trends in a changing market). This department consists of media planners who are responsible for developing recommendations on the best combination of media in which to run the client's campaign. The planner's first step is to carry out an in-depth search to find what media mix best fits their client's needs (i.e., budget, target audience, media preferences, marketing goals, and time frame in which to achieve

\textsuperscript{14} Leonard Mogel, Creating your Career in Entertainment and Communications (Lawrence Erlbaum Associates, 1998), 204.
them). Only then will he/she move on to the selection process. Again, this is usually more complicated than the selection undertaken by in-house marketing managers/owners. The agency's research department supplies the media planner with trend data based on consumer panels, focus groups, and market research studies\textsuperscript{15} to give them an idea of the composition of each publication's readership and the extent to which they reach the specific population sets that their clients are interested in targeting. The planner then compares each publication based on these coverage numbers, CPM figures, and the extent to which each editorial mix provides an ideal environment in which to sell their client's products/services. Much of the time, the agency will send out RFPs (requests for ad campaign proposals from sales reps representing various media). These information sheets usually give a client overview, information on their primary and secondary target audiences, and a detailed list of requests for information that they expect each publication to submit by a specified deadline (before their selection process begins).

In-house marketers do not usually have such strict requirements and as a result are usually more open to receiving proposals from a range of media, even those without RPC and other audited readership information. On the down side, they can be less organized in terms of articulating their company's specific needs and goals, and may be less likely to commit to a lengthy campaign.

**Using the Purchase Funnel to Make Advertising Decisions**

The reasons companies choose to advertise may differ depending on who the decision maker is. An owner of a local restaurant may want to advertise in a magazine that...

runs a recipe page he is particularly fond of, and he may want to target readers who have a similar appreciation for these gourmet recipes, and who he believes are therefore likely to appreciate the cuisine served in his restaurant. A media planner for a high-end jewellery retailer may want to aggressively advertise during the Christmas buying season, sending various messages using a range of media vehicles in an attempt to establish top-of-mind awareness of their client’s brand and exclusive gift ideas at this peak buying time of the year.

Reasons to advertise are diverse, but if local businesses increase their understanding of consumers’ purchase processes, it will become clear to them that their different advertising needs can be best addressed by focusing marketing efforts at particular stages of this process. These stages traditionally are depicted using the model of a “purchase funnel.” This model has been a core marketing concept for decades, and one which many marketers (including print and online marketers) have used to assist them in planning and executing their campaigns. The paradigm that the funnel established was that the purchase process is sequential. General awareness leads to some consumers gathering more information on the brand, with a smaller portion of these forming a favourable opinion and a familiarity with the brand. This leads to the middle part of the funnel, consideration and purchase intent, where these consumers consider the product, then shop around (comparing it with similar products), and finally the even smaller portion of consumers who are happy with their trial and go on to make the purchase. The funnel shape is representative of this process, as it is widest at the top when many consumers are exposed to an initial marketing campaign and

become aware of the brand, and narrowest at the purchase end, when only a few have passed right through the funnel and make the decision to purchase.

**Figure 1: The Purchase Funnel**

Marketers’ aim is to develop a strategy that reaches customers at each stage that they go through in their purchasing process. Therefore, many companies use this model to manage their advertising messaging and the division of their ad budget, sending different messages at particular stages of the funnel (and assigning a fixed number of dollars to do so at each stage).

Marketers generally agree that certain communications tactics and tools work better at the top than they do at the bottom, and vice-versa. For example, the restaurateur in my

---

17 This is one adaptation of the Purchase Funnel. There have been many variations of the model, but all are similar in their premise Figure 1 is adapted from the AFI purchase funnel diagram: GFK Automotive. “AFI Purchase Funnel,” http://marketing.gfkamerica.com/funnel/funnel.swf

earlier example would focus his marketing efforts at the top of the funnel. He may decide to place a highly visual branding ad alongside the recipe editorial, his intention being to create brand familiarity and favourability by association with this editorial. His hope would be that readers of the magazine would associate the high standards shown in the recipe page with his restaurant’s cuisine, and therefore favour his restaurant above others they’ve seen advertised elsewhere. In contrast, my second example may have the media planner focusing marketing efforts on the lower funnel stages. The advertising message of her client (the high-end jewellery retailer) is of a time-sensitive nature, showcasing signature items to the largest audience possible during the months leading up to Christmas, and so the advertising content would contain a “call-to-action” message persuading consumers to rush out and buy, perhaps telling them about a special one-off sale or discounts on particular gift items. This message would be best placed in publications scanned by a mass audience on a daily basis, such as daily newspapers, or broadcast using a targeted radio campaign. Placement in less frequent media such as monthly or quarterly magazines would not work as well at these “lower funnel” stages, as these do not relay time-sensitive messages as effectively.

The situation can be complicated by the fact that advertisers usually have more than one reason to advertise, and therefore targeting only one section of the funnel is not enough. For the jewellery retailer, the media planner may want to advertise more aggressively during the holiday season to satisfy her client’s need to sell more at this time, but she also needs to maintain her client’s brand image throughout the year so that consumers continually associate the brand with quality, sophistication, and/or luxury. Therefore, she must also allocate a portion of the budget to targeting customers in the upper end of the purchase funnel, running branding ads that signal quality and luxury and luring consumers so that they pause and absorb the message, becoming more familiar with the brand and how it differs
from its competition. Without this type of advertising, the brand may not even be recognized (or if it is, it may not be thought of favorably), and thus the aggressive call-to-action ads during gift-buying season may not be as effective.

It is this full coverage of the purchase funnel that can present challenges for local advertisers. They are likely to have multiple needs and expectations, but their finite budgets may not cover as many steps of the purchase process as they need. If only a couple of stages are covered, the brand might have a high awareness amongst consumers (because the advertiser has poured interest into the top end of the funnel), but a low favourable opinion, so few buyers make it down to the narrowest end of the funnel and toward the main purchase goal.

The Impact of the Internet on the Purchasing Process

To add to the confusion, many local advertisers are also now questioning the effectiveness of targeting consumers at each stage of the purchase funnel, as consumers are not necessarily continuing to buy in the linear way suggested by the original purchase funnel model. Thanks to the Internet, instead of entering only at the top and having to filter through each stage before coming out the bottom as an actual buyer, consumers have gained much greater control over where they can enter the funnel. For example, a consumer may use an Internet search to obtain more information about a product that they are interested in, and may then click on a relevant result that takes them to a repository website selling many different brands of this product (for example, ebay.com, futurestore.com). The advertiser may choose to focus on Internet marketing (perhaps Google’s sponsored search listings, or

banner ads on the online repository website), their rationale being that Internet marketing of this nature will enable them to target people very precisely, reaching those who already are interested in the products they sell and who are closer to the “purchase intent” stage of the funnel (as they have expressed this intent through their Internet search for more information). It can be argued that even when consumers may enter the funnel at a later stage with a ready-made intent to purchase, this does not detract from the importance of brand awareness and favourability. Both are essential when the consumer is faced with an opportunity to buy.

Although these questions are still the subject of much debate, it is agreed that consumers’ buying experience has been affected by new media. It is now the norm to gather more information online, to listen to online radio, and to watch web streams of various television shows and ad campaigns. As various media integrate, local advertising decisions become more complex, and it becomes less clear which phases of the purchase funnel the advertising message is targeting. However, the premise of the purchase funnel (catching consumers at as many stages of their buying process as possible) remains valid. Magazine publishers must continue to assure local advertisers that despite the popularity of Internet use (shopping, search, etc.), print advertising remains an effective way to target consumers at many stages of the buying process. Further, the popularity of online shopping may actually be an advantage to city magazines, as this new way of buying bypasses local retail in favour of national warehouses that mail purchases directly. Therefore, city magazine publishers can promote local print advertising as a counter-strategy to the direct threat posed by online shopping.
Local Advertisers' Expectations

Local advertisers are not all the same; they have varying expectations of their ad campaigns. Some place ads in order to sell products in a short time (immediate response advertising), such as a seasonal sale. Others focus on branding their business, maintaining continuous media presence in order to generate top-of-mind awareness with those who receive this advertising message and installing in their minds a permanent specific image and/or attitude about the business and its products. Many advertisers want both, but with a tight budget, they choose call-to-action or branding messages. Those that have seen real (but short-term) results from the first may be reluctant to consider expanding their campaign to the second, even when sales have grown and there is money to go further. Whichever campaign they decide on, all local advertisers expect to see value from their campaign, which means seeing that their message is acted upon. Further, some local advertisers expect that by purchasing space in a particular publication, they will also gain assistance from its art department in the planning and creation of their advertising message. It is therefore extremely important that magazine publishers understand and then manage these expectations so that their advertising clients have a realistic idea of the probable response to their ad campaign.

To summarize, local advertisers have many needs that they expect their advertising campaigns to satisfy. Integrated marketing communications and targeting consumers at each stage of the purchase funnel is simply not an option for many, as some small- to medium-sized retailers simply do not have the means to advertise extensively and frequently. Although decision-makers vary in terms of status, budget, position within (or outside) the company, marketing experience, and the way in which they plan their media buy, all
decision-makers are similar in that they do not want to be approached by publications that propose pre-planned campaigns, rather than creating customized programs according to the client’s needs.

1.3 The Extensive Choice of Media in Vancouver

We have seen what local advertisers need and expect from their advertising campaigns, and as these campaigns run in a range of local media, it is easy to assume that local advertisers’ perception is that these media can and do meet their marketing needs. However, these media differ greatly in size, price, and production quality, and also in their effectiveness in delivering a particular advertising client’s campaign to the desired audience. (For example, one magazine may have a more engaged audience than its competitors, and thus the subsequent response to its advertisers’ messages may be higher.) What follows is a brief overview of Vancouver’s media landscape and the strengths and weaknesses of each medium.

City Magazines

The oldest and most successful city magazine to date is Vancouver Magazine, whose mission statement says that the magazine “informs, guides and entertains people who engage with the city.”\(^\text{20}\) It is published ten times per year and is distributed to predetermined

\(^{20}\) http://www.vanmag.com/magazine/aboutus.shtml
affluent postal codes and some paid subscribers, and it has a large newsstand presence.\footnote{10,000 copies of \textit{Vancouver Magazine} are placed on newsstands. However, the average sell-through rate for Canadian Magazines is between 35 and 38\% (according to Canadian Magazine Publishers Association).} It also publishes two special-interest annual magazines that are attractive to advertisers because they offer a larger, more diverse readership than the regular issues. \textit{Eating \& Drinking Guide} focuses on Vancouver's restaurants and bars, arguably the category where \textit{Vancouver Magazine}'s reputation is highest, and \textit{Guestlife Vancouver} is targeted to tourists through distribution in hotel rooms throughout the city.

Of smaller stature is \textit{Vancouver View}, a bi-monthly publication whose editorial focus is also service-driven pieces and feature articles that they claim are of local importance and relevance to their readers.\footnote{http://www.vancouverview.net/} \textit{Vancouver View} differs from other city magazines in that it seems to be supported by a lot of advertorial or ad-supported content (many articles showcase new products, companies, and services), and although it goes out to a group of paid subscribers, it can also be picked up at various retailers throughout Vancouver, such as London Drugs and Save-On Foods.

\textit{Granville Magazine} was new to the scene in 2007; its publisher, Canada Wide Media Limited, leapt on the opportunity to reach the growing numbers of affluent, educated Vancouverites who may not live the "greenest" lifestyle, but who are inclined (and who can afford) to choose sustainable products and services. Their editorial "explores earth-friendly choices and the best of West Coast living — an inspired guide to local food, fashion, decor, events and travel, plus provocative features on sustainability issues where we live."\footnote{http://www.granvilleonline.ca/gr/about_us} This
publication seems to have made all the right moves since its launch: its prose is sophisticated yet personable, with easy-to-implement lifestyle tips that are geared toward people with busy lives who want to incorporate more sustainable ideas, but don’t have a lot of time to do so. Further, *Granville* has quickly built up a large subscriber base through widespread marketing of a free-subscriber offer; and by publishing quarterly (giving themselves a three-month selling period for each issue), they ensure that they meet their advertising targets. The results of a 2007 poll showed that the 18 to 34-year-old demographic actually attributes the most brand value and integrity to the "green" publishers of books, magazines, and newspapers.\(^{24}\) *Granville* has tapped into this trend, and advertisers are using the space in the magazine to run creative ads that focus on the sustainability/ greener future philosophy of their businesses, in the hope that readers will respond to their messages as enthusiastically as to the editorial. The quarterly publication of *Granville* reduces risk to Canada Wide, but this distribution can make it more difficult to build customer loyalty (infrequent, therefore the reader may forget about it), as well as to build advertiser loyalty (it is not flexible if its advertising clients wish to run closely timed ad campaigns).

*Lifestyle British Columbia*, a competitor that emerged in spring 2008, is a quarterly publication with the same editorial template as its national counterparts (*Lifestyles Alberta*, *Maritimes*, and *Ontario*) and an editorial to appeal to its higher-end audience (its tagline is *Living with Style*). This new player is so new that it is difficult to gauge its success so far, but with its well-recognized cover stars, special sections included in each issue, distribution to 25,000 homes receiving the *National Post*, and the advantage of being part of a national club

---

of four *Lifestyle* magazines (and therefore in a good position to go after national advertisers), it may pose a significant threat to *VLM* in the near future.

These self-proclaimed city magazines not only have to compete with each other for local advertising dollars but also with other national, regional, and niche magazines that are distributed in Vancouver. These include *The Block* (a Vancouver-based, fashion-focused magazine that relies on public place distribution), *Ion* (a hip pop-culture magazine distributed at select locations nationally), and *Western Living* (a regional magazine with a large Vancouver readership). Space in publications such as these (i.e., with a more niche editorial focus and therefore a more specific advertiser type) appeals to advertisers, as they can reach an attractive readership in Vancouver at an affordable price.

Further, community magazines have emerged onto Vancouver's media landscape. One example is *Yaletown* magazine. Yaletown is a small, upscale city-within-a-city with its own hedonist, work-hard play-hard culture that to some extent distinguishes it from the rest of Vancouver. The magazine is distributed to residents only, and so it has survived by attracting advertisers who are located in that community and whose primary target market is the local affluent residents.

**Strengths and Weaknesses**

Few statistics are available to promote the advantages of advertising in city magazines, Magazines Canada constantly accumulates and summarizes the latest media
research and surveys concerning the magazine medium in general. Magazines’ main attributes include:25

- **Reliability:*** Magazines each have a unique editorial voice that creates a climate of reliability for advertisers in which they can speak to the engaged reader.

- **Believability:** As loyal readers believe what their chosen magazine(s) have to say, this builds reader confidence and influences their opinions. Therefore magazines provide advertisers with access to their loyal readers by consistently providing a trusted editorial environment.

- **Selectivity:** Magazines reach advertisers’ best prospects (those most responsive to their message). These “high-value” consumers volunteer to be exposed to magazine advertising messages, and are typically better educated, have higher purchasing power, and are influential opinion leaders who contribute to word-of-mouth recommendations.

- **Flexibility:** Magazines are flexible in that they offer a wide range of size, colour and positioning options, as well as opportunities for covers, inserts, outserts, poly-bags, business reply cards, supplements, advertorials, contests, promotions, and integrated web solutions.

- **Permanence:** Magazines are usually less disposable than other media, and are sometimes set aside to be reread or kept for future reference. This longer shelf life and the fact that magazines tend to be passed on to other readers ensures that the magazine ad keeps working.

- **Receptiveness to advertising:** Magazines deliver a lasting, tactile, durable message that provides readers with the time they need to absorb the benefits offered by an advertiser. Studies show that within 5 seconds, consumers absorb the product benefits, the product shot and the advertiser name.26 This effective communication is largely attributed to readers’ view that the glossy ads are an essential part of the package, making customers more receptive to what advertisers have to offer.

---


The points listed above are general advantages based upon studies of the magazine medium (rather than the specific genre of city magazines), and Vancouver’s city magazines vary greatly in their editorial environment and means of distribution.

Weaknesses of the magazine medium include the considerable lead time necessary for advertisers, who must plan their ad creative well in advance of the publishing date, and the lack of immediacy in getting the advertising message to consumers, as magazines are published less frequently than many other media. Further, smaller local businesses may be put off by the relatively high costs (especially when they have higher production costs to achieve quality design), as well as the lack of direct feedback that they receive from direct marketing, online advertising, etc.

**Newsweeklies and Daily Newspapers**

Vancouver also supports a number of newspapers, which are usually the cheapest advertising option for local businesses.

Local urban newsweeklies such as the *Georgia Straight* and *WestEnder* are structurally the most similar to city magazines as they cover comparable editorial content (arts, food and drink, local personalities), and can contain full-colour ads. These papers have become even more closely related to magazines in recent years as it has become more common for publishers to insert magazines in these publications. For example, the *Straight* publishes *Living, Style*, and *MindBodySoul* magazines, which are inserted in the paper each month on a rotating basis. Newsweeklies continue to be a popular local advertising vehicle because of the extensive advertising opportunities in the paper, website and insert magazines, and because of their huge local readership. For example, the *Straight*’s distribution strategy, pick-
up boxes and bulk drops in places throughout the city where people tend to congregate has amassed a claimed readership of almost 340,000 per issue.²⁷

Free daily newspapers such as Metro and 24 Hours have been commonplace in Vancouver since 2005. These free papers compete for the same commuters each weekday morning and evening. Both are based on national templates (distributed in cities Canada-wide), are more compact than the tabloid format, and cram news, views, lifestyle, travel, entertainment, and sports into their limited space (average page count is approximately 32). Both target an 18 to 39 demographic who want quick news that they can digest quickly and easily on their daily commute, rather than a giant newspaper. Although these papers are usually briefly scanned and thrown away, they represent an affordable way for local advertisers to deliver full-colour advertising messages to a large local audience. Further, these papers may soon become more attractive to advertisers as their layout evolves to become more user friendly and to better connect with readers, and therefore be read more thoroughly. For example, 24 Hours launched a redesign in October 2008, and the major change was a revamped front page replicating a web page in an attempt to provide a "content-rich" format, delivering the day’s top stories and highlights of its contents.²⁸

Community newspapers such as the Vancouver Courier and North Shore News differ from newsweeklies and freebie dailies. They tend to be published semi-weekly and are delivered to specific communities only (directly to homes and through public newspaper boxes in certain locales). Although their editorial consists mainly of local news, sports, and opinion, these papers still represent advertising competition to city magazines, not only

²⁷ http://www.straight.com/straight-facts-readership
²⁸ Powell, "24 Hours Rolls Out Fast New Look."
because of the rates, but also because they contain lengthy features and articles on
Vancouver's local history and personalities, and so may be more thoroughly read than free
papers focusing on news snippets and gossip (such as *Metro*) or extensive arts and
entertainment listings (such as the *Georgia Straight*).

Local (*Vancouver Sun*, *Province*) and national (*Globe and Mail*) daily paid newspapers
differ from the papers mentioned above as they tend to have a higher page count and loyal
readers who buy the paper on a daily basis. They offer local advertisers black-and-white,
lower-quality ad spaces, but they also offer high local circulation and desirable readership.
For example, the *Sun* is read equally by men and women, skews to age 35+ and appeals to an
educated urban audience with higher-than-average household income. National papers such
as the *Globe and Mail* are attractive to local advertisers because of the brand’s credibility. The
*Globe* brand encompasses Canada’s leading national newspaper, Canada’s number one news
website, and its alleged hallmark of trusted and authoritative content—products that are
relevant, meaningful and engaging for Canada’s most educated, affluent, influential
consumer.

**Strengths and Weaknesses**

On the plus side, daily newspapers and newsweeklies offer advertisers visual
mechanisms for communicating with customers in a format in which messages can be long
and detailed (as bigger ad spaces are more affordable than smaller sizes in magazines).
Moreover, people turn to newspapers for the latest information on the price and availability
of products; therefore, “call-to-action” ads (which can be strategically placed in the
advertisers’ chosen section) within this environment play a vital role in consumers’ purchase
decisions. On the down side, newspaper ads are less valued by readers as a part of their
reading experience, in comparison to magazine ads. Other drawbacks are their frequency and short shelf life. Newspapers that are published daily are not likely to be read more than once, whereas monthly magazines stay before the reader for longer; the reader chooses to return to the magazine content to reread or share it with others, increasing the number of exposures to the ads within. Further, there is the challenge of grabbing readers’ attention with ads—many of which are black and white only, with poor reproduction—which can get lost amongst the visual clutter. Also, the reader actively chooses certain sections of the paper to read and tends to ignore others.

Vancouver’s national papers, local paid dailies, community freebies, commuters’ high-speed newspapers, and alternative news and lifestyle weeklies vary in their credibility, production quality, price point, and audience composition (in terms of education and disposable income). Readers attribute different values to each one, and their consumption behaviour is affected accordingly. For example, a reader may be inclined to scan a copy of Metro, then leave it on public transit, but pick up a copy of the Georgia Straight’s Style insert magazine to take home to read and refer to later, perhaps because of its higher production quality, thud value, content, etc. Therefore, when looking at the range of city magazines and newspapers as potential advertising vehicles, the local business’s decision as to where to advertise is much more complex than simply choosing between magazines and newspapers. The advertising buyer must weigh up not only the pros and cons of each medium, but also those of each publication within the two genres. They will then choose where to run their campaign based on their unique set of needs (such as marketing goals, primary target audience, and immediacy of advertising message) and limitations (such as budget or design capabilities).
Internet Advertising as an Option for Local Advertisers

As this report focuses on print advertising, it will not go into detail about Vancouver’s multiple radio and television options, but it is important to consider Internet advertising in this context. Google Adwords, Adsense, and the plethora of local websites have made the online medium a serious option for many local advertisers. As with radio, online advertising has the advantage that advertising campaigns can be changed without difficulty on short notice. It is also inexpensive (the advertiser is usually only charged each time the ad is clicked on), and can be measured more effectively than other media, through click-throughs and web traffic analysis. Further, online is no longer an “interruptive” medium; for example, consumers give their consent to receive e-newsletters, or voluntarily choose to click on search results.

There are numerous community-dedicated web pages in Vancouver (for example, Westvancouver.ca), but the most interesting development has been the success of VitaminV, an online magazine (published by Daily Dose Media Inc., who also publish similar online publications in Toronto and Montreal) that was launched to fill an arguable gap in the marketplace for timely lifestyle tips and hints that help readers get the most out of their city. These are contained in a “daily dose” that is delivered to subscribers’ inboxes Monday through to Saturday, along with “steals and deals” tip sheets from sponsors, and occasional “sponsored emails” sent out on behalf of select advertisers. The ads are therefore non-intrusive, and the local advertiser has the advantage of sharing the dose with no more than one other advertiser (each ad space also includes ad copy, hyperlinks and a four-colour image). It has been argued that these online publishers are sneaking in and luring ad sales
away from the online products of print publishers, as they have high functionality and sharp content (important because their success relies on online click-throughs, compared to magazines, which have print publication to fall back on). Although not seen as serious competition for city magazines, this new initiative in online advertising has gained much credibility fairly recently as well as more advertiser participants, and so city magazines must follow this development closely.

1.4 Media Substitutability

The preceding overview by no means covers the entire range of media options for local advertisers in Vancouver, but it suffices to show that the range of media act most efficiently as different layers of local advertisers' marketing campaigns. Each medium, and each publication within that medium, differs from the others in the extent to which it successfully delivers advertisers' diverse range of marketing messages.

However, local advertisers do not always choose the medium (or media, in the case of an integrated campaign) that best suits their needs. In my role as a VLM sales rep, many potential local advertisers that I approached tended to see all media as competing with each other, not as steps in the "purchase funnel". Therefore, the response they received from their campaigns (with their chosen media mix) often did not match up to what they expected, and I found that many businesses were then willing to try a different approach, switching to a different medium entirely or to a competing publication of the same format as their previous campaign, hoping that this experimentation would lead to better results (from

their view point). This trend of media "flings" (rather than committed relationships) has led to the perception that many local media are actually substitutes for each other, when in fact they are not—each achieves different marketing aims by reaching consumers at particular stages of the purchase funnel. This trend in Vancouver's saturated media marketplace is exaggerated by the fact that advertisers are approached by numerous publications, and often their decision is based on what they perceive to be the best offer in terms of discounted price point and bonus added extras, rather than the bone fide best offer in terms of the medium, readership, and editorial environment that are best suited to deliver the desired advertising message.

**The Use of Imperfect Substitutes**

The willingness of advertisers to use imperfect substitutes to reach consumers was investigated by Reid, King, Martin, and Soh. They reported the results of a survey of local advertising decision makers, which was conducted to answer questions on perceived media effectiveness and "substitutability" in the context of local advertising. Although media substitution was defined as occurring "when a buyer switches from one product to another that fulfils the same purpose," they argued that this definition becomes more complex when investigating advertising substitution decisions. The advertiser buys access to the medium's


31 Their methodology was based on (and the six questions they addressed were drawn from) the findings of a prior similar study focused on national advertisers:

32 L. Reid et al. "Local Advertising Decision Makers' Perceptions of Media Effectiveness and Substitutability." 36.
audience (this being the product, not the actual publication); therefore, substitutability becomes more complex: both the product (the publication's audience) and the creator of this product (the publication itself) need to be considered, as the buyer's decision to buy space is dependent on the audience's demand for the publication.

To attempt to understand why local advertisers in Vancouver continue to use imperfect substitutes, it is necessary to take a closer look at how the advertiser chooses the medium in which to run a campaign. Local advertisers will want to choose the media mix that best delivers their most prospective customers in the most cost-effective manner (as expressed by CPM.) However, Reid et al. argue that although CPM is the basic unit of cross-media comparison, during the CPM comparison process, "level of media substitutability is something that occurs informally"; i.e., local advertisers employ a subjective mental process when comparing media for effectiveness. Although they place importance on CPM comparisons, they may actually adjust this ranking by bringing their own perceptions and chosen measures into the comparison process. One such measure could be the advertiser's goal of reaching a specific demographic; hence it might choose to run ads in niche-targeted publications, rather than simply choose those with the lowest CPM.

The research undertaken by Reid et al. is partially relevant to the Vancouver market, as the respondents to their six research questions were a sample of local (independently owned) advertisers whose advertising decisions were made at a local level, and who were selected because they advertised in one particular market. The research's sample media included broadcast TV stations, cable TV services, radio stations, daily and weekly

33 Ibid. 38.
34 Ibid. 41.
newspapers, and one city magazine. The range of media in Vancouver differs from that of
the research sample; specifically in that Vancouver has several city magazines rather than
only one. However, some interesting ideas stem from this research that are equally applicable
to how Vancouver's local advertisers perceive their local media in terms of effectiveness and
substitutability. The most relevant findings are as follows:

**No Clear Media Leader**

The results showed that "unlike the case of national advertising in which network
TV was overwhelmingly judged the most effective, no medium dominated the local decision
makers' effectiveness rankings (newspapers and radio topped the rankings—first and second
respectively)." This lack of a clear media leader, in terms of perceived effectiveness, means
that at a local level, there is no restriction on the variety of media that can approach local
businesses, as businesses will hold different opinions as to which medium they consider to
be most effective as an advertising vehicle. This allows for multiple media to approach a
potential advertiser—many companies are likely to be open to persuasion as to which
medium will be the most effective for them

**Media Substitutability**

Reid et al. then asked: "What are the local advertising decision makers' perceptions
of the degree to which different media are substitutable for one another in their local media
schedules?" Although radio and daily newspapers were judged first-order substitutes for
each other, magazines and weekly newspapers were the only other media identified as
acceptable substitutes for the other media focused on in the study (for example, magazines

---

35 Ibid. 43.
36 Ibid. 40.
were judged as a first-order substitute for yellow pages and cable TV, and both magazines and weekly newspapers were judged as third-order substitutes for daily newspapers). Further, when the authors questioned the respondents on newspaper substitutability more specifically ("Which media, if any, do local advertising decision makers consider the most interchangeable with daily newspapers in their local media schedules?"), there was almost unanimous agreement that there are appropriate substitutes (only 2.3% of respondents thought that no medium could take its place, and the top five acceptable substitutes included radio and magazines). This research also found that the tendency toward media substitutability was not substantially affected by the local decision maker's type of business operation.

These responses are interesting as, although perceived as acceptable substitutes, these media offer very different advantages. Therefore, if many Vancouver businesses think in a similar fashion, these media are competing closely with each other for advertising dollars, rather than only competing with other publications within their genre.

What aggravates this mentality of media interchangeability further is that in recent years the media landscape has become blurry, with various media merging together. For example, newsweeklies now include inserted magazines, many newspapers have switched to full-colour and partially shifted their advertising focus online to their comprehensive new websites, and many consumers now choose to watch sitcoms online rather than on television. This development also starts to mix up the pros and cons of advertising in specific media, thereby further confusing local advertisers' decision as to where best to run

37 Ibid. 40.
38 Ibid. 47.
39 Ibid. 50.
their campaign. They may also get overwhelmed by the multitude of advertising options one publication offers them, and may decide (not illogically) that they are getting the best value for their limited dollars by choosing this option. For example, a weekly newspaper may offer them an advertising package consisting of placement in their newspaper, website and insert magazine. However, in doing so, the advertiser may no longer be making it a priority to send the right marketing message to the primary market. The fact that local media are no longer viewed as separate and distinct from each other affects sales teams across the media spectrum. Salespeople are now forced to constantly review their sales pitches and strategy, not only in order to stand out to new prospects, but also to maintain their current advertising clients. They must do this by showing their clients that their publication is not interchangeable with other media but is an integral part of their media mix. This will be the focus of Part Three.

This overview of local advertising in Vancouver suggests that knowledge of the range of local advertising decision makers, their diverse marketing needs and expectations (which also requires an insight into the evolving consumer purchase process), their attitudes toward media substitutability and their reaction to the fierce media competition revolving around them, are all absolutely vital in order for local media to survive. In Part Two, I will use VLM as a case study to illustrate how a city publication can attempt to carve out a niche in Vancouver's changing media landscape.
Part Two:

Case Study:  
Vancouver's Lifestyle Magazine (VLM)

2.1 Vancouver Lifestyles to VLM: An Overview

*Vancouver Lifestyles* entered the Vancouver city market in 1992, launched by Michael Parker. Since then, it has been through numerous owners and editors who have each implemented their own changes and re-designs whilst the publication was under their control. Its editorial content has always focused on people profiles, service-orientated articles and lifestyle features within the departments: Vancouver Homes, Fashion and Beauty, and Food and Drink. Until 2008, its circulation model changed very little. Copies were distributed to just over 30,000 affluent residences, mostly in North and West Vancouver, but also through insertion in the *Vancouver Courier* and *North Shore News*. In 1999, the magazine went through a redesign, and in 2002, the newly hired editor tried to shift away from its soft editorial, aiming to introduce more of a news and business focus, and more substantial editorial overall.

Although the magazine's targeted affluent audience and competitive advertising rates did attract some loyal advertisers, it had trouble reaching out to new businesses and

---

40 Mario Montagano and Tom Hamilton were the main investors (and silent partners) in the magazine before Mercer and Mleczko took over in 2008. Bob Mercer, Publisher and Editor, personal communication, January 2009.

therefore was not generating enough revenue to prevent the owners from losing money on each issue. In 2005, the magazine was rebranded by the then-owners as VLM (tagline: Vancouver's Lifestyle Magazine), the corporate name was changed to City Network Media (2005) Ltd., and Bob Mercer stepped in as editor in January 2007. He remained as an employee until March 2008, when he bought a share in the magazine. Soon after, the owners of the magazine (who had no previous experience in the publishing industry) lost confidence in the already-dying magazine and decided to sell it. Mercer (former editor at the Georgia Straight, Calgary Magazine, and Vancouver Magazine), in partnership with George Mleckco (former partner and CEO of Business in Vancouver, and director of advertising at numerous city magazines and local newspapers), decided to put their extensive publishing experience to good use and endeavour to bring VLM back to life. They bought the rights to the name, along with certain assets, and incorporated as VLM Enterprises Ltd.

Bob Mercer's view was that the magazine simply had not succeeded in establishing a strong local identity. He thought that the magazine’s editorial celebrated its readers’ wealth and success, without any commitment to speaking to them on an intellectually engaging level. What added to this lack of identity was that the magazine was not on the radar of many local advertisers. Because it relied heavily on community papers as its sole vehicle of distribution and allocated few dollars to other marketing efforts, the only Vancouverites who were aware of its existence were the recipients of the 30,000 circulated issues each month. Further, there was no guarantee that recipients were reading the magazine, as these community papers were not requested by the residences they went to. The recipients who were not fans of free community papers would simply move the paper from doorstep to

42 Bob Mercer, Publisher and Editor, personal communication, October 2008.
recycle box, oblivious to the magazine content within. The new owners decided to attempt to rectify these problems by overhauling the magazine’s editorial, design, circulation strategy, and advertising rates.

**Editorial and Design**

In 2007, the magazine underwent an extensive redesign. Its new front cover took on a more commercial, glamorous, eye-catching look consisting of a black-and-white close-up photograph of a recognized local personality, with “VLM” in bright, modern colours standing out against this classic backdrop. Mercer decided to tone down this approach on the inside. He chose a clean layout, outlining the various VLM departments and packing every page with articles and columns to read thoroughly.

Mercer’s new editorial approach was to publish lengthier, edgier features (still people-centred), intelligent interviews, and optimistic service pieces that focused on recommendations rather than negative reviews. Each issue was to include a diverse range of columns, written by columnists whose names were recognized because of their years writing for VLM and/or Vancouver Lifestyles, or because of their respected position in their field of interest. Mercer’s hope was that this edgier, sophisticated editorial coverage, combined with a friendlier, intelligent editorial voice, would make the magazine stand apart from other city publications on the market.

---


44 Bob Mercer, Publisher and Editor, personal communication, October 2008.
**Reviewed Circulation Model (and Resulting Readership)**

Up until December 2007, *VLM* was distributed to 35,000 households within the Downtown, West Side, and North Shore areas of Vancouver. Canadian Circulations Audit Board (CCAB) ensured a 100% qualified, audited circulation base (i.e., the number and location of the residences that *VLM* was delivered to). The new owners (with the sales department) re-analyzed this distribution model, intent on revising it in order to distinguish *VLM* from other lifestyle magazines. According to Bob Mercer, the main rationale for the change in circulation strategy was to address the waste that was caused by distributing *VLM* with free community newspapers. Although these channels had the advantage of being relatively inexpensive, the magazine was relying on the voluntary participation of recipients. To attempt to raise the proportion of actual readers among recipients, it was decided to distribute some copies of the magazine with the *Globe and Mail*. Because these copies went to subscribers who had requested and purchased their host newspaper, there would be much less chance of the *VLM* magazine (insert) going to waste.\(^{45}\) Distribution in 2008 was as follows:

- 12,500 copies (approximately half the total circulation) go out to selected (based on postal codes) paid subscribers of the *Globe and Mail*; therefore *VLM* is reaching a highly educated, affluent audience through home and business subscriptions. *Globe and Mail* circulation is measured by both PMB and NADbank (Newspaper Audience Databank), and *VLM* uses this information to further define the *VLM* readership demographic.

- *VLM* has a small newsstand presence at pre-selected locations throughout Vancouver, and also goes out with the *Globe and Mail* once a month to major newsstands, including Chapters, Urban Fare, Shoppers Drug Mart and Save-On Foods, therefore reaching newsstand purchasers of the *Globe*.

\(^{45}\) Ibid.
• The remaining 12,000 copies rotate between 35,000 filtered postal codes on a three-month basis, with the same community newspapers as before, so that each home receives VLM a maximum of four times annually. The rationale behind this move was to switch readers to the status of voluntary subscribers by offering a free subscription card insert, an initiative that began in May 2008. These 35,000 filtered postal codes, which show the highest household income and home ownership, have been sourced and analyzed by Canada Post, and according to this data, VLM readers fall within three lifestyle “clusters”: 46

“Canadian Elite”:
This cluster represents an elite set of homeowners. Their average income is $250,000, and as 92% are husband-and-wife families, they also represent wealth created by family stability. These families index high on managerial, professional, technical, healthcare, and financial services employment. They are most likely to have a university degree and a “married with children” household composition. The Canadian Elite also show a higher index of owning a second home (holiday or investment), and they support the arts and local community. 47

“Urban Gentry”:
This cluster reflects urban neighbourhoods that are modest in lifestyle (with an average household income of $96,000), though quite economically secure. Their lifestyle is more conservative than that of the Canadian Elite, yet they are also big consumers of luxury cars, designer clothes, travel, and the arts. The urban gentry own older homes built in the 1950s and '60s, have a university education, and most likely managerial employment. 48

“Suburban Affluence”:
This cluster consists of suburbanites with a flair for fine living; they represent both old and new wealth. Because wealth accumulates through life states, this cluster exhibits an older skew with many empty nests. The average household income of $166,000 represents significant potential spending power as well as their investment in suburban communities. 49

46 "PSYTE clusters are socio-demographic filters created by profiling neighbourhoods based on 2001 Statistics Canada Data and key indicators of consumer and lifestyle behaviour. PSYTE leverages the concept that birds of a feather flock together and enables customers to better target their advertising messages by focusing on similar customers in other geographical areas. There are 65 distinct, statistically significant lifestyle PSYTE categories or clusters)."
“Canada Post Advantage Data”
http://www.canadapost.ca/business/offerings/geopost_plus/can/targeting_options-e.asp

http://www.canadapost.ca/business/offerings/geopost_plus/pdf/psyte_advantages_e.pdf

48 Ibid. 1.

49 Ibid. 4.
To summarize, although the number of copies of \textit{VLM} that are distributed has dropped to 25,000, this decrease is offset by the fact that the new circulation model is more targeted (attempting to reach only those who want to read the magazine), and more widely distributed both geographically (through \textit{Globe and Mail} distribution) and to more potential readers (using a rotating system giving recipients of community newspapers the magazine on a quarterly rather than monthly basis, unless they subscribe).

\textbf{2.2 Improvements from an Advertising Perspective}

To make a successful sales pitch to advertisers, the rep must do more than give an overview of the new magazine, as I have outlined thus far. The rep must promote these new developments in such a way that the potential advertiser can see more value than before in using the publication as part of its marketing plan. To do so, the rep must emphasize the changes that will matter most to the advertiser, for example, the heavy discount frequency rates for local businesses that want to run frequent campaigns but feel that they cannot afford it. The emphasis must be placed on those changes that encourage advertisers to experiment with \textit{VLM}'s new format and distribution.

\textit{Editorial}

It is necessary to persuade advertisers that \textit{VLM} is read and not thrown away. Quoting the slowly rising number of subscribers (no RPC statistics are available, as \textit{VLM} is not a member of PMB) is usually not enough to persuade potential advertisers that the new magazine is read more thoroughly than its predecessor. Therefore, the sales rep must guide prospective clients through the new editorial, bringing their attention to aspects that
distinguish *VLM* from other city publications. Mercer's hope is that potential local advertisers will be engaged by the lengthier, more personal editorial, and that they will believe that other Vancouverites (in their target market) will be equally engaged and therefore be more likely to absorb the advertising messages placed alongside this editorial. This enjoyment of the magazine may then tip the scales in *VLM*'s favour when it comes to making advertising decisions. 50

The prospective advertising client is also likely to see value in the fact that their ads will not get lost amongst cluttered advertising pages. *VLM* best showcases the company's product and message by limiting the number of ads (and competing advertisers) on each page. *VLM* has also initiated advertorial sections, focused on travel, seasonal gifts, etc., that are distinguishable from the main editorial by a clear heading stating that it is a special advertising feature/section. These sections are written (by an in-house *VLM* writer) and designed (to harmonize with the magazine's layout) in such a way that *VLM* readers will find this content as engaging as the other articles featured in the magazine.

**Circulation Advantages**

*VLM* is not considered the primary buy for many advertisers, as its circulation is too small. The highly targeted, boutique nature of its circulation must therefore be brought to the attention of prospective advertisers, rather than the number of copies that are distributed; i.e., *VLM* must offer advertisers a readership that other publications cannot (the combined *Globe and Mail* and community newspaper distribution reaches businesses and educated professional homeowners and their families). The fact that this audience is one that

50 Bob Mercer, Editor and Publisher, personal communication, October 2008.
many local advertisers will covet may be enough to make the advertiser further explore VLM as a possible advertising vehicle.

Three other aspects of VLM’s new circulation model could be used to trigger interest in advertising in the magazine. First, its association with the Globe and Mail may sway potential advertisers who perceive this means of distribution as more authoritative than other publications as a distribution vehicle. The Globe and Mail channel distinguishes VLM from its competitors by allowing local advertisers precisely and effectively to target Vancouver’s Globe readers. The Globe’s own research shows that its readership consists of Canada’s thought leaders and taste makers (people whose opinions influence others), who have large disposable incomes and, while they are great savers and investors, aren’t afraid to spend on the things they want.\textsuperscript{51}

Second, VLM’s association with the Globe is attractive to potential advertisers because it suggests they will gain further respect and credibility by being associated with the Globe brand. Advertisers believe that VLM achieves the same “halo effect” as when companies advertise in the newspaper; i.e., that VLM gains the credibility that the editors and journalists have established in the paper’s editorial (known for its prestige and quality), and that they too can be a part of this instant credibility by placing an ad in VLM. As other city magazines are also distributed using national newspaper titles, such as Lifestyle BC in the National Post, asserting the newspaper’s credentials may sway some advertisers to advertise in VLM.

Third, VLM’s recent initiative (in May 2008) to convert readers to free subscribers is attractive to advertisers. Although no revenue is generated from these subscriptions, the rep

\textsuperscript{51} \textit{http://www.globelink.ca/about/advertising/}
can still emphasize the reasoning behind this initiative, converting readers to subscribers in order to become more accountable to advertisers, assuring them that VLM is an invited guest in every home, received only by those who want it. Advertisers are likely to appreciate this move to show an engaged readership, to believe that VLM is sincere in its promise to offer a highly targeted audience, and to understand that the editorial team truly believe in the product that they're publishing. Requested subscriptions are also a bonus to advertising clients in that when figures are audited, these readers will classify as a higher level of qualified reader (one that is choosing to receive the magazine).

**Advertising Rates and Placement**

The magazine's new rate card is conservative, with no price increases to reflect the more targeted boutique circulation or to reflect the higher expense of going out with the *Globe and Mail.*

This is a deliberate move to prove to advertisers that the new VLM is committed to its goal of becoming a vital yet affordable part of local advertisers' campaigns: helping them reach a narrowly targeted, highly desirable audience, wasting no advertising dollars by going out to Vancouverites who are unlikely to be interested in their product/service, and still leaving money in the advertiser's budget so that they can afford an integrated campaign (running ads in other media also).

Moreover, to encourage local advertisers to benefit from running ads in several issues (and also thereby reaching VLM's maximum readership), the magazine's new rate card offers higher-than-average frequency discounts. Advertising three times will result in a 16.7% discount, six times a 26.7% discount, and twelve times a 36.7% discount. As both local

---

52 Distribution with *The Globe and Mail* costs about four times as much as distribution with the community papers.

Bob Mercer, Editor and Publisher, personal communication, January 2009.
businesses and agencies have a budget that they must adhere to, with which they seek to obtain the greatest exposure they can for their money, these larger discounts are likely to influence their decision. Finally, a benefit of VLM's rate card is that preferred positioning (aside from the inside/outside back and front covers) is used as a negotiating tool and as a method of building advertising loyalty, rather than sold to the highest bidder.

**Presenting a Unique Selling Point to Advertisers**

When explaining to prospective local advertisers how changes in editorial, circulation, and advertising rates make VLM an extremely attractive advertising vehicle, it is more effective to promote these changes as a package, one that the local advertisers will not find anywhere else. Hence when advertisers are approached by sales reps from numerous media, the hope is that VLM's unique selling point will be one that is remembered. To achieve this result, the package must be articulated in a concise manner. A succinct tagline for VLM's unique selling point consists of three aspects that describe its reach, taking account of the overall impact of the 2008 developments on the attractiveness of the publication to local advertisers. These three simple points clearly distinguish VLM and prove that it can be an integral layer in local advertisers' marketing campaigns:

- **Tailored**: i.e., to tailor each campaign to the client's individual needs. Not only will they be kept up to date on editorial that will best showcase their advertising message, but also sales reps can work with them on building ad creative and customized campaigns.

- **Highly targeted**: VLM offers a boutique audience, and is constantly reviewing its circulation model in order to provide a "bull's-eye" of the most affluent, well-educated, influential Vancouverites.

- **The most affordable**: VLM now has both a conservative rate card and a rapidly decreasing CPM with frequency ad buys, as the rotating postal-code distribution means that the maximum readership is reached by having a continuous presence in VLM. VLM's approach is to be affordable and efficient, eliminating any waste
resulting from reaching a larger, more diverse audience—an audience that consists of many who are not interested in hearing a targeted advertising message.

Earlier, I discussed the effect of Vancouver’s saturated media marketplace on local advertisers. Local businesses are inundated with advertising proposals from a range of media, and they choose between these offers using a subjective, informal decision-making process (not strictly adhering to a CPM comparison. Moreover, they tend to switch their campaigns among various media, perceiving certain media to be suitable advertising substitutes for each other (rather than focusing on the inherent advantages of each, and which would deliver their advertising message to specific stages in the consumer purchase funnel most effectively). The blurred, fiercely competitive media landscape in Vancouver has exacerbated this trend. VLM has met the challenge by attempting to carve its own niche in Vancouver's city magazine market. Its strategy in doing so has been to offer local businesses a unique advertising package that they are unable to find elsewhere in Vancouver’s media market, this has been achieved by overhauling the editorial and design of the magazine, as well as introducing big changes in both circulation and advertising strategy.

Further, in making these changes, VLM's strategy reflects an attempt to understand local advertisers’ predicament; i.e., the complex process of making advertising decisions in a shifting, saturated media market. By offering customized advertising placement within engaging editorial, VLM hopes that local advertisers will sit up and pay attention to this new product that attempts to meet their diverse marketing needs and expectations. VLM’s unique selling point reflects an attempt to distinguish its advertising product from those

54 Ibid., 35-53.
offered by competing publications. From understanding local advertisers’ budget limitations and the consumer purchase process, VLM’s strategy also has included a conservative rate card so that advertisers’ money also can be spent elsewhere to target consumers at the stages in the purchase funnel that VLM does not so efficiently target. By clearly seeing value in their new VLM campaign, local advertisers may be less inclined to frequently alter their campaign and revert to using imperfect media substitutes.
Part Three:

A New Sales Strategy in a Changing Media Landscape

A new unique selling point (brought about by the extensive changes within the magazine) and a thorough understanding of local advertisers’ needs and expectations, are only effective when there is a proficient sales team ready to communicate with local businesses and promote the new VLM. In 2008 the VLM sales team consists of a small group, three to five sales consultants that work together under the supervision of a sales director, who focuses and directs each rep’s sales efforts. The reps’ effectiveness lies in their knowledge of media planners’ decision-making processes, their ability to carry out meticulous research before contacting a new business (or a new ad agency), and to communicate their magazine’s message efficiently. VLM sales reps have to distinguish themselves from the many other proposals that local businesses receive, and therefore they must integrate their knowledge of the advertiser’s decision-making process and the magazine’s unique selling point into a new, smarter sales strategy. This part of the report takes a closer look at the VLM sales strategy, and makes recommendations as to how the reps can stand apart from other media reps, use their time most efficiently, and sell their product against other media (rather than simply compete with similar publications).
3.1 A New Improved Product Is Not Enough

Earlier, I discussed ways in which the saturated media marketplace in Vancouver has affected local advertisers’ decision-making. They are continuously inundated with new media proposals, so sometimes switch and use imperfect substitutes, are consequently unsatisfied with the response, and so switch again to try another new media mix. This changing media marketplace also has affected the way in which people are consuming media.

The Internet has caused audiences to change their responses to media and advertising. Today consumers voluntarily participate in advertising (for example, choosing to click on search engine results, banner ads and rich media ads), giving their permission to be exposed to ads as opposed to experiencing interruptive advertising (such as television and radio ads, where the consumer is exposed to ads without their consent). Further, the changing nature of the dissemination of information (shorter, more concise information through emails, RSS feeds, e-newsletters, etc.) has shortened people’s attention spans. Audiences are bombarded with all sorts of media, often several different forms at one time. They are therefore forced to multi-task by simultaneously using various media forms, simply to keep pace with events around them.55 Today it is the norm for consumers to flick through magazines whilst listening to the radio, occasionally glancing at the television or pausing to check email. Therefore, in order to get noticed by these multi-taskers, advertisers must select the media that best engage their target prospects.56 They want to be assured that when these prospects use these media, they will be doing so in a receptive, willing frame of mind. If they


choose a mix of media options that they believe will best engage their target market, then even if this audience is simultaneously consuming other media, the medium containing the advertiser’s message will stand out in the user’s foreground, whilst the remainder media will be secondary in their attention.

The Magazine Publishers of America’s (MPA) handbook says that magazines tend to go against this trend in simultaneous usage, and are in fact the media least diluted by multi-tasking. Only 10% of magazine readers simultaneously go online; 16% listen to radio, and 25% watch TV. Similarly, magazine readers are least likely among all media users to engage in other (non-media) activities while reading (only 10%, compared to 24% of online users). Despite this, reading in isolation may soon be a thing of the past. As there are increasing numbers of free magazines, delivered to homes without prior consent (or inserted into a newspaper as VLM is), these examples may not engage readers as much as if they had paid for the magazine. For example, these insert magazines may be scanned briefly, but readers’ full attention may instead focus on the papers they paid for. Further, in Vancouver’s city magazine market, it is likely that a significant number of people receive more than one city magazine; for example, Vancouver Magazine distributes to residences in many of the same areas of Vancouver as VLM does. The fact that a magazine may not have a consumer’s undivided attention means that the publisher must work harder to provide the most engaging, attention-grabbing content to ensure that readers remain most receptive to the advertisers’ messages.

Therefore, the reality is that local advertisers are adjusting to a new marketplace by changing their advertising expectations and their media-buying process, whilst consumers are

doing the same by shifting to new styles of media consumption. Magazine publishers must accept this new reality, understand why buying and consumption behaviour is changing, and evolve their publication accordingly. *VLM* has attempted to do so by offering readers an attention-grabbing publication that is not conducive to being consumed simultaneously with other media. It does so by publishing longer editorial pieces (with a reader-friendly editorial flow throughout to ensure that few pages are passed over) that aim to captivate its audience, thereby engaging readers and making them receptive to learning more about the advertiser's product/service.

However, as mentioned above, advertisers are swamped by multiple media options, each publication trying to assert what it claims to be its unique selling point, and so in order to stand out from the competition, a fresh sales strategy is needed to sell this new improved product. *VLM* sales reps have incorporated two positions into their sales technique: defence and adaptation. First, a defence is made for the magazine medium itself, using evidence from various up-to-date marketing research and surveys to uphold the claim that magazines continue to be a vital part of the media mix, despite competition from the Internet. Second, the adaptation aspect of the sales strategy focuses on how *VLM* has evolved to offer local advertisers a better package than its competitors. The sales rep should also demonstrate why the local advertiser must adapt too, convincing them of the importance of continuing their marketing efforts in a slower economy, and assisting them in doing so.

The following sections discuss how *VLM* sales reps take both positions when selling advertising space. Sections 3.2 and 3.3 discuss the sales process, taking a closer look at the various stages in which sales reps use a range of defence and adaptation arguments in order to secure a sale. I will also include recommendations for *VLM* to consider in further
bolstering its sales strategy, and show local advertisers that the magazine is continuing to adapt to their changing needs and the evolving media marketplace.

3.2 The Sales Process: Incorporating a More Effective Selling Strategy

In late 2008, Vancouver’s economy took a downturn and the news media jumped on this, inducing a climate of fear amongst local businesses, which in early 2009 have become apprehensive about spending money on advertising. Selling in this crowded, nervous, penny-pinching market is tough. Therefore, the sales strategy not only promotes the new VLM, it gives advertisers more than what the competition is offering. Another priority is to respond to media buyers who are looking to cut ad budgets, many of whom see magazines as top of their cut-list, simply because they are usually the most expensive local media option.

In a downturn, people don’t stop buying; they just buy more cleverly. Similarly, media buyers don’t tend to cancel their advertising campaigns, but rather downsize them. The corollary of this should therefore be that sales reps need to find smarter ways to sell space and to stand out from the crowd to ensure they retain their importance in advertisers’ campaigns despite the slow economic times. Sales teams need to be more aggressive, and to come up with innovative ideas to win business from the advertisers, who are demanding


great programs and scrutinizing every dollar they spend.\textsuperscript{60} VLM's sales strategy aims to retain existing advertising clients and attract new ones by addressing clients' individual needs, problems, and marketing goals. The sales process is relentless, illustrated by "The Ad Sales Funnel," Figure 2. This funnel analogy works in a similar fashion to the purchase funnel discussed in Part One. Numerous advertising prospects enter at the top, but more and more are filtered out through the sales process, until only a few remain at the narrowest end (the sales end) of the funnel. Sales reps must go through a series of steps with each potential advertiser, aiming to sign them for a frequency campaign well in advance of the sales deadline for each issue of the magazine. The sales rep must put effort into each stage, and even when the result is a sale, the rep must maintain their relationship with the advertiser, constantly reassessing needs and changing the campaign accordingly, to keep the client advertising in the magazine.

**Figure 2: The Ad Sales Funnel\textsuperscript{61}**

\begin{center}
\includegraphics[width=\textwidth]{funnel.png}
\end{center}

\textsuperscript{60} As per Conde Nast’s Hughes. Ibid. 18.

\textsuperscript{61} This diagram was created using in-house marketing materials at VLM. The sales funnel concept however, is not exclusive to VLM. For a further example of the use of the funnel concept to monitor the sales process, see: "The Sales Funnel." MindTools http://www.mindtools.com/pages/article/newLDR_94.htm
Following is an outline of the main steps in the sales process, and how VLM's smarter sales strategy is carried out at each step.

**Step One: Choosing which Prospects to Approach**

On the face of it, an upscale city magazine such as VLM has seems to have a large pool of diverse prospects to approach for advertising. However, this is only half true. Sales reps must select only those prospects with the potential to advertise at that time. VLM sales reps source their prospect list from the magazine's advertising database (including all local businesses that have ever been approached by the magazine), press and product releases, editorial articles, contacting agencies, trade shows, live ad campaigns in other media and the National List of Advertisers, etc. They then choose the prime prospects and rank them accordingly. This method of qualifying accounts ensures that the sales rep uses her selling time most effectively. When she contacts the businesses, it becomes clear that many are not in a position to advertise, for various reasons including no allocated budget, budget spent, decision not to use magazines in their marketing efforts, and the sales rep's list becomes significantly shorter, with only a few prospect advertisers moving on down the "sales funnel" (Figure 2). The time spent contacting the prospects that leave the funnel at the first stage is not wasted time. From this contact, reps can arrange a follow-up call at a time that suits the company, simply to update the prospect about a magazine editorial/event that might take their interest, or a more formal call at the time when the company reviews its advertising budget so the rep can pitch the magazine as a potential advertising vehicle before the formal planning process begins.
Step Two: Assessing Advertisers’ Needs at the Sales Meeting

Before arranging a sales meeting, it is wise for the rep to determine the contact person at the agency or retailer who is responsible for developing the marketing plan. In this way the rep can ensure that she is not presenting a proposal to someone who has no authority to make advertising decisions. At VLM, Julie Hamilton, the Director of Sales, encourages reps to use the “Qualify Accounts”/“Sales Meeting” stages (the all-important first and second contact with the prospect), to obtain as much information as possible from the local business. This gathering of information prevents the rep preparing a proposal outlining a recommended campaign that the business is not ready to review thoroughly or that does not meet the marketing aims.

However, the VLM rep attempts to distinguish herself (and the product she is selling) from competing publications by using this gathering of information to listen to her potential client instead of rushing to persuade the client to buy a pre-packaged advertising solution with the magazine. By acquainting herself with the decision maker’s media preferences and those that feature in the current campaign, the person’s level of satisfaction with these, and the company’s philosophy and upcoming new initiatives and/or product launches, the rep is working to gain the potential client’s trust. This insight will enable the rep to better understand the company, and therefore to present a comprehensive customized campaign that meets the business’s needs and does not require numerous revisions to include any requirements that were not discussed at an earlier contact stage.

VLM’s sales strategy in Vancouver’s slower economic climate, where local businesses may be concentrating on their need to save money, includes the tactic of re-focusing these businesses, reminding them of the goals of advertising and emphasizing those
that VLM can achieve better than other media. These include advertising in VLM to assert leadership and prestige (by taking ownership of a relevant VLM department by being the only business in its field advertising in the magazine), or to tell consumers more about the company’s team and philosophy (as VLM is a people-focused magazine, readers may be more receptive to this information). During slow economic times, VLM’s readership should be emphasized; a financially very stable group with a high disposable income, a clientele that many businesses would want to go after during this period.

My recommendation is that an additional step be built into VLM’s sales strategy during the sales meeting. If the rep learns that the prospective advertiser is unhappy with current efforts (likely because of the use of imperfect substitutes or poorly managed expectations), she can work through a “Purchase Funnel Assessment” (PFA) with the media buyer to determine where the campaign is falling short. This assessment examines “every step in the purchase funnel model of consumer decision making from awareness to the decision to buy, to reveal how effectively the brand translates awareness into purchases and retention,” and should expose leaks in the purchase funnel and suggest fixes.⁶² Although the prospect may not be willing to invest the time and money in surveys/customer feedback to make the PFA an accurate assessment, the company can still benefit from using the PFA as a conceptual model, a chance for the rep to talk through the different stages of the funnel that the local company may have lost sight of. If the rep and their prospective client discover that leaks are occurring in the upper funnel (or make educated guesses; for example, poor opinion because of recent bad press), the rep can propose a campaign that includes further/better branding messaging with VLM.

Step Three: Rationalizing the Ad Buy and Proposing a VLM Campaign

In a given year, the average business (either the in-house advertising department or an agency that looks after marketing) is contacted by more than 300 sales reps regarding advertising. Although a local retailer is less likely to be contacted than agencies, the proliferation of small magazines and community newspapers in Vancouver in recent years ensures that these businesses still receive their fair share. As a result, reps must distinguish VLM from the competition and convince them that it can most efficiently meet their marketing needs and deliver readers who will be most inclined to purchase what they have to offer. A VLM rep will attempt to do so by giving a succinct, well thought-out presentation, outlining VLM's new strengths and competitive advantages (as outlined in Part Two) rather than focusing on the weaknesses of competing publications, leaving behind a well thought-out, easy-to-understand media kit for the buyers to refer to after the presentation. VLM's media kit targets the following key sales areas effectively and persuasively: its readership is described, its circulation is explained simply and clearly with the use of a distribution map, an editorial calendar entices potential advertisers to find out more, and a rate card and spec sheet are included (see Appendix A).

As the overall aim of contact and discussion before putting together a proposal is to help a buyer develop a clear perspective of value, VLM's strategy is to use the sales meeting and presentation to discover what constitutes value in the decision maker's mind. As value is based on the benefits that the decision maker perceives will be gained (i.e., it is valuable if it addresses the company's needs), the VLM rep seeks feedback following the presentation,

and in doing so, receives objections and attempts to understand them, so that she can reaffirm value to the buyer in a written proposal. Having been included in this collaborative way, the buyer is more likely to feel in control of the decision and type of campaign, rather than feeling “sold-to”—coerced into a campaign that they are not entirely happy with (and hence more likely to drop out of).

Julie Hamilton is well aware that VLM often will not be a local advertiser’s primary buy. Therefore her sales strategy at VLM is to take the time, thought, and effort that is needed to keep VLM on advertisers’ planning schedules. She encourages reps to be innovative in their proposals (even more so in Vancouver’s recent slowing economy), offering their clients ways to stay active with the VLM brand when their budget is deflated: for example, downsizing to smaller print ads, thereby still receiving the larger-than-average frequency discounts, or simply running banner ads on the magazine’s website to keep their message in front of the VLM audience.64 By early 2009 there was a mass of articles encouraging this type of innovation in literature geared towards media buyers (such as MediaLife), so it is reasonable to assume that buyers’ expectations of what is offered to them by various media are now higher than ever before. “While the fundamentals of media planning haven’t changed much, greater consumer choice and a higher degree of accountability have caused marketers to ‘ratchet up’ their performance expectations.”65

---

64 Julie Hamilton, Director of Sales and Marketing, personal communication, October 2008.
65 Per Ellen Openheim (CEO Magazine Publishers of America)
Step Four: Post-sale Client Communication

VLM’s selling strategy continues after the sale, with reps continuing to communicate with both likely prospects and current advertisers, taking these opportunities to re-emphasize VLM’s unique selling point, giving updates on how VLM is evolving (in editorial, circulation, etc.) in order to offer them the best possible advertising package and to reiterate the core strengths of the magazine medium. VLM hopes that this strategy, using both the personality of the rep and the character of the magazine brand, can work to instill trust in the publication and its promised advertising benefits.

For this strategy to work, I believe that the rep must be specific, continuously thinking of the client’s perception of value, and then reinforcing this value by reiterating (and/or adding) components that enhance this client’s campaign. For a smaller business, the VLM rep may focus on its status as an independent publisher, intent on supporting the local community by offering smaller, affordable spaces exclusively for this market, as well as assistance in developing ad creative. For larger businesses and agencies, the rep may remind them of VLM’s conservative price point—vying for only a small slice of the marketing budget, enabling marketers to experiment with new mixes and campaigns whilst retaining an affordable presence with a valuable targeted demographic.

3.3 Selling Against other Media

During the sales process, it is inevitable that local advertisers—even those who are interested in the new improved VLM—will voice concerns, perhaps wanting to know why they should not run a cheaper campaign elsewhere. Sales reps must not only defend the
magazine medium, but also put this in context by illustrating to advertisers how \textit{VLM} can compete with the following different types of media:

\textbf{Magazines}

Some businesses may prefer to advertise in paid magazines, perceiving them to be more valuable in terms of engaged readers, who therefore have a higher engagement in the publication's ads. This is a valid point, as free magazines tend to be considered more disposable, with fewer RPC (the magazine may be kept for a shorter period and not passed on to others), and they are not as highly anticipated or as thoroughly read as some paid magazines. In 2007, Ken Alexander, then editor of \textit{The Walrus}, made an attack on free magazines distributed through daily newspapers (published on the \textit{Globe and Mail} website) in accordance with this perception. He argued against this type of controlled-circulation magazine, favouring paid magazines, which "build their audiences slowly (generally through word of mouth) and invite people to subscribe. They are committed to depth, long-form journalism, the best possible writing and art and promoting public discourse on matters of importance, and they treat the world as their classroom."\textsuperscript{66}

Part of \textit{VLM}'s sales strategy is to put forward a strong counter-argument to this, informing advertisers that \textit{VLM} does not differ drastically from this description. It has a smart editorial voice and sophisticated prose, and as with paid magazines, its success depends on the quality of its performance as perceived by readers and advertisers.

\textit{VLM} reps also may have to sell the magazine in competition with other non-paid local publications. In this scenario, the rep's plan of action is to emphasize \textit{VLM}'s boutique

circulation and quality editorial environment, as competing media fall short on both accounts. For example, blanket circulation is common, and some competing publications seem to give in to advertiser pressure for editorial coverage, which can weaken the editorial voice and vision. Few local advertisers can quantifiably compare the reader engagement levels of various local publications, as most do not have the budgets to become members of PMB or to carry out reader surveys. Therefore, an advertiser’s assessment is likely to include an element of subjective comparison based on each rep’s claims of reader engagement.

**Online**

Although there has been a huge growth in consumer buying online, and a corresponding growth in online ad spending, the extent to which this growth has affected print media has been exaggerated.\(^67\) It seems that the two media forms have been pitched against each other in direct competition, but in reality the impact of online advertising is more nuanced than an online-versus-print battle. The growth in online advertising spending has instead been referred to as part of the “continuing evolution of marketers looking at the most productive mix of ad dollar placement.”\(^68\) It is true that VLM (along with other print media) is now competing for reader interest with the highly specialized content of the Internet (blogs, online magazines such as *VitaminV*", and extensive news websites with extended and supplementary material to their print companions).

Currently VLM reps are prepared to deal with local advertisers who argue that their immediate marketing goals, such as immediate sales and product launches, are best achieved


\(^68\) Ibid.
using a response-driven online campaign. They are impressed by the quantifiable response, large reach, and affordability of this type of advertising, but by focusing all their efforts on this one medium, they may have lost sight of the benefits of branding ads in other media, and the highly targeted audiences they offer. When discussing media options with potential clients, VLM reps therefore refer to the purchase funnel, using this concept to alert local advertisers that brand-building marketing efforts are needed at the top end of the funnel, as well as response-driven marketing efforts at the bottom end, to effectively communicate with consumers throughout their purchase process. The reps then suggest that VLM advertising will have a greater influence in the earlier, formative stages of a sale, as there are no distractions (in contrast to those associated with online advertising, such as pop-up ads and email alerts) that will hinder message delivery.

In addition to this sales tactic, I recommend that VLM reps use recent published research studies to persuade advertising prospects not to focus 100% of their efforts on online advertising. These studies support the following two claims.

First, the rep can claim (contrary to many online advertisers’ beliefs) that advertisers’ return on investment (ROI) from magazines is high. A study on magazine advertising ROI carried out by Marketing Evolution supports this claim. It found that magazines are more cost-effective than TV and online in two crucial “upper funnel” stages—brand familiarity and purchase intent.69 Other surveys make a connection between brand building and immediate sales.70 For example, it was discovered that when an advertising message is

---

69 The per capita cost to increase brand familiarity was about $1.40 for magazines versus $2.61 for TV and $2.58 for online, and to increase purchase intent, the cost was about $1.23 per individual impact, versus $1.77 for TV and $2.61 for online:

70 Ibid.
accompanied by a strong brand that is consistently presented, it is simply more successful, in that more consumers accept the ad message.\textsuperscript{71} Findings such as these may help persuade stubborn advertisers that allocating a portion of their budget to brand building (perhaps using a consistent \textit{VLM} campaign) will actually increase the immediate sales that they rank as their highest marketing priority.

Second, the rep can assert that magazines are a strong online traffic driver. BIGresearch's ("Simultaneous Media Survey" of 15,439 consumers, released in August 2007), reinforces this claim. It showed magazines to be the top offline media driving web traffic. These results likely reflect readers' practice of regularly shopping both the magazine and its advertising for new product ideas, which motivates them to go to a specific site (using the URL from the ad copy) or start an online search. A 2008 Jupiter Research study examining the relationship between search and offline media goes further, proving that consumers are not only driven to a website by magazine ads, but also, once there (because of their pre-formulated positive opinions), they are most likely to make a purchase online.\textsuperscript{72}

\textbf{Newspapers}

As with online advertising, smaller local businesses are likely to have two major hesitations about advertising in magazines: that they are simply too expensive, and that the benefit is intangible—almost impossible for them to measure. Newspapers address these issues better than magazines (many newspaper ads are more affordable and immediately call

\textsuperscript{71} Ibid.

\textsuperscript{72} Jupiter Research analyzed only the searches that resulted in a sale, and found that 30\% of these users made a purchase after being driven to search as a result of exposure to a magazine or newspaper ad. Josh Gordon. "Magazine and Search Synergy." \textit{Ad Sales Blog}, August 20\textsuperscript{th} 2007, http://www.jgordon5.typepad.com/blog/2007/08/index.html
for a response, leaving a phone number to call, URL to visit, or coupons for the reader to use), so they can be perceived to be a more beneficial use of funds.

As pointed out in a 2006 Folio article, “marketers shouldn’t let leads trump the power of the brand in their advertising mix.” Therefore, VLM’s competitive sales strategy again makes use of the purchase funnel to demonstrate the value of building a brand. Reps suggest to clients that their newspaper “call-to-action” messages serve as triggers to persuade consumers to act on their desire to buy (which stems from their exposure and reaction to highly visual branding ads), and that these will not be optimally received by readers unless they have prior exposure to the brand and have developed familiarity with it. The rep then emphasizes that these alluring, highly visual branding ads must be placed in a similarly attractive, unobtrusive editorial environment (like that of VLM), rather than a newspaper environment, where the reader scans headlines and is less engaged, and where the ad creative does not reach its full potential because of lower production values. I propose that it is important for the rep to supplement this argument with statistics (such as those summarized and published by Magazines Canada) showing that magazine readers think of these ads as part of their magazine experience, and hence engage with the ads as well as the editorial.

The VLM sales team must therefore gather information throughout all steps of the sales process, using this information to broaden their understanding of local advertisers’ marketing needs and expectations, and translating this knowledge into a customized advertising proposal that local businesses will be happy to buy. Reps must also be prepared to address the many concerns of local advertisers, prior to and following the sale, by

defending the magazine medium against competing media and by promoting the ways in which VLM has adapted to distinguish itself in Vancouver's shifting media marketplace.
Conclusion

The magazine life cycle consists of four possible stages: the magazine’s launch and beginnings of a loyal readership, a productive middle-age where it has found its signature editorial scope and voice, a slow decline as competitors emerge and/or readers’ interests change, and a potential reincarnation stage in which the magazine makes a comeback with a new editorial approach. Reid et al. submitted that this cycle proves “that magazines exist in a Darwinian, survival-of-the-fittest world in which making it to the next stage only opens up the door for more challenges. The only way to surpass the everyday challenges of magazine life is for publishers to predict the evolution of their readers and to keep pace with their evolving sociological changes.”

In this report, I have used VLM as a case study, investigating the ways in which it has embraced these challenges and the extent to which it has thereby succeeded in entering the reincarnation stage.

The first challenge, predicting the evolution of its readers, is one that VLM faced up to in 2008. It did so by defining its audience more clearly, distributing to an elite, highly sought after readership via the Globe and Mail, continuing to go out to its loyal readers through community papers in North and West Vancouver, and introducing VLM to businesses and downtown city dwellers to get the magazine on the radar of many more Vancouverites (and therefore advertisers) than before. By laser-targeting a specific highly

educated and affluent demographic using this new tailored circulation model, and employing a sophisticated editorial voice with smart, thought-provoking copy (and introducing high-profile, respected columnists), the magazine now caters to its neatly defined readership.

Further, *VLM* has taken steps to keep track of its progress in catering to what its reader wants. One such initiative has been the introduction of a free subscription model, whereby avid *VLM* readers can choose to receive all issues of *VLM*, thereby ensuring that the magazine is thoroughly read and enjoyed. Local advertisers must pick through a range of publications and assess engagement, and so are likely to be more inclined to advertise in those that have a way to count and describe who is actually reading the publication.

The second challenge is external to the magazine itself in that it proposes that magazines must consider their changing environments as well as their readers if they want to succeed. Aspects of this external environment that have been described in this report include: consumers’ changing media use (many media are now commonly consumed simultaneously), and local advertisers’ perception of interchangeability amongst local media options (partly attributed to the diverse, fiercely competitive media marketplace). This report has suggested that *VLM* has considered these external developments and illustrated ways in which they have adapted accordingly. For example, *VLM* has responded to trends in consumers’ simultaneous media use by attempting to make the magazine more engaging. It has also adapted to businesses’ tendency to use imperfect substitutes at the local media level by developing a new, smarter sales strategy that focuses on assisting advertisers in their understanding of consumers’ purchase processes, and working with them to find customized solutions that will meet their marketing needs. *VLM* has also considered its competition (local publications as well as the impact of the Internet) and has responded by educating its sales reps on tactics they can use to promote *VLM*’s unique selling point at all stages of the
sales process, as well as the defence and adaptation arguments that they may find useful when attempting to secure loyal advertising clients.

Although *VLM* has made serious headway in confronting both challenges, its success is determined by the number of local businesses that are attracted to advertising in its pages, and hence it must continue to consider its external environment in order to survive. Although the city magazine genre is continuing to grow and flourish, this report has shown that this growth is largely because many titles (including *VLM*) have recognized the need to carve out their own niche in what has become a sharply competitive market.
Reference List


Appendix A. VLM Media Kit (2008)
FEBRUARY

Love and Sex

Valentine’s Day, February 14

Cover: Meet Shop Sog, the hot (as in very busy) Vancouver actress featured on CBC’s Dougies’ Dash (C-4TV series.

Fashion: Do Not Disturb—a grand hotel, a romantic weekend, gifts of sexy lingerie and gorgeous jewelry, a fine romance.

Home show: Vancouver Home shows tour real estate plus the living styles of Vancouver creatives.

MARCH

The Look of the Irish

St. Patrick’s Day, March 17

Cover: Coco Rocha, a Vancouver-born supermodel big in New York and Europe, comes home to her first passion: teaching Irish folk dance to school kids.

Fashion: Spring Forward—beautiful, ethereal spring style.

APRIL

The Greener Issue

Celebrating Earth Day, April 22, 2008

Cover: Celebrated chef John Bishop gives sustainability some fresh thought.

Fashion: Primary Season: spring is ushered in with vibrant saturated colours.

Features: Go-lh-Yourself sustainability in the kitchen and wine cellar on the road and in the sweat-free and organic things you wear.

Auto show: Green, clean machines.

MAY

Look Who’s Talking

Cover: You listen to them every morning, the radio “drive-by” jocks who battle for our every waking minute. What do they really live like? What do they even look like?

Travel: B.C. Getaways—save the airlines to spend on a luxe spa, winey retreat, golf safari or the fishing vacation of your dreams, all in Vancouver’s upcountry backyard.

Fashion: Spring turns to Summer—beautifully.

JUNE

Endless Summer

Feature: For you and your guests, rediscover and share the sights, sounds and flavours of summer in the city.

Fashion: Great Outdoors—Men’s wear for the extremely active outdoorsman.

JULY

Summer Sale-ing

Feature: Beat summer’s heat with a trip to mall, or your favourite shopping street. Summer’s the time to go sale-ing and Vancouver has the bargains. We’ll tell you where.

Fashion: Savvy for Summer.
AUGUST
Pride Parade
Pride Parade 2008: August 3
Cover: Pride Parade - a who's who of Vancouver gay icons and community leaders.
Fashion: Pride Parade - a stylish portrait gallery of gay community icons.

SEPTEMBER
Who's Running the Show?
Cover: Meet the major players in Vancouver's bustling arts and entertainment community, a stunning portrait gallery.
Fashion: The power of positive dressing - fall fashion gets serious for work, school and, yes, even play.

OCTOBER
What Scares You?
Hallowe'en: October 31
Ghosts, goblins, haunted houses and icky treat tins. Hallowe'en is a time for scary fun. But seriously, what really scares you? VLM asks Vancouver celebrities, leading citizens and visionaries what has them worried and what we should do about it.
Fashion: Costume drama.
Home show: Vancouver Home show live real estate, plus the creative living styles of Vancouver celebrities.

NOVEMBER
Food fight
Cover: Celebrity chefs, and some of our city's quieter kitchen geniuses, battle it out for Vancouver foodies' love and loyalty. Who's winning? Who should be?
Feature: Whistler's Comox Valley food and wine kelowna calendar

DECEMBER
The Best People
Cover: Forget the Power Lists and the 40 Under 40 - who among us is doing the most good?
Fashion: High holiday - a fashion emphasis on glamorous holiday wear, plus shopping for local girls, etc.

In every issue:
• Joy Metcalfe at all the right parties
• Jon Aspiri on sports
• Aubin van Beekel at the galleries
• Pollster Evi Mustel on what you're thinking
• Bonnie Irving on Vancouver Inc.
• Tony Whitney behind the wheel
• Living Design with Beverly Cramp

New in 2008:
• Q & Eh? with John MacLachlan Gray
• Pamela Groberman on Greener Living
• Best Cellars with Jurgen Gothe
DIRECT DELIVERY AND NEWSSTANDS

More than 25,000 copies are delivered direct to homes in pre-selected upscale areas of Vancouver, West Vancouver and North Vancouver through the Vancouver Courier and the North Shore News and to all subscribers of the Globe and Mail in the Lower Mainland. VLM is also available at selected newsstands including Urban Fare, Chapters and Shoppers Drug Mart.

1. WEST VANCOUVER / NORTH VANCOUVER distribution includes single-family homes in exclusive Edgemont Village, Upper Capilano and the West Vancouver enclaves of Altamont, Dundarave and the British Properties.

2. DOWNTOWN CORE distribution in high-density Yaletown and Coal Harbour.

3. VANCOUVER distribution includes single-family homes in Vancouver's original affluent neighbourhoods: Shaughnessy, Kerrisdale, the University District and Point Grey.

4. VLM is also delivered to all subscribers of the Globe and Mail throughout the Lower Mainland.

VLM reaches a 100% affluent audience delivering Vancouver's most efficient upscale advertising buy.

VLM: Vancouver's Lifestyle Magazine | 400 – 73 Water St., Vancouver, B.C. V6B 1A1 | Tel: 604-630-1000 Fax: 604-630-1001
REACHING VANCOUVER'S AFFLUENT

Distributed direct to pre-selected homes of Vancouver's wealthiest neighbourhoods, the audience of VLM can best be described as upscale and high income with considerable spending power.

TOTAL DISTRIBUTION DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>55%</td>
</tr>
<tr>
<td>Females</td>
<td>45%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age Distribution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>under 24</td>
<td>18%</td>
</tr>
<tr>
<td>25-34</td>
<td>15%</td>
</tr>
<tr>
<td>35-44</td>
<td>16%</td>
</tr>
<tr>
<td>45-54</td>
<td>19%</td>
</tr>
<tr>
<td>55-64</td>
<td>18%</td>
</tr>
<tr>
<td>64+</td>
<td>13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Age</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Household Income</th>
<th>$92,104</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>University Graduate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Home Ownership</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>72%</td>
</tr>
</tbody>
</table>

(Source: Globe and Mail, Radioactive 2006 Readership Study, North Shore News, Courier, 2001 Census data.)
### DISPLAY AD RATES

<table>
<thead>
<tr>
<th>Size</th>
<th>1x</th>
<th>3x</th>
<th>6x</th>
<th>12x</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS</td>
<td>$5600</td>
<td>$5200</td>
<td>$5000</td>
<td>$5000</td>
</tr>
<tr>
<td>Full Page</td>
<td>$3600</td>
<td>$2800</td>
<td>$2600</td>
<td>$2200</td>
</tr>
<tr>
<td>2/3 Page</td>
<td>$2600</td>
<td>$2200</td>
<td>$2000</td>
<td>$1800</td>
</tr>
<tr>
<td>1/2 Page</td>
<td>$2000</td>
<td>$1700</td>
<td>$1500</td>
<td>$1300</td>
</tr>
<tr>
<td>1/3 Page</td>
<td>$1500</td>
<td>$1300</td>
<td>$1100</td>
<td>$1000</td>
</tr>
<tr>
<td>1/6 Page</td>
<td>$1000</td>
<td>$700</td>
<td>$600</td>
<td>$500</td>
</tr>
</tbody>
</table>

**DISPLAY AD RATES** Rates do not include GST.

### COVERS

<table>
<thead>
<tr>
<th>Size</th>
<th>1x</th>
<th>3x</th>
<th>6x</th>
<th>12x</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBC Page</td>
<td>$4000</td>
<td>$3400</td>
<td>$3000</td>
<td>$2600</td>
</tr>
<tr>
<td>IFC/Page</td>
<td>$3500</td>
<td>$3000</td>
<td>$2600</td>
<td>$2300</td>
</tr>
</tbody>
</table>

### PROFESSIONAL AD CREATION AND DESIGN

At VL.M we offer expertise and consulting in all your marketing and branding needs from conception to final printing. Creation of Advertising artwork includes a colour laser proof (or PDF) and one round of proofing changes. Contact VL.M for further information regarding all of your marketing and branding requirements. We will be happy to arrange one of our consultants to discuss this service further.

An additional $10 per hour will be charged for changes after initial proofing.

**Payment:** All ads are sold on a pre-payment basis only by cheque, money order, VISA or MasterCard. Payment must accompany copy and be received or postmarked by deadline. For further options on payment please contact your sales representative.

### CLOSING DATES

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>SALES CLOSE</th>
<th>MATERIAL DUE</th>
<th>PUB. DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>10 January</td>
<td>14 January</td>
<td>1 February</td>
</tr>
<tr>
<td>March</td>
<td>10 February</td>
<td>15 February</td>
<td>1 March</td>
</tr>
<tr>
<td>April</td>
<td>10 March</td>
<td>14 March</td>
<td>1 April</td>
</tr>
<tr>
<td>May</td>
<td>10 April</td>
<td>14 April</td>
<td>1 May</td>
</tr>
<tr>
<td>June</td>
<td>10 May</td>
<td>12 May</td>
<td>1 June</td>
</tr>
<tr>
<td>July</td>
<td>10 June</td>
<td>10 June</td>
<td>1 July</td>
</tr>
<tr>
<td>August</td>
<td>10 July</td>
<td>14 July</td>
<td>1 August</td>
</tr>
<tr>
<td>September</td>
<td>10 August</td>
<td>12 August</td>
<td>1 September</td>
</tr>
<tr>
<td>October</td>
<td>10 September</td>
<td>11 September</td>
<td>1 October</td>
</tr>
<tr>
<td>November</td>
<td>10 October</td>
<td>14 October</td>
<td>1 November</td>
</tr>
<tr>
<td>December</td>
<td>10 November</td>
<td>10 November</td>
<td>1 December</td>
</tr>
</tbody>
</table>

### INSERTS / GATEFOLDS

Available. Contact your marketing representative for information and pricing options.
### 2008 AD SPECIFICATIONS

#### DISPLAY AD SIZES

<table>
<thead>
<tr>
<th>FORMAT</th>
<th>LIVE AREA</th>
<th>TRIM WIDTH</th>
<th>TRIM DEPTH</th>
<th>BLEED WIDTH</th>
<th>BLEED DEPTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS</td>
<td>15.75&quot; x 9.5&quot;</td>
<td>16.75&quot;</td>
<td>10.75&quot;</td>
<td>17&quot;</td>
<td>11&quot;</td>
</tr>
<tr>
<td>Full Page</td>
<td>7.375&quot; x 9.5&quot;</td>
<td>8.375&quot;</td>
<td>10.75&quot;</td>
<td>8.625&quot;</td>
<td>11&quot;</td>
</tr>
<tr>
<td>2/3 Vertical</td>
<td>4.8611&quot; x 9.5&quot;</td>
<td>5.3611&quot;</td>
<td>10.75&quot;</td>
<td>5.4861&quot;</td>
<td>11&quot;</td>
</tr>
<tr>
<td>1/2 Horizontal</td>
<td>7.375&quot; x 4.6667&quot;</td>
<td>8.6251&quot;</td>
<td>10.75&quot;</td>
<td>5.4861&quot;</td>
<td>11&quot;</td>
</tr>
<tr>
<td>1/2 Digest</td>
<td>4.8611&quot; x 7&quot;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/3 Vertical</td>
<td>2.3472&quot; x 9.5&quot;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/3 Square</td>
<td>4.8611&quot; x 4.6667&quot;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/6 Vertical</td>
<td>2.3472&quot; x 4.6667&quot;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/6 Horizontal</td>
<td>4.8611&quot; x 2.3333&quot;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### DIGITAL SPECIFICATIONS

- We accept only the following formats for ads:
  - Adobe Acrobat Press Optimized PDF
  - Adobe Illustrator
  - Adobe InDesign

- Saved as PDF or EPS file only with:
  - Spot-color to outline.
  - All images embedded.
  - Resolution 300 dpi (all embedded images must also be 300 dpi)

- CMYK color format

#### WEB SIZE

<table>
<thead>
<tr>
<th>Web Ad (under 10k)</th>
<th>150 px</th>
<th>500 px</th>
</tr>
</thead>
<tbody>
<tr>
<td>FORMAT WIDTH DEPTH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Page</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/2 Horizontal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/3 Square</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/6 Vertical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/6 Horizontal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### FTP (File Transfer Protocol)

- Clients are encouraged to submit their PDF files via our FTP site using FTP software. Files must be compressed using StuffIt or WinZip.

- FTP ADDRESS: ftp.talkbase.com
- USER NAME: chftnetwork
- PASSWORD: mercer07

Place your ad or job files with the "Art Department" folder and email a confirmation to josh@email.com indicating the file name and client name.

#### FTP SOFTWARE

- The most common FTP software for MACs is Fetch, www.fetchsoftworks.com and for PCs is WS–FTP Pro, www.wftp.com

#### VIA C.O.

- To ensure that your files are properly output you must include the following:
  - Press Optimized PDF
  - The ad file
  - Screen and printer fonts (PostScript only) used in the ad. Please note fonts need to be included even if the ad is saved as an EPS file. Look closely for any EPS files embedded within the ad (p. ex. logos) that may use fonts and be sure to include them as well.
  - All art files in the ad
  - User printed at 100%

#### POLICY ASSIGNED C.O. TO BE SENT TO:

VLM Art Department
410–75 Water Street
Vancouver, BC V6B 1A1
Phone: 604-630-1000

- Goes with the print edition (unless prior arrangements are made with your advertising representative).
- Any intervention by VLM or its production staff will be billed to the advertiser.