

**PERKS OF CONTROLLED CIRC:  
A CASE STUDY OF THE DISTRIBUTION PRACTICES  
OF VANCOUVER AND WESTERN LIVING MAGAZINES**

by

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# Abstract

This report examines controlled-circulation magazines in Canada using *Vancouver* and *Western Living* magazines as successful examples. It provides an analysis of the workings of controlled circulation with reference to advertising, editorial, branding, and operations, and shows how magazines with this distribution method can be successful despite publishing professionals' common assumption that controlled-circulation magazines are of lesser quality than paid-circulation magazines.

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# 1 Introduction

Delivering a monthly publication to readers across Canada, the world's second largest country, can be a daunting challenge. Circulation is one of the most important departments for any media company—without an audience, the medium ceases to exist—and so a great deal of thought and energy is devoted to reaching that audience. Generally when people think of the distribution of magazines, they think of paid circulation—newsstand and subscription-based magazines. While paid circulation is the most obvious and well-known distribution method, people often forget about the magazines they receive in their mailbox or from street vendors and absently flip through while having breakfast or riding transit. These magazines have controlled circulation and are free of charge. Controlled circulation is largely ignored by American books about publishing, and despite numerous examples of successful controlled-circulation magazines in this country, the distribution method seems less obvious to Canadians as well.

Despite its low profile in the minds of publishing analysts, for Canadian magazines, controlled circulation can be the most strategic method for a magazine to establish itself and become profitable in a competitive and saturated market. As James B. Kobak's *How to Start a Magazine* expresses, circulation is “often considered to be a necessary evil”<sup>1</sup> by publishers because circulation seems like something that should come naturally to a magazine with quality editorial. It, however, does not come naturally,

<sup>1</sup>Kobak, James B. (2002). *How to Start a Magazine*. New York, NY: M. Evans and Co.



and must be built up by professionals who understand who the best readers are and how to reach them. Whether “evil” or not, circulation is necessary, especially for free magazines that rely on a quantified audience to achieve their main source of income: advertising. As a result, Canada’s publishing companies have come up with ways to get in front of readers as efficiently as possible.

While working as a marketing intern at Transcontinental Western Media Group, publisher of *Vancouver* magazine and *Western Living* magazine in Vancouver, BC, I became intrigued by the circulation strategies of the magazines. Having just finished my coursework in the Master of Publishing program, I wondered why controlled-circulation methods were explored less often than paid-circulation models. I chose to investigate this topic for this report in order to shed light on the controlled-circulation methods that are prominent in Canada and their success in the market. Using *Vancouver* magazine and *Western Living* magazine as thriving representatives of this distribution model, this report studies their specific distribution strategies as well as company dynamics and how the different departments—sales, editorial, and circulation—interact with one another.

This report will also discuss the ways that controlled-circulation magazines are able to target readers as well as advertisers, and the organizations that are essential to controlled-circulation titles’ success, such as the Print Measurement Bureau, and third-party auditing companies. It will expose common misconceptions about controlled-circulation magazines and break down some of these ideas, considering the differences between the publishing industries of Canada and the United States to bolster the argument.

## 2 Types of Controlled Distribution in Canada

Publishers have some well-established channels through which to distribute free magazines. These methods each have their own pros and cons, and circulation professionals choose their method based on cost and the ability to reach the target reader most effectively. This chapter will review some of the most prominent methods, and also review the Print Measurement Bureau to explain its importance to controlled circulation in Canada.

### 2.1 Bulk Drop Method

The most visibly prominent controlled-circulation method is the bulk drop method. On any downtown Vancouver street corner, a passerby is likely to encounter two or three drop boxes with free magazines such as *Vancouver Lifestyles* or *Vancouver View*. Magazines are literally dropped in bulk amounts in these centrally located boxes and passersby can pick them up free of charge. Many people argue that this method of distribution is a good indicator of worth to the reader; it is sometimes considered “the next best thing to paid” in terms of readership engagement because it requires a conscious decision to pick it up.<sup>2</sup> Bulk-drop magazines are able to use their distribution as publicity, using the drop boxes to increase visibility in the market. However, this method of distribution has a significant downfall: the biggest problem is the difficulty of proving the readership of the magazine. Bulk drop magazines cannot claim a particularly loyal readership, and the random readers’ lifestyle and purchasing habits are difficult to quantify; without a loyal readership, it is hard for

<sup>2</sup>Turnquist, Woody. (2006). *2006 Circulation Notes*. Presentation for the Master of Publishing Magazine Project Class, PUB 606, at Simon Fraser University.

them to have accurate reader profiles. This distribution method is simple and cheap compared to other methods, but in the long run may not promote growth and authority in the magazine because there is no guaranteed readership for advertisers. Also, there is much competition from other bulk drop newspapers and magazines,<sup>3</sup> which makes it difficult to thrive using a circulation method that depends quite heavily on brand recognition. As Kobak notes, “circulation is the most difficult part of publishing a magazine [because]...you are dealing with the public and you can never be sure how they will react.”<sup>4</sup> Circulation by bulk drop is risky in this regard, but paired with other types of controlled circulation it can positively influence the brand of the magazine, if only by giving the magazine greater visibility.

<sup>3</sup>Turnquist, Woody. (2006). *2006 Circulation Notes*. Presentation for the Master of Publishing Magazine Project Class, PUB 606, at Simon Fraser University.

<sup>4</sup>Kobak, James B. (2002). *How to Start a Magazine*. New York, NY: M. Evans and Co.

## **2.2 Consumer List Rental Method**

Another controlled-circulation method used is to rent lists of consumers who are linked by a particular lifestyle or buying habit and send free magazines to them. A publisher can rent a list of contact information to a specific group of people. The use of that contact information is restricted for one- or two-time use. These lists are usually rented from marketing companies that specialize in list acquisition. Renting as opposed to buying lists allows for list evolution—renting the same list every four months, for example, will produce a slightly altered list that has changed as the marketing company acquires more names. The website of Venture Direct, a prominent marketing company, explains that their lists are acquired from “telephone directories, auto registrations, public records, and surveys.”<sup>5</sup> These names are managed in databases that allow organization by demographic or geographic information in order to create targeted lists of consumers. “Some magazines go the extra mile and rent lists that allow telemarketers to call and ask people on the list if they would like to receive the magazine for free, thus demonstrating

<sup>5</sup>Venture Direct Worldwide, Inc. (2006). *Company Website*. “List Brokerage.” Retrieved March 25, 2007 from the Venture Direct website.

wantedness.”<sup>6</sup> A recent post on *Folio* magazine’s website said that “a cross-industry survey of 250 mailers, conducted by Direct and Multichannel Merchant, finds the list rental industry stable, but somewhat stagnant,” since list costs are rising while response rates are not.<sup>7</sup>

This method of identifying readers is often used for business-to-business publications—magazines targeted at a particular category of business or people in a certain position in a business (such as CEOs). As many controlled-circulation magazines, especially in the United States, are business-to-business publications, this method is employed quite frequently. Consumer controlled-circulation publications (i.e., magazines targeted at consumers as opposed to businesses) are not common in the United States. This is not necessarily so of controlled-circulation magazines in Canada, since many of our publications employ controlled circulation; however, the list rental method is often identified with business-to-business publications.

### **2.3 Distribution Through Canada Post**

Canada Post is the main source of distribution for paid-circulation publications since it is the best way to distribute their subscriber copies to the many different locations of their readers. It is, however, inadequate when it comes to controlled-circulation magazine distribution.

Canada Post has a publications mail program that has a number of regulations. As a result of the stiff regulations (listed below), few controlled-circulation magazine publishers use solely this method; their income is heavily reliant on advertising revenue and they therefore require the flexibility to carry inserts for advertisers. To qualify as Publications Mail, the publication must be:

- mailed in Canada and addressed to a subscriber, non-subscriber, or news dealer anywhere in Canada;

<sup>6</sup>Bullock, Scott. (2006). Put Your Circ to Work. *Template: The Definitive How-To Guide to Magazine Publishing in Alberta*, pp. 62.

<sup>7</sup>Red 7 Media, LLC. (2007, 9 January). “A Look at Industry Stats”. *Folio* magazine. Retrieved March 2, 2007 from the *Folio* magazine website.

- published at a regular frequency or at least twice a year, with an intent to publish issues indefinitely with continuity from issue to issue;
- within the minimum and maximum dimensions established by Canada Post (no larger than approximately nine-and-a-half by six inches, no smaller than five-and-a-half by three-and-a-half inches);
- produced with less than 70 percent [of] space devoted to advertising in more than 50 percent of the issues in an 12-month period (advertising and editorial content must be distinguishable from one another).<sup>8</sup>

Canada Post will not deliver large quantities of full-sized magazines because they do not qualify as “unaddressed admail delivery under the Canada Post collective agreement with unionized letter carriers.”<sup>9</sup> The union has refused to carry full-sized magazines as they cause considerably more strain on mail carriers than regular sized mail. This, obviously, makes the postal distribution of controlled-circulation magazines that are distributed by area very difficult.

There are subsidy programs in place to aid publishers using Canada Post. The Department of Canadian Heritage, a federal government department that focuses on promoting Canadian content, partners with Canada Post to provide a Publications Assistance Program (PAP), which claims to be available for use by both paid- and controlled-circulation publications to “offset the mailing costs of Canadian content magazines and non-daily newspapers mailed within Canada.”<sup>10</sup> However, upon examination, the rules specify that a recipient of PAP funding must have at least 50 percent of its circulation as subscriber copies.<sup>11</sup> This eliminates almost all controlled-circulation titles from eligibility. The program currently funds 1,200 publications, and in December 2006, the Minister of Canadian Heritage confirmed that the 15 million dollars of support would continue past April 2007.<sup>12</sup>

<sup>8</sup>Publications Mail. (2007). Retrieved January 10 to February 10, 2007 from the Canada Post Website.

<sup>9</sup>Lisa Rivers, personal communication, January 15, 2007.

<sup>10</sup>Department of Canadian Heritage. (2006, July 4). *Publications Assistance Program*. Retrieved March 25, 2007 from the Canadian Heritage website.

<sup>11</sup>Ibid.

<sup>12</sup>Department of Canadian Heritage. (2006, December 13). *News Release: Canada's New Government Ensures Delivery of Periodicals for All Canadians*. Retrieved March 10, 2007 from the Canadian Heritage website.

However, the number of the 1,200 magazines that are controlled-circulation is low; generally, controlled-circulation magazines do not receive funding.

Another option that Canada Post provides is letter quality (first class) mail for addressed copies. It is fast but expensive, and therefore very few publications use this method.

Canada Post is obviously heavily regulated, and this makes it less than ideal for delivering magazines that require fluidity in both scheduling and magazine size and weight. With such rigorous rules and expensive rates, Canadian controlled-circulation magazines do not often use Canada Post to distribute the bulk of their circulation, but only to supplement the delivery of magazines to target areas and to send out low numbers of subscription copies.

#### **2.4 Direct Distribution Method**

The most effective way to distribute free magazines is by direct distribution. This method involves dropping magazines directly on the doorsteps of the target audience. Private carriers handle the majority of direct distribution controlled-circulation magazines. There are many different channels through which to deliver directly, and so the private carrier business offers a competitive alternative to restriction-laden Canada Post or hit-and-miss bulk magazine drops. According to Transcontinental Media's circulation manager Lisa Rivers, the advantages of this type of circulation are "price, flexibility to target demographics, and the ability to carry large inserts for advertisers."<sup>13</sup> The competitive pricing of private carrier distribution is due to the fact that controlled-circulation magazines can be included with the distribution of community newspapers. In this way, the newspaper publisher can receive revenue from the magazine publisher or, if the same company publishes both, they benefit from reduced costs in their respective budgets. A directly distributed

<sup>13</sup>Lisa Rivers, personal communication, January 15, 2007.

magazine can be delivered with either subscription newspapers or with free community newspapers.

According to *Template* magazine, the direct distribution method is popular because “it delivers a highly desirable demographic audience, in large numbers, at a very affordable access rate.”<sup>14</sup> In his notes, Woody Turnquist says that one of the cons of this method is that there is “little or no audience targeting (except geographically).”<sup>15</sup> There is truth to this; according to Transcontinental’s Prairie Regional Sales Manager Paul Bâby, the private carrier used in the Saskatoon and Regina markets has started to cover larger areas, reducing the number of distinct areas from 26 to 11. This means that, essentially, a number of magazines are wasted, being distributed to neighbourhoods that do not house the target audience.<sup>16</sup> However, according to Print Measurement Bureau (PMB) statistics on *Vancouver* and *Western Living* magazines, the two magazines’ audience targeting is quite focused despite this kind of mass dissemination by geographic area. People with similar lifestyles seem to congregate and reside in the same areas, and therefore lifestyle magazines can have a relatively focused audience living in the same geographic area. The private carrier method is the one employed by *Vancouver* magazine and *Western Living* magazine to reach their target audiences in Vancouver, Victoria, Calgary, Edmonton, Saskatoon, Regina, and Winnipeg.

#### **2.4.1 Case Study: Considerations When Finding a Distributor**

The Calgary edition of *Western Living* was recently forced to find a new carrier because their distributor, Sun Distribution, closed. Because Sun Distribution was strictly a distributor, they owned all their own resources and therefore their rates were low. Any new distribution option will be more expensive than Sun’s. Sun was forced to close because they could not find and keep employees due to the booming Calgary market. This situation is

<sup>14</sup>Bullock, Scott. (2006). Put Your Circ to Work. *Template: The Definitive How-To Guide to Magazine Publishing in Alberta*, pp. 62.

<sup>15</sup>Turnquist, Woody. (2006). 2006 Circulation Notes. Presentation for the Master of Publishing Magazine Project Class, PUB 606, at Simon Fraser University.

<sup>16</sup>Prairie Regional Sales Meeting, January 17, 2007.

unique to Calgary's current economic climate. Prairie Regional Sales Manager Paul Bâby and Circulation Manager Lisa Rivers had to consider the following options.

- Option one: a combination of distribution through *The Globe and Mail* and unaddressed admail distribution by Canada Post.
- Option two: a combination of distribution through the *National Post* and unaddressed admail distribution by Canada Post.
- Option three: a combination of distribution to the subscribers of *Canadian Living*, *Style at Home*, *Canadian Gardening*, and *Canadian Home Country* (all titles owned by Transcontinental) supplemented with unaddressed admail distribution by Canada Post.<sup>17</sup>

Rivers' analysis showed huge cost increases regardless of the option chosen. Where the average cost-per-thousand (CPM) with the current distribution is \$123, the first option shows a 45 percent increase, the second a 52 percent increase, and the third a 77 percent increase, with CPMs of \$179, \$188, and \$219 respectively.

Other factors, besides cost, would also need to be considered. The carrier publications would need to assess *Western Living* in order to make sure that it does not contain competitive advertising—*The Globe and Mail* and the *National Post* would not carry *Western Living* if they considered it a direct competitor for their advertising revenue. (*The Calgary Herald*, when approached, turned down the deal as they view *Western Living* as direct competition<sup>18</sup>). These publications would also assess the weight, size, page count, paper stock, and binding of *Western Living* to determine any additional charges. Both *The Globe and Mail* and the *National Post* have a minimum cost to distribute, meaning that a certain number of copies of *Western Living* would have to be distributed with these publications, narrowing the ability to select

<sup>17</sup>Lisa Rivers, internal document, accessed February 12, 2007.

<sup>18</sup>Paul Bâby, personal communication, January 12, 2007.



regional distribution.<sup>19</sup> As Rivers notes:

As you can see, each of the alternatives will increase our distribution costs substantially in the Calgary market; CPM's are higher for the *Globe* and the *National Post* than our Sun Distribution costs overall, but also unaddressed admail costs are weight-sensitive, and bigger book sizes mean higher distribution costs. Sun Distribution costs were fixed within specific intervals, i.e. one price from 100 to 150 grams, then an up charge for the next 50-gram range. Some of the insert business we book in Calgary will go away because the newspapers won't allow it, and because Canada Post won't allow unenclosed inserts in unaddressed admail.<sup>20</sup>

Also, the *National Post* distributes *Avenue*, *Western Living* Calgary edition's main competitor, and so some careful consideration would have to be taken to ensure that the magazines were never delivered together. Option three was the least desirable to sales representatives as they felt that the subscribers to the four carrier magazines were not necessarily the target demographic.<sup>21</sup> Finally, the necessary Canada Post component causes extra work at the printer to sort and package the magazines to Canada Post's regulations, which would in turn incur more costs on Transcontinental Media. The result of this analysis is yet to be determined and Rivers is currently still researching other options. This case study shows the considerations that go into controlled distribution of a market.

## **2.5 The Impact of the Print Measurement Bureau**

The Print Measurement Bureau (PMB) is a Canadian organization that surveys the population on a number of topics related to consumer products in order for businesses to gather information about the people using their goods. In order to have access to PMB information about a publication, the publication must be a fee-paying member of PMB either through one of the industry associations or individually. Agencies and advertisers who wish to have access to the data must also pay fees in return for

<sup>19</sup>Lisa Rivers, internal document, Transcontinental Western Media Group, Inc. accessed February 12, 2007.

<sup>20</sup>Lisa Rivers, internal document, Transcontinental Western Media Group, Inc. accessed February 12, 2007.

<sup>21</sup>Sales Meeting, January 17, 2007.

access. The PMB is “a tripartite organization funded by fees from those three sources.”<sup>22</sup> Since its start in 1973, the Print Measurement Bureau has become an integral part of the Canadian magazine industry. The study now “uses an annual sample of 24,000 to measure the readership of over 120 publications.”<sup>23</sup> In order to be measured by the PMB, a publication:

- Must be distributed in Canada,
- Must be published at least four times per year,
- Must have a Canadian ratecard for advertising,
- Must have full-time staff in Canada employed by the publication (selling advertising space for that publication),
- Must meet all technical requirements as defined by the PMB research committee.<sup>24</sup>

The PMB is therefore a tool used to create an even playing field for Canadian publications competing with each other and with US magazines for advertisers. A “reader” according to the PMB is someone who has recognized the logo of the magazine and said that they have read it in a defined period of time. This method of measurement based on logo recognition has spurred an intense effort on the part of magazine publishers to get their logos in front of the public as much as possible. It has led to criticism by publishing professionals because it has resulted in higher readership numbers; the previous method of asking survey subjects if they had read a specific issue of each magazine gave much lower readership numbers. Even with this criticism, the PMB is an absolutely essential tool for controlled-circulation magazines.

With magazines, while content is the substance with which to attract readers, the *readers* are the substance with which to attract advertisers and, therefore, revenue. Especially for a magazine that is distributed free of charge, knowing as much about the habits of the readers is one of the keys to establishing a large and profitable advertising base. This is where information from

<sup>22</sup>Ralph Hancox, personal communication, January 8, 2007.

<sup>23</sup>The Print Measurement Bureau. (2003). *Overview*. Retrieved January 11, 2007 from the Print Measurement Bureau website.

<sup>24</sup>*Ibid.*

the Print Measurement Bureau becomes essential to a magazine. As National Sales Director Harold Barham states, “PMB information is the Bible” when it comes to attracting advertisers. “If we have a bad year on PMB, it can really affect us financially. PMB is a very big part of the planning process for national [as opposed to local retail] sales.”<sup>25</sup> According to Barham, for national sales, 70 percent of a national advertiser’s purchase is based on PMB information and 30 percent on the approach of the magazine—editorial content takes a backseat to the audience it provides. Third party information about the impact of the magazine on its market is invaluable, especially for advertisers who are distanced from the region and the market to which they hope to sell.

To get a better idea of the type of information available, the following are *Vancouver* and *Western Living*’s reader profiles from the 2007 ratecard, using PMB information:

***Vancouver* Reader Profile**

Male	53%
Female	47%
Age 18-49	63%
Age 25-54	58%
College Certificate +	70%
Bachelors Degree +	40%
Household Income over \$75,000	53%
Personal Income over \$50,000	38%
Total Audience 12+	268,000 <sup>26</sup>

***Western Living* Reader Profile**

Male	48%
Female	52%
Age 25-54	61%
Age 35-64	63%
College Graduate +	58%
Household Income over \$75,000	48%
Homeowners	85%
Total Audience 12+	755,000 <sup>27</sup>

<sup>25</sup>Prairie Regional Sales Meeting, December 13, 2006.

<sup>26</sup>*Vancouver* magazine Ratecard. (2007). Sales Documents. Transcontinenta Western Media Group, Inc.

<sup>27</sup>*Western Living* magazine Ratecard. (2007). Sales Documents. Transcontinental Western Media Group, Inc.

These reader profiles are just a glimpse of the information to which a publication has access. If a sales representative wants to target a specific market of advertisers, PMB information can be pulled that would attract those advertisers to the magazine's readers. For example, a *Western Living* sales representative recently decided to create an advertising feature for condo developers in Winnipeg. Within an hour, she had specific statistics about how many *Western Living* readers live in a condo, own their own home, and had bought their home new. This is all valuable information for advertisers, and helps sales reps sell ad space in the magazines. Without PMB, a controlled-circulation magazine would have an extremely difficult job in reputedly quantifying its audience. The PMB is the device that enables success with controlled-circulation publications.

Where and to whom a magazine is circulated is not a complete indicator of a magazine's audience, however. Not everyone who receives the magazine reads it and is influenced by the advertising. The Print Measurement Bureau can measure the number of people who read each copy of the magazine, and this can be held in contrast with how many are distributed. With paid-circulation magazines, it can be reasonably assumed that those who buy the magazine are reading it: not so with controlled-circulation magazines. The PMB, then, is not only a valuable tool in defining readers' habits, but also in discovering the influence of the magazine, and how well liked it is by those who happen to have it delivered on their doorstep.

## 3 Anatomy of a Controlled-Circulation Magazine

*Vancouver* and *Western Living* are two well-established magazines that offer good examples of integrated circulation strategies designed to reach a high-income audience. These strategies include direct distribution, newsstand sales, and a small portion of subscriber copies. This chapter will explore the two magazines' circulation strategies in detail, as well as explain the sales structure of the magazines in order to provide context for how the magazines operate financially, since advertising sales is the primary source of income.

### 3.1 The Basics

*Vancouver* is a city magazine distributed to and read by 55,000 mid-income to wealthy Vancouverites. *Western Living* is a home and lifestyle magazine distributed to 190,500 mid-income to wealthy readers in the Western Canadian cities of Victoria, Vancouver, Calgary, Edmonton, Saskatoon, Regina, and Winnipeg. Both target urban readers and are service-driven magazines.

*Vancouver* and *Western Living* reach households through direct distribution, the most effective way to reach a reader. As publisher Kim Peacock notes, direct distribution is the best way to distribute because "although it's a more expensive method, we know to whom the magazine is going—this makes it far superior to other types of distribution."<sup>28</sup> *Template* magazine refers to this type of distribution as the FSA saturation system: "FSA stands for forward sortation area, which refers to the first three digits of the postal code;" the magazines are classified according to postal

<sup>28</sup>personal communication, September 22, 2006.

code and dropped off at doors in those areas.<sup>29</sup> The magazines are delivered to households by private carriers and with community newspapers. The suppliers used by Transcontinental are:

- VANNET, a distribution and media company, on the west side of Vancouver and *North Shore News* in North and West Vancouver for both *Vancouver* and *Western Living*;
- *Richmond Review*, *Burnaby Now*, *Coquitlam/Port Moody/Port Coquitlam Now*, *Delta Optimist*, and *Surrey/White Rock/North Delta Now* for *Western Living* in the Lower Mainland of BC;
- *Oak Bay News*, *Saanich News*, and *Peninsula News* in Victoria;
- Sun Distribution in Edmonton;
- an independent carrier in Saskatoon;
- Regina Leader Post Extended Market Coverage, a distribution company, in Regina;
- Winnipeg Free Press Extended Market Coverage, a distribution company, in Winnipeg.<sup>30</sup>

Transcontinental, as discussed earlier, is currently looking for a distributor in Calgary. Only subscriber copies are delivered by Canada Post, but according to Circulation Manager Lisa Rivers, “we get no postal subsidies for [the magazines]—you need to have at least 50 percent of your circulation as paid to get a postal subsidy.”<sup>31</sup> *Vancouver* magazine’s paid circulation is less than ten percent of their total circulation, and *Western Living*’s is a little over three percent, so neither qualifies for this.

### 3.2 A Closer Look – Vancouver magazine

*Vancouver*’s distribution is fairly straightforward. The circulation department has researched, through Statistics Canada, where the wealthiest Vancouverites reside and distributes to these areas. Just under half of the distribution is in North and West Vancouver, technically not included in the city of Vancouver, while the majority of Vancouver proper does not receive the magazine. The reason for this: wealthy people live in North and

<sup>29</sup>Bullock, Scott. (2006). Put Your Circ to Work. *Template: The Definitive How-To Guide to Magazine Publishing in Alberta*, pp. 62.

<sup>30</sup>Lisa Rivers, personal communication, January 15, 2007.

<sup>31</sup>personal communication, November 19, 2006.

West Vancouver. The following region profiles give a sense of the areas and type of people to which *Vancouver* is distributed. According to Statistics Canada, the North Shore (which includes North and West Vancouver) has a population of 85,724. These people are mostly between the ages of 25 and 44, and a very high percentage of them have a university education. Their median household income per year is \$75,582, making them prime candidates to receive *Vancouver* magazine.<sup>32</sup> The specific community distribution of *Vancouver* magazine on the North Shore is:

Deep Cove, Strathcona:	955
Mount Seymour, Blue Ridge:	125
Lower Lynn Valley:	1735
Upper Lynn Valley:	2555
Keith Lynn:	580
Upper Lonsdale:	595
Pemberton Heights, Hamilton, Capilano:	550
Capilano Heights, Cleveland Park:	1080
British Properties:	1755
Hollyburn, Sentinel Hill:	1005
Sherman, Westmount, Wadsley, West Bay:	2205
Caulfield, Cypress Park, Horseshoe Bay:	2055
Total North Shore:	15,195 <sup>33</sup>

According to Statistics Canada, Vancouver proper has a population of 545,671. The majority of these people are between the ages of 25 and 44 and have a university education. The median household income is \$42,026.<sup>34</sup> The specific breakdown of the magazine's distribution by community is as follows:

Douglas Park:	925
Coal Harbour Condos:	2735
Shaughnessy, Fairview Slopes:	1966
Shaughnessy, Kits Point	1630
Kitsilano:	2340
Arbutus Ridge:	3075

<sup>32</sup>Statistics Canada. (2001). *Community Profiles: North and West Vancouver*. Retrieved February 2, 2007 from the Statistics Canada website.

<sup>33</sup>*Vancouver* magazine Household Distribution Map. (2006). Sales Documents. Transcontinental Western Media Group, Inc.

<sup>34</sup>Statistics Canada. (2001). *Community Profiles: Vancouver*. Retrieved February 2, 2007 from the Statistics Canada website.

Quilchena:	1225
Mackenzie Heights, Southlands:	2085
Southlands:	950
Point Grey:	3115
Mackenzie Heights:	715
Yaletown/City Gate/False Creek:	3751
Total Vancouver:	24,512
Total Greater Vancouver Households:	39,707 <sup>35</sup>

For a visual reference, refer to the map in Appendix A.

### 3.3 A Closer Look – Western Living magazine

*Western Living*, compared with *Vancouver*, is more complicated in its distribution strategy. As a larger, more broadly focused magazine, it is distributed to households in Western Canada, from BC to Manitoba. Each city receives a slightly different version of the magazine. Every month a common signature of the magazine is created, and then each city's magazine has its own regional signature. The amount of editorial content that is in each regional signature is entirely dependent on how much advertising space is sold in that market.

The same basic principle as with *Vancouver* magazine applies, though, when the circulation department chose *Western Living's* readers. In seven major cities from BC to Manitoba, the wealthiest citizens were chosen to receive the magazine. The breakdown, by city, is as follows:

Victoria:	17,775
Vancouver:	55,000
Edmonton:	35,115
Calgary:	40,000
Regina:	10,900
Saskatoon:	10,900
Winnipeg:	22,660
Total Households:	192,350 <sup>36</sup>

<sup>35</sup>*Vancouver* magazine Household Distribution Map. (2006). Sales Documents. Transcontinental Western Media Group, Inc.

<sup>36</sup>*Western Living* magazine Ratecard. (2007). Sales Documents. Transcontinental Western Media Group, Inc.



As the *Western Living* 2007 ratecard states,

*Western Living's* circulation strategy gives advertisers access to the most affluent consumers in western Canada, targeting the top 15 percent of household income earners....

*Western Living* provides advertisers with an unprecedented level of target marketing by using the most up-to-date Statistics Canada census information to hand pick the most affluent homes in the most distinguished neighbourhoods in western Canada.<sup>37</sup>

The city maps, located in Appendix B, show the specific distribution of each city by neighbourhood, and show the extent of coverage in Western Canada.

<sup>37</sup>*Western Living* magazine Ratecard. (2007). Sales Documents. Transcontinental Western Media Group, Inc.

### **3.4 Newsstand, Subscription, and Complimentary Distribution**

Although they employ primarily controlled-circulation models, *Vancouver* and *Western Living* also have newsstand components that factor in to both the distribution and marketing strategies. *Vancouver* has 18 percent of its circulation on newsstand and *Western Living* a little over one percent. According to publisher Kim Peacock, selling on newsstand for a controlled-circulation magazine is as much about publicity and visibility of the magazine as it is about selling those copies, since the PMB measures magazine readership based on the logo recognition of its survey subjects.<sup>38</sup> For both magazines, the circulation department at Transcontinental recommends a number of magazines to distribute to newsstand; however, the retail distributor ultimately decides how many magazines to take based on how many magazines they believe will sell. Since retailers are permitted to return magazines that do not sell, distribution through newsstand for a controlled-circulation magazine often results in many wasted copies.

<sup>38</sup>Kim Peacock, personal communication, February 9, 2007.

#### **3.4.1 Vancouver magazine on the Newsstand**

Transcontinental's two titles, however, are anomalous in that they both do well on the newsstand. Last fiscal year, *Vancouver* magazine increased its newsstand sales by 4159 copies, an in-

crease of just over ten percent. It has a 39 percent sell-through rate; the average sell-through rate in Canada for controlled-circulation magazines is 8 to 12 percent<sup>39</sup> and is 35 to 38 percent for paid-circulation magazines.<sup>40</sup> Often, for controlled-circulation magazines, the investment made putting the magazine on the newsstand is far greater than the return it realizes; however, for a magazine like *Vancouver* that has a high sell-through rate, the investment pays off not only in revenue but also in publicity and PMB recognition.

*Vancouver* magazine also has a special newsstand agreement to be sold in Starbucks locations in the city. This distribution is a strategic move; the Starbucks franchise owns 85 stores just in Vancouver proper.<sup>41</sup> The type of people who buy \$5 lattes are the type of people who read *Vancouver* magazine, or at least whom the company wants to read the magazine. The Starbucks sell-through rate is very poor compared with other newsstand venues; customers in Starbucks tend to think that the magazine is available for free and so inadvertently steal copies intended for sale. In the 2006 fiscal year, *Vancouver* magazine sold an average of 104 copies per month in Starbucks locations, distributing an average of 745 per month, for a 14 percent sell through rate. In contrast, all other newsstand locations sold an average of 4,087 magazines per month on a distributed 10,252 per month; a 40 percent sell through rate.<sup>42</sup> Nevertheless, despite the low income of this project, the value of having the magazine in Starbucks is much greater than the value of the "lost" revenue since it is extremely good for branding and product visibility. *Vancouver* is the only magazine distributed in Vancouver's Starbucks locations, and pairing with such a prominent business in the city is a clever strategic move by Transcontinental managers. They see the magazine as a good fit for the Starbucks chain in terms of branding; that is, Starbucks is branded towards the same audience as *Vancouver* magazine. Not only that, but Starbucks stores

<sup>39</sup>Kim Peacock, personal communication, February 9, 2007.

<sup>40</sup>Magazines Canada Glossary. (2005). Retrieved February 2, 2007 from the Magazines Canada Website.

<sup>41</sup>Woodbury, Gary. (2006). *Starbucks Coffee in British Columbia*. Retrieved January 16, 2007 from the Our BC website.

<sup>42</sup>Menchise, Bernie. *Vancouver magazine Newsstand Sales Data*. Internal Document. Transcontinental Western Media Group, Inc. Accessed January 16, 2007.

are also very high-traffic areas, so even if patrons are not buying the magazine, they are seeing the magazine brand within the brand-appropriate context that *Vancouver's* publisher wants them to see it. *Vancouver* magazine's newsstand strategy is mostly about being prominently displayed rather than selling magazines. The extra revenue is valuable, and the high sell-through rate is a great selling tool for the sales representatives, but positioning *Vancouver* as an elite magazine is an important part of the strategy. *Vancouver* is not a magazine that can be picked up on the street; people must either receive it because of the status of their neighbourhood, or buy it on the newsstand.

### 3.4.2 Western Living magazine on the Newsstand

*Western Living* has fewer newsstand copies than *Vancouver*. This is mainly due to the distributor's decision to take a smaller number of magazines to put on newsstand shelves. Also, because *Western Living* has different city editions, each city edition has a different tracking number (called a bypad number). Therefore, retail distribution companies do not record the total sell-through of *Western Living* as a brand, and the newsstand placement of the different editions cannot directly benefit from the brand. The Winnipeg and Saskatchewan editions are not distributed on newsstand at all because of this; the copies of *Western Living* that are on newsstands in Manitoba and Saskatchewan are actually the Alberta editions of the magazine.<sup>43</sup> Still, in the 2006 fiscal year, *Western Living* increased its newsstand sales by four-and-a-half percent, and *Western Living* distributes an average of 2,727 magazines per month, compared with *Vancouver's* 9,398. Despite the low newsstand draw, *Western Living* has a sell-through rate of 33 percent, which is impressive for a controlled-circulation magazine.<sup>44</sup> Because *Western Living* has such a huge home distribution, it does not make sense to spend the money to put a large number of magazines on newsstand. Publisher Kim Pea-

<sup>43</sup>Kim Peacock, personal communication, February 9, 2007.

<sup>44</sup>Menchise, Bernie. *Western Living* magazine Newsstand Sales Data. Internal Document. Transcontinental Western Media Group, Inc. Accessed January 16, 2007.

cock does not believe that the lower newsstand draw affects the advertisers opinion of the magazines' brands in these provinces; "retail advertisers are not trained to look for newsstand distribution, so it does not affect our ability to sell advertising space."<sup>45</sup>

<sup>45</sup>Kim Peacock, personal communication, February 9, 2007.

### 3.4.3 Subscriptions and Complimentary Lists

Along with the home-delivered free magazines and the newsstand copies, *Western Living* and *Vancouver* both have subscription copies sold to readers. This, however, is more of a courtesy than a circulation strategy. Kim Peacock says, "a subscription strategy is really a paid-circulation strategy. You get out of it what you invest. For *Vancouver* and *Western Living*, we provide subscription copies to those who request them, but do not make a concerted effort to obtain subscribers."<sup>46</sup>

<sup>46</sup>Ibid.

Finally, both magazines also have copies set aside for public relations purposes. Each month, copies are sent to advertisers and media who are part of a complimentary list. Sales reps can put advertisers or potential advertisers on these lists, and other recipients include media contacts. These copies are expensive to distribute, but all magazines do this for promotional purposes, says Peacock.<sup>47</sup> Also, for *Western Living*, certain advertisers who express an interest are given in-store copies and display materials to give magazines away free to their customers. This is mostly done in Alberta and Saskatchewan, where the sales reps have expressed that this increases their ability to sell and creates awareness of the magazine brand in their markets.

<sup>47</sup>Ibid.

*Vancouver* and *Western Living's* use of the newsstand, subscription, and complimentary copies has helped the magazines gain visibility and revenue which has in turn has aided their controlled-circulation strategies. By using the newsstand for not only revenue, but also branding purposes, the publisher has used this distribution to increase advertising revenue.

### 3.5 Sales Structure

A discussion of the circulation strategy of the two magazines would not be complete without providing an overview of the sales structure of the magazine. The circulation practices are tied very closely to sales, since one of the magazines' strongest selling tools is its circulation. *Vancouver* and *Western Living* magazines target similar advertisers because they target similar readers, especially in Vancouver. The magazines seem to, in fact, compete with each other for advertising dollars—however at the same time each is helped along by its sister publication. Understanding the sales structure allows for a more thorough understanding of the company's operation.

There is one sales director, Janet Macdonald, for both magazines. She rarely sells, except in special situations, but she manages the budgets of the sales reps. *Vancouver* magazine has five sales representatives and one sales coordinator, and *Western Living* Vancouver edition has four sales representatives and one sales coordinator. Each month, the sales representatives are given an individual sales goal based on their sales in previous years. The ratecard contains the base rates for different sized ads, and deals are given based on the number of insertions an advertiser purchases at once. Representatives are given permission to cut deals when needed (for remnant space or contra deals, for example), however, they are encouraged to sell the value of the magazine as a product and the exposure the advertiser receives. Reps are permitted to sell advertisers the right to have their ad far forward in the magazine, but unless the advertiser is paying a fee for this privilege, it cannot be guaranteed and is ultimately subject to the publisher's discretion. The sales coordinator for each set of reps acts as a liaison between the sales representatives and the production department, as well as follows up with clients for ad material and billing information once an agree-

ment has been made.

*Western Living* Victoria edition has one sales representative, located in Victoria. She too is managed by the sales director in Vancouver and uses the services of the Vancouver sales coordinator. *Western Living* prairie editions (Calgary, Edmonton, Saskatoon, and Winnipeg) are not managed by the Vancouver sales director. There are two sales reps in Calgary, one in Edmonton, one in Saskatoon, and one in Winnipeg. Paul Bâby in Saskatoon is a working manager—he is the regional sales manager for the prairies and he also sells all the regional Saskatchewan ads. The prairie sales representatives have a sales coordinator in Vancouver to represent them to the production department. All *Western Living* representatives are encouraged to sell advertisers into as many of the editions as possible, and they can sell into any combination of editions. The location of the client's head office determines which group of sales reps the client is directed to; for example, if a company has a chain of stores in Vancouver but their head office is in Edmonton, the Edmonton rep gets the account. Non-British Columbia *Western Living* representatives are also permitted to sell into *Vancouver* magazine, should an out-of-province client be interested in the magazine but Vancouver-based *Western Living* reps do not sell into *Vancouver* magazine.

Finally, at Transcontinental Media's head office in Toronto, there is a working sales director, Harold Barham. He manages two sales representatives in Toronto, who sell both *Vancouver* and *Western Living* magazine to national clients based in Toronto and Montreal. They also have a sales coordinator who works in Toronto. The prairie sales manager, Toronto sales manager, and Vancouver sales director must all work together closely, however, to ensure the happiness of the respective region's clients.

This sales structure, complicated by the regional nature of the magazines, indicates how the distribution of the magazine affects the overall structure of the company. *Western Living's* sales

strategy is especially affected by this regional focus. Because it is a magazine that translates well between Western cities, and because editorially different editions of the magazine are printed for each city, the advertising can be more focused to capture as many dollars as possible in the West. As former *Western Living* editor Jim Sutherland states, “Controlled-circulation allows for a bigger sales focus on retailers—it lends itself to a local ad sales strategy.”<sup>48</sup> Because the magazines are controlled circulation the plan of attack for securing advertising dollars is very organized and targeted. Since *Vancouver* and *Western Living* rely completely on the success of advertising sales, and since advertising sales rely heavily on the circulation strategy and who the magazine reaches, knowledge of how these two departments operate is key to understanding the success of these controlled-circulation magazines.

<sup>48</sup>Jim Sutherland, personal communication, September 14, 2006.

## 4 The Strengths of Controlled Circulation

Chapter three has given concrete examples of the operation of two controlled-circulation magazines and how they reach their audiences. This chapter will explore the strengths of this method of distribution and also analyse the common perceptions of controlled-circulation magazines in order to dismiss some of the misconceptions.

### ***4.1 Audience Targeting with Controlled Circulation***

The location in which a person resides gives distributors clues about their spending habits—high-income neighbourhoods most often contain people who have disposable income to spend on non-essential products. People seem to (rather conveniently for magazine distributors catering to advertisers) group themselves together based on income. Controlled distribution, then, allows for audience selection rather than audience acquisition—by delivering a magazine to a desired audience regardless of whether they have expressed interest in the magazine, the magazine can claim a certain readership to their advertisers. Generally, for an advertiser, *Vancouver* and *Western Living's* audiences are the most desired citizens to target—an advertisers primary goal is to attract buyers, and these magazines' readers are the big spenders in their region.

Controlled circulation has proven to be lucrative and successful in the business plans of *Western Living* and *Vancouver*. The magazines have been able to secure a predictable audience for their advertisers and measure this audience through PMB data.



In order to be measured by the PMB, a magazine must be audited. Both *Vancouver* magazine and *Western Living* magazine are, meaning that “third party research evaluating the interaction of the reader with the magazine” is carried out to “provide relevant and important demographic data pertaining to the readership.”<sup>49</sup> Organizations such as the Audit Bureau of Circulations (ABC) and BPA Worldwide are hired by the magazines to provide outside, objective information about circulation. They are non-profit organizations and are

governed by a tripartite board of directors, consisting of representatives from magazine publishing companies, advertisers, and advertising agencies. Both organizations have specific rules regarding what conditions must be present to count a subscriber as paid, as a direct requester, or as a renewal. The rules and regulations are designed to provide uniformity and consistency so that advertisers and advertising agencies can rely on the information they receive from the many publishers with whom they do business.<sup>50</sup>

These audits not only make the magazines more reputable to advertisers seeking accurate and up-to-date circulation information, but also are especially significant with controlled-circulation magazines because magazines that are not audited have a decreased competitive advantage against those controlled-circulation magazines that are audited: they cannot be found in the PMB database and so cannot gain readership information for their own use. Further, advertisers cannot request their circulation information from ABC or BPA, and therefore cannot compare them with competitive titles. This audit, then, is an important part of developing a target audience with which to capture advertisers.

#### **4.2 Why Controlled Circulation Makes Sense for Transcontinental's Titles**

In Canada, “one out of every three new magazines folds within the first year[;] more than 40 percent of periodicals that folded last year were less than five years old.”<sup>51</sup> In order to sur-

<sup>49</sup>Kaufman, Jim. (2004, July 2). *Debunking the Myth of Controlled Circulation*. Retrieved September 19, 2006 from the DMNews website.

<sup>50</sup>Daly, Charles P., Henry, Patrick, and Ryder, Ellen. (1997). *Magazine Publishing Industry*. Boston, MA: Allyn and Bacon.

<sup>51</sup>Sankey, Derek. (2006). Flash in the Pan? Not with a Plan! *Template: The Definitive How-To Guide to Magazine Publishing in Alberta*, pp. 8.

vive in Canada's saturated market, new magazines must have the whole package, what industry professionals call the four pillars of marketing: price, product, promotion, and placement. In other words, how the magazine will make money, what it will contain, how it will attract readers and advertisers, and how it will get to the readers. "There's a well-worn saying that the best way to make a small fortune in publishing is to start with a large one,"<sup>52</sup> and this is why controlled-circulation is such a solid distribution option for Canadian magazines with small start-up budgets. There simply are not enough people in Canada to sustain Canadian paid-circulation magazines as well as the American magazines that flood our newsstands each month. So, not only do new magazines not have the capital to launch an editorially and visually high-quality magazine with which to attract subscribers, but there are also not enough people in Canada willing to subscribe and ramp up the revenue as quickly as would happen in the United States. Finding an audience for the product is so crucial that controlled circulation—delivering the product to a desired audience and not waiting for the audience to come to the product—can be an extremely viable option. *Western Living Condo* magazine, for example, was launched one year ago by Transcontinental and has so far done very well because it targeted a marketable niche audience—condo-dwellers in Vancouver—and is delivered directly to that audience, making it a desirable advertising venue. "Because the publisher is using its own sources to choose the subscribers, it can cherry pick the readers who fall into the desired demographic."<sup>53</sup> There is a danger, however, of using controlled circulation as the default strategy. In a *Masthead* magazine article, "Circ Watch 2006," Greg Keilty of *Skynews* and *The Walrus* says, "I don't think there's anything wrong with [controlled circulation]. It's perfect in certain circumstances. The problem is, people use it as a default because they don't have enough money to launch prop-

<sup>52</sup>Sankey, Derek. (2006). Flash in the Pan? Not with a Plant Template: *The Definitive How-To Guide to Magazine Publishing in Alberta*, pp. 8.

<sup>53</sup>Lowenstein, Debby. (2005, August 25). *Controlled Consumer: A Challenge for Circulators, An Advantage for Advertisers*. Retrieved September 18, 2006 from the DMNews website.

erly or they don't understand how to do it properly."<sup>54</sup> This is possibly a biased opinion from a professional who works for a paid-circulation magazine; however, it is perhaps a good warning—a magazine publisher should research carefully what type of distribution to employ before launching. Keilty goes on to acknowledge the difficult Canadian market: “in their [controlled-circulation titles'] defense, if you look at the circumstance of the PAP [Publications Assistance Program], and postal rates, there's a real built-in incentive to launch controlled” because to launch paid is extremely expensive.<sup>55</sup> Keilty's statements, however, are typical—the perception that launching controlled is not launching “properly,” and that controlled-circulation magazines are less reputable than paid is a common mindset.

While many American authorities on magazines look down on controlled-circulation models, with Canada's thin population, paid-circulation models are actually less likely to occur and have staying power and steady income. This is simply for the fact that the niche audience that they are targeting occupy a huge geographic area and are sparsely distributed in that area. The success of paid-circulation models lies in the investment made to acquire subscribers. US publishers can target more people by marketing in one area than can Canadian publishers. This means that the return they see on their marketing campaigns (campaigns that require a similar investment no matter which side of the border the company operates on) is larger than the returns that Canadian publishers see. Therefore, the ease with which US publishers can increase their subscriber base makes the industry more inclined towards paid-circulation methods. With *Vancouver* and *Western Living's* localized target audiences, it is unlikely that they could reach the financial bottom line that they currently hold if they had launched as paid-circulation magazines. The initial investment would have been very high, and, because they are targeting regional readers with their editorial content, there

<sup>54</sup>Shields, William. (2005 November/December). *Circ Watch* 2006. *Masthead* magazine, pp 10-16.

<sup>55</sup>Ibid.

is a cap on the number of people who would be interested in reading the magazines—the potential for financial growth would not be as great.

#### 4.3 Perceptions of Controlled-Circulation Magazines

In a blog post from June 2006, D.B. Scott (President of Impresa Communications Limited) and Jon Spencer (President of Abacus Circulation Inc.) reported that in a study commissioned by US publisher Emmis Communications, “consumer[s] who receive unpaid subscriptions to upscale magazines are far less inclined to read them and—when they do—they value them less than magazines they pay for.”<sup>56</sup> This is the common perception of controlled-circulation titles by advertisers; as one Canadian writer put it, “the unique Canadian solution to magazine circulation (give the bloody things away in newspapers and pray that somebody will read them) is a dead end, because it leads to flaccid editorial content and doesn’t impress advertisers. If you follow that controlled-circulation course, ‘you are unable to demonstrate that there is a market for your product’.”<sup>57</sup> *Western Living* and *Vancouver* magazine publisher Kim Peacock disagrees: “In Canada, there is less clout to the argument that audited controlled-circulation magazines have a lower perceived value than paid-circulation magazines because paid-circulation magazines are also very cheap,” she says, referring to the ever-lowering subscription prices of paid-circulation magazines. Low subscription prices train readers not to value magazines just as much as free magazines do; this is the conundrum that faces magazine publishers today.<sup>58</sup> The fact that the readers of controlled-circulation magazines are not buying the magazine does not mean that there is not a market for the product, as Russell states above. The results that advertisers see once having advertised in well-known controlled-circulation magazines like *Vancouver* and *Western Living* are testaments to the fact that the people who receive

<sup>56</sup>(2006, June 27). *Free magazines are less valued & lack awareness, says MMR study*. Retrieved September 17, 2006 from the Canadian Magazines blog.

<sup>57</sup>George Russell quoted in Fulford, Robert. (2003). A brief history of Time: in their earnest efforts to protect Canadian culture, the Liberals left us with one of the world’s lamest magazine industries. So says George Russell, editor of Time’s local edition [Electronic Version]. *Toronto Life*, May 2003. Vol. 37, Iss. 5, pp. 57.

<sup>58</sup>Kim Peacock, personal communication, September 22, 2006).

the magazine are reading it, and are, to some extent, engaging with it. "Advertisers see results after advertising with us," says Sales Director Janet Macdonald; "otherwise we would not have the amount of repeat business that we do."<sup>59</sup> In other words, the advertisers' actions clearly indicate that they experience higher business volume after having advertised in these magazines.

<sup>59</sup>personal communication, March 13, 2007.

People who order magazines by subscription or who purchase them from the newsstand are most definitely expressing a desire for the magazine, which indicates that they consider it to have value, but in a 2004 article for DMNews.com, author Jim Kaufman asks, "is the magazine reader who is a paid subscriber actually a more targeted, relevant consumer for a marketer?"<sup>60</sup> He agrees with the idea that a paying reader should, as a matter of common sense, indicate a more engaged reader, however "though that logic is compelling, it doesn't tell the whole story." He makes a distinction between controlled circulation and *targeted* controlled circulation: direct distribution as opposed to bulk mail drops. He concludes: "many controlled-circulation magazines can deliver equally targeted, relevant, important and engaged readers as their paid circulation counterparts. By controlling the circulation through specific, difficult-to-reach distribution channels, these publications often offer greater efficiency to the marketer."<sup>61</sup> *Vancouver* magazine has 4.9 readers per copy, and *Western Living* 3.8, according to 2006 Print Measurement Bureau data; while this is not as high as some paid-circulation magazines, it does indicate that the magazine is read by those who receive it and their friends or family. These magazines are not simply transferred from the doorstep to the recycling box.

<sup>60</sup>(2004, July 2). *Debunking the Myth of Controlled Circulation*. Retrieved September 19, 2006 from the DMNews website.

<sup>61</sup>Ibid.

Essentially, a magazine, whether paid or controlled, must have strong editorial content to drive it. "There certainly are controlled-circulation publications that offer little marketing value to their advertisers. They are printed in mass, with no targeted distribution system, no compelling editorial premise, no third-

party validation and ultimately no engaged readership. These magazines feed the perception for all controlled-circulation publications, many of which do not share such characteristics.”<sup>62</sup> Indeed, when speaking with *Vancouver* and *Western Living* sales representatives, this statement comes to life. “Advertisers generally believe three things about controlled-circulation magazines: that their advertising is expensive, that their distribution is questionable, and that their editorial is not very good,” says Prairie Regional Sales Manager Paul Bâby.<sup>63</sup> The reps’ job, then, is to sell not only the readers’ attention to the advertisers, but also the value of the magazine as a product. “If the editorial quality is strong and the magazine’s content matches the needs and interests of the readers, they’ll become less skeptical and enjoy the publication as much or more than the others that they pay for.”<sup>64</sup>

<sup>62</sup>Kaufman, Jim (2004, July 2). *Debunking the Myth of Controlled Circulation*. Retrieved September 19, 2006 from the DMNews website.

<sup>63</sup>personal communication, January 15, 2007.

<sup>64</sup>Lowenstein, Debby. (2005, August 25). *Controlled Consumer: A Challenge for Circulators, An Advantage for Advertisers*. Retrieved September 18, 2006 from the DMNews website.

## 5 “It Starts and Finishes With Editorial”

Greg Keilty, quoted in Shields, William. (2005 November/December). *Circ Watch* 2006. *Masthead* magazine, pp 10-16.

While the circulation and sales departments of a magazine are integral to success, the editorial quality is the final element that is required to create a successful magazine. This chapter will specifically discuss *Vancouver* magazine's and *Western Living* magazine's editorial success and examine the importance of an independent editorial voice.

### 5.1 *Staying Ahead in a Competitive Market*

Quality editorial is the hallmark of a successful and highly-regarded magazine. *Vancouver* magazine, published since 1967, has become an award-winning city magazine, and *Western Living*, published since 1970, has been recognized by the magazine industry as well. (Appendix C lists awards won by both magazines in 2006). Having each been in print for more than 30 years, these two magazines have gained the respect of the industry and of readers. While many controlled-circulation magazines suffer from the common assumption that advertisers indirectly drive the editorial, *Vancouver* and *Western Living* have proven their editorial independence over time. “The more independent [a magazine is editorially], the better [the] magazine will be. The better and more valued [the] magazine is, the more advertisers will seek [it] out....Editorial independence [is] a way of creating mutual benefits for advertising sales reps and readers.”<sup>65</sup>

Both *Vancouver* magazine and *Western Living* magazine operate in heavily competitive markets. *Vancouver* magazine must compete with other free city magazines and newspapers. *Western*

<sup>65</sup>Marcy O’Koon, editor of *Arthritis Today*, quoted in Johnson, Sammye, and Prijatel, Patricia. (2000). *Magazine Publishing*. Lincolnwood, IL: NTC/Contemporary Pub Group.

*Living* competes with other home décor magazines, both paid and controlled circulation, as well as city magazines in other cities. The branding of the magazines and the quality of editorial have become fundamental to the success of the magazines in their markets. *Vancouver* magazine's publisher uses brand extension via sponsorship and event hosting to increase the magazine's profile in the city and stand out as an authority over other city magazines. In doing this they have developed a loyal readership; on average each copy of the magazine has more than four distinct readers. Since its inception 40 years ago, *Vancouver* has become a recognizable brand that readers and advertisers will choose over other city magazines; the magazine's advertising space is a commodity in itself in that readers are looking to the magazine for the advertising as much as they read it for the editorial content. While oftentimes people assume that controlled-circulation magazines are simply venues for advertising, *Vancouver* has proven itself in the Canadian magazine landscape to be driven by more than just advertising and to have editorial that does not cater to advertiser's wants.

*Western Living* magazine, too, has proven itself in the industry. It, too, is a magazine that advertisers will choose over others because of its reputation and long-standing position in the market. *Western Living* is also unique, however, in its ability to attract different types of advertisers because of its reach across the west. Advertisers need only advertise in one magazine to reach many high-end readers across the Western provinces. The controlled distribution of the magazines makes them in some ways more desirable for advertisers as well, since they can guarantee this audience no matter the economic situation. The fact that they are free magazines distributed to particular neighbourhoods gives advertisers the benefit of knowing exactly who their readers are financially, and most importantly for advertisers, that the readers have a high disposable income. Especially in the Cana-



dian market, which is inundated with American magazines that take up readers' attention and budgets, these controlled-circulation magazines stand out as useful and results-oriented venues for advertising to the local markets.

### 5.2 The Mission: Both Reader- and Advertiser-Driven

The type of branding mentioned above would not be possible without a strong editorial package. Examining *Vancouver* and *Western Living* magazines' mission statements shows how editorial remains independent while interacting successfully with the sales-driven aspects of the magazine's livelihood. *Vancouver* magazine's mission statement describes its editorial focus:

*Vancouver* informs, guides, and entertains people who engage with the city. Mixing quality journalism and service-driven pieces, the magazine chronicles and reflects Vancouver's emergence as a dynamic international urban centre.<sup>66</sup>

*Western Living's* mission statement says:

*Western Living* informs and entertains sophisticated, active and engaged urban readers on the subject of home design and décor, food and wine, and travel and leisure. Combining beautiful photography with service articles and quality journalism reflective of its core focus, the magazine reflects the growing power of the west by celebrating the qualities and accomplishments that make Western Canada unique.<sup>67</sup>

Both mission statements firmly place the magazines in the service category for the region to which they distribute, and also seek to define the regions that they serve, and engage with the rest of the country. The mission statements seem to be speaking not only to the residents of the region, but also to those outside of the region—potential advertisers—who take an interest in it. Both magazines are consciously trying to attract advertisers with their reader base and their content. The fact that *Vancouver* “reflects Vancouver's emergence as a dynamic international urban centre” and *Western Living* “reflects the growing power of

<sup>66</sup>*Vancouver* magazine Ratecard. (2007). Sales Documents. Transcontinental Western Media Group, Inc.

<sup>67</sup>*Western Living* magazine Ratecard. (2007). Sales Documents. Transcontinental Western Media Group, Inc.

the west” indicates a strong interest and acknowledgement from the editorial team to the sales-driven aspects of their magazines: advertisers are interested in targeting people in a growing and developing region—essentially a region with money. Says past *Western Living* editor Jim Sutherland,

we try to include features that will appeal to readers and that advertisers will think appeal to readers. The editorial outline in the ratecard is most definitely built to appeal to advertisers; during editorial planning, the entire management team has input, including sales. The team does not, however, have input on an issue-by-issue basis. One of the publisher’s roles is to provide long term direction to create an editorial outline that meets all needs, but allow the editorial team the flexibility to create a good package independent of the other departments.<sup>68</sup>

*Western Living* is especially structured to capture as many regional advertisers as possible. The magazine has six different editions for different cities, and each month there is a common signature of pages that makes the base of the magazine. Advertising sold into this form is usually national, since national buyers have the resources to advertise into all editions of the magazine. There are then local forms that make up the rest of each edition, and the size of these forms is directly proportional to the advertising that is sold into it. Winnipeg and Saskatchewan editions are typically slimmer than the British Columbia and Alberta editions. This is due to the fact that *Western Living* has a smaller circulation in these areas, that there is only one sales representative per city in these areas, and that most of the editorial content comes from Vancouver. Publisher Kim Peacock is in the process of hiring local editors in Alberta, Saskatchewan, and Manitoba to act as conduits for the regional prairie editions and make the magazine less Vancouver-centric, but the regional prairie editions are not expected to sell as much advertising as the Vancouver edition—there are fewer people to sell to, and less money is invested in these areas both in terms of the sales staff

<sup>68</sup>personal communication, September 14, 2006.

and editorial staff.

The way the magazine is distributed obviously plays a large part in how the editorial team creates the product. "For a very editorially-focused magazine, the mix of pieces in it must be tight. *Western Living*, because of its controlled circulation, can be more diverse [than a paid-circulation magazine]. Its readers are not enthusiasts."<sup>69</sup> Despite knowing the audience before launch, the magazine focus must be willing to be molded by the audience as well as to the audience. Lowenstein states,

controlled-consumer circulation lets circulators set specific requirements for subscribers and continue to ensure that those requirements are met. Knowing the reader before launch also often helps the editorial staff mold the magazine around the exact reader without having to wait for reader surveys and feedback from the first few issues.<sup>70</sup>

While this is true, a geographic demographic does change over time and the magazine must be flexible enough to shift with its audience. For example, in a 2002 article, then-publisher Lance Neale had a readership survey of *Western Living* conducted and found that their audience desired a more personable magazine. Says Neale;

[T]hey really wanted a magazine that was rooted in Western Canada and one that was down-to-earth. Readers wanted to see houses, but they also wanted more food and wine, more gardening, more local travel and just more outside. 'We added 20 [percent] more reading content because we did tend to become a pretty high-end picture book. We are getting back to the grassroots of what *Western Living* was for so long.'<sup>71</sup>

Now, in 2007, the focus of the magazine is again shifting to better reflect a changed audience. "Magazines that are more vertical in terms of content are doing better," explains publisher Kim Peacock. "We are going to target a more high-end pool of people; it will be a smaller target, but we can own it. Our editorial content will shift to reflect their lifestyles more."<sup>72</sup> Just like

<sup>69</sup>Jim Sutherland, personal communication, September 14, 2006.

<sup>70</sup>(2005, August 25). *Controlled Consumer: A Challenge for Circulators, An Advantage for Advertisers*. Retrieved September 18, 2006 from the DMNews website.

<sup>71</sup>Lazarus, Eve. (2002). The Rebirth of Warm: When Western Living Readers Demanded a Kinder, Gentler Magazine, its Publisher Decided to Put the Freeze on the Pursuit of All Things Cool [Electronic Version]. *Marketing Magazine*, Vol. 107, Iss. 38, pp. 21

<sup>72</sup>personal communication, September 22, 2006.

a paid-circulation magazine, a controlled-circulation audience changes with trends and time.

In Canada, general interest magazines tend not to sell as well as vertically defined niche magazines; however, because *Western Living* is distributed directly to the readers' doorsteps, it has a broader focus. This, though, will change, as Peacock noted above. According to Peacock, when advertising is a magazine's sole revenue, it has less leeway editorially because it must keep the advertiser in mind more than a paid-circulation publication—it does not have the strong, loyal subscriber base to bolster income. That's not to say that the magazine gives in to advertisers' requests: in order to run a successful magazine, the editorial team must "create a quality magazine working within the parameters of what advertisers want in terms of readers," says *Vancouver* magazine editor Gary Ross.

We want credibility with our readers, so we write helpful pieces. It's not helpful to readers for us to trash a restaurant; we'll instead talk about, for example, 'the great souvlaki that a particular restaurant offers, if you can stand the belligerent staff.' And if we write a 'best of' piece, we're going to tell readers what we think is the best in the city. Advertisers sometimes question why they don't get editorial mention in these type of pieces, but we are not writing for the advertiser.<sup>73</sup>

This attitude and interplay between the sales and editorial teams is what makes a controlled-circulation magazine successful. As other start-up controlled-circulation magazines have proven, there is an easy temptation to promise advertisers more in order to gain revenue. These magazines, however, have a hard time proving themselves in the long run; they become simply advertising space, and never a quality product. "What advertisers want are loyal readers, because a quality magazine that serves readers also serves advertisers."<sup>74</sup>

<sup>73</sup>personal communication, September 22, 2006.

<sup>74</sup>Johnson, Sammye, and Prijatel, Patricia. (2000). *Magazine Publishing*. Lincolnwood, IL: NTC/Contemporary Pub Group.

## 6 Canadian and American Markets Considered

In order to better understand the popularity and success of controlled-circulation magazines in Canada, it is useful to compare the Canadian industry with the US industry. In Canada, much of how the general public views the magazine industry comes from how the US industry is represented, since our cultures are so closely related. The point of this analysis is not to suggest that the US magazine industry has pushed the Canadian industry to embrace controlled circulation as a prominent means of distribution, but rather to expose the idea that what is commonly perceived as the norm for circulation (paid) is not necessarily the norm, nor necessarily the best practice in markets other than the US.

With the abundance of information available about starting a magazine in the United States, it becomes apparent quite quickly that paid circulation is the recommended course of distribution for magazines below the border. The simplest explanation for this is the fact that the population of Canada is much smaller than that of the United States—therefore there are fewer people who are available to read magazines, let alone pay to read them. Geographically, the countries' livable space is similar in size, and so, with ten times more people in roughly the same amount of space, magazine publishers in the United States can much more easily distribute magazines to the readers who express an interest. Statistically, the US has more subscribers per square kilometre than Canada. Because Canada's population is more sparsely

distributed, national magazine circulation is logistically much more difficult.

Since 1996, Canada's population has increased by 9 percent<sup>75</sup> and number of magazines by 15 percent.<sup>76</sup> The United States' population has increased by 11 percent with the number of magazines rising the same percentage.<sup>77</sup> While the number of Canadian magazines has increased steadily, the population has increased less so. In the US, the number of magazines has increased at a rate that matches the population.

In just over a decade, the number of periodicals being produced in our country shot up over 40 percent, rising from more than 1500 to nearly 2500 according to Magazines Canada. The industry is now raking in over \$1.2 billion annually. While these figures are impressive and are signaling a surge in activity, they pale in comparison to our louder neighbours to the South. There are over 7,000 periodical publishers in the United States that were amassing more than \$40 billion in 2002, according to the US Federal Statistics.<sup>78</sup>

This is something of a conundrum for Canadian circulators. These statistics show that Canada's industry has grown without a population to financially support that growth—suggesting that many of the magazines that have started since 1996 are controlled-circulation titles that are supported primarily with advertising revenue, as opposed to subscriptions. The US, by comparison, has a population that has increased at the same rate as the number of magazines. This suggests that their primary method of distribution can remain as paid circulation because with every new title, there is an increase in population to potentially support it. Also, since the US is, in cultural products, such a strong contender, they are able to seek out international readers for newsstand copies and subscribers in a way that most Canadian magazines are unable to do financially. Canadian brands are simply not as visible as those of the US.

Canada's magazine publishers, because they do not have the

<sup>75</sup>Canada's Population. (2006, June 29). *The Daily*. Retrieved September 25, 2006 from the Statistics Canada website.

<sup>76</sup>Statistics Canada. (2005, 8 June). "Periodical Publishing". *The Daily*. Table: Number of Periodicals and Circulation. Retrieved February 5, 2007 from the Statistics Canada website.

<sup>77</sup>Magazine Publishers of America. (2006). *The Magazine Handbook: A Comprehensive Guide 2006-07*. [Electronic Version]. New York, NY: Magazine Publishers of America, Inc.

<sup>78</sup>Hudson, Kathryn. (2006). Where Do We Fit In? [Online]. *Magworld* 2006.

same size audience, have found alternative ways to operate successfully. As Peacock notes, controlled circulation is not the ideal for publishers and circulators; “Most of us would much rather launch paid, however, it’s not always a realistic option.”<sup>79</sup> It is too expensive for Canadian publishers to launch as paid-circulation magazines since Canada does not have the population to sustain these titles. “In the United States, a magazine can launch paid and obtain a huge subscriber base quite rapidly because their marketing campaigns are directed at more people in closer proximity. Canada, by comparison, does not have the concentrated population that it takes to increase a subscriber base quickly, and therefore, since they can’t make a return on their huge investment, the titles usually don’t survive for long.”<sup>80</sup>

<sup>79</sup>personal communication, February 9, 2007.

Controlled-circulation magazines, while they may not have as many readers-per-copy as paid-circulation magazines, do capture a specific audience and, if branded strongly, can become powerhouses in the Canadian magazine industry. In some ways, perhaps the industry in the United States could learn from the Canadian industry model for controlled-circulation magazines; as Lowenstein notes in her article about the US industry,

<sup>80</sup>Kim Peacock, personal communication, March 13, 2007.

as some of the larger magazine publishers begin to serve a combination of paid and controlled consumer, and the category becomes more widely accepted, it grows easier for publishers who want to launch with this kind of circulation. The category will get easier to manage as it grows, but the smartest circulators will understand that their mission is to continue to deliver a specific reader demographic to advertisers.<sup>81</sup>

<sup>81</sup>Lowenstein, Debby. (2005, August 25). *Controlled Consumer: A Challenge for Circulators, An Advantage for Advertisers*. Retrieved September 18, 2006 from the DMNews website.

With this in mind, the fact that some controlled-circulation titles in Canada have become not only financially successful, but successful brands in their respective markets and successful in an editorial context is not so surprising. These titles are working to break down common perceptions about magazines whose income relies heavily on advertisers and show that controlled-circulation magazines can be equally as editorially independent as paid-circulation titles.

## 7 Conclusion

The facts are simple: magazines must reach an audience in order to be successful. A Canadian audience is physically difficult to reach; Canada is large, the population small. Gaining and keeping the attention of that relatively small audience is a huge financial challenge for magazines that launch with paid circulation. With these facts in mind, it is not difficult to understand the Canadian tendency toward controlled circulation. This report has attempted to dispel the popular opinion of controlled-circulation magazines: that they are low quality because they are free. It is easy to superficially conclude that magazines that are bought through subscription or on the newsstand and that also sell advertising space make more money and are indicative of a more sophisticated business model than those magazines that are dropped off on doorsteps or left in drop boxes, however, this is not entirely accurate.

Paid-circulation publishers scoff at the very idea of controlled-circulation magazines, but upon close examination they would find that while oftentimes not considered to hold as much value as paid-circulation magazines, many controlled-circulation magazines are producing solid editorial that readers, as well as advertisers, value. That said, as with most products, some brands do better than others. There are definitely low quality controlled-circulation magazines; there are also low quality paid-circulation magazines. The differ-



ence is in perception: low-quality paid-circulation magazines are sympathized with as victims of a tough market. Low quality controlled-circulation magazines are considered sell-outs to advertising. But couldn't a low-quality paid-circulation magazine be, simply, unwanted by the audience?

Quite often, the paid-circulation magazines that are doing well in Canada are those that are well-established and are strong brands in the Canadian literary landscape. Without huge capital, starting a paid-circulation magazine in a slow-growing industry is extremely difficult. For every success, there are many more paid-circulation magazines that ultimately could not increase their subscriber base at a high enough rate to pay for their start-up costs. From a business perspective, controlled-circulation magazines seem to be more realistic: they do not require huge capital to launch, and they have an audience at inception. The trick is to hold a fine balance between the advertising, the biggest source of revenue, and the editorial vision. Both are equally important, but occasionally seem starkly opposed in their goals. The number one trap that a controlled-circulation magazine publisher can fall into is believing that the magazine is simply a venue for advertising, and letting advertisers have far too much control. While catering to advertisers is definitely part of the balance, letting them dictate the terms under which they appear in the magazine ultimately results in a product that has no value for readers, and, by association, advertisers. Editorial credibility is absolutely key.

This in-depth examination of two financially successful controlled-circulation magazines shows this balance in action and puts controlled-circulation magazines in a positive context. *Vancouver* and *Western Living* are working examples of controlled-circulation titles that use an integrated approach to distribution and use circulation to acquire new advertis-

ers. A study of these magazines' circulation practices shows the relationships between the marketing and branding of the magazines (to readers as well as advertisers), the PMB standing of the magazine (based on reader response), and the sales department. These magazines' continued excellence in editorial achievement—demonstrated by their winning industry awards—illustrates that controlled-circulation magazines need not be lackeys to the advertiser's demands—that this behaviour does not have to be perpetuated simply because of the chosen method of distribution. *Vancouver* magazine and *Western Living* magazine indicate that a controlled-circulation magazine can be editorially and financially sound without compromise to either side.

While popular opinion in Canada is heavily influenced by the United States, a consideration of the Canadian and American magazine industries shows how very different the two are in terms of ability to establish large audience bases and ability to sustain many paid-circulation titles. The success of controlled-circulation magazines in Canada seems less baffling when seen in contrast with the US industry—the industry from which most literature about magazine circulation is generated. In my research I have not come across a document that teaches start-up magazines effective ways to implement controlled distribution with the goal of remaining a controlled-circulation magazine. All too often, literature about start-ups focuses on paid-circulation models and more often than not adds a derogatory statement or two about controlled-circulation models. The fact is, however, that both types of distribution have their own pros and cons.

Ultimately, magazine publishing companies are businesses that exist in order to bring in revenue. Building a magazine is about creating a product—something to be consumed and enjoyed, and that makes money for the company from which

it sprung. It is naïve to think that magazines are solely about the editorial vision; it is also unwise to think that magazines are solely channels through which to pump other product messages. As a 2004 Master of Publishing project report concluded, “circulation is the engine of the magazine, as it is these efforts that ensure that a magazine gets into the hands of the target reader.”<sup>82</sup> Any means by which the magazine gets in front of the audience is valid; measurements of quality should be left to evaluations of the financial bottom line and the development of a critical, independent editorial voice.

<sup>82</sup>Johnson, Keisha. (2004). *Building and Sustaining Circulation Levels in a Fluid Environment with constrained Resources*. Master of Publishing Project Report. Simon Fraser University, pp. 76.

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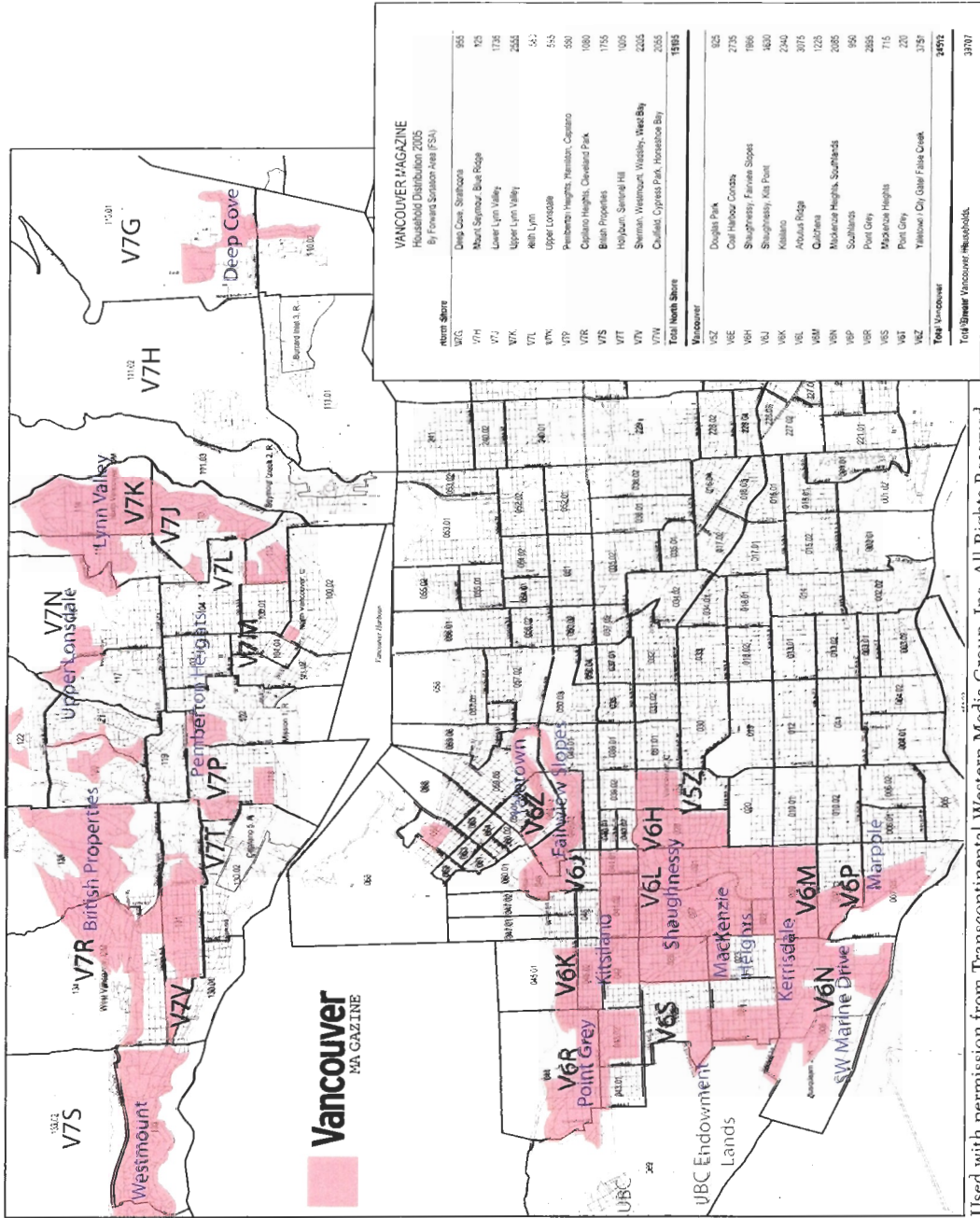
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# Appendices

# Appendix A: Vancouver magazine Household Distribution Map

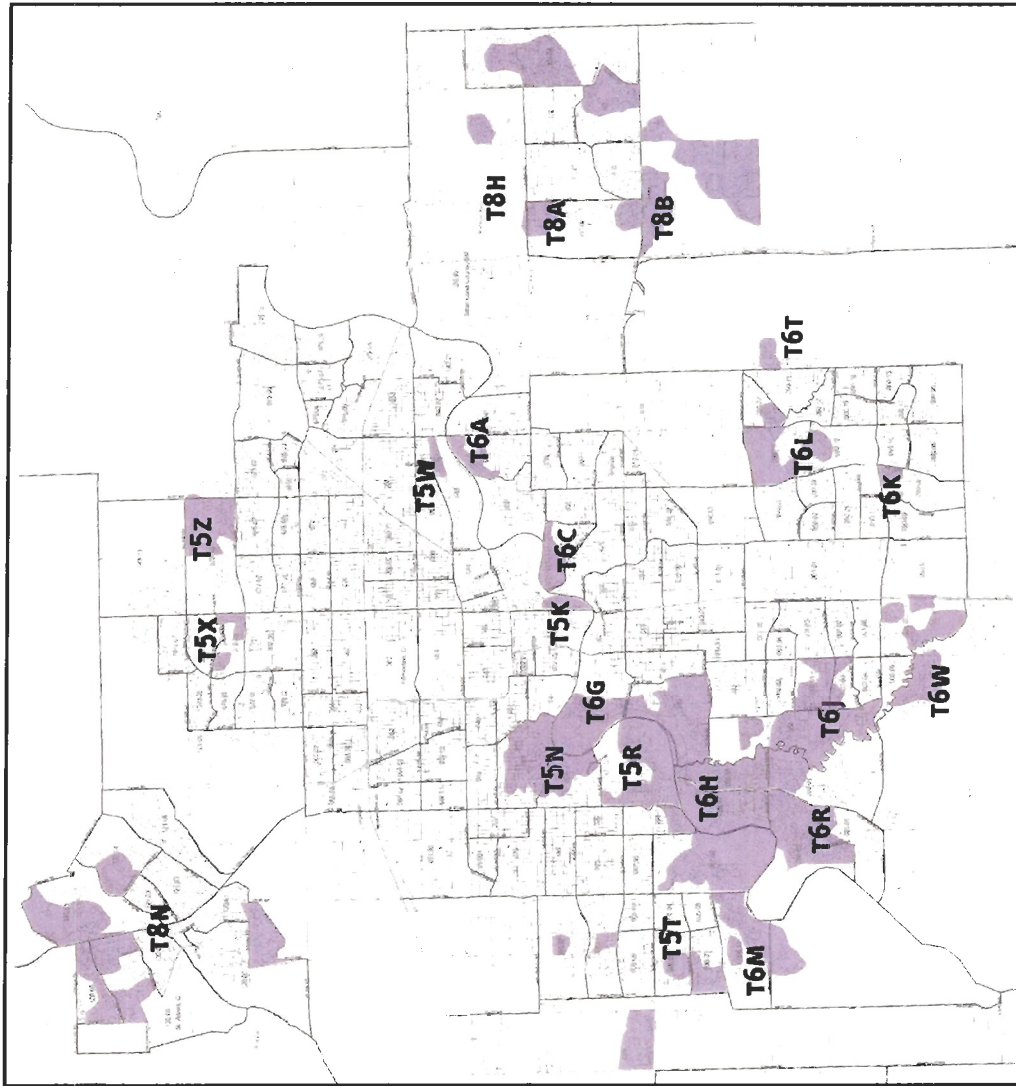


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# Western Living Edmontonton Household Delivery Areas



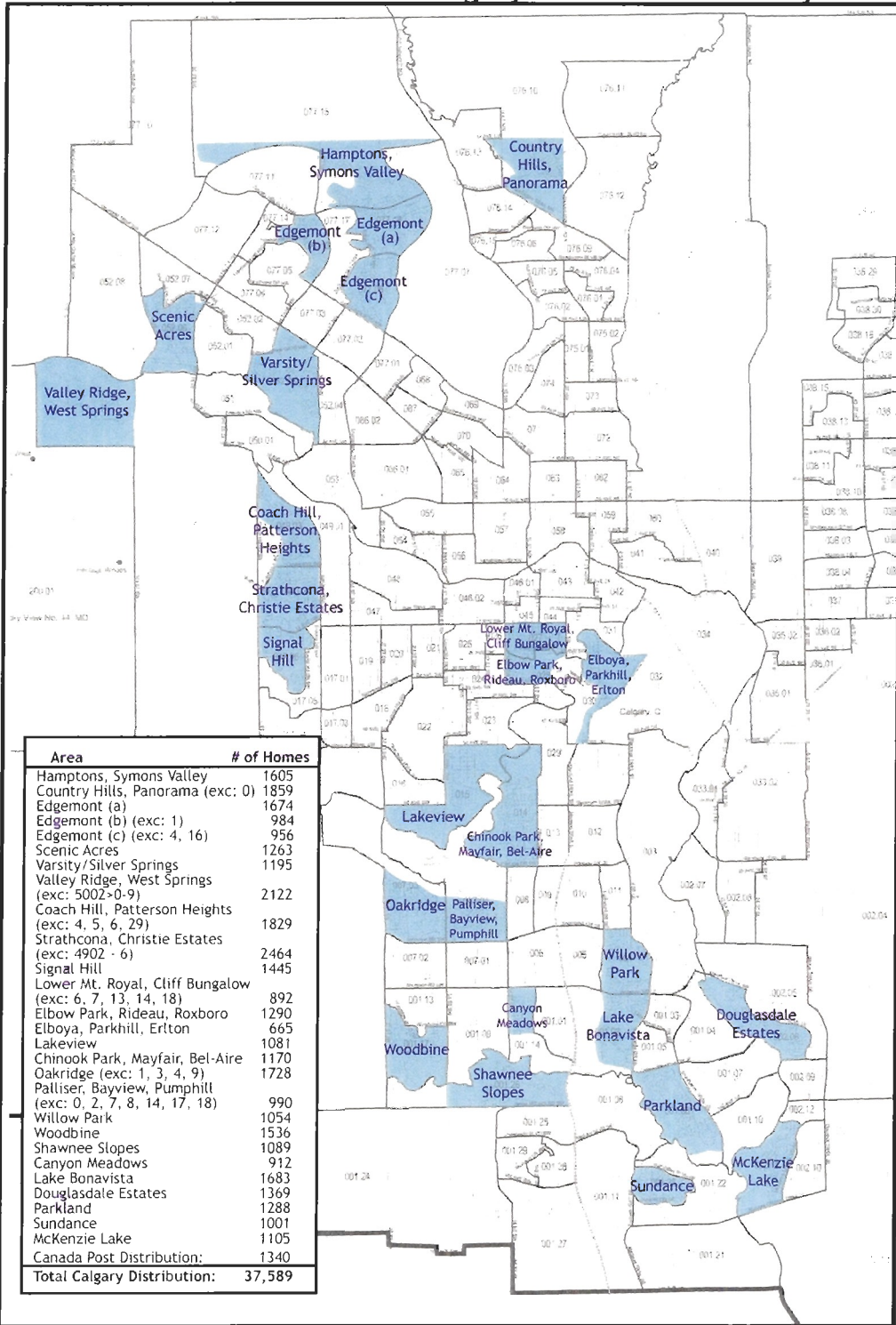
## Western Living Household Distribution 2005

By Forward Sortation Area, FSA

### Edmontonton Distribution

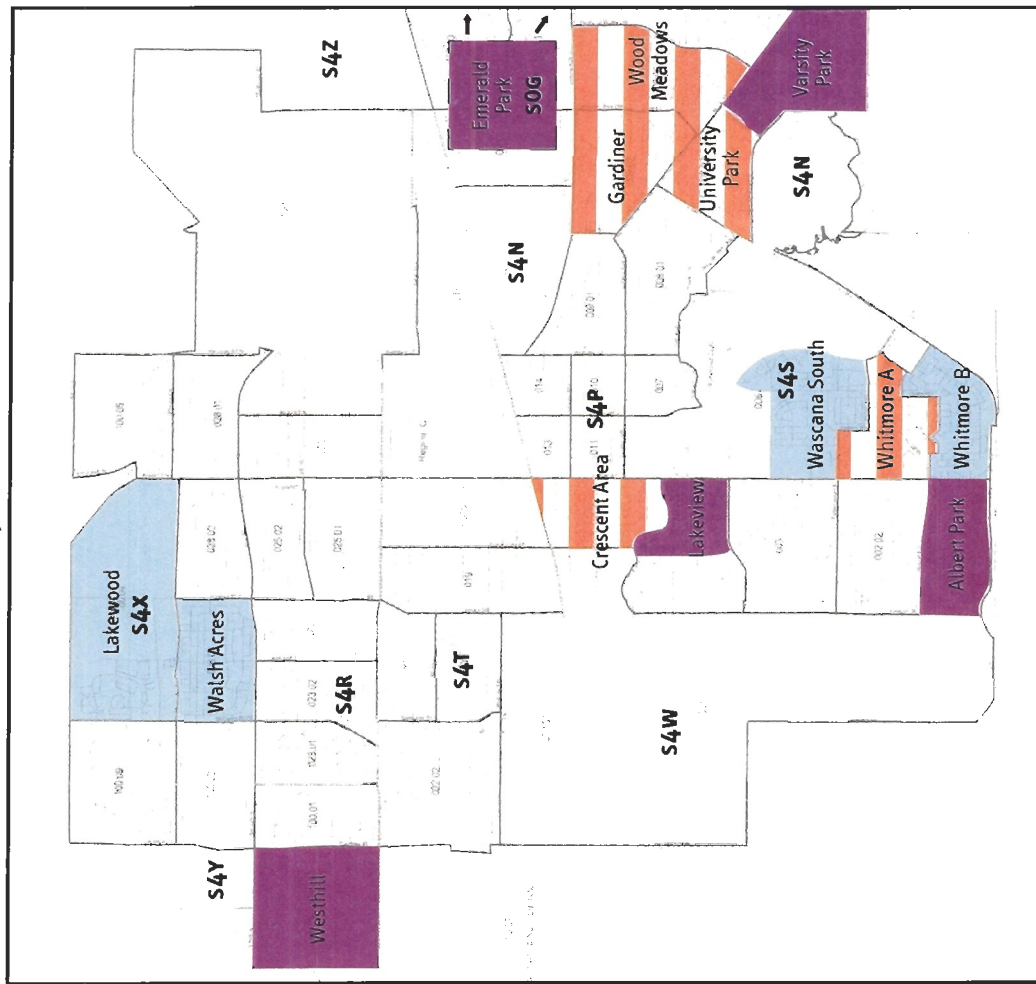
FSA	AREA	NUMBER OF HOMES DELIVERED
T5K	Rosedale	135
T5N	Crestwood, Groveror, Glenora	1204
T5R	Laurier Heights, Lynnwood, Elmwood,	
	Rio Terrace	1199
T5T	Oleskiw, Westridge, Ormsby Place,	
	Lymburn	4932
T5W	Highlands	440
T5X	Beumaris, Lorelei	684
T5Z	Lago Lindo, Klarvatten	594
T6A	Capilano	187
T6C	Clowrdale	335
T6G	Windsor Park, Belgavia	933
T6H	Brookside, Brander Gardens, Lansdowne	1889
T6J	Aspen Gardens, Westbrook Estate, Greenfield,	
	Twin Brooks	4957
T6K	Ekota	358
T6L	Hillview, Greenview	777
T6M	Donsdale, Wedgewood Heights	1872
T6R	Ramsay, Rhuligan, Henderson, Buiyee, Falconer	
	Ogilvie	4614
T6T	Larkspur, The Meadows	304
T6A	Nottingham, Forrest Green, Heritage Hills,	
	Village on the Lake, Woodbridge Farms	3039
T8B	Estates of Sherwood Park, Ordre Park	240
T8H	Clarksdale Meadows, Charlton Heights	671
T8N	Lacombe, Woodlands, Heritage Lakes, Erin	
	Ridge, Oakmont	4447
<b>Total Edmontonton Distribution</b>		<b>33,811</b>

Distribution Areas



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# Westernliving Regina Household Delivery Areas



## Western Living Household Distribution 2005

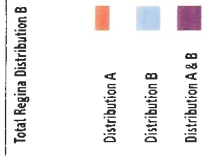
By Forward Sortation Area, FSA

### REGINA - Distribution A

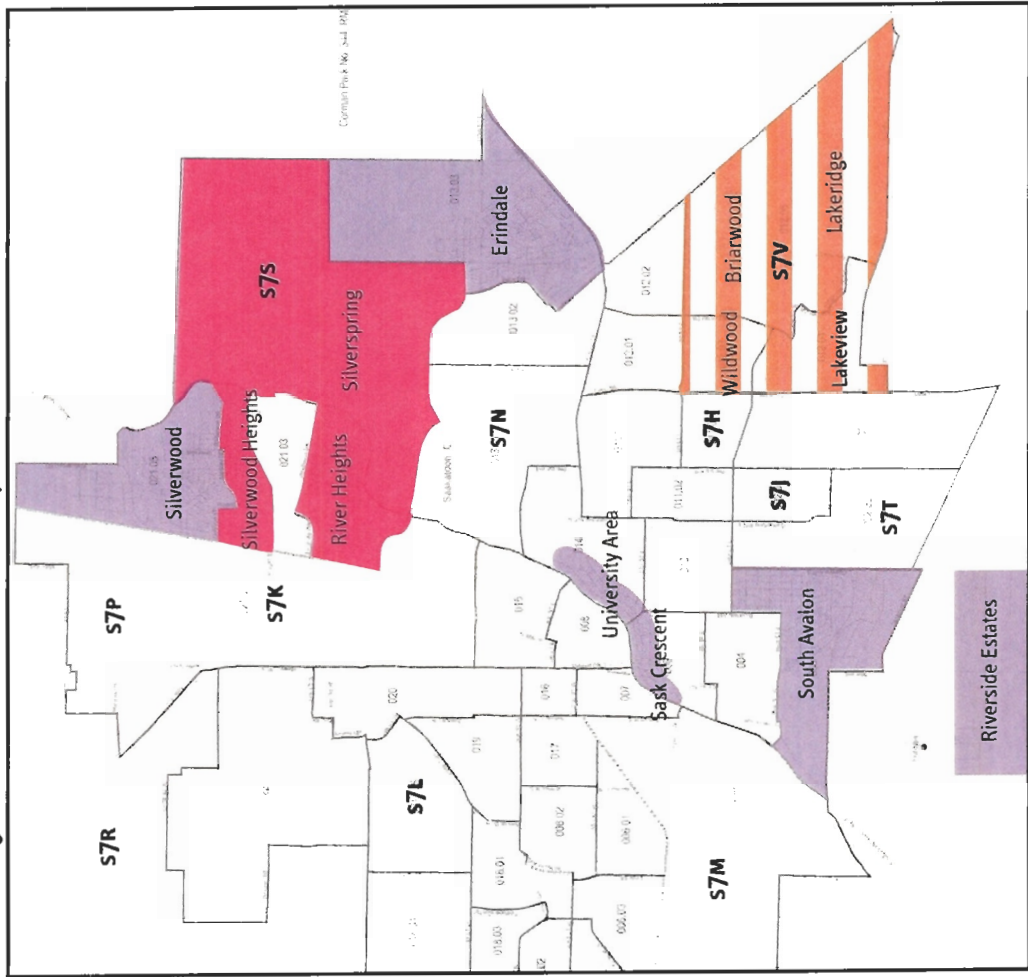
FSA	AREA	NUMBER OF HOMES DELIVERED
S4S	Lakeview	720
S4S	Whitmore A	1,292
S4V	University/Varsity Park	2,274
S4V	Gardiner/Wood Meadows	2,838
S4Y	Westhill	588
S4T	Crescent Area	374
S0G	Emerald Park	385
<b>Total Regina Distribution A</b>		<b>9,613</b>

### REGINA - Distribution B

FSA	AREA	NUMBER OF HOMES DELIVERED
S4R	Walsh Acres	1,448
S4S	Albert Park	1,202
S4S	Whitmore B	970
S4S	South of Wascana	1,125
S4S	Lakeview	720
S4V	Varsity Park	1,156
S4X	Lakewood	2,019
S0G	Emerald Park	385
<b>Total Regina Distribution B</b>		<b>9,613</b>



# WesternLiving Saskatoon Household Delivery Areas



## Western Living Household Distribution 2005

By Forward Soraaton Area, FSA

### SASKATOON - Distribution A

FSA	AREA	NUMBER OF HOMES DELIVERED
50K	Riverside Estates	115
57N	Erindale	2,935
57K	Silverwood	1,769
57S	Silverspring	1,586
57K	River Heights	1,678
57K	Silverwood Heights	782
57N	Wildwood and Poplar Crescent	170
57N	University Area	378
57I	South Avalon	75
<b>Total Saskatoon Distribution A</b>		<b>9,488</b>

### SASKATOON - Distribution B

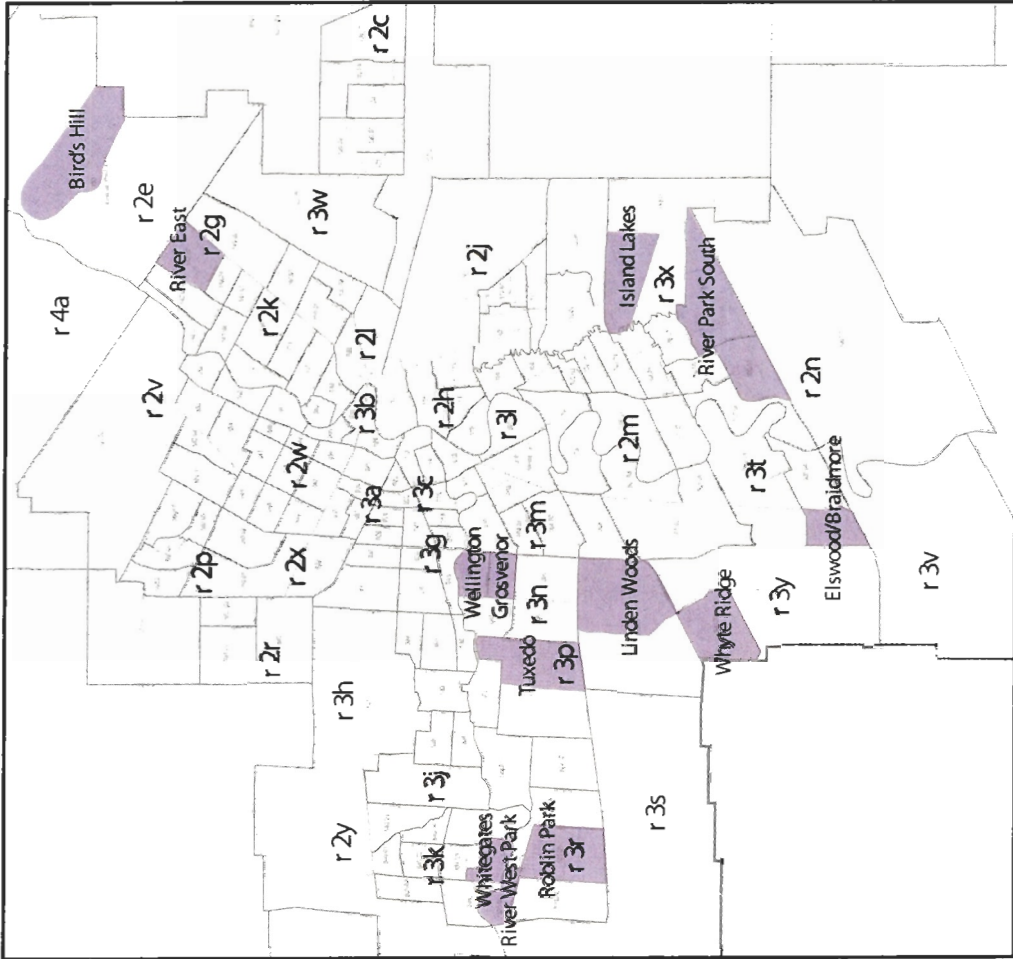
FSA	AREA	NUMBER OF HOMES DELIVERED
50K	Riverside Estates	115
57N	Erindale	2,935
57K	Silverwood	1,769
57V	Lakeview and Lakeridge (2114-1021)	3,335
57V	Briarwood	1,271
57N	University Area	378
57I	South Avalon	75
57N	Sask Crescent	170
<b>Total Saskatoon Distribution B</b>		<b>9,448</b>



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**westernliving** Winnipeg Household Delivery Areas



Western Living Household Distribution 2005  
By Forward Sortation Area (f.s.a)

WINNIPEG

f.s.a	area	number of homes delivered
r 2e	Bird's Hill	1302
r 2g	River East	1928
r 2n	River Park South	2,544
r 3k	Whitegates	1275
r 3n	Wellington Crescent	1109
r 3n	Gosvener	1090
r 3p	Tuxedo	1859
r 3p	Linden Woods	2,669
r 3x	Roblin Park/Belsworth	1515
r 3x	River West Park	654
r 3t	Elswood/Braichmore	1466
r 3x	Island Lakes	2,459
r 3y	Whyte Ridge	2,275
Total Winnipeg Distribution		22,083

Distribution

**Appendix C: Awards Won in 2006 by Vancouver and Western Living**

**Vancouver magazine:**

24th Annual Western Magazine Awards

Winner - Service Category

“The 16th Annual Restaurant Awards” - Jamie Maw and the Editors

Winner - Best Art Direction

“Lady Killers” - Randall Watson

Winner - Magazine of the Year BC/Yukon

8 nominations total

29th Annual National Magazine Awards

Honourable Mention - Health and Medicine

“When Therapy Attacks” - Daniel Wood

Honourable mention - Humour

“I’m Living in Hell (I Mean Langley)” - Steven Galloway

Honourable Mention - Service: Lifestyle

“The 16th Annual Restaurant Awards” - Staff and Contributors

Honourable Mention - Magazine Covers

“Best of the City” - Randall Watson

Honourable Mention - Spot Illustration

“When Therapy Attacks” - Marco Cibola

***Western Living* magazine:**

24th Annual Western Magazine Awards

Winner - Science, Technology, and Medicine

“Barney’s Vision” - Andrew Struthers

Winner - Best Article - BC/Yukon

“Once Were Planters” - Andrew Struthers

Winner - Best Photograph - Architectural, Landscape,  
or Still Life

“Living on the Edge” - Martin Tessler

Winner - Best Photograph - People and Portraiture

“Malcolm Parry” - Martin Tessler

12 nominations total

29th Annual National Magazine Awards

Honourable Mention - Humour

“Golf & Whisky A Go-Go” - Jim Sutherland