

**UNDERSTANDING THE CANADIAN SMALL-MAGAZINE LANDSCAPE:**

**MAPPING A ROUTE TO VIABILITY FOR *SPACING***

**By**

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## **Abstract**

Based on the author's work as the volunteer business manager of the Canadian small magazine *Spacing* between September 2005 and September 2007, this report begins with an overview of the magazine-publishing industry in Canada and the challenges this country's publishers face—with a focus on the additional difficulties particular to producing small-circulation titles. It then describes the author's experience applying strategic-planning principles at *Spacing* to help its publishing team address the aforementioned challenges and make a successful transition to producing the magazine as a financially viable small business. The report closes with an evaluation of *Spacing's* potential for long-term success and the author's thoughts on the continued viability of small-magazine publishing in Canada. It makes reference to industry, government, and academic documents, and to the author's two years working at *Spacing*. In doing so, this report offers insight into the realities of publishing a small magazine in Canada today.

### **Keywords:**

Canadian periodical publishing; small magazines; strategic planning; business plans

## **Dedication**

*To my mom, Barbara Joan Gidney (1948–2001)*

## **Acknowledgements**

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WHERE SINGLE COPIES OF MAGAZINES ARE SOLD IN CANADA

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## Introduction

Last January, I agreed to be photographed for a Toronto alt-weekly running a cover story on the challenges of small-magazine publishing in Canada, written not coincidentally by Dale Duncan. The managing editor of *Spacing* had not had time to interview me for the article but she still thought that it made sense for me to participate in the photo shoot, since at the time as I was working for two Toronto-based small magazines, *Spacing* and *Shameless*, and had also been a *THIS Magazine* editor.

When I turned up at the photographer's Parkdale studio, he told Duncan, me, and the four other small-magazine editors assembled, that he wanted to create a tableau showing some of our respective magazines "winning" the battle to survive, while others were struggling; one had already died. Makeup gave us bruises and fake blood was splattered liberally on our white shirts, and then we did our best to act out the scene he had described as Wagner blasted from the stereo and the camera clicked away.

The dramatic-looking image that ran on the cover of the January 25, 2007, issue of *Eye Weekly* had a large red flag fluttering in the background so that it looked like a Cultural Revolution poster crossed with one of those historic war paintings commissioned to capture a pivotal moment in an important battle. In this case, though, the "casualties" were not soldiers but women from *Broken Pencil*, *Kiss Machine*, *Shameless*, and *Spacing*. The landscape was littered with pages torn from our publications. Superimposed on this image was the slogan "Indie Mag Revolution: Start-up publishers fight for your rights," while the headline inside for Duncan's behind-the-scenes exposé (illustrated with more photos of bloodied and bruised magazine editors) was "Fight Club: For independent magazine publishers, love is a battlefield."

Such provocative photos and controversial words called out for comment and industry insiders and members of the general public alike responded. On his blog,

Canadian magazine expert D.B. Scott lauded Duncan for using the article to present “some home truths, among them being how hard it is [for Canadian small-magazine editors] to make a living doing what they do,” but he also noted that “the quotes and information she elicited paint a somewhat gloomy picture.”<sup>1</sup> *Spacing’s* own blog posting alerting readers to the article’s publication garnered many comments, including one from Steve Keys, who wrote that he fell into “the category of readers who thought these independent magazines, including *Spacing*, were in better positions.”<sup>2</sup> These responses hint at the crux of Duncan’s piece, which was that while Canadians seem to acknowledge and value the cultural importance of their homegrown small magazines, producing these periodicals is, unfortunately, unsustainable for those publishers who might like to make the “activity” into a career. This conclusion stems from the reality that—to extend the revolutionary war metaphor—those on the front lines must make a financial sacrifice to do battle, which can (and often does) take its toll. As Duncan wrote of her small-magazine compatriots, “if you don’t eventually receive a paycheque for your work, burnout sets in, and when that happens, magazines that fill those gaping holes left by mainstream media run the risk of extinction.”<sup>3</sup>

After I had participated in the photo shoot to illustrate Duncan’s piece, and noted the reactions to the “truths” that the article revealed, my decision to write an academic report on the viability of Canadian small-magazine publishing seemed even more vital. Not only was small-magazine publishing not considered a legitimate career aspiration by those involved but, confounding matters, it also seemed that it was commonly understood that to publish a small-circulation periodical in Canada was to engage in a battle that could be “won” only rarely. I disagreed.

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<sup>1</sup> Scott, “Some truths about indie mags.”

<sup>2</sup> Keys, response to “Indie Mag Revolution in Eye Weekly.”

<sup>3</sup> Duncan, “Fight Club,” 8.

So, with the goal of refuting these preconceptions in mind, I decided that I would use this report to take a critical look at the current state of small-magazine publishing in Canada and to describe the strategic-planning work that I had carried out as *Spacing's* business manager (a volunteer position I held from September 2005 to September 2007) and its impact on that publication's viability. My intent is to show that making the transition from producing a small magazine as a labour of love to publishing it as a sustainable small business (and, thus, creating career potential for its staff), while neither a quick process nor an easy one, is possible—and that other Canadian periodicals can make the same move if publishers are willing to treat their magazines as businesses and make operational decisions accordingly. To that end, by drawing upon an array of statistics, studies, reports, and other published materials, and personal experience, this report:

- depicts the current state of Canadian magazine publishing and its inherent challenges; and acknowledges the particular difficulties facing small magazines;
- describes the strategic-planning project I took on at the invitation of the founders of *Spacing*, who wanted assistance with turning their small magazine into a small business that would eventually pay them salaries;
- evaluates the results of my work at *Spacing* and comments on that publication's potential for long-term survival and success based on the challenges that Canadian magazine publishers of all sizes face;
- draws conclusions about the continued viability of small-magazine publishing in Canada; and,
- provides some advice for small-magazine publishers hoping to make the publication of their periodicals more sustainable.

In presenting an overview of the realities of magazine publishing in Canada alongside a description of my two years serving as *Spacing's* business manager, I hope to demonstrate to current and aspiring Canadian small-magazine publishers the benefits of proper business organization and strategic planning so that they will be

inspired to work towards greater financial stability (and, thus, increased longevity) for their publications, and to show them, and other readers, that the future of small-magazine publishing in Canada is brighter than it may seem, and for that reason, among others, it should be considered a legitimate career option.

## PART 1 – MAGAZINE PUBLISHING IN CANADA

### *Industry snapshot*

“Canadian magazines” can be defined as magazines published, printed, and sold primarily in Canada. One of the first such periodicals was *Nova Scotia Magazine and Comprehensive Review of Literature, Politics and News*, first published by John Howe in Halifax, Nova Scotia, in 1790. Over 200 years later, there are nearly 2,400 Canadian magazines, including 1,085 general and specialty-interest “consumer” titles,<sup>4</sup> published in all parts of the country—ranging from tiny literary magazines that only publish several hundred copies once or twice a year to a monthly general-interest women’s magazine that sells 1.5 million copies annually on the newsstand alone.<sup>5</sup>

Canadian-controlled firms produce more than 90% of Canadian magazines, with 61% published in English exclusively, 19% published in French only, 14% published as bilingual English/French editions, and 6% published in other languages.<sup>6</sup> In total, some 778 million copies of Canadian magazines circulate annually, 74% of those copies represented by the general- and specialty-interest consumer magazines that most people read for pleasure.<sup>7</sup> The estimated value of the Canadian magazine sector is \$1.56 billion, with the industry employing approximately 17,500 people in part-time and full-time work.

Canadian magazines also have significant cultural importance, which may be of greater value than their economic impact: they overcome the vastness of the world’s second-largest country to provide Canadians with a means of sharing and discussing

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<sup>4</sup> Statistics Canada, *Periodical Publishing Survey: 2003/04*. (Note: Magazines Canada 2005 estimate was 1,160 consumer magazines)

<sup>5</sup> *Canadian Living*, according to “Canadian Newsstand BoxScore,” 2007.

<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

their news, ideas, opinions, literature, and art. The Canadian titles surveyed by the Print Measurement Bureau—which has 115 member magazines, each with a circulation of over 30,000—reach 82% of the Canadian population, and, the average Canadian consumes 6.4 magazine issues a month.<sup>8</sup> With their ability to disseminate ideas, their wide distribution, and their market penetration, Canadian magazines play a crucial role in the collective creation and development of Canadian cultural identity. The federal government recognizes this importance and the Department of Canadian Heritage’s mandate, as published on its website, includes protecting periodicals devoted to reflecting “Canada’s unique and dynamic culture,” which it aims to do through policies, regulations, and direct-assistance programs so that Canadians have access to “Canadian voices and Canadian stories.”<sup>9</sup>

### *Characteristics of small magazines*

Magazines Canada, an organization that claims to represent 90% of all Canadian paid-circulation magazines, defines small magazines as magazines with a paid circulation of fewer than 10,000 copies. Based on such a definition, it seems that Canadian small magazines would have few common characteristics. For example, a quick survey of the 300 titles included in the directory of magazines published by Magazines Canada members (two-thirds of which are small magazines), shows that small-circulation titles are published from Victoria to St. John’s to Yellowknife and, while many are arts and literary publications, there are also magazines devoted to topics as diverse as horse-racing, antiques, and religion. Geographic location and subject matter aside, some commonalities among Canadian small magazines exist at the operational level. For instance, a survey of 21 periodicals prior to their participation in the Reaching Readers:

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<sup>8</sup> Lorimer and Gasher, *Mass Communication in Canada*, 140; Sutherland, “Words to the Wise,” 19.

<sup>9</sup> [http://www.pch.gc.ca/progs/ac-ca/pol/magazines/index\\_e.cfm?nav=2](http://www.pch.gc.ca/progs/ac-ca/pol/magazines/index_e.cfm?nav=2)

Circulation Roundtable for Small Magazines held in May 2003 (and reprinted in the Department of Canadian Heritage report *Reaching Readers* a few months later) found:

- the majority considered themselves national publications (57%) while a significant number (38%) considered their audience to be even broader: North American or international;
- half were established as for-profit enterprises while the other half were not-for-profit (of the 11 not-for-profit magazines, 45% had charitable status;<sup>10</sup>
- all participating magazines received federal funding in some form, 67% received provincial funding, and 24% received other types of external funding; with the majority receiving financing from three or more funders (67%); and,
- the majority published quarterly (57%)—or even less frequently (33%).<sup>11</sup>

The following year, the Ahnsu Consulting Group's survey of B.C.'s cultural magazines (the majority of which are also small magazines) found that they typically employ "approximately one or two people full-time, or a combination of people part-time," and that they all rely on volunteers. In fact, of the 11 magazines that submitted surveys, just three had any paid full-time staff.<sup>12</sup>

Yet despite their likelihood of being produced by small non-profit organizations that are reliant on multiple external funders (and volunteer labour) to subsidize their publishing of several thousand copies on a quarterly basis, small magazines in Canada still play a vital role in the development and promotion of new talent. They do so by providing a "venue" where up-and-coming writers, photographers, and illustrators can début their work, and young editors and designers can hone their skills and gain experience. Since some of these people will inevitably move on to larger publications, small magazines thus serve as a sort of "farm-team" system for "major-league" national and international periodicals.

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<sup>10</sup> For a not-for-profit magazine to be awarded charitable status, there must be a foundation in place to oversee its publishing activities and Revenue Canada must rule that the title has, in its opinion, a strong-enough educational mandate (rather than being published for purely "commercial" or "informational" reasons).

<sup>11</sup> Parker, *Reaching Readers*, 42-43.

<sup>12</sup> Ahnsu Consulting, *Culture of Cultural Magazines*, 10, 32-69.

In addition, since the focus of smaller publications is generally more cultural than commercial, they have more freedom in deciding what to publish. As Anne Ahmad notes in writing about *Geist*, small magazines promote “non-traditional and experimental writing that is often overlooked by larger publications.”<sup>13</sup> They are also free to cover subjects that larger, mass-market-oriented publications avoid or exclude (usually for fear of losing advertisers and/or readers) and it is in doing so that they “fill those gaping holes left by mainstream media.”<sup>14</sup> In Canada, new small publications help infuse new thought and creative ideas into a magazine industry that might otherwise stagnate—or, worse, become reduced to just a way to deliver advertising messages rather than its current incarnation as a means of representing and discussing Canadian culture.

The mandates of small magazines may also be political, as is suggested by the editorial in the premiere issue of the Ontario politics and current events quarterly *Blackfly Magazine*, in which the editors announced that launching the magazine was “an attempt to change the media by actively taking part in it.”<sup>15</sup> Similarly, Canadians who feel underrepresented by existing publications can create magazines that speak to them: niche magazines can help build and link communities of interest (such as coin collectors, poets, or horse owners), which in Canada are likely to be quite geographically dispersed, in ways that large, general-interest magazines can only dream of doing. In her essay on the Toronto independent magazine scene, Lisa Whittington-Hill demonstrates how *Broken Pencil*, a magazine devoted to 'zines and other forms of “indie” culture, has nurtured and connected Canadian 'zinesters and outsider artists—in part by going “beyond the boundaries of the traditional magazine” through

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<sup>13</sup> Ahmad, *Geist in the Machine*, 16.

<sup>14</sup> Duncan, “Fight Club,” 8.

<sup>15</sup> Whittington-Hill, “Magnetic North,” 194. (Note: at the time of writing, the print version of *Blackfly* was on hiatus)

events like Canzine, an annual event that brings together the people whose 'zines and art are covered by the magazine with the very people who read about them in the magazine.<sup>16</sup> The same thing happens at the launch parties that small magazines often throw, when editors, contributors, and readers get together to celebrate a newly published issue.

### ***Key challenges to Canadian magazine publishers***

Regardless of their size, magazine publishers have never had an easy time of it in Canada. Despite amassing some 200 subscribers at a time when the population of Nova Scotia was 30,000 and the population of Canada was just 161,300, John Howe's *Nova Scotia Magazine* lasted only three years before succumbing to high production costs, a small domestic market, and the prevailing preference for better-marketed magazines from abroad. Not much has changed: the same challenges that Howe faced in the 1790s affect magazine publishers in Canada today—in addition to contemporary problems that the Canadian publishing pioneer could not have predicted. Because of Canada's large size, this country's relatively small, dispersed population, and our proximity to the world's largest English-language cultural industry, even the largest domestic multi-title publishing companies struggle to stay profitable; it is even more challenging for the publishers of small-circulation periodicals.

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<sup>16</sup> Ibid., 197.

### Competition from American titles

“Until we have a [Canadian] magazine with tons of U.S. readers, there won't be a level playing field.”<sup>17</sup>

— Derek Webster, publisher and editor, *Maisonneuve*

Every year, the American magazine industry produces several billion copies of 19,400 different magazines—which included approximately 8,100 consumer titles in 2002.<sup>18</sup>

Although U.S. magazines sell 1.5 billion copies domestically each year, several hundred with mainstream appeal are also exported for sale in Canada.<sup>19</sup> The top 14 newsstand titles in Canada, based on gross annual sales are all American, with *People* magazine grossing over \$32 million from 6.4 million copies sold in 2006 versus the top-selling Canadian title, *Canadian Living* (#15 overall), which only grossed \$4.8 million from 1.4 million copies sold.<sup>20</sup> One reason why American magazines outsell Canadian titles in Canada is that they monopolize Canadian newsstands. As Rowland Lorimer notes in his book *Vibrant But Threatened*, “newsstand distribution favours magazines with high production values, long print runs, high circulations, general appeal, and low cover prices,”<sup>21</sup> which gives the advantage to American publishers. Because their per-unit production costs are much lower than those of Canadian magazine publishers—thanks to the large economies of scale that result from having a home market that is ten times the size of Canada's, and their consequent ability to amortize higher-budget art and editorial costs—American publishing companies can produce high-quality glossy editions and charge less for them, no matter what the exchange rate.<sup>22</sup> As a result, adding several thousand copies to a magazine's print run to supply Canadian

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<sup>17</sup> Hodgkinson, “The mourning after,” November 27, 2005.

<sup>18</sup> American Society of Magazine Editors, “Number of Magazines”; Abacus Circulation, *Taking Back the Rack*, 18.

<sup>19</sup> Abacus Circulation, *Taking Back the Rack*, 21; “U.S. Magazine Spill,” 2005.

<sup>20</sup> “Canadian Newsstand BoxScore,” 2007.

<sup>21</sup> Lorimer, *Vibrant But Threatened*, 244.

<sup>22</sup> A March 2002 Magazines Canada-funded study of 80 U.S. titles found that these magazines discounted their single-copy price in Canada by an average of 15.5% (or roughly \$1 a copy), compared to the price that they would have been charged using the US price multiplied by the prevailing exchange rate. (*Taking Back the Rack*, 59)

newsstands (and subscribers) can be very cost-effective, not to mention profitable.

And American magazines do not just earn money in Canada from single-copy and subscription sales. The *Foreign Publishers Advertising Services Act* (2002) allows them to cheaply produce so-called “Canadian editions” (as Time Warner has done with *Sports Illustrated* and *Time*) that contain just a few token pages of “Canadian content” but up to 20% new ads.<sup>23</sup> The low cost of producing a Canadian edition means that advertising space can be sold to Canadian companies at rates considerably lower than those offered by domestic magazines—and the advertisers get the added benefit of promoting their products or services in a magazine with high production values and excellent newsstand availability. As a result, many Canadian magazine publishers have decried this practice as unfair, with good reason. As Rowland Lorimer and Mike Gasher point out in their textbook *Mass Communication in Canada*, “Canadian magazines have to pay the whole cost of producing and editing an original magazine, the full cost of selling the ads, and the full cost of printing a short run.”<sup>24</sup>

The omnipresence of “American-grown” magazines in the Canadian marketplace has had a considerable impact on this country’s domestic magazine publishers. For instance, the wholesalers belonging to the Periodical Marketers of Canada (PMC) distribute 2,591 different magazines to some 30,000 retail outlets in Canada yet only 167 titles (or 6.4%) are Canadian (which is just a tiny percentage of the total number of magazines produced in Canada)—so that just 6.7% of the \$666 million in annual sales revenue from PMC-distributed titles is derived from Canadian magazines. This is significant because revenue from PMC-distributed titles accounts for 89% of the

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<sup>23</sup> Since July 1, 2002, the *Foreign Publishers Advertising Services Act* allows foreign publishers “to sell up to 18% of the space dedicated to advertisements in their publications to Canadian advertisers.”

<sup>24</sup> Lorimer and Gasher, *Mass Communication in Canada*, 183.

estimated total \$750 million generated in Canada each year through single-copy sales.<sup>25</sup>

While the federal government, primarily through the Department of Canadian Heritage, has implemented and refined over the years a series of measures to support the continued existence of Canadian magazines, its power as a “protector” of Canadian culture is limited not only by its financial resources but by Canada’s trade agreements with other countries—in particular those involving the United States. At various times, the federal government’s “direct-assistance programs” have been the target of American trade lobbyists who do not believe in “cultural protectionism” and thus oppose any sort of support to cultural industries because, they claim, that any government financial contributions to cultural producers like magazine publishers (distributed through grants or subsidies) contravene various trade treaties (such as the General Agreement on Tariffs and Trade). While direct-assistance programs are not greatly threatened at the moment, because of the current worldwide acceptance of the legitimacy of national cultural subsidies, there is still the chance that they could be targeted for possible deregulation again in the future,<sup>26</sup> which would give American publications distributed in Canada even more of an advantage over their Canadian competitors.

### **Newsstand distribution difficulties**

Despite American omnipresence on the magazine racks, Canadian magazine publishers need a newsstand presence to increase awareness of their titles and to develop a loyal readership (both through single-copy sales and subscriptions). Companies also like to see the magazines in which they have purchased ads available for sale, and newsstand sales can help to increase a magazine’s readers-per-copy (which, in turn, helps sell more

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<sup>25</sup> Periodical Marketers of Canada, “The Newsstand Channel, 2005/06.”

<sup>26</sup> Utne, “Maple Leaf Rags.”

ads). But in Canada most single-copy magazine sales take place in supermarkets, drugstores, and convenience stores (71% of total sales, as shown in the following table), but these “high-traffic outlets” are primarily the domain of mass-market American titles since, as Rowland Lorimer points out in a report on the B.C. magazine industry, “Magazine rack presence and sales are fraught with systemic bias against other-than-mainstream product...The primary interest of [the] distributors and wholesalers that now dominate the magazine market is in simplicity and quick-selling titles.”<sup>27</sup>

<b>WHERE SINGLE COPIES OF MAGAZINES ARE SOLD IN CANADA</b>	
<i>Retail sales by class of trade (2005)</i> <sup>28</sup>	
Supermarkets	34.2%
Convenience stores	22.5%
Drugstores	14.3%
Newsstands	6.4%
Bookstores	6.3%
Terminals	3.8%
All other retailers	1.5%

The key players controlling access to Canadian newsstands, primarily members of the Periodical Marketers of Canada (PMC), are interested in maximizing their profits, which means distributing the optimum number of copies of the highest-selling magazines—regardless of genre or country of origin. The wholesalers and distributors that provide stores with magazines earn profits based on the volume of magazines *sold*, not on the number of copies *distributed*. Therefore, they prefer to carry top-selling titles, usually those with larger circulations and budgets for advertising, promotion, and premium rack placement. Their preference for only handling the most profitable periodicals may make good business sense but it means that non-Canadian titles make up 93.6% of magazines provided to newsstands by PMC members, and subsequently

<sup>27</sup> Lorimer, *Heterogeneous World*, 40, 34.

<sup>28</sup> Periodical Marketers of Canada, *2005 PMC Periodical Database Report*.

generate 93.3% of the sales revenue.<sup>29</sup> Furthermore, the detrimental effect of this practice on Canadian magazines is exacerbated by several additional factors, as unearthed by Abacus Circulation in 2003.

In studying the magazine supply chain in Canada on behalf of the Department of Canadian Heritage, Abacus found serious problems. As summarized in *Taking Back the Rack*, a large number of copies of magazines are distributed to newsstands but most copies are never sold, and there are no incentives to reward efficiency (i.e., bonuses for increased sell-through). Profit margins are so slim that, rather than return unsold copies to publishers (which in 2003 made up approximately 65% of all copies distributed), distributors and wholesalers will either pulp unsold magazines or ask retailers to destroy them. Abacus also found that, because of the way the supply chain is organized, it often takes a long time for issue sales data (and, correspondingly, payments for copies sold) to trickle down to magazine publishers. This delay is significant because timely sales figures are a form of “audience feedback” that could help Canadian publishers increase their sell-through—and, consequently, their competitiveness with U.S. titles and their profits. In addition, in the mid-1990s there was considerable consolidation among magazine distributors and wholesalers across North America—which Abacus found left far fewer distribution choices for Canadian magazine publishers.<sup>30</sup> A more recent development is retailers minimizing the number of suppliers servicing their stores, in the name of “streamlining” operations. A corollary of the newsstand-distribution oligopoly that has resulted is national distributor Disticor demanding that Magazines Canada pay a \$0.10 supplementary “handling charge” for each copy of its distributed titles that it wishes Disticor to place in the

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<sup>29</sup> Periodical Marketers of Canada, “The Newsstand Channel, 2005/06.”

<sup>30</sup> Abacus Circulation, *Taking Back the Rack*, 5.

stores of Canada's largest bookstore chain. The association is forced to pay this fee because Disticor is one of only two distributors that still have access to Chapters/Indigo stores, which represent an important sales venue for niche publications.

Finally, retailers are exerting more influence on the distribution of magazines to newsstands in Canada (again in the interests of “streamlining”) by reducing the number of titles carried in their stores—and by showing preference to magazines that have proven to sell well in the past. Representative of this trend, Chapters/Indigo has been requesting a minimum average sell-through rate of 50% for all magazines and is apparently adjusting (i.e., reducing) the number of copies it will accept of certain titles in order to achieve it. Also, while retailers used to be satisfied to receive 20–30% of the cover price of each copy sold, some big-box and chain stores are now asking publishers to pay additional fees for “premium” display space and display-related promotions on a regular basis. Known as “Retail Display Allowance” (RDA), these fees are deducted from payments due to publishers and can be calculated as an additional 10–20% of the cover price or as a fixed amount, depending on the type of promotion or placement purchased (for example, it may cost a publisher \$2,000 to have a particular title placed on a rack next to the cash register for six months).

Since single copies of magazines are usually spontaneous purchases and the average “mainline” rack in a supermarket, bookstore, or newsstand will have several hundred titles on display, a title’s presence, position, and visibility on that rack will affect how many copies are sold, which is why retailers can get publishers to pay RDA. In today’s increasingly competitive retail market, RDA is quickly becoming a fee for doing business for Canadian magazine publishers, especially when it is construed as the only way to get into certain stores. For example, just to get a magazine “authorized” for sale in the Canadian airport newsstands operated by HDS Retail

reportedly requires a minimum payment of \$7,000 in RDA. And even if a magazine publisher can afford to pay for placement and/or promotion for a particular title, it does not guarantee the magazine a permanent spot on the newsstand: continued placement is determined by sales. But staying on the newsstand is not a concern for small publishers: most would be happy just to get on the rack in the first place.

Whereas Canada's large-circulation titles sometimes have to settle for poor newsstand placement (for example, the lower shelves or the back of the rack), periodicals publishing fewer than 10,000 copies per issue may be kept off magazine racks altogether. Since most of them cannot afford to pay the RDA and associated fees that many stores now demand, and since most wholesalers will not accept new clients without a sizeable budget for newsstand marketing, the distribution options for small magazines are limited, as are, consequently, the number and type of stores where they are sold. Most small magazines rely on national and/or regional distributors (and may sometimes handle a portion of their own distribution) but, for the reasons given, they are effectively shut out of the outlets where 71% of magazine sales take place in Canada.<sup>31</sup> Because they often serve niche audiences, it is often argued that small magazines are better suited to the bookstores, newsstands, and specialty outlets that represent 14% of magazine sales in Canada;<sup>32</sup> however, there are fewer independent bookstores than there once were due to increased domination of the Canadian book-selling market by Chapters/Indigo. National distributors, too, do not always have relationships with the specialty stores in which a niche title may sell best and are hesitant to take on new accounts that only want to carry a small number of copies. Finally, small magazines run a risk associated with any sales outlet: when a store re-

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<sup>31</sup> Periodical Marketers of Canada, *2005 PMC Periodical Database Report* (see chart on page 13).

<sup>32</sup> *Ibid.*

stocks its shelves with a new selection of magazines on a monthly basis, publications published less frequently may be pulled off the newsstand prematurely, decreasing visibility and killing sales.

The aforementioned factors limit the number of Canadian magazines found on domestic newsstands and the measurable effect of this newsstand “invisibility” is that this sales channels accounts for just 7.6% of the total revenue for the average Canadian magazine<sup>33</sup> and this figure may be lower for the small-circulation titles that are not found in the places where most magazines are sold. Negligible newsstand sales revenue should not be of major concern for Canadian magazines since Canadians are overwhelmingly more likely to buy their magazines by subscription (90% versus 10%, according to one circulation expert<sup>34</sup>), except that it is expensive to obtain revenue from subscriptions, for reasons that I will now describe.

#### **High costs associated with circulation**

It is well known in the magazine industry that Canadians prefer to buy their magazines by subscription but convincing them to actually commit to one or two years’ worth of a particular magazine is expensive—and, once they do, there is the added cost of mailing them the publication (a cost that is, obviously, multiplied by the number of issues published each year).

Newsstand sales contribute to subscription sales in that they help to raise awareness of a particular title (and allow potential subscribers to “try” before they buy). But, since all but the largest Canadian titles have trouble getting on newsstands in the first place, most domestic magazine publishers find they must invest in various promotions to “buy” their subscribers (and then pay to keep them around when it

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<sup>33</sup> Statistics Canada, *Periodical Publishers Survey: 2003-04*.

<sup>34</sup> McCreddie, presentation, January 24, 2005.

comes time to renew). For example, a direct-mail campaign can be an effective means of increasing a magazine's subscriber base, but typically "costs" \$15–\$20 per subscription gained (or, according to Rowland Lorimer, as much as \$100 if you are *Reader's Digest*). If a magazine's subscription price is in the same range, the publication will not see any increase in its total operating budget until it convinces the new subscriber to renew. Renewals may be the most profitable form of subscriptions (typically accounting for 83% of a magazine's subscriptions revenue<sup>35</sup>) but because a good renewals campaign requires "precise tracking systems, production of materials such as renewal letters, incentives and unrelenting efforts to keep the subscriber interested,"<sup>36</sup> securing them this way is labour-intensive and costly—and usually beyond the everyday resources of most small magazines.

And not only must Canadian publishers invest a considerable amount in circulation marketing, but the costs associated with sending magazines to subscribers also keep rising. Canada Post has discounted Publications Mail rates that apply to virtually all magazines published domestically and there is also a "postage subsidy" available to qualifying publishers through the Department of Canadian Heritage's Publications Assistance Program (PAP). But, according to Magazines Canada, the Publications Mail rates seem to rise each year while PAP subsidy remains the same or declines a few percentage points.<sup>37</sup> (At present, it can be cheaper to distribute a magazine as an insert in a national newspaper than by mail, which may be why 73% of Canadian consumer magazines launched in 2006 chose controlled (i.e., unpaid) or

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<sup>35</sup> Abacus Circulation, *Taking Back the Rack*, 22.

<sup>36</sup> Ahnsu Consulting, *Culture of Cultural Magazines*, 16.

<sup>37</sup> Magazines Canada's analysis of Publications Mail rate increases from 2001 to 2007 found that magazine publishers mailing at the Publications Mail National Distribution Guide (NDG) presort rate have endured—depending on their magazine's per-copy weight—1% to 8% increases every single year to the point where, for example, the per-copy cost of mailing a 300g magazine under this system has increased by 27% overall during this time.

combination controlled/paid-circulation models.)<sup>38</sup> Readers are also known to be extremely sensitive to price increases when it comes to subscriptions, so Canadian publishers often find themselves swallowing increases in fulfillment costs caused by rising postage prices and shrinking subsidies rather than raising their prices.

For small magazines, postage costs are disproportionately high because Canada Post's cost structure does not favour small-time users of its services. Instead, the cheapest rates are available to the biggest users of the crown corporation's services. For example, 1,000 pieces (for example, copies of a new issue) is the minimum required to qualify for the best bulk mailing rate, which is of no help to a quarterly magazine with fewer than 2,000 subscriptions that simply want to save a few dollars when mailing out renewal notices to a third of its subscribers. As already mentioned, when sending issues to Canadian subscribers even the smallest Canadian magazine qualifies for a discounted Publications Mail rate and most paid-circulation periodicals have their postage costs subsidized further through PAP. However, despite qualifying for higher-percentage postage subsidies, if small magazines publish 4,999 copies or fewer, their Publications Mail rates are actually higher because 5,000 is the minimum number of copies needed to qualify for the most economical Letter Carrier Presort (LCP) rate. (For example, the same 300-gram magazine currently costs \$1.08 per copy to mail at the National Distribution Guide [NDG] presort rate versus \$0.70 per copy at the LCP rate.)

The result is that the average Canadian magazine derives just 18.8% of its revenue from subscriptions while 9% of its expenses go towards circulation (namely fulfillment and invoicing),<sup>39</sup> even though most Canadian magazines have a good portion of their mailing costs subsidized through PAP. When not enough revenue can

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<sup>38</sup> Shields, "Tally '06," 14.

<sup>39</sup> Statistics Canada, *Periodical Publishing Survey: 2003/04*.

be derived from single-copy and subscription sales, Canadian magazines must find supplemental means to fund their publishing activities.

### **Heavy reliance on advertising revenue**

Advertising is the *sine qua non* for most magazines, revenue that is absolutely necessary to offset the high production values and high-quality editorial content that readers expect. Without the \$993.5 million that Canadian magazine publishers receive annually from advertisement sales<sup>40</sup> it would be nearly impossible for magazines to be sold at market-friendly prices because of the expenses associated with producing the magazine in the first place. As a result, the average Canadian magazine receives 64% of its revenue from ad sales<sup>41</sup>—and that percentage seems to be increasing as revenue from other sources declines. Between 1993 and 2003, the percentage of total revenue that the average Canadian magazine received from advertising grew from 61% to 64% while revenue derived from subscriptions over the same time period declined from 25% to 19%,<sup>42</sup> suggesting the shortfall has at least partially been made up by an increased dependence on ad dollars. The fact that most Canadian magazines rely on advertising as their primary revenue source is worrying for a number of reasons.

First, whenever a publication includes advertisements, there is a potential for conflict between the advertising and the magazine's editorial content. Put simply, this means that an automobile manufacturer may not enjoy seeing an ad for its new SUV in the same issue as an article encouraging people to take public transit more often (and may not advertise again). But more worrisome is the possibility that magazines would compromise their editorial visions or even tailor their contents to attract advertisers. Such "tailoring" could be as innocuous as a magazine adding a book reviews section to

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<sup>40</sup> Statistics Canada, "Periodical Publishing."

<sup>41</sup> Statistics Canada, *Periodical Publishing Survey: 2003/04*.

<sup>42</sup> Statistics Canada, "Periodical Publishing."

try to solicit ads from book publishers but it can also take the form of advertorials (advertisements written and designed in such a way that they blend in with the rest of the magazine's editorial content) or "sponsored" content, such as the 2005 series of profiles of distinguished Canadians in *Maclean's* was written by Peter Newman but "brought to you by Cadillac." Many magazines see no problem with "pseudo-advertising" but, as *Toronto Life* contributor David Hayes explained in writing about the need for magazine publishers to keep "church and state" separate, there is an "unspoken understanding that the editorial content and business operations must be kept separate to maintain credibility with readers."<sup>43</sup> But advertisers are pushy, and most magazine publishers can use the revenue from advertorials (which generally carry a higher price tag than regular ads) so ads masquerading as articles will no doubt continue to be included in Canadian periodicals. *Reader's Digest* publisher Larry Thomas claims that the line-blurring advertorials encourage stems from pressure from advertisers who are increasingly allowed, and even encouraged, to influence other forms of media (for example, paid-for product placements in television shows).<sup>44</sup>

Second, because of the relatively small circulation of most Canadian magazines, it is a significant challenge for them to attract any advertisers in the first place—let alone the sort of companies that can afford full-page ads—especially when they can reach a larger audience through other channels for less and so many different places to advertise exist. Marketer and business strategist (and Master of Publishing program instructor) Craig Riggs describes Canada's media industry in Canada as "a cluttered, complicated marketplace all vying for the same ad dollar"—because there are some 102 daily newspapers, over 1,000 community newspapers, 130 TV stations, 814 radio

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<sup>43</sup> Hayes, "Who's the Boss?," 36.

<sup>44</sup> Mah, "Worlds Are Colliding!," 22.

stations, 20 television networks, and 65 specialty TV stations in addition to the 2,400 Canadian magazines.<sup>45</sup> Most nationally distributed magazines have circulations too small to attract national advertisers, which can more cost-effectively reach a larger audience through newspapers, radio, or television. And the smaller a magazine's circulation, the harder it is to get any: D.B. Scott suggests that even being a nationally distributed magazine with a circulation of 50,000 is "barely enough to get you paid attention to by advertisers."<sup>46</sup> For titles that are regional in focus and/or distribution, it can be even more challenging to attract the kinds of companies that can afford full-page ads, let alone repeat insertion orders. Also, local/regional advertisers that seek a geographically specific audience have the option of advertising in weekly newspapers if they want to stretch their ad budgets, or in daily newspapers if they are seeking a venue with greater frequency and reach than most Canadian magazines. Further complicating matters, for reasons already mentioned, the "Canadian editions" of American magazines can usually offer much cheaper advertising rates and larger circulations than most domestically produced publications.

Third, when so much of their revenue comes from advertising, magazine publishers are very vulnerable to market fluctuations and unpredictable advertisers. For instance, if the economy takes a downturn, companies are less likely to spend money on advertising in general and advertising in magazines is rarely viewed as anything but a secondary component of any major promotional campaign. Advertisers are also fickle. According to *NUVO Magazine's* Director of Sales and Marketing, Alessandra Bordon, it can be harder to get a reinsertion order from an advertiser than to secure a new advertiser altogether because companies are willing to take chances

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<sup>45</sup> Riggs, lecture, February 1, 2005.

<sup>46</sup> Scott, reference to *The Walrus*, in Adams' "We want your tax dollars," R6.

but, once they have, they expect to see certain results from the advertising they have purchased. Or, a magazine may have trouble rebooking an advertiser because the company wants to test out new advertising venues or because it has switched to a media buyer or agency that prefers to buy ad space in other publications.<sup>47</sup>

So while it is hard for a national magazine with a circulation of 50,000 to attract national advertisers in Canada, for a magazine one-tenth the size (which or may not have only regional distribution) it is near impossible. Small magazines are generally niche (and/or sometimes regionally focused) publications and even if they view themselves as serving national or international audiences, they still have limited readerships, which means they are not a prime venue for advertising because their low reach means a poor return-on-investment for advertisers (unless the magazine has a high number of readers per copy or if its audience is known to have a large disposable income, such as the readership of *Canadian Horse Journal*, which is primarily horse owners). Also, small magazines publish less frequently, which means their ads cannot be as timely as those placed in larger magazines. Stability is also a concern for advertisers, who like to know that magazines containing their ads can be found on newsstands reliably and will not be pulled off newsstands prematurely. Not only do larger magazines deliver such benefits but they also have the means to deliver advertisers a consistent audience of a known size and demographics because they can afford both circulation auditing and Print Measurement Bureau (PMB) membership. By comparison, smaller magazines typically rely on educated guesses, or on in-house subscriber surveys, to provide advertisers with any sort of information about their readers. Audited circulation figures and PMB statistics, though costly, do offer to

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<sup>47</sup> Bordon, presentation, February 1, 2005.

advertisers a guarantee that they are reaching the audience they have “purchased.”<sup>48</sup>

Even if potential advertisers are not scared off by the lack of audience information, small magazines may find that their contents and editorial voice can limit their ability to secure advertising. Companies want to promote products and services to people who are likely to use them in an environment that encourages them to buy them. But with their frequent focus on culture, ideas, politics, issues, and the arts, small magazines can seem like the wrong fit for advertisements promoting, for instance, a new kind of shaving cream or the latest type of cellphone, which may seem out of place alongside stories about radical political activism and the detrimental effects of asbestos mining. Also, advertisers may not accept a magazine’s edgy content as readily as its readership so there may be a resistance to supporting a publication whose *raison-d’être* is to publish radical or controversial ideas.

When attracting national advertising is nearly impossible, small magazines are reduced to selling local (retail) advertising, or to filling their advertising pages with many small ads, instead of just a few full-page or half-page ads, which means more time and resources spent selling and managing accounts. But that avenue is not necessarily any easier since local businesses are not always interested in a magazine with national distribution and, unlike their larger counterparts, smaller magazines do not have the resources or readers to warrant the regional editions that can make it easier to sell local/regional advertising. So instead they may resort to discounts and incentives to attract local companies to buy ads in their national publications, despite knowing that these advertisers might prefer to spend their small ad budgets placing ads in a weekly community newspaper read only by people who could potentially patronize their

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<sup>48</sup> When determining how to spend a client’s advertising budget, media buyers rely extensively on audited circulation figures in combination with PMB demographics and psychographics. This information allows them to target very specialized audiences (for example, men aged 30-35 who drive SUVs and live in Calgary) in the most efficient way.

business. (And even small businesses can be wary of advertising without any market research or readership demographics to suggest the potential return on their investment.)

When not enough revenue can be generated from advertising, Canadian magazine publishers must either find other sources of income or close their doors. While a lack of sufficient advertising dollars is blamed for the demise of Canadian men's magazine *Toro* just shy of its fourth birthday in 2007, other Canadian magazines find themselves beholden to government and/or private foundation largesse.

### **Dependence on subsidies**

"No quality magazine with limited circulation can survive without subsidies and it's always been that way. Whether it's borrowing money from family or operating out of a basement, you need subsidies over and above advertising."<sup>49</sup>

— Stephen Osborne, editor-in-chief, *Geist*

One of the biggest financial supporters of magazine publishing in Canada is the federal government. Dating back to 1849, when the *Post Office Act* awarded lower postal rates to printed materials circulated by mail, Canadian publishers have had access to federal government funds to subsidize their work. Today, the annual contribution to the domestic magazine-publishing industry through the through the Department of Canadian Heritage-administered Publications Assistance Program (PAP) and Canadian Magazine Fund (CMF), and the Canada Council for the Arts' Grants to Literary and Art Magazines and Flying Squad program, totals \$68.6 million.<sup>50</sup> As already explained, PAP subsidizes a portion of postage costs so that Canadian magazines can be distributed affordably to subscribers across the country while the CMF provides financial incentives to magazines to include original Canadian editorial content, supplies arts and literary magazines with operating grants, and funds initiatives that aim improve the viability

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<sup>49</sup> Hodgkinson, "The mourning after," November 27, 2005.

<sup>50</sup> Own addition based on available data. Figures for PAP and CMF taken from *Numbers and Issues – Periodical Publishing Policy and Programs Annual Report 2005-2006*; figures for Canada Council from its online database of grant recipients.

of small magazine publishers or support general industry development. Canada Council is an arm's-length government agency that funds programs that enable small magazines to access industry consultants and provides operational funding to arts and literary magazines directly. In addition, various grant and subsidy programs (and tax credits) exist at the municipal and provincial level—not to mention the public and private foundation funding that is also available. The result is that the majority of publishers (particularly publishers of cultural, literary, and scholarly titles) tap into some sort of largesse—with government grants alone amounting to 2.3% of the average Canadian magazine's total revenue, and as high as 45% for smaller circulation titles.<sup>51</sup> With all the funding programs they can access, most Canadian magazine publishers have no need to rely exclusively on advertising and circulation revenue; however, they can easily become overly dependent on the contribution of such subsidies to their bottom lines, which is problematic.

First, accepting largesse year after year creates dependence on a revenue source that may not be entirely reliable—particularly when grants and project funds are distributed in large lump sums. The very existence of government funding, particularly that which is provided to cultural industries, is vulnerable to changes in political power. At the time of writing, for instance, the Department of Canadian Heritage was holding consultations on changes to the Publications Assistance Program and the Canada Magazine Fund that may affect program eligibility, the amount of funding awarded to a publication, and how that funding can be spent.<sup>52</sup> The amount of money accorded to and thus distributed through various public and private granting programs also fluctuates so magazines cannot expect to receive a set dollar amount each year. In

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<sup>51</sup> Statistics Canada, *Periodical Publishing Survey: 2003/04*; Stephen Osborne's "Subsidy Management Model" suggests that the typical small-circulation quarterly receives 1% of its revenue from PAP, 13% from the CME, and 31% from non-specified grants; for a total of 45%.

<sup>52</sup> Department of Canadian Heritage, "Important Notice: Public Consultations."

addition, changing eligibility criteria can mean that magazines that once qualified for funding from a certain granting body and/or under a particular program may suddenly no longer qualify. When I was an intern at *Maisonneuve*, the magazine learning it would not receive an expected grant from the Conseil des Arts et des Lettres du Québec created a \$40,000 shortfall in the annual budget—equivalent to a staff member’s salary.

Second, to receive any kind of external funding, magazines must jump through certain hoops—and any government funding usually comes with strings attached. For example, the CMF’s “Support for Editorial Content” program requires that recipient magazines publish 80% content produced by Canadian contributors. Such funding is also usually provided for one to two years, so magazine publishers find themselves having to constantly reapply—a very labour-intensive process to begin with (and even more so when a magazine is seeking funding from more than one granting body on a regular basis). Private foundation funding is no different. When *Geist* received \$120,000 from the Tula Foundation in January 2003, it was originally only for a two-year period (which was extended) and the foundation had earmarked the use of this money.<sup>53</sup>

Finally, if grant money is the *only* reason (or a main reason) for a magazine’s viability, it can create a false sense of security based on what is, in fact, a temporary “subsidized” existence. As Elisabeth Gontard points out in discussing the funding arrangement between *Geist* and the Tula Foundation, “whatever changes the magazine has made or makes to its operations because of the increased revenue—i.e., the increase in contributor fees—once the Tula money runs out, revenue will have to be in place for the changes to be permanent.”<sup>54</sup>

And small magazines are in a further compromised position, in part because so

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<sup>53</sup> Gontard, *Raising the Revenue at a Small-Circulation Magazine*, 11–13.

<sup>54</sup> *Ibid.*, 13.

many have to apply for grants and accept subsidies and donations to just to cover their day-to-day operating costs. In fact, all participants in the 2003 Circulation Roundtable for Small Magazines, regardless of size or business structure, reported receiving some kind of “funding.” First, because of their smaller size, these grants and subsidies can end up comprising a large percentage of their total revenue, which makes them even more vulnerable to program cuts and changing eligibility criteria. For example, when *THIS Magazine* was ruled ineligible for Ontario Arts Council funding in 1998, it represented a loss of 15% of the magazine’s total annual operating budget.<sup>55</sup> Second, applying for grants requires navigating a certain amount of bureaucracy and dealing with administration. Simply figuring out if a magazine qualifies for a particular grant or subsidy, completing the usually lengthy application form (which typically requires detailed financial and circulation numbers), and then reporting back on how the funding was used and the project’s results can tax the limited human resources of even the most organized small magazines—particularly when few grants provide multi-year funding and different grant and program deadlines are scattered throughout the year. But “subsidy management” is not the only challenge facing small-magazine publishers.

### **Additional challenges for small magazines**

“The impression that small magazines are bigger than they actually are is quite common.”<sup>56</sup>

— Dale Duncan, executive editor, *Spacing*

As I have already discussed, Canadian small magazines operate in the same challenging marketplace as this country’s largest domestic titles but they must also overcome difficulties unique to their size that affect their day-to-day operations and put them at a disadvantage when it comes to viability.

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<sup>55</sup> Whittington-Hill, “Magnetic North,” 198–99. (Note: The situation has changed and *THIS Magazine* currently receives funds from the Ontario Arts Council.)

<sup>56</sup> Duncan, “Fight Club,” 8.

By virtue of their size, and since most are printed by companies with multiple titles, Canada's large-circulation magazines can take advantage of the efficiencies that come with doing everything on a large scale and with high frequency. "Vertically integrated" organizations that publish more than one magazine can increase each title's individual profitability by combining routine operations and having centralized departments manage tasks for all their publications, such as advertising sales and graphic design. To see how doing so is more efficient and cost-effective, one needs only look at the difference in how large magazines and small magazines handle the processing of subscriptions. While multi-title publishers have well-staffed circulation departments, or outsource their subscription management altogether, that is not the case for magazine with only a handful of staff and just a few thousand subscribers. As described in *Keeping Readers: Fulfillment for Small Canadian Magazines*:

At small circulation levels, publishers may still handle incoming subscription orders on an individual basis – opening one envelope, entering the customer's subscription, personalizing an invoice in a word-processing program, writing up an envelope, pulling the most recent issue off the shelf and sending it out with the invoice and a 'welcome' letter, writing the customer's name and cheque amount into the bank deposit book, and perhaps entering a record of the transaction in a separate accounting systems.<sup>57</sup>

The report's authors go on to point out that "some inefficiency is unavoidable" due to the fact that when a magazine is only getting one or two new subscriptions a week, it does not make sense to wait until 100 orders have been placed to process them all at once (because that may be a year after the first order was received). In terms of costs, though, this means time lost to the time-consuming task of processing subscriptions in small batches and also increased postage costs because a magazine often will not have the minimum needed to qualify for "bulk" mailing rates unless they are lucky or limit the number of between-issue mailings they will do (though the latter is risky because fulfillment delays can irritate impatient new subscribers).

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<sup>57</sup> Abacus Circulation, *Keeping Readers*, 12.

However, greater challenges are related, not surprisingly, to economies of scale and the apportioning of costs associated with the physical and “intellectual” production of an issue. It is well known that per-copy printing costs are reduced rather dramatically with the number of copies printed, but the same applies to *all* fixed and variable costs associated with producing an issue. For example, when it comes to distribution, it can cost the same to ship two copies to a newsstand as it does to ship a dozen—and a magazine must still pay the same fees to freelance writers and photographers—and, hopefully, salaries to staff—regardless of fluctuations in its circulation numbers. The reality is that even if the total per-issue costs are higher at large publications, the per-copy production costs (and distribution costs, to a certain extent) are much, much lower—particularly if it is just one of a stable of periodicals produced by a publishing company.

As a result, shoestring budgets are the norm for small-magazine publishers. For example, Vancouver quarterly *Geist* may be the largest literary magazine in Canada at the moment, but its circulation is still under 10,000 and its annual revenues are *less than one percent* of what a typical large paid-circulation consumer magazine grosses each year. Working with a small budget can be challenging, particularly when a few hundred dollars in lost revenue (for example, a last-minute cancelled full-page ad) can mean that a magazine is suddenly unable to print its forthcoming issue. The annual profit of a typical small magazine is usually under \$5,000 and when a magazine’s financial “cushion” is that small, its year-to-year survival is precarious. The editorial and production costs associated with publishing a magazine are expensive but, obviously, unavoidable and they will always take priority over the other ways money could be invested to help “grow” a magazine, such as professional development for staff or circulation and marketing projects.

Another downside to having a small budget is small magazines' inability to offer industry-standard compensation to their contributors and/or salaries for their paid employees (if they are lucky enough to have any). As *Maisonneuve* publisher and editor Derek Webster once observed, "The cultural publishing economic model runs on volunteerism, token payments, stipends, and eternally underpaid staff. (The pizza-party-in-lieu-of-wage is standard operating practice.)"<sup>58</sup> As a result, most small magazines have just one or two salaried employees, complemented by an average of two to four volunteers,<sup>59</sup> which means that most are produced by just a handful of people who may not even possess much magazine experience. Having a small staff typically means doubling up on responsibilities (such as the art director selling ads and the managing editor coordinating subscriptions) and people having to manage tasks that they may not be qualified to be handling, which can lead to burnout among paid employees and volunteers alike. Another downside is that, even when they have more than one job, most magazines staff will end up working primarily on the production side of the magazine (which affects growth and expansion) or primarily on the business side of things (which affects editorial quality and reader satisfaction). As the Ahnsu Consulting Group noted in *The Culture of Cultural Magazines*: "The difficulty with admin work is twofold: it either overwhelms and overtakes cultural magazine staff and prevents them from working on bigger-picture issues, or it gets neglected because bigger picture issues are more critical."<sup>60</sup> Typically, the latter is not the case as most small magazines are staffed by people whose preference is for editorial and design work (which is viewed, especially by volunteers, as more enjoyable and meaningful), but that means the "necessary evils" of selling advertising, bookkeeping, fulfilling subscriptions, and other

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<sup>58</sup> Webster, "Exciting developments are afoot."

<sup>59</sup> Statistics Canada, *Periodical Publishing Survey: 2003/04*.

<sup>60</sup> Ahnsu Consulting, *Culture of Cultural Magazines*, 19.

business-related tasks, are the ones that most often end up neglected, ignored altogether, or handled incompetently by underpaid people who may be untrained in those areas;<sup>61</sup> which, as I will explain in detail in the pages to come, accurately describes the situation at *Spacing* magazine in September 2005.

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<sup>61</sup> Abacus Circulation, *Keeping Readers*, 13.

## **PART 2 – PLANNING FOR THE FUTURE OF SPACING**

### ***Preface***

Having illuminated the challenges facing Canadian magazines of all sizes, and those specific to smaller publications, I will now describe my experience working for one Canadian small magazine, *Spacing*. I first provide some background on *Spacing's* history, offer an overview of the magazine and its ancillary projects, and describe how I came to become the Toronto-based periodical's first (volunteer) business manager in September 2005. I then discuss the strategic-planning principles that I applied in mapping out *Spacing's* transition from labour of love to small business—and which informed the writing of a business plan for the magazine. Finally, I will describe *Spacing's* situation two years later and evaluate the progress I made towards increasing the magazine's viability.

### ***Background***

#### **Brief history**

*Spacing* was conceived in the Fall of 2002 by a group of young activists, then-members of the Toronto Public Space Committee (TPSC), who felt that Toronto needed a publication that would address urban issues like cycling, transit, pedestrianism, public art, and city-planning, which they felt local media were overlooking or addressing inadequately. Over the following year, Matthew Blackett, Dale Duncan, Lindsay Gibb, Todd Harrison, Todd Irvine, Micheline Lewis, and Dylan Reid developed the magazine's editorial concept, defined roles for themselves, recruited contributors, and organized fundraising events. Their efforts culminated in the publication of the first issue of *Spacing* in December 2003, which sold out its entire 1,500-copy print run within a month of being published.

Following the release of that initial issue, certain individuals chose to discontinue or limit their editorial involvement with *Spacing* and new editors came onboard. Therefore, for historical purposes, the magazine's "founding editors" are considered to be Blackett (publisher and creative director), Duncan (initially managing editor but now executive editor), Gibb, Reid, Anna Bowness, and Shawn Micallef (associate editors). These six own the company Spacing Media Inc. that serves as the current publisher of *Spacing*—now produced independently of the TPSC—and, with Todd Harrison and Leah Sandals, make up the magazine's editorial collective. At the time of writing, *Spacing* was on the verge of publishing its eleventh issue, scheduled for release in March 2008.

### **Magazine overview**

Through compelling journalism and thought-provoking essays, complemented by original illustration and striking photography, *Spacing* explores Toronto's architectural, cultural, social, and political past, present, and future, and covers all of the associated issues that concern life in the city's public realm. Written for and by those who are passionate about Toronto's public spaces, *Spacing* contains an eclectic mix of well-researched history, ruminations on the present, and visions of what the future could be.

Each issue of *Spacing* has a theme, a specific topic of particular relevance to Toronto chosen by the magazine's editors, to which the majority of the issue is devoted. Previous themes have included public art, the transit system, pedestrianism, and the environment. A large portion of *Spacing*'s content is dedicated to personal journalism and essays through which writers address the unique components of the social and cultural landscape of Toronto, which in 2007 included: the soundtrack of city life; the industrial design of 1970s subway platforms; an architectural graveyard in a

Scarborough park where ornamental pieces from buildings are given a second life; a group of formerly homeless people using photography to tell their stories of hope and desperation; and the use of social-networking websites to enable events like massive pillow fights to flourish in Toronto. The magazine also has regular columns, like “The Toronto Flaneur,” in which Shawn Micallef writes about a part of the city he has wandered through on foot; “Green Space,” which focuses on environmental topics and green organizations; “Outer Space,” which highlights public-space issues in other cities; and “Space Invaders,” which profiles the people behind various Toronto public-art initiatives and creative interventions.

*Spacing's* editors generate many of the story ideas for each issue but there is also always an open call for submissions, which helps generate thematic content that might otherwise be overlooked. This editorial process results in engaging, creative, genre-bending content of a notably high quality, which has not gone unnoticed in the industry. In June 2007, the Canadian Society of Magazine Editors named *Spacing* its “Small Magazine of the Year” and awarded “Magazine Editor of the Year” to Matthew Blackett and Dale Duncan. *Spacing* also won a 2005 National Magazine Award for “Best Editorial Package” for its “History of the Future” issue (and was nominated again in the same category for 2006), and the magazine has been short-listed twice in the “Best local/regional coverage” category of the *Utne* Independent Press Awards (2005 and 2006), in addition to being nominated for “Best New Title” in 2004.

*Spacing's* reputation has attracted established journalists and published authors as contributors but, like many small magazines, it has also been a career “launching pad” for a number of up-and-coming writers. Most of the magazine’s editors had published little writing before *Spacing* was launched but Shawn Micallef now has a column in *Eye Weekly* and contributes regularly to the *Globe & Mail*; Dale Duncan’s

writing helped her secure a staff reporter contract at *Eye Weekly*, for whom she now writes a municipal affairs column; Lindsay Gibb and Anna Bowness are the current and former editor, respectively, of *Broken Pencil* magazine; and Dylan Reid and Leah Sandals freelance for a variety of publications.

*Spacing* has also been recognized for the overall excellence and attractiveness of its photography, which is a credit to Toronto's talented and award-winning photobloggers. Under the art direction of creative director Matthew Blackett, *Spacing* was a pioneer in introducing local photobloggers—whose work is primarily published on personal websites—to the general public by publishing their work in the magazine and online, and also using their images in art-gallery exhibits and for *Spacing* promotional materials. But striking digital photography is just one component of the magazine's design: Blackett also commissions original art and illustration from up-and-coming illustrators and *Spacing's* atypical 10-inch by 8-inch landscape format means it stands out on newsstands. In fact, its innovative design has garnered *Spacing* a number of awards, including an *Applied Arts* award for "Best Single Issue Design" in January 2005, and a nomination in the "Best Design" category of the 2006 *Utne* Independent Press Awards.

### **Ancillary projects**

In addition to producing three issues of *Spacing* a year, the magazine's publishing team also maintains a website, sells *Spacing*-branded products, and organizes and sponsors special events.

The *Spacing.ca* website was launched in November 2003 to serve as the online companion to *Spacing* and act as a promotional tool for the magazine right from the beginning, but, over time, it has become an important entity in its own right. The website features select articles and photos from the magazine, lists retailers carrying

*Spacing*, provides information to potential advertisers, and has an online store where people can buy *Spacing* subscriptions, back issues, and other products. But *Spacing.ca*'s most popular feature, by far, is a blog written by the magazine's editors and contributors. Updated daily, *Spacing Toronto* ([www.spacing.ca/wire](http://www.spacing.ca/wire)), has developed into a hub for information about and discussion of public-space issues. It has been such a success that *Spacing*-sanctioned blogs have been set up in other cities: in July 2007, *Spacing* editors travelled to Montreal to launch the bilingual *Spacing Montreal* blog ([www.spacingmontreal.ca](http://www.spacingmontreal.ca)) and a Vancouver blog called "re:place" (<http://regardingplace.com>) began publishing in January 2008 as the precursor to a print magazine; and it is possible others could soon spring up in San Francisco, Windsor, and Halifax. Blogging allows *Spacing* to cover public-space issues, news, and events in Toronto, and around the world, in the months between issues of the magazine—an obviously welcome service as the readers of *Eye Weekly* voted it "Toronto's Best Local Blog" (2005) in January 2006 and Toronto's other alt-weekly, *NOW Magazine*, named it "Best Local Blog" of 2007.

As mentioned, the website's store sells various *Spacing* products, among them *Spacing*'s iconic one-inch subway buttons. Since being launched in December 2004, over 80,000 of the buttons capturing the iconic and distinctive tiles of each of Toronto's subway stations and Scarborough RT stops (73 in all) have been sold just through *Spacing.ca* and several Toronto stores—plus thousands more at special events. Holiday "gift packs" of back issues and a 2006 calendar have also helped to generate revenue for *Spacing* at various times but special events, like the launch parties for each new issue, remain a bigger moneymaker and, because they usually attract several hundred people, are a good way to increase awareness of the magazine and the important public-space issues it covers.

Since 2005, *Spacing* has co-hosted an annual “Toronto the Good” party with partners ERA Architects and [murmur] during the Toronto Festival of Architecture and Design, a social event whose goal is to bring different communities together to celebrate innovation in the city. *Spacing* has also organized the “MyToronto” video contest, hosted film nights, curated art shows, and co-organized the best-attended mayoral debate of the 2006 Toronto municipal election. Finally, *Spacing* is also a regular media sponsor of cultural events tied to topics explored by the magazine.

### **Adding a business manager to the masthead**

In September 2005, *Spacing* had published four issues and a fifth was in production. The magazine was covering its production costs with the revenues from advertising, single-copy sales, its 400 subscriptions, launch parties, and subway buttons. However, *Spacing’s* founders felt they were neglecting the business side of their publishing venture, which was hampering the magazine’s growth. In an e-mail, publisher Matthew Blackett expressed their collective desire to hire someone to take charge of the magazine’s finances and business development:

We need a biz manager badly to help us move forward, cuz my skills are best used creating and not doing balance sheets. The hope is that the biz manager would help us with a long term biz plan, which would include paying the editors, our writers, and the biz manager... This biz manager position has more to do with freeing me of the biz burdens, so I can concentrate on promotions, partnerships, media outreach, and the editorial/design stuff.<sup>62</sup>

Because I thought highly of *Spacing* and believed I might be able to assist the magazine in a business-development capacity, I met with Blackett and managing editor Dale Duncan. They seemed confident in my abilities so I agreed to write a business plan for *Spacing*, and soon became the magazine’s part-time, volunteer business manager.

How I came to work for *Spacing* in the fall of 2005 is not unusual: many people become involved with small magazines not because there is necessarily a job posting or

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<sup>62</sup> Blackett, e-mail, September 17, 2005.

a formal application process but often just because they happen to be in the right place at the right time<sup>63</sup> and they express a certain enthusiasm for the magazine in question and exhibit a willingness to do the work that no one else wants to do (or is qualified to do)—and, occasionally, as in my case, happen to have some specialized education and/or applicable work experience.

### ***Strategic planning***

#### **Strategic planning and small magazines**

“Planning isn’t rocket science; in fact it is a fairly straightforward process.”<sup>64</sup>

— B.C. Association of Magazine Publishers

Companies of all types and sizes use strategic planning to take a critical look at the factors affecting their success and/or limiting their growth—or, as is relevant for small magazines, the factors influencing their very viability—so that they can then develop a “plan” that will help them increase their profits, expand, or achieve other major organizational goals. Examining how things are being done, and the internal and external influences that are having a positive or negative impact on the business, is a process that is often beneficial in its own right, particularly for new businesses. As Craig Riggs has pointed out, “when organizations focus on how work is done and measured and improved, things usually start to get better.”<sup>65</sup> However, a strategic-planning process is generally initiated when there is a need or a desire for change, like when there is dissatisfaction with the status quo and it is felt that “charting a new course” could benefit an organization—as was the case at *Spacing* when I came onboard as the magazine’s business manager.

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<sup>63</sup> In my case, it was a party hosted by Coach House Books, held shortly after I had moved back to Toronto.

<sup>64</sup> B.C. Association of Magazine Publishers, *Business Strategies*, 7.

<sup>65</sup> Riggs, lecture, January 26, 2005.

## Conducting a situational analysis

“You have to understand before you can innovate”<sup>66</sup> – Craig Riggs

In August 2005, *Spacing*'s founders had set two long-term goals for the magazine—to pay people to work on the magazine (staff and contributors), and to sell 5,000 subscriptions<sup>67</sup>—and the unwritten expectation was that I would figure out how to achieve them and, concurrently, turn the magazine into a viable small business.

When I began this rather daunting project in September 2005, I was almost completely in the dark with regards to the business side of *Spacing* and how things had been run up to that point. A standard tool for gaining insight into a business' “situation” and evaluating an organization's state of affairs is the S.W.O.T.<sup>68</sup> chart. However, following some research, I decided that a Situational Analysis would be a more holistic way to obtain a detailed overview of not just the magazine's strengths, weaknesses, opportunities, and threats but also of *Spacing*'s accomplishments to date and the internal and external factors affecting its ability to be a profitable business. (I also recognized that this framework would create a good benchmark against which progress could be measured later.<sup>69</sup>)

I loosely based my situational analysis (see *Appendix A*) on the framework of what is called a 5C Analysis, and it entailed reviewing *Spacing*'s records, interviewing staff, and conducting additional research to produce a complete “full-colour” snapshot of the magazine's operations and a description of the market and climate in which it was doing business.<sup>70</sup>

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<sup>66</sup> Ibid.

<sup>67</sup> Blackett, e-mail, September 17, 2005.

<sup>68</sup> Generally referred to by the acronym for Strengths, Weakness, Opportunities, and Threats.

<sup>69</sup> Which I did when I conducted a second situational analysis in September 2007 (see *Appendix B*).

<sup>70</sup> The framework is itself an extension of the 3 C Analysis, which examines only company, customers, and competitors. (For more information, see <http://www.netmba.com/marketing/situation>.)

## **Starting out**

As its name suggests, the situational analysis gave me a good idea of *Spacing's* state of affairs in September 2005. At the time, the magazine's biggest assets were the quality of its products, its reputation, and its dedicated staff. *Spacing's* blog was attracting lots of visitors to the website, and the magazine and subway buttons had caught the attention of the media and those who were most passionate about public-space issues (including the Mayor). As a result, organized special events were well attended and the magazine was having no trouble attracting contributors. In addition, the hard work of staff and contributors had resulted in many awards and an operating grant from the Ontario Arts Council. Despite not having an office, *Spacing's* editors seemed to be collaborating well and communicating effectively to produce three issues a year and post daily updates to the blog. In addition, *Spacing* had established good supplier and distributor relationships for the magazine and buttons, both of which were selling very well in stores and at events. The magazine also appeared to be self-sufficient financially through revenue from newsstand, subscription, and event sales, and the sales of subway buttons were bringing in significant additional revenue—enough that contributors to each issue were being paid something and there were also small per-issue honorariums for staff.

However, there was a large disconnect between *Spacing's* reputation, its apparent financial stability, and the behind-the-scenes operations. While it was a professional-looking magazine, and appeared to be highly successful based on the turnout for its events, *Spacing* not only did not have an office<sup>71</sup> but the magazine was disorganized organizationally and financially. The biggest problems were related to *Spacing* not having been set up as a business when it was first launched: in September

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<sup>71</sup> Without an office, publisher Matthew Blackett's living room served regularly as the venue for meetings and copy-editing "parties."

2005, the magazine was not incorporated, nor even registered as a business, meaning that the founding editors of *Spacing* would have been legally responsible for it, and thus personally liable, had someone decided to take the magazine to court. In addition, *Spacing* was not paying any business income taxes, nor collecting sales tax (PST or GST). At the time, *Spacing* was able to cover all of its bills, though no one had any idea of the amount of revenue generated, or expenses incurred, on an annual, monthly, or even per-issue basis. At it was, the only person “taking care of business” was Matthew Blackett, who was simultaneously contributing to the magazine editorially, designing the entire magazine, selling ads, developing partnerships and promotions, and taking a lead role in organizing *Spacing* events—not to mention managing *Spacing*’s side business in subway buttons essentially as a one-man show. Despite his high energy levels, burnout seemed inevitable and I had a similar concern for Lindsay Gibb, who, on top of her own editorial duties and a full-time job at another magazine, was managing all subscription orders and fulfillment plus newsstand distribution to *Spacing*’s dozen house accounts. The magazine was also only publishing three issues a year, on no fixed schedule, which might have been one reason that *Spacing* had not had much success attracting advertisers. And the same could be said of subscribers, who only numbered 400 in September 2005. Related to subscriptions, I realized that *Spacing* was paying too much for postage and that the database used to keep track of subscriptions was disorganized, which was likely one of the reasons that Gibb was having to deal regularly with complaints about missing issues and there were frequent delays in new subscribers getting their first issues. Finally, it seemed unlikely that, despite their high levels of enthusiasm for the magazine, *Spacing*’s staff could continue working as many hours as they were without salaries, or that the magazine’s contributors would continue to accept rates well below the industry standard.

### **Addressing problem areas**

The situational analysis made it obvious what *Spacing's* strengths were and where opportunities for growth existed, however, it also revealed the magazine's weaknesses and problem areas, which called out urgently for addressing prior to any attempt to capitalize on the magazine's positive aspects.

The biggest problem I identified was *Spacing's* severe neglect of basic business organization and financial recordkeeping.<sup>72</sup> This finding was not surprising to me as two of the five items included in D.B. Scott's list of "Common mistakes of small magazine publishers" are "Forgetting about Revenue Canada" and "Avoiding the icky stuff"—both referring to decisions regarding financial matters, particularly the necessity that publishers "not put off to tomorrow that which they should deal with today."<sup>73</sup>

The people working on *Spacing* were skilled writers, editors, and designers but they had been avoiding dealing with (or did not have time to address) anything "icky," a bad habit enabled by the magazine's continual ability to pay its bills. However, the magazine's increasing revenues (primarily from button sales, which by September 2005 totaled nearly \$22,000) were worrying Matthew Blackett because of the retroactive GST he thought could be owing. It also concerned me that should anyone decide to sue the magazine, the publishing team could be held personally liable because *Spacing* was not incorporated nor even registered as a business. And then there were the problems related to subscriptions already mentioned.

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<sup>72</sup> Matthew Blackett would later explain that this was due in part to the founding editors' incredulity about the magazine's ability to last beyond one or two issues.

<sup>73</sup> Scott, "Common mistakes of small magazine publishers."

While the founders of *Spacing* were eager to have a large number of subscribers, and to begin paying themselves salaries, I knew there were a number of basic things for me to address first, so I drew up a “laundry list” in October 2005:

1. Incorporate *Spacing* (“Spacing Media Inc.”)
2. Register Spacing Media Inc. as an Ontario-based business
3. Open Spacing Media Inc. accounts with appropriate government agencies (Canadian Revenue Agency, etc.)
4. Open a Canada Post corporate account and apply for Publications Mail number to qualify for discounted postage rates
5. Better organize *Spacing*’s subscriptions database
6. Set up financial recordkeeping and bookkeeping

### **Making *Spacing* legal**

Incorporating *Spacing* under the name “Spacing Media” and registering it as an Ontario business, and with the appropriate federal and provincial agencies for tax purposes, was a relatively straightforward process and one that was eventually completed mostly online<sup>74</sup>—once I learned the steps were involved (see *Appendix C*). At the time, I could find no resources detailing the process of setting up a magazine as a legal business, however, Magazines Canada’s online handbook *How to Start a Magazine*<sup>75</sup> led me to the website of the Canada-Ontario Business Service Centre, where I was able to figure out the steps involved and carry out what was required (see *Appendix A*).

Opening a corporate account with Canada Post and receiving a Publications Mail number was a simple matter of completing some paperwork<sup>76</sup> and to better organize *Spacing*’s subscription records, I simply spent some time reorganizing and “cleaning up” the existing 400-record Excel database (for instance, moving the names and addresses of expired subscribers to a separate worksheet from current subscribers).

Thus, all of the items on the checklist were completed by the end of July 2006

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<sup>74</sup> I filed the application to incorporate Spacing Media on July 14, 2006, through CorporationCentre.ca.

<sup>75</sup> Magazines Canada, *How to Start a Magazine*.

<sup>76</sup> Magazines Canada publishes a very useful handbook, *The Small Publisher's Guide to Mailing Your Publication* (2004), produced in collaboration with Canada Post, the Canadian Business Press, and the Department of Canadian Heritage, which is available online at <http://magazinescanada.ca/files/Small%20Publishers%20Mailing%20Guide.pdf>.

with the exception of the final item. Without a background in accounting and only a cursory knowledge of business banking, setting up financial recordkeeping and bookkeeping for *Spacing* was beyond my abilities so I unwisely postponed that task because I wanted to move on to writing *Spacing's* business plan—a project that would be postponed itself for six months when I became preoccupied with a number of other things. The busyness that prevented me from working on the business plan immediately stemmed from my handling day-to-day business tasks (such as banking and), completing various small business-development projects (such as helping to develop an ad kit and writing grant applications), lending a hand where needed (namely proofreading and helping out at launch parties and other events), and taking over as *Spacing's* circulation manager when Lindsay Gibb became *Broken Pencil's* new editor—all work that I took on in addition to my three-day-a-week job working for a book publisher and a volunteer commitment at another small magazine. However, despite all this work, I did find time to start the business plan in January 2007, beginning with writing a mission statement for the newly incorporated Spacing Media.

### **Crafting the mission statement**

A mission statement should articulate a magazine's *raison d'être* and give its publishers a sense of direction that complements their goals and objectives for the publication. As Craig Riggs suggests, “defining the purpose of the organization or publishing program is the first step in creating a framework than can guide decision making.”<sup>77</sup>

Having made note of all *Spacing's* activities, I felt that *Spacing* was potentially more than just a magazine, a hunch confirmed by marketing blogger Sean Moffitt observing that “although it describes itself as a magazine, *Spacing* is really a mash up

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<sup>77</sup> Riggs, “Organizational Management,” 30.

of public activism, cool urban ideas and events, a community of like-minded people and a multimedia platform...[that has] invested just as much resources in 'live urban experiences' and 'the web' than merely the printed guide."<sup>78</sup> He called *Spacing* a "category jumper" because not only was there a periodical, there was also "an engaging online forum" (alluding to *Spacing's* website, particularly the blog where readers can post comments), and events that brought readers together—all of which were helping to unite a community around the issues at the core of the magazine. Thus, the mission statement I developed for Spacing Media Inc. in January 2007 expressed a broader mandate than just publishing a magazine:

*To draw attention to the importance of public space in urban environments and to instill in city-dwellers worldwide—and in Toronto in particular—an appreciation of the endless possibilities that cities offer so that they will be compelled to take ownership of the urban landscape that surrounds them and be inspired to participate in city life.*

The next challenge was figuring out the goals and objectives that would help Spacing Media Inc. live up to its mission statement.

### **Setting goals and objectives**

"[A]rticulating clear goals and objectives allows management and staff to have a common idea of where the company needs to go, and how it aims to get there."<sup>79</sup> — Craig Riggs

After articulating a "mission" for *Spacing*, the next step prior to writing the business plan, was figuring out what the magazine's goals *should* be, since I did not think that staff salaries and 5,000 subscriptions were going to be immediately attainable based on its current situation. In this regard, I found the advice of the British Columbia Association of Magazine Publishers (BCAMP) to be useful. In one of the helpful booklets published by BCAMP to explain and offer advice on the various aspects of the business of magazine publishing, the organization suggests that, to "ensure a magazine's existence," publishers should aim to:

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<sup>78</sup> Moffitt, "Word of Mouth Discovery #8."

<sup>79</sup> Riggs, "Organizational Management," 33.

- create and maintain a targeted editorial environment to attract and maintain loyal readers;
- develop and maintain the capacity to produce and publish the magazine;
- develop effective circulation and distribution systems;
- develop revenues to support and justify continued publishing.<sup>80</sup>

I knew that *Spacing* was strong editorially: over the course of the seven issues released to January 2007, members of the editorial collective had established a system for producing a high-quality, award-winning magazine and continual readership growth confirmed that they had created that desired “targeted editorial environment.” Since September 2005, newsstand sales had almost doubled and subscriptions had more than doubled. Overall, paid circulation had risen from 2,800 copies for Issue #4 (June 2005) to 4,029 for Issue #7 (September 2006); and the magazine’s print run had been increased accordingly from 3,000 copies to 5,000 copies. *Spacing*’s special events and sales of promotional products were also generating revenue and, along with the website, drawing attention to the magazine and public-space issues—which was noticeably bringing together a community of likeminded individuals.

However, all was (still) not well on the business side of *Spacing*. While Issue #7 had been the work of seven editors and three proofreaders, the only dedicated business staff were me and *Spacing*’s ad director, Alex McKenna, who had been hired in June 2006 to take over ad sales from Matthew Blackett. The addition of McKenna to the masthead was a good move for *Spacing* since the revenue from his ad sales for Issue #7 had more than doubled the \$1,950 sold for Issue #6 (and he was on track to triple that for the forthcoming issue). But McKenna was only responsible for selling ads; I was taking care of pretty much all other business matters.

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<sup>80</sup> B.C. Association of Magazine Publishers, *Business Strategies*, 5.

In the 16 months I had been working for *Spacing*, my contributions to developing and maintaining capacity, and the revenue levels that required, were taking care of the aforementioned “laundry list,” managing the magazine’s banking and payroll, and handling subscriptions (Blackett was now handling newsstand distribution). I had also written the grant application that secured *Spacing* another year of funding from the Ontario Arts Council (OAC) and coordinated the magazine’s participation in several newsstand-marketing and group direct-mail campaigns organized by Magazines Canada. In addition, I had helped to secure *Spacing* affordable office space in the Centre for Social Innovation (CSI), and arranged through Magazines Canada for a magazine-industry expert to meet with us to talk about business development.

In addition, while I still had not yet set up proper financial recordkeeping, I had begun to put some numbers related to *Spacing*’s finances down on paper. For instance, while preparing *Spacing*’s 2006–07 OAC grant application in May 2006, I produced rough financial statements for *Spacing* for 2006 and 2007, which proved useful for goal-setting and determining priorities for the magazine at the beginning of 2007. I had calculated that *Spacing*’s revenue for 2006 would be \$63,675 (with expenses of \$61,095) and I was projecting that 2007’s revenue to be \$106,646 (with projected expenses of \$86,522). I felt this \$43,000 increase in revenue and rise in profits from \$2,580 to \$20,124 would come from primarily from advertising (since McKenna thought he could sell \$7,000 in ads per issue (\$21,000 annually)—and bring in more revenue potentially if we took his advice and increased the price of ads in *Spacing*, which he was hearing were low compared to other magazines), but I was also predicting a significant number of new subscriptions and the renewal of existing subscriptions; I was also confident that *Spacing* could successfully request \$20,000 from the OAC for 2007–08 (double the \$10,000 received in 2005–06 and again in 2006–07). The increase in *Spacing*’s budget for

2007 meant that Spacing Media Inc. could not only continue its magazine-publishing activities but there was a large-enough surplus income for a full-time salary in the \$20,000 range for one staff member. However, the magazine's editors felt that having a dedicated workspace would be of greater benefit to the magazine and decided to sign a lease with the Centre for Social Innovation. As a result, the anticipated "surplus" would go towards the office *Spacing* would begin occupying in February 2007.

While having an office took priority for the editors, they were still interested in eventually being paid salaries so the goals and objectives I developed for *Spacing* in January 2007 were mostly related to increasing the magazine's overall revenues to guarantee that would be possible the following year—and also to better balance the workload of the magazine and related projects to prevent burnout:

- **Build revenue from magazine sales:**  
*Hire a circulation manager; Promote new subscriptions; Encourage renewals*
- **Build revenue from promotional products:**  
*Hire a subway buttons coordinator; Increase the number of stores where subway buttons are sold*
- **Increase advertising revenue**  
*Sell more ads in magazine; Charge more for ads (adjust rates); Sell ads on website*
- **Cut costs where possible:**  
*Use interns to write articles, take photos; Apply for the Publications Assistance Program (PAP) to reduce postage costs; Solicit sponsorships, in-kind donations for special events*
- **Leverage grants and funding**  
*Request larger grant from Ontario Arts Council for 2007–08; Apply to Canada Council for the Arts to see if *Spacing* qualifies for funding; Apply to Canadian Magazine Fund's Support for Editorial Content program; Apply for funding from the Canadian Magazine Fund or Ontario Media Development Corporation to conduct a direct-mail subscriptions drive*

## Writing the business plan

"A magazine's business plan is the really the company résumé... You will not know how useful such a plan can be...until you find you don't have one."<sup>81</sup> — D.B. Scott

With a mission statement and a clear set of goals and objectives in hand, I felt ready to move on to completing the rest of the business plan for *Spacing*. Informed by my past participation in the writing of a real business plan for a fictional magazine, I decided to include the following sections to document *Spacing's* history, current situation, and future plans:

- **Executive Summary**
- **Business Overview:** History, Company Profile, Mission, Products and Business Activities, Goals and Objectives
- **Magazine Overview:** Mandate, Editorial Concept, Sections, Themes, Past Issues, Art Direction and Production
- **Market Analysis:** Market, Audience, Competition
- **Advertising:** Philosophy, Advertisers, Sales Projections, Opportunities and Challenges
- **Distribution and Circulation:** Overview, Publishing History, Circulation History, Subscriptions, Single-Copy Sales, Circulation Promotions
- **Marketing and Promotions:** Overview, Spacing.ca, Special Events, Media Attention, Awards, Subway Buttons, Holiday Gift Packs, Calendars
- **Management and Operations:** Staffing, Compensation
- **Financial Statements**

In my opinion, the point of a business plan is to capture a particular moment in a magazine's "life"—in part so it can later be used to track progress towards stated goals and objectives. In any case, writing one forces the close and careful consideration of all of the aspects of the publishing company and, similar to a situational analysis, doing so inevitably draws attention to its strengths and weaknesses but in greater detail because many more facts and figures have to be included. As D.B. Scott points out, "It takes

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<sup>81</sup> Scott, "Importance of a Business Plan," 88.

quite a paragon to avoid the trap of glossing over harsh truths. But such glossing is more difficult when the numbers and the market data is down there in black and white.”<sup>82</sup> There is room in a business plan for assumptions and projections but any forecasts need to be supported by research, experience, and/or statistics, or they will stick out as unrealistic, which means that readers can rely on the document rather confidently to gauge a magazine’s growth potential, future profits, and room for expansion, as well as its current situation. Since a business plan includes financial statements, it is a very important document to have for potential investors, partners, and granting bodies seeking to quickly gain insight into a magazine’s operations—even if they have no specialized magazine-publishing knowledge.

In any case, the business plan I wrote over five weeks (see *Appendix F*) was a detailed “snapshot” of *Spacing* at the beginning of 2007, the magazine’s fourth full year of publishing. This portrait proved especially useful when *Spacing* participated in Magazines Canada’s “Travelling Consultants” program, which uses funding from the Department of Canadian Heritage to subsidize one-on-one consultations with magazine-industry professionals for small magazines.

### **Professional advice**

On February 16, 2007, publisher Matthew Blackett, managing editor Dale Duncan, and I met with Canadian magazine expert D.B. Scott to talk about the future of *Spacing*. Our pre-stated goals for the day-long session were to figure out how to afford salaries for staff members and to receive advice on which revenue-generating activities to concentrate our efforts—in effect, we were hoping to learn how to implement the brand-new business plan to achieve the magazine’s goals and objectives.

The session, which cost *Spacing* \$250, was helpful in many ways. Even though

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<sup>82</sup> *Ibid.*, 89.

day-to-day operations were still somewhat disorganized, Scott thought highly of *Spacing* and was impressed by what had been achieved so far. He liked that we had a business plan and a media kit (see *Appendix D*), thought our ad sales looked good, and observed that we seemed to have a good handle on circulation and distribution. Remarking on the attention the magazine was getting from readers, advertisers, and the media, Scott pointed out that *Spacing* was “playing a hot hand” at the moment and suggested that we should try to capitalize on it before interest in the magazine, blog, buttons, and events waned. “It’s a new magazine-publishing world,” he told us. “You build a brand and then exploit it.” However, in order to be in a position to do so, Scott said we needed to make a few changes to the way we were doing business; fortunately, he also had some advice.

Because *Spacing* had a relatively small budget, and its staff was mostly made up of volunteers, Scott said it was essential that we make the best use of our time and resources. As an example, he pointed out that it only made sense to take on interns if doing so would result in greater productivity for the magazine (i.e., we did not have to spend the same amount of time managing them as it would take us to do the work they were doing ourselves). Since we wanted to increase the *Spacing*’s revenues, with an eye towards paying staff salaries the following year, he said that we should be looking at areas that were already generating money for the magazine, specifically circulation and advertising.

To boost *Spacing*’s circulation, Scott recommended that we “pick the low-hanging fruit” first; for example, by putting subscription cards in every issue, by e-mailing lapsed subscribers to ask them to renew, and by promoting subscriptions to anyone who had bought subway buttons or back issues of *Spacing*. After that, he said that we should prioritize a direct-mail campaign, specifically one where we promoted two-year

subscriptions because they were already the most popular (and, at \$25 each, would bring in a larger amount of revenue than if we sold the same number of one-year subscriptions). We also talked about expanding the number of retail outlets selling *Spacing*, possibly by reversing a decision made early on not to distribute the magazine in Chapters/Indigo stores.

As for advertising, Scott thought it was a good sign that *Spacing* had attracted a number of advertisers (many small magazines cannot get any) but he agreed with ad director Alex McKenna that *Spacing* had been too generous with the (low) rates we were offering to advertisers and told us that the magazine's rate card should be adjusted as soon as possible. He also suggested that we should think about selling ads on Spacing.ca because the blog it hosted received so much traffic.

Since each issue of *Spacing* published could be counted upon to generate a certain amount of revenue, Scott advised adopting a quarterly publishing schedule as soon as possible, and then developing a "fifth-issue strategy" (the repackaging of existing content as a special issue or anthology and selling it at a premium price), or adding branded free-standing publications (for example, a "City Builders" yearbook). However, as with any project requiring a certain outlay of cash, he said we should only do special issues if they would earn *Spacing* additional revenue. From this point forward, he told us, no *Spacing* project should be a money-loser. Finally, Scott thought we should start soliciting donations from our supporters and—now that *Spacing* had a business plan—we should explore private investment as a source of operating capital.

### **Failing to put the plan into action**

Following the consultation with D.B. Scott, optimism reigned at *Spacing*: the industry expert had predicted great things for the magazine and the ability to pay staff salaries seemed just around the corner if only we followed his advice. But, given the realities of

publishing a small magazine, what happened over the following six months was not unexpected: the business plan was all but forgotten and only a few of the suggestions Scott had made were actually implemented.

We increased the price of ads listed on the magazine's rate card (see *Appendix E*) and Alex McKenna began selling website ads, but *Spacing's* editors did not feel capable of producing another issue a year so that idea was shelved—even if Matthew Blackett was taken with the idea of doing some sort of special issue. I had intended to look into applying for funding from the Canadian Magazine Fund to subsidize the cost of a direct-mail subscription campaign for *Spacing* but a Canada Council grant application with a March deadline postponed that plan—and all other business-development work. But I was not the only person whose attention was distracted away from figuring out how to achieve *Spacing's* goals and objectives.

Almost immediately following our consultation with D.B. Scott, Matthew Blackett and Dale Duncan put on their editorial hats and began soliciting articles for the next issue of *Spacing*. It was easy to understand why they would be eager to get started because, even though the water-themed magazine would not be released for another five months, it was not just the day-to-day work of publishing *Spacing* that was keeping them busy. It seemed that in trying to be more than just a magazine, *Spacing* was agreeing to organize or sponsor more and more special events, and getting involved in new projects all the time. In fact, the months leading up to the publication of the Water issue were packed. There was the “Public Space Invaders” film night in March, the Toronto the Good party in May, and the summer-long MyToronto video contest co-organized with the City of Toronto. Plus, there were trips out of town for meetings related to the brand-new *Spacing* Montreal blog and the development of a *Spacing*-inspired Vancouver blog and magazine. And all of these activities were taking place at a

time when a lot was happening in Toronto, with projects to make the city more livable being announced every few weeks (from cutting-edge streetcars and new street furniture to plans for a new neighbourhood in the Lower Don Lands and a major revitalization of the Waterfront)—all of which cried out for comment from *Spacing* editors on the blog.

However, in the midst of the madness, one of D.B. Scott's recommendations did get acted on. In mid-summer, I learned that the Ontario Media Development Corporation (OMDC) would be awarding grants to Ontario magazines for projects that would drive sales and increase revenues. I saw that subscription campaigns were eligible so I prepared and submitted an application in June proposing a direct-mail campaign. While our funding application to Canada Council back in March had not been successful, we had more luck with the OMDC and *Spacing* was awarded \$15,000 (75% of the project's total cost) in August for a late-fall addressed-admail project targeting non-subscribers with a \$25 two-year subscription deal.

For the most part, though, the *Spacing* staff members who could have moved ahead with implementing Scott's recommendations, and achieving the goals and objectives articulated in the business plan—namely Matthew Blackett, Dale Duncan, and me, who were the ones working out of *Spacing's* new office the most frequently—became busy with the things just mentioned, and the momentum to move forward with *Spacing's* business development ground to a halt. As I explained in Part 1 of this report, that is not an unusual occurrence at small magazines, where even just the quotidian administration work can become overwhelming, but Spacing Media Inc. was also involved in many interesting projects besides just publishing a magazine so I should have expected that these projects and initiatives would “overtake” the plans for growth and expansion and the far-less-sexy, behind-the-scenes work they entailed. In

retrospect, though, I believe the real reason why nothing came of all the effort put into figuring *how* to make *Spacing* into a successful small business was that, following the consultation, we never sat down to decide *who* would be responsible for making sure the work happened, nor *when* such work would take place, nor even *what* resources would be required. The key to successful strategic-planning, I now realize, is not just determining *what* needs to be done in a particular situation (as I did when I wrote the business plan, and which was re-articulated during the consultation with D.B. Scott), but also figuring out the carry-through: *who* will do it, *what* resources will be required, and by *what* date things will be completed. And then ensuring the work actually happens. But, unfortunately, that epiphany came to me too late.

### **Deciding to move on**

By the end of June 2007, I was exhausted, frustrated, and tired of being broke all the time: burnout had set in and I did not have the drive to continue as *Spacing's* business manager, which was becoming a more challenging and less rewarding job for me with each passing day. I was undecided about leaving the magazine but when my other employer offered to make my part-time job into a full-time position at the beginning of September, I decided that I should quit *Spacing*. So, on July 12, I announced my resignation to Matthew Blackett and Dale Duncan via e-mail and we met to discuss it the following day. We decided I would wrap up the work I had underway and the resignation would be effective September 1.

In the end, it is amusing—but not surprising—that I fell victim to one of the very challenges of small-magazine publishing articulated in Part 1 of this report. I had already seen it happen to my friends at *Shameless* (who had started their magazine for teenage girls around the same time as *Spacing* was launched) and, soon after I announced my decision to leave *Spacing*, the magazine's ad director, Alex McKenna,

also resigned. As Melinda Mattos, co-founder and ex-editor of *Shameless*, put it “There’s something romantic about being up in your pyjamas until two in the morning working [for free] on a magazine—for the first few years.”<sup>83</sup> After two years of hard work on behalf of *Spacing*, I realized it was not my dream that we were staying up late to achieve and I was tired from the lack of sleep. I also felt I had reached the limit of my ability to help with the business side of *Spacing*, a feeling best described in my resignation letter:

I never expected just how complicated, time-consuming, and ultimately overwhelming actually being the magazine’s business manager would be for me. I committed myself to helping out *Spacing* initially because I believed I could make a difference significantly and quickly, in part based on what I had learned about magazine publishing in school. But, in retrospect, I didn’t really I know what I was getting into by agreeing to be *Spacing*’s business manager and I overestimated my own skills, knowledge, and ability with regards to business matters.... Despite my best efforts to convince myself otherwise, I don’t seem to be cut out for the business side of magazine publishing: the stress and anxiety I’ve experienced trying to figure out everything from draconian Canada Post regulations to confusing Magazines Canada remittance reports to what to submit as financials to various grant applications has simply become too much for me.<sup>84</sup>

And even though it had all become “too much” for me, I still wanted to conduct another situational analysis to evaluate the progress made towards my long-term goal of turning *Spacing* into a viable small business.

### ***Evaluating the progress made***

When compared with the first situational analysis I had conducted two years prior, the situational analysis I completed in September 2007 (see *Appendix B*) showed that my time acting as *Spacing*’s business manager—and my attempts to apply strategic-planning principles to improve the magazine’s business organization and operating efficiencies during that period—had, in fact, had a measurable positive impact.

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<sup>83</sup> Duncan, “Fight Club,” 8.

<sup>84</sup> Author e-mail, July 12, 2007.

*Spacing* was now published by an incorporated business, Spacing Media Inc., which was registered in the province of Ontario, and had an office in downtown Toronto. While financial recordkeeping was still a work in progress,<sup>85</sup> there was at least now a sense of annual and per-issue revenues and expenditures—and, at some point, the accounting software I had purchased would be used to set up proper accounting systems, which would be useful for tracking profits from ancillary products like *Spacing*'s ever-popular subway buttons and for calculating taxes owing.

*Spacing* was still riding a wave of popularity, which continued to help attract contributors, advertisers, event partners, and people simply wanting to support the magazine (such as the Centre for Social Innovation, which had found a way to subsidize the magazine's rent to make it more affordable). Having published eight issues, and with a ninth on the way, the magazine's editors seemed comfortable with the routine of producing a new magazine every four months. The production schedule Matthew Blackett had set up as the magazine's publisher and creative director was keeping things on track so that readers, subscribers, advertisers, and retailers now knew when to expect a new issue. It was also helpful that the editorial collective had an office in which to work and hold meetings. In addition, despite the low rates *Spacing* continued to pay, there were still a large number of loyal writers, illustrators, and photographers wanting to contribute to the magazine and the *Spacing Toronto* blog, and well-known Toronto journalists like John Lorinc and Christopher Hume had become regular contributors. In general, the overall quality of of the magazine and the blogs had increased since the editors were now more experienced writers and editors. Their efforts had been recognized with more awards, including the Canadian Society of Magazine Editors naming *Spacing* "2007 Small Magazine of the Year" and Matthew

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<sup>85</sup> At the time of writing, *Spacing* had just hired a bookkeeper.

Blackett and Dale Duncan as “2007 Editor of the Year.”

Public-space issues had begun to interest other local media outlets and editors and producers had begun relying on *Spacing* for story ideas for their mainstream audiences. Because of the magazine’s reputation as “the public face of public space,” journalists were also now calling the *Spacing* office routinely to obtain comments on cuts to transit service, the redevelopment of the waterfront, the creation of new parks, and the like, and *Spacing* editors were contributing to other publications on a regular basis (usually writing about public-space topics). Still, despite local media interest and increased coverage of public-space issues, no direct competitor for *Spacing* had emerged, which was fortunate because the magazine was still building its readership.

Subscriptions and newsstand sales were growing, albeit slowly: *Spacing* had 900 subscribers and approximately 2,500 copies of each issue were being sold on the newsstand (in addition to sales at launch parties and other special events). To meet demand for the magazine, the regular print run for each issue was now 5,000, and Magazines Canada was distributing more copies of *Spacing* in Toronto and nationwide. In general, though, not a great deal of revenue was being generated through circulation, even though newsstand sales were now generating slightly more income since *Spacing*’s cover price had been increased from \$6 to \$7.

Fortunately, advertising and button sales were still profitable for the magazine. Revenue from the former increased dramatically during the time that *Spacing* had had a dedicated ad director, and even though Alex McKenna had resigned recently, the relationships he had developed with certain companies were continuing to benefit the magazine through the rebooking of ads. The Toronto Transit Commission was now producing its own subway buttons, but *Spacing*’s versions continued to sell well at events and through the website. Additional revenue was derived from grants: *Spacing*

had received funding from the Ontario Arts Council for three years in a row and, as already mentioned, had also been recently awarded project funding from the Ontario Media Development Corporation to conduct a subscription drive. Since per-copy mailing costs were much less now that *Spacing* had a Publications Mail number and qualified for the Publications Assistance Program, the cost of fulfilling new subscription orders was considerably lower.

Unfortunately, with the departure of both *Spacing's* ad director and business manager, the magazine was back at square one what it came to who was “taking care of business.” Matthew Blackett had taken on ad sales and newsstand distribution again, and Dale Duncan was handling subscriptions—in addition to their respective editorial duties and Blackett’s design work. But, human resources issues aside, *Spacing* appeared better organized and better run than it was back in September 2005. While there were still some problems to resolve, there were more positive aspects to *Spacing's* situation in September 2007 than negative ones. In general, the situational analysis suggested that if the magazine remained on the same path, its viability as a small business seemed good and it would eventually achieve its goals and objectives, as will be discussed in more detail in the next section of this report.

### **PART 3 – THE FUTURE OF SMALL MAGAZINES IN CANADA**

“Unfortunately, magazines do come and go with some regularity—but the strong do survive. And by strong, I don’t mean the biggest... I mean those stalwart independents who carefully carve out their niches, develop strong editorial voices and consequently readerships, and continue to produce creative and pertinent content for their readers, month after month, year after year.”<sup>86</sup>

– Donald G. House, president, Alberta Magazine Publishers Association

#### ***Spacing’s potential for long-term success***

According to the Print Measurement Bureau, one in every three new magazines fails within the first year, and more than 40% of the Canadian magazines that folded in 2005 were less than five years old.<sup>87</sup> Such statistics mean that, with each issue published, *Spacing* is beating the odds and I am confident that the magazine will be around to publish its planned fifth-anniversary issue this fall.

Since its launch in December 2003, *Spacing* has gone from being the part-time labour of love of half a dozen public-space enthusiasts, who were not sure whether they would ever publish a second issue, to a nationally distributed magazine with a passionate readership and a growing subscriber base, which is published by an incorporated small business. Through special events, sponsorships and partnerships, frequent media appearances, a line of award-winning subway buttons, and a hugely popular blog, the publishing team behind *Spacing* has turned its “baby” into much more than just a magazine—and, in doing so, has brought together such seemingly disparate groups as cycling activists, transit geeks, architects, pedestrians, urban planners, municipal politicians, and heritage preservationists to create a community that is unified in its concern for public-space issues in Toronto.

I believe the concern of *Spacing’s* own staff for these same issues—and their belief in the magazine’s ability to be an agent for social change—is at least partially responsible for its continued success, despite the odds stacked against small magazines

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<sup>86</sup> House, “President’s Message,” 4.

<sup>87</sup> Sankey, “Flash in the Pan?,” 9.

in Canada. Which may mean that the founder and publisher of *Cottage Life*, Al Zikovitz, was right when he said, “I think so much of it is that [small-magazine publishers] just work on passion. Not numbers but passion—a firm belief in what we do, and goddammit, no one’s going to stop us, no one’s going to say no to us. And if anyone says you can’t do it, all the more reason why you want to prove them wrong.”<sup>88</sup> The Toronto-lovers who created *Spacing*, and who continue to volunteer their time to prove the naysayers wrong and keep the magazine going, possess the same drive and determination that helped Zikovitz expand *Cottage Life*—now 20 years old and with a much larger circulation—from a small magazine into a multi-title publishing company that through the magazine, website, television program, and biannual tradeshow strives to be “the first source for cottage-related information, products, and services.”<sup>89</sup> Another reason why I feel *Spacing* will succeed in the long run is the award-winning quality of the magazine, and the niche audience that it has developed and retained. To refer back to the advice offered to magazine publishers by the British Columbia Association of Magazine Publishers (BCAMP), it is clear that *Spacing*’s editors have succeeded in creating the right “targeted editorial environment.”

But passion and quality can only take a periodical so far. For reasons I have already presented, a small magazine is a business and, as such, should the people behind *Spacing* wish it to be successful in the long run, they will have to pay attention to BCAMP’s second piece of advice and “develop revenues to support and justify continued publishing.”<sup>90</sup> Given the scope of *Spacing*’s ancillary projects and “extracurricular” activities, and the very real threat of staff burnout, the magazine’s continued existence will always be somewhat precarious until staff members can be

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<sup>88</sup> Wightman, “Al’s Excellent Adventure.”

<sup>89</sup> *Cottage Life* website, “Our Story.”

<sup>90</sup> B.C. Association of Magazine Publishers, *Business Strategies*, 5.

paid to work on the magazine full-time. To afford salaries means increasing revenues and the staff of *Spacing* needs to become more aggressive about making money and commit to putting more time, effort, and resources into revenue-generating activities. Fortunately, the means for *Spacing* to generate additional revenue is already in place (and, since I stepped down as the magazine's business manager, people are taking that aspect of the magazine more seriously).

The success of the recent subscriptions drive and the dramatic increase in ad sales revenue that resulted when the magazine had a dedicated ad director confirm that D.B. Scott was right to recommend that *Spacing* focus on these areas—and I feel that the potential for even greater revenue generation exists. Attracting more readers and converting newsstand buyers to subscribers would provide *Spacing* with a renewable source of increased income, one which would be especially welcome since the magazine receives a greater amount per-copy sold as part of a subscription than for a copy sold in a store. At present, *Spacing's* single-copy sales per issue outnumber its subscription copies, when newsstand sales typically make up only 17% of a Canadian magazine's sales, versus 83% from subscriptions. While having a high sell-through rate on the newsstand is desirable (and *Spacing's* sell-through rate of over 85% is well above the industry standard of 50%), it is a variable and vulnerable source of income for any magazine because periodicals are typically impulse purchases and their sales can be affected by something as big as a downturn in the economy or something as small as choosing the wrong colour for use on the cover. In addition, *Spacing* is not immune to the newsstand-access issues already discussed, including the competition posed by American titles and the shrinking number of retail outlets carrying magazines.

Fortunately, *Spacing's* online presence also has potential. The readership of the *Spacing Toronto* blog is large and its popularity keeps growing as word spreads that it is

essential reading for those interested in urban issues. At present, efforts to sell online advertising have been mixed but that avenue could, no doubt, be pursued more aggressively now that Spacing.ca regularly attracts 5,500 daily visitors. Cross-promotional opportunities also exist with *Spacing Montreal*, which has seen its audience grow from 400 daily visitors to over 1,400 since its official launch in September 2007.<sup>91</sup> In addition, *Spacing* has an e-newsletter mailing list with 3,500 subscribers and *Spacing's* Facebook group has 2,100 members.<sup>92</sup> These numbers suggest that more people are encountering and interacting with *Spacing* via the Internet than are buying the magazine on the newsstand or via subscription. Even if there is some overlap, there is still a sizeable community of interested readers inclined to also enjoy the print version of *Spacing*, and who could be convinced to subscribe or buy the magazine on newsstands (to that end, sidebar ads on the blog “recommend” subscriptions and subway buttons and link directly to the online store where these items can be purchased immediately).

There is also the possibility of deriving more revenue from the magazine itself. The cover price was increased with the most recent issue but adding another issue each year (as is planned for 2009) will have even more of an impact on *Spacing's* bottom line—both by directly increasing income from newsstand sales, subscriptions, advertising, and an additional launch party, and indirectly via the benefits that accompany the adoption of a more standard (for small magazines) quarterly publishing schedule. And beginning to accept donations from supporters and inviting private investment are other avenues to explore—ones that would not necessarily increase its staff's workload, which is important to take into consideration.

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<sup>91</sup> Blackett, *Spacing* website statistics spreadsheet, February 24, 2008.

<sup>92</sup> Blackett, E-mail message to author, February 24, 2008.

So while there is the possibility of *Spacing* being financially successful, I feel the human resources needed for the magazine to *achieve* that potential are lacking. To pursue the majority of the revenue-generation options already mentioned will require staff to work additional hours. One solution to the staff shortage on the business side of the magazine would be to streamline editorial activities to free up staff members to sell ads and promote subscriptions. But most of the people who currently work on the editorial side of the magazine are not skilled in these areas, nor are they keen to take on additional responsibilities (or they would have already volunteered to help out in this capacity), and rather than risk a drop in the quality of the magazine, especially once *Spacing* begins publishing four issues a year, it makes more sense to add dedicated business staff. Already needed are a business manager and ad director, whose hiring should be followed by a circulation manager (to manage subscriptions and newsstand distribution) and an individual to coordinate the sales, marketing, and distribution of *Spacing's* subway buttons. Right now, Matthew Blackett and Dale Duncan are handling all of these jobs but once the frequency of the magazine increases, their working hours should be focused exclusively on the production of new issues of *Spacing* given that their true talents lie in graphic design and editing, respectively.

Even with additional employees, though, the threat of staff burnout is still very real and should not be overlooked. I quit because of it and I worry that it could afflict other key *Spacing* staff members—particularly those who have been working on the magazine for almost five years without taking home a salary. Also, should efforts to raise *Spacing's* revenues succeed to the point where salaries can be paid, publishing a magazine three (and soon four) times a year and coordinating all of *Spacing's* ancillary projects is still be an overwhelming and potentially exhausting amount of work for a

tiny staff to carry out. To ensure its continued survival, *Spacing* must figure out how a small number of people can continue to accomplish great things on a shoestring budget and not get burnt out, which is perhaps the biggest challenge facing today's small magazines. Because no matter how passionate and energetic the individual, most people can only stay up late for so many nights in a row. I lasted two years; how long the rest of the staff at *Spacing* will last is to be determined. However, as long as passion fuels the publishing of the magazine and staff burnout is avoided, I believe that *Spacing* will last at least as long as *Cottage Life* has and continue to represent a Canadian small-magazine success story—in part, because it has already come so far and exceeded many people's expectations, including my own.

In any case, the staff of *Spacing* continues to push onwards. According to Blackett, *Spacing's* fifth-anniversary issue, titled "ThinkToronto" and scheduled for a fall 2008 publication, will see a re-design and a re-focus of the magazine's editorial sections, with a strong emphasis on increasing the percentage of advertising in the issue to at least 25%. Because the issue will feature the results of a design competition, editorial costs will be less than usual and an opportunity to solicit congratulatory advertising ("a possible cash cow") has been created—while simultaneously reaching out to Toronto's professional city-building community of architects, urban planners, landscape designers, and the like. It is a smart move for *Spacing* and one that suggests the magazine's staff have recognized and are embracing, at least subliminally, the goals and objectives I articulated last year for inclusion in *Spacing's* business plan. Supportive of the goal of building revenue from magazine sales, this issue will no doubt attract new readers (and hopefully promote subscription purchases at the same time), and revenue from advertising will also increase—at the same time as costs are cut because of the reduced amount of original editorial content needed. Taken as a whole,

this issue is a smart way for *Spacing* to increase sustainability by expanding the magazine's audience and bringing onboard new funders (in this case, advertisers). It also suggests recognition of the magazine as a business and acknowledgement of the necessity of capitalizing on its growth potential to guarantee its continued ability to publish. Or, as Blackett observed in a recent e-mail, "The issue is meant to signal the next stage of *Spacing*, entering adulthood, so to speak."<sup>93</sup> In the same way that young people who have moved out of their parents' home come to realize that they have to start paying their own way if they want to do anything thing, *Spacing* is growing up and figuring out how to do exactly that.

### ***Proof of the continued viability of magazine publishing in Canada***

Despite the challenges outlined in Part 1 of this report and the difficulties I encountered at *Spacing* (and those that the magazine still must counter), I believe there is hope for Canadian magazines—particularly for small publications. As Rowland Lorimer noted in his 2005 report on the B.C. magazine industry, magazine publishing in Canada is a "stable cultural industry" and one that seems to be "expanding with economic and population growth."<sup>94</sup> There are a number of factors behind this stability and expansion, which suggest that the forecast for magazine publishing in Canada is not as gloomy as some critics have suggested.

### **Marginal increase in magazine-reading and -buying among Canadians**

Between 2002 and 2006, the Print Measurement Bureau found that the average readers per copy ("the most reliable standard of magazine readership") for magazines in Canada rose from 5.1 to 5.5<sup>95</sup> while the number of magazine issues read by Canadians

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<sup>93</sup> Blackett. E-mail message to author, February 24, 2008.

<sup>94</sup> Lorimer, *Heterogeneous World*, 6.

<sup>95</sup> Print Measurement Bureau, *PMB 2007 Survey*.

rose from 6.3 to 6.4<sup>96</sup>. Also worth noting is that between 1997 and 2005, consumer spending on magazines and periodicals in Canada rose by 7% (while spending on newspapers decreased by 7% over the same period).<sup>97</sup>

### **Increase in readership of Canadian-produced titles**

Between 1998 and 2003, single-copy sales of Canadian magazines increased by 28% and their total circulation rose by 30%.<sup>98</sup> Currently, Magazines Canada estimates the market share of Canadian titles to be 41% of all magazines sold in Canada<sup>99</sup>—however, the organization feels it should and could be higher since it has been proven that Canadians have a preference for homegrown periodicals: 92% of the population feels that they “play a significant role in informing Canadians about each other,” 88% believe that it is important that editorial content be created specifically for them, and 90% feel that U.S. titles do not effectively cover Canadian issues.<sup>100</sup> These three findings highlight the cultural importance of the domestic periodical industry and which suggest that Canadians would buy more Canadian magazines, provided they could identify them. Therefore, it is not surprising that Magazines Canada’s 2002 “Genuine Article” national circulation and promotion program, which aimed to raise awareness about which magazines were in fact Canadian, caused sales of participating titles to increase, on average, by 6%<sup>101</sup>—proof that Canadians will buy more homegrown magazines if they can pick them out. This campaign continues today, with Canadian publishers encouraged to display the redesigned “Genuine Canadian Magazine” logo prominently on the covers of their publications.

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<sup>96</sup> Sutherland, “Words to the Wise,” 19.

<sup>97</sup> Hill Strategies Research, “Consumer Spending on Culture in Canada...”: 5.

<sup>98</sup> Own analysis of Statistics Canada *Periodical Publishing Survey*, 1998 and 2003/04 editions.

<sup>99</sup> Magazines Canada press release, January 8, 2007.

<sup>100</sup> Referenced without detailed attribution several times in various Magazines Canada publications.

<sup>101</sup> The average was 6%: larger circulation magazines gained 3%, mid-sized magazines 12%, and small magazines gaining 39% (*Taking Back the Rack*, 115).

### **Continual launching of new Canadian magazines**

In 1956, Canada had just 661 periodicals to call its own (which accounted for, by some estimates, fewer than 25% of all magazine titles circulating in the country) but ever since the 1965 O'Leary Royal Commission led to the introduction of measures to protect and promote the Canadian periodical-publishing industry, the number of magazines in Canada has increased every year—as has their market share (which was just 20% in 1965).<sup>102</sup> More recently, a 2005 Department of Canadian Heritage internal evaluation of the Publications Assistance Program discovered a 7% rise between 2002-03 and 2004-05 in the number of consumer magazines available in Canada, which is significant when compared to the change in the number of titles available in the U.S. (down 1.6%) and the United Kingdom (down 3.4%) during the same time period.<sup>103</sup> Canadian Heritage only examined change over a short time period but when one analyzes the data over 10 years, as Statistics Canada did, it becomes apparent that between 1993 and 2003, Canada registered a 62% increase in the number of consumer magazines.<sup>104</sup> Trend analysis for more recent years is not available, however, similar information can be gleaned from *Masthead*, which tracks magazine “starts and stops” in Canada and publishes its findings on an annual basis in its March/April issue. In 2004, the magazine-industry trade magazine reported that 139 new magazines launched, while in 2005 and 2006, the number of launches they counted was 85 and 71, respectively. And *Masthead* also found that the number of annual closures seems to be declining as well (from 50 closures registered in 2002 to 34 in 2004 to just 21 in 2006).<sup>105</sup>

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<sup>102</sup> Gray, *Production & Management of Small Magazines*, 4.

<sup>103</sup> Canadian Heritage, *Summative Evaluation of the Publications Assistance Program*, iv.

<sup>104</sup> Statistics Canada, “Periodical Publishing.”

<sup>105</sup> Shields, “Tally '06,” 11.

### **Revenues are up and the majority of Canadian magazines are profitable**

Between 1998 and 2003, there was an increase in industry revenues by 23%.<sup>106</sup> While it is not known how exactly periodical publishers are faring in more recent years, in its 2003-04 examination of the industry, Statistics Canada found that 62.5% of all Canadian magazines were profitable.<sup>107</sup> The profit margin for these magazines is just 10% on average, however, as *Globe & Mail* journalist James Adams pointed out in his 2005 article about charitable status for magazines, the success of magazines like *Chatelaine* and *Reader's Digest* proves that it is possible for homegrown titles to earn millions of dollars in profit annually and to attain circulation levels of over one million.<sup>108</sup>

Profitability of magazines is tied to ad sales and magazine advertising revenue growth has been outpacing TV and other media in Canada in recent years. Magazines Canada has been investing in campaigns to convince advertisers and media buyers of the value of advertising in magazines—as least as a secondary market. And it may be paying off: between 1998 and 2003, Canadian magazines experienced a 23% increase in revenue derived from advertising.<sup>109</sup>

### **Subscription sales are still strong in Canada**

Canadian magazines also continue to overcome the economic odds stacked against them on the newsstand by successfully taking advantage of Canadians' increased likelihood of buying magazines by subscription. In Canada, 83% of consumer magazine sales are by subscription versus just 17% at the newsstand (the opposite of Australia and the United Kingdom, where at least 89% of all magazines sold are newsstand sales).<sup>110</sup>

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<sup>106</sup> Own analysis of Statistics Canada *Periodical Publishing Survey*, 1998 and 2003/04 editions.

<sup>107</sup> Statistics Canada, *Periodical Publishing Survey: 2003/04*.

<sup>108</sup> Of course, the two magazines he mentions are very mainstream, general-interest periodicals; he points out that "the tricky part appears to be sustaining something with a circulation between 6,000 and 60,000." (Adams, "We want your tax dollars," R6.)

<sup>109</sup> Own analysis of Statistics Canada *Periodical Publishing Survey*, 1998 and 2003/04 editions.

<sup>110</sup> Abacus Circulation, *Taking Back the Rack*, 22.

### ***The small-magazine advantage***

Despite all of the difficulties they will face, Canadians start new magazines every year and the majority of them are small magazines, which can likely be attributed to the fact that it is easier and requires a smaller initial financial investment to launch one. *Masthead's* most recent annual survey of "stops and starts" found that of the 71 magazines launched in 2006, 13% had circulations of 5,000 or less, and 60% fell into the circulation category of 5,001-25,000 (up from 41% in 2005).<sup>111</sup> In fact, as *Masthead* observed, "small- and medium-sized publishers have always been responsible for more than 90% of all magazine starts,"<sup>112</sup> demonstrating that small magazines are the ones driving industry growth in Canada.

As discussed earlier, because they are not beholden to advertisers or other commercial interests as larger-circulation publications, small magazines are able to present cutting-edge work that might not otherwise be published. Also, as small businesses, there are fewer layers separating small-magazine publishers from their audiences, which means that publications of this size are able to establish a closer connection to their readership: at events, readers can mingle with the staff that produce the publication; at street fairs, they can buy the magazine directly from one of its editors; and, they can call the magazine's office directly to have subscription problems resolved. As noted in the *Keeping Readers* report, "personalized service is, for [small magazines], not merely a buzzword about customer management, but a daily operational reality"<sup>113</sup>—but one that works to their advantage in that it helps develop loyalty and a community of supportive readers.

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<sup>111</sup> Just 23% of all magazines launched last year started with circulations above 25,000. (Shields, "Tally '06," 14.)

<sup>112</sup> Shields, "Tally '06," 15.

<sup>113</sup> Abacus Circulation, *Keeping Readers*, 14.

Finally, while most magazine-industry infrastructure (postal rates, distribution channels, etc.) supports the needs of larger magazines, small magazines have some flexibility when it comes things like swapping advertising in exchange for the use of a venue for a launch party or negotiating direct-to-retail distribution arrangements. (For example, *Spacing* gets 90% of the cover price for copies sold at one Toronto music store to which it supplies magazines directly.) This flexibility also means they can employ creative revenue-generating strategies (such as selling one-inch buttons) and are thus not as reliant on advertising as bigger-budgeted magazines produced by multi-title publishing corporations.

Yet, even though the future of the magazine industry in Canada overall seems secure, and small magazines possess the survival skills needed, the production of individual titles year after year remains a challenge. To thrive, small-magazine publishers need passion and dedication but also common sense.

### ***Principles for successful small-magazine publishing***

Having looked closely at the challenges all Canadian magazines face, and witnessed the difficulties they can present to small magazines firsthand at *Spacing*, it would be misleading for me to suggest that publishing a small magazine in Canada is easy, however, for the reasons presented previously, I feel confident saying that the future of small-magazine publishing in Canada is bright. For instance, *THIS Magazine* may still be the work of just a handful of (paid) staff but the bimonthly magazine just celebrated its 40<sup>th</sup> anniversary—and *Spacing* could be similar success-story-in-the-making. For that reason and because I feel there are lessons to be learned from the magazine, I have distilled the knowledge and insight I gained at *Spacing* into 10 principles for successful

small-magazine publishing, which I present here as “food for thought” for current (and future) Canadian small-magazine publishers hoping to beat the odds themselves:

1. **Pay attention to history:** know why magazines commonly fail and what pitfalls to avoid.
2. **Find your niche and speak to it:** produce a high-quality editorial product, don't attempt to reach too many markets, and focus on your strongest subjects.
3. **Avoid financial fumbles:** hire an accountant, balance your chequebook, and pay taxes.
4. **Exercise smart growth:** don't have unrealistic expectations and don't expand too quickly, but do expand and take the time to plan out how to make it happen.
5. **Be competitive:** look at what other magazines are doing and figure out who your competitors are (and recognize that they may not always be other magazines).
6. **Use grants and private funding to your advantage:** don't rely on this source of income but, when the opportunity arises, take advantage of what is available to grow your business.
7. **Get the word out:** marketing, self-promotion, and advertising are all important and investing in these areas will pay off.
8. **Recruit allies and supporters:** figure out whom you can ask for financial support, who will buy subscriptions, and take on volunteers and interns.
9. **Play by the rules:** respect privacy regulations and advertising/editorial guidelines, don't abuse copyright, and understand the benefits of contracts.
10. **Be grateful:** thank everyone who is contributing to your continued ability to publish—whether or not you're able to pay them (but do that when you can).

If small-magazine publishers keep these principles at heart, and acknowledge the challenges of their industry, I believe it is possible for them to successfully (and viably) produce small-circulation periodicals in Canada today—and, for it to be a legitimate and rewarding career. To quote Colleen Seto, executive director of the Alberta Magazine Publishers Association, “While it may not be the glamorous life you envisioned, producing a glossy little number can be a pretty satisfying way to make a living.”<sup>114</sup>

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<sup>114</sup> Seto, “Editor’s Letter,” 5.

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## APPENDICES

### Appendix A: Situational Analysis of Spacing #1

SITUATIONAL ANALYSIS OF <i>SPACING</i> – SEPTEMBER 2005		
COMPANY		
<i>Organization and communication</i>		
Current situation and accomplishments	Positive aspects	Negative aspects
<ul style="list-style-type: none"> <li>• Handshake agreement regarding magazine ownership/shares</li> <li>• Bank account set up</li> <li>• Website, e-mail set up</li> <li>• Magazine cellphone</li> <li>• Post office box opened</li> <li>• Password-protected online bulletin board</li> <li>• Style guide</li> </ul>	<ul style="list-style-type: none"> <li>• Receipts kept for all purchases</li> <li>• Lots of communication between editors via e-mail</li> <li>• Regular editorial meetings</li> <li>• Online bulletin board used for editing, planning, archiving</li> </ul>	<ul style="list-style-type: none"> <li>• No formal business organization</li> <li>• Not a registered business</li> <li>• Not paying any taxes</li> <li>• No office</li> <li>• No supplies, equipment</li> <li>• No formal records, accounting</li> <li>• No budget or any real idea of revenues and expenses</li> <li>• No formal production schedule or fixed deadlines</li> </ul>
<i>Staff and management</i>		
<ul style="list-style-type: none"> <li>• Designated people handling design, circulation, ad sales</li> <li>• Six-member collective handling editorial side of magazine</li> <li>• Publisher/Creative Director makes most business decisions, sells ads, develops partnerships</li> <li>• No dedicated ad sales person</li> <li>• Part-time unpaid interns</li> <li>• Outsourced website managing</li> <li>• Outsourced button production</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated staff with passion, enthusiasm</li> <li>• No debts</li> <li>• Revenues covering expenses</li> <li>• Staff strengths in marketing, publicity, promotion, graphic design</li> <li>• Good editorial judgment</li> <li>• Lots of creativity, ideas generated by staff</li> <li>• Staff collaborates well</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of magazine-publishing experience among most staff</li> <li>• No full-time staff</li> <li>• All staff work on magazine in addition to other work</li> <li>• Staff preference for editorial/design work</li> <li>• No one wants to handle business matters</li> <li>• No job descriptions</li> <li>• Publisher/Creative Director has too many responsibilities</li> <li>• Circ Manager overburdened</li> <li>• No staff salaries</li> </ul>
<i>Products</i>		
<ul style="list-style-type: none"> <li>• Four magazines published to date; fifth issue in production</li> <li>• Subway buttons (all stations covered except Scarborough line)</li> <li>• Organized events (4/yr)</li> <li>• <i>Spacing Wire</i> blog on website</li> </ul>	<ul style="list-style-type: none"> <li>• Subway buttons are wildly popular and generate significant revenue for magazine</li> <li>• Organized events are well-attended and generate revenue</li> <li>• Blog increasing in popularity, driving traffic to website</li> </ul>	<ul style="list-style-type: none"> <li>• Magazine frequency is only 3x/year when standard is 4x/yr</li> <li>• Irregular publication schedule</li> </ul>
<i>Reputation, image</i>		
<ul style="list-style-type: none"> <li>• <i>Spacing</i> and its editors well known and liked among those familiar with the magazine</li> <li>• Seen as representing astute and politically aware (young) people</li> <li>• Reputation for editorial quality and innovation</li> <li>• Various awards and nominations for design, editorial</li> <li>• Buttons called “civic pride fashion statement of the year” by <i>National Post</i></li> </ul>	<ul style="list-style-type: none"> <li>• Good local media coverage (print, TV, radio)</li> <li>• Magazine taken seriously at Toronto City Hall</li> <li>• Awards and nominations draw attention to magazine</li> </ul>	<ul style="list-style-type: none"> <li>• Some people still confuse <i>Spacing</i> with Toronto Public Space Committee (TPSC)</li> <li>• Magazine and its issues not very well known by general public</li> <li>• Hard to shake reputation of “preaching to the converted”</li> </ul>

<b>COLLABORATORS</b>		
<b><i>Suppliers</i></b>		
<ul style="list-style-type: none"> <li>Up-and-coming writers, emerging illustrators, and photographers (contributors)</li> </ul>	<ul style="list-style-type: none"> <li>No trouble recruiting contributors who'll work for free</li> <li>Photobloggers are eager for exposure, photos not used by other magazines</li> <li>Well-known writers also occasionally contribute</li> </ul>	<ul style="list-style-type: none"> <li>Contributors mostly paid in-kind (free magazines, guest-listed for launches)</li> <li>Can't pay industry rates</li> <li>Use of inexperienced writers means more time spent editing</li> <li>Retaining contributors hard when not paid</li> </ul>
<ul style="list-style-type: none"> <li>PointOne Graphics (printing)</li> </ul>	<ul style="list-style-type: none"> <li>Economical and high quality</li> <li>Local (Etobicoke)</li> <li>Fast turn-around</li> </ul>	
<ul style="list-style-type: none"> <li>Crucial Pins (subway buttons)</li> </ul>	<ul style="list-style-type: none"> <li>Economical and high quality</li> <li>Local (Toronto)</li> <li>Fast turn-around</li> </ul>	
<ul style="list-style-type: none"> <li>Double Knot (website work)</li> </ul>	<ul style="list-style-type: none"> <li>Local (Toronto)</li> </ul>	
<b><i>Distributors</i></b>		
<ul style="list-style-type: none"> <li>National distribution contract signed with Magazines Canada where <i>Spacing</i> receives 45% of cover price of each copy sold (60 stores)</li> </ul>	<ul style="list-style-type: none"> <li>Access to national stores across Canada increases exposure, awareness</li> <li>Distributor sets draw, selects stores, sets copies/store</li> <li>Can participate in newsstand joint-marketing projects</li> <li>Unsold copies returned (can be sold as back issues)</li> </ul>	<ul style="list-style-type: none"> <li>Have to pay annual membership fee to Magazines Canada to access their distribution service</li> <li>Small number of copies distributed, esp. outside Ontario</li> <li>Payment for sales is very slow</li> <li>Slow to provide sales stats</li> </ul>
<b><i>Retailers</i></b>		
<ul style="list-style-type: none"> <li>Local house accounts serviced by circulation manager (12 Toronto stores)</li> </ul>	<ul style="list-style-type: none"> <li>Receive larger % of cover price for copies sold (as high as 90%)</li> <li>Most stores sell out</li> <li>Includes top-selling stores</li> <li>Easy to determine sales figures</li> </ul>	<ul style="list-style-type: none"> <li>Supplying stores is incredibly time-consuming</li> <li>Hard to determine draws so restocking is frequent</li> </ul>
<ul style="list-style-type: none"> <li>Stores serviced by Magazines Canada (60 retail outlets)</li> </ul>	<ul style="list-style-type: none"> <li>Magazines Canada handles placement, ordering, restocking</li> </ul>	<ul style="list-style-type: none"> <li>Not sure where <i>Spacing</i> is sold in other cities</li> </ul>
<ul style="list-style-type: none"> <li>Butterfield 8, Swipe Books, Pages, Ballenford Books on Architecture - Toronto stores selling subway buttons</li> </ul>	<ul style="list-style-type: none"> <li><i>Spacing</i> receives 75% of sale price from Pages</li> <li>Kind of people who frequent stores selling buttons are likely to be interested in <i>Spacing</i></li> <li>Several stores also stock the magazine</li> </ul>	<ul style="list-style-type: none"> <li>Supplying stores is time-consuming</li> <li>Only receive 50% of sale price from most stores</li> <li>Stores where buttons are sold are fairly specialized</li> <li>Buttons could be sold in more stores (others interested)</li> </ul>
<b><i>Funders</i></b>		
<ul style="list-style-type: none"> <li>Advertisers</li> </ul>	<ul style="list-style-type: none"> <li>Companies approaching magazine about advertising opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Little paid advertising</li> <li>Many free/contra ads</li> <li>No ad kit</li> <li>No ads sold on website</li> <li>Not a lot of repeat advertisers</li> <li>Narrow range of advertisers</li> <li>Ad pricing is low vs. other similar magazines</li> <li>Mostly local ads</li> </ul>

<ul style="list-style-type: none"> <li>Ontario Arts Council</li> </ul>	<ul style="list-style-type: none"> <li>As 2005-06 grant recipient, awarded \$10,000 in funding</li> </ul>	<ul style="list-style-type: none"> <li>Funding tied to <i>Spacing's</i> arts-related content</li> </ul>
<b>Alliances, Partners</b>		
<ul style="list-style-type: none"> <li>ERA Architects, sponsor of Toronto the Good party (May 2005)</li> </ul>	<ul style="list-style-type: none"> <li>Exposure to new audiences</li> <li>Financial support (\$1,000 donation)</li> </ul>	
<b>Allies and friends</b>		
<ul style="list-style-type: none"> <li>Toronto Public Space Committee, [murmur], LEAF, Coach House Books, others</li> </ul>	<ul style="list-style-type: none"> <li>Shared interests</li> <li>Support magazine</li> <li>Publicize events</li> <li>Source of story ideas</li> </ul>	<ul style="list-style-type: none"> <li>Still some confusion between Toronto Public Space Committee and <i>Spacing</i></li> </ul>
<ul style="list-style-type: none"> <li><i>Eye Weekly, Broken Pencil, Shameless, This Magazine, transittoronto.com</i>, others</li> </ul>	<ul style="list-style-type: none"> <li>Swap ads</li> <li>Shared contributors</li> <li>Shared interests</li> </ul>	
<ul style="list-style-type: none"> <li>Toronto Archives, Ryerson Urban Planning Dept., Humber College, others</li> </ul>	<ul style="list-style-type: none"> <li>Story ideas</li> <li>Historical photos</li> <li>Source of <i>Spacing</i> interns</li> </ul>	
<b>CUSTOMERS</b>		
<b>Market size and growth potential</b>		
<ul style="list-style-type: none"> <li>Magazine has 400 subscribers</li> <li>Issue #1 - 1,500 copies sold out</li> <li>Selling over 1,000 copies of each issue on the newsstand locally, plus 300 copies through Magazines Canada (#4)</li> <li>Total paid circ for most recent issue was 2,800 copies</li> <li><i>Spacing's</i> e-newsletter has 1,400 subscribers</li> <li>Print run = 3,000</li> </ul>	<ul style="list-style-type: none"> <li>Strong newsstand sales, especially through local stores (near 100% sell-through for house accounts, 85% for Magazines Canada)</li> <li>Theme issues broaden audience, attract readers</li> <li>Public events (WOTS, Canzine) raise awareness of magazine</li> <li>Circulation doubled since #1</li> <li>Distributing and selling 32% more copies through house retail accounts since Issue #1</li> <li>Back issue sales are steady</li> <li>Print run doubled since #1</li> </ul>	<ul style="list-style-type: none"> <li>Subscriptions only sold since June 2004</li> <li>Majority of magazine sales are single-copy sales</li> <li>Majority of newsstand sales happen in Toronto</li> <li>Only 400 subs, mostly Toronto</li> <li>Limited newsstand distribution outside Toronto (13% of print run)</li> <li>No demographic or psychographic info about subscribers or newsstand buyers</li> <li>Button buyers not always subscribers</li> </ul>
<ul style="list-style-type: none"> <li>Considerable revenue from buttons sold online, in stores, and at special events</li> </ul>	<ul style="list-style-type: none"> <li>Good tracking of sales of buttons via website and stores</li> <li>Excellent sales at all events</li> </ul>	<ul style="list-style-type: none"> <li>Subscribers don't always buy buttons</li> <li>Haven't been tracking event sales of buttons</li> </ul>
<b>Retail channels, buying process, pricing</b>		
<ul style="list-style-type: none"> <li>Subscriptions and single copies sold via website and at events</li> <li>Issue sales through 24 Toronto retailers and 56 stores nationally</li> <li>Subscription forms in magazine</li> <li>Catalogued by EBSCO (libraries)</li> <li>Magazine (\$6) and subscription (\$15/yr; \$29/2yrs) prices are affordable and competitive</li> <li>Discount off cover price for subs</li> <li>Single copies sold at discount at events (\$5 each, less for multiples)</li> </ul>	<ul style="list-style-type: none"> <li>Most sub sales via website</li> <li>All sales through website are recorded by Paypal system</li> <li>Variety of retail channels and payment options available to customers: credit cards (website), cash (stores, events), cheques (mail, events)</li> <li>US subscribers pay US funds</li> </ul>	<ul style="list-style-type: none"> <li>Credit card purchases not possible at events</li> <li>Paypal fees associated with online store are high and based on percentage of sale price</li> <li>Cash sales at events not tracked</li> <li>EBSCO orders paying old price for subscriptions</li> <li>No institutional sub rate</li> <li>No price set for bulk sales</li> </ul>

<ul style="list-style-type: none"> <li>• Buttons bought through website with credit card</li> <li>• Button cash sales at events</li> <li>• Buttons sold in 4 Toronto stores</li> <li>• Discount on single buttons and sets bought at events</li> </ul>	<ul style="list-style-type: none"> <li>• Website sales recorded by Paypal system</li> <li>• Sales through stores are tracked</li> </ul>	<ul style="list-style-type: none"> <li>• Credit card purchases not possible at events</li> <li>• Paypal fees associated with online store are high</li> <li>• Cash sales at events not tracked</li> </ul>
<b>Order-processing, fulfillment</b>		
<ul style="list-style-type: none"> <li>• Circulation Manager Lindsay Gibb processes and fills all subscription orders personally</li> <li>• Also personally delivers magazines to house accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Personal service for subs</li> <li>• Quick response to problems</li> <li>• Can restock stores quickly</li> </ul>	<ul style="list-style-type: none"> <li>• Paying full price for mailing subscriber copies</li> <li>• No Publications Mail number</li> <li>• Haven't applied for Publishers Assistance Program</li> <li>• Delay for subs bought at events</li> <li>• Irregular checking of mailbox delays mailed-in sub orders</li> <li>• Recurring problems with subscription fulfillment</li> <li>• Subscriber database in disarray, which makes it hard to respond to subscription queries/problems</li> <li>• Record-keeping lacking for house accounts</li> </ul>
<ul style="list-style-type: none"> <li>• Matthew Blackett processes, fills all button orders personally</li> <li>• Also delivers buttons to stores</li> </ul>	<ul style="list-style-type: none"> <li>• Personal service for buyers</li> <li>• Quick response to problems</li> <li>• Can restock stores quickly</li> </ul>	<ul style="list-style-type: none"> <li>• Button order fulfillment is very time-consuming</li> </ul>
<b>Marketing efforts</b>		
<ul style="list-style-type: none"> <li>• Buttons and new issues publicized to the 2,000 subscribers of TPSC e-newsletter and 1,400 subscribers to own</li> <li>• <i>Spacing</i> catalogued by EBSCO (library broker)</li> <li>• Products promoted on website</li> <li>• Promotional postcards</li> <li>• Staff business cards</li> <li>• Participation in events</li> <li>• Swap ads with other mags</li> <li>• Mailout to all 99 Toronto Public Library branches</li> <li>• Mags Canada directory listing</li> <li>• 50 copies of each new issue to media and press release to 100</li> </ul>	<ul style="list-style-type: none"> <li>• Web promos link to web store</li> <li>• Buttons promote magazine and vice-versa</li> <li>• Printed materials always include website address</li> <li>• Good reaction to magazine at Canzine, Word on the Street and specialized conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Not using any blow-ins</li> <li>• Only making one renewal effort for expired subscriptions</li> <li>• No promo campaigns to date</li> <li>• No media kit</li> <li>• Hard to judge effectiveness of expensive library campaign</li> </ul>
<b>Media, Publicity</b>		
<ul style="list-style-type: none"> <li>• 25+ print media mentions and extensive online media coverage</li> <li>• Awards</li> </ul>	<ul style="list-style-type: none"> <li>• Coverage is very positive</li> <li>• Online media link to website</li> <li>• Awards help raise awareness</li> </ul>	
<b>COMPETITORS</b>		
<b>Barriers to entry</b>		
<ul style="list-style-type: none"> <li>• <i>Eye</i> and <i>NOW</i>: alt-weeklies with similar audience, occasionally run articles on public space</li> <li>• <i>Toronto Life</i>: monthly magazine focused on city life, urban history</li> <li>• readingtoronto.com: blog writes on public space but more focused on culture and architecture</li> <li>• <i>Torontoist</i>, <i>blogTO</i>: blogs focusing on Toronto events, issues</li> </ul>	<ul style="list-style-type: none"> <li>• Media not that informed or interested in public space issues</li> <li>• No magazine competitors</li> <li>• Expensive to start a new print magazine</li> </ul>	<ul style="list-style-type: none"> <li>• National or Toronto-based copycat publication could emerge</li> <li>• <i>Spacing</i> has smaller circulation than print competitors</li> <li>• <i>Spacing</i> does not have same resources as <i>Toronto Life</i>, <i>Eye Weekly</i>, <i>NOW</i></li> </ul>

<ul style="list-style-type: none"> <li>• Buttons</li> </ul>	<ul style="list-style-type: none"> <li>• No real direct competitors</li> </ul>	<ul style="list-style-type: none"> <li>• TTC could produce own buttons</li> <li>• Copycat buttons possible</li> <li>• Buttons expensive to make</li> </ul>
<b>CLIMATE</b>		
<ul style="list-style-type: none"> <li>• 2,400 magazines in Canada, several hundred small magazines</li> </ul>	<ul style="list-style-type: none"> <li>• Federal government financial support for Canadian magazines: postage subsidies, grants</li> <li>• Provincial government financial support for Ontario magazines from Ontario Arts Council, Ontario Media Development Corporation: grants, project funding</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from US</li> <li>• Newsstand distro difficulties</li> <li>• High circ costs in Canada</li> <li>• Need ad revenue but hard to get</li> <li>• Most mags rely on subsidies</li> <li>• Big mainstream mags favoured</li> <li>• Unreliable revenue streams</li> <li>• Chance of subsidy programs being cut, funds reduced</li> </ul>

## Appendix B: Situational Analysis of Spacing #2

SITUATIONAL ANALYSIS OF SPACING – SEPTEMBER 2007		
COMPANY		
<i>Organization and communication</i>		
Current situation and accomplishments	Positive aspects	Negative aspects
<ul style="list-style-type: none"> <li>• Spacing Media incorporated and registered as an Ontario business</li> <li>• Downtown office leased in Centre for Social Innovation</li> <li>• Bank account set up</li> <li>• Website, e-mail set up</li> <li>• Phone system with voicemail</li> <li>• Shared fax machine, copier</li> <li>• Post office box</li> <li>• Passworded web bulletin board</li> <li>• Accounting software purchased</li> <li>• GST number for Spacing Media</li> <li>• Production schedule in use and fixed deadlines in place</li> <li>• Style guide</li> </ul>	<ul style="list-style-type: none"> <li>• Finances better organized: have sense of annual and per-issue revenues and expenses</li> <li>• Receipts kept for all purchases</li> <li>• Lots of communication between editors via e-mail</li> <li>• Regular editorial meetings</li> <li>• Online bulletin board used for editing, planning, archiving</li> <li>• Production schedule helps keep staff on deadline, magazine comes out when expected</li> <li>• Preliminary work done to set up electronic bookkeeping</li> <li>• Revenues covering expenses</li> <li>• No debts</li> </ul>	<ul style="list-style-type: none"> <li>• Set-up of electronic accounting system still in progress</li> <li>• Need to hire a bookkeeper</li> <li>• Have not paid any income taxes since incorporation</li> <li>• Have made two guesstimates at GST payments owing</li> <li>• No idea about whether should be collecting/paying sales tax</li> <li>• No annual budget</li> <li>• No per-issue budget</li> </ul>
<i>Staff and management</i>		
<ul style="list-style-type: none"> <li>• Defined staff roles</li> <li>• Eight-member collective handling <i>Spacing's</i> editorial side</li> <li>• Two editors do more than one job: Publisher/Creative Director and Executive Editor/Circulation Manager</li> <li>• Same two editors working almost full-time from office</li> <li>• Publisher/Creative Director makes most business decisions, sells ads, develops partnerships</li> <li>• No dedicated ad salesperson, circulation manager, button manager, business manager</li> <li>• Part-time unpaid interns</li> <li>• Outsourced website managing</li> <li>• Outsourced button production</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated staff with passion, enthusiasm</li> <li>• Staff have gained considerable magazine-publishing experience, have written/worked for other publications</li> <li>• Staff strengths in marketing, publicity, promotion, graphic design</li> <li>• Good editorial judgment</li> <li>• Lots of creativity, ideas generated by staff</li> <li>• Staff collaborates well</li> <li>• Some staff now interested in handling business matters</li> <li>• Staff paid a per-issue honorarium (\$300-\$400)</li> <li>• 15% commission paid on any ads sold</li> <li>• Dedicated ad salesperson helped increase ad sales</li> </ul>	<ul style="list-style-type: none"> <li>• No salaried full-time staff</li> <li>• All staff work on magazine in addition to other work</li> <li>• Staff preference for editorial/design work</li> <li>• Not much staff interest in handling business matters</li> <li>• No staff job descriptions</li> <li>• Executive Editor overburdened with subscriptions and Publisher/Creative Director overburdened by handling newsstand distribution and button orders - on top of regular job responsibilities</li> <li>• Recent resignation of Ad Director and Business Manager</li> </ul>
<i>Products</i>		
<ul style="list-style-type: none"> <li>• Eight magazines published to date; ninth issue in production</li> <li>• Regular <i>Spacing</i> publication schedule (Fall, Winter, Summer)</li> <li>• Subway buttons for all stations</li> <li>• Holiday gift packs</li> <li>• One-off 2007 calendar</li> <li>• Organized events (at least 4/yr)</li> <li>• Blogs: <i>Spacing Toronto</i>, <i>Spacing Montreal</i>, <i>Spacing Photos</i>, <i>Spacing Votes</i> (during elections only)</li> </ul>	<ul style="list-style-type: none"> <li>• Subway buttons are still popular and generate significant revenue for magazine (\$52,000 since Dec. 2004; over 80,000 sold)</li> <li>• Organized events are well-attended, generate revenue</li> <li>• Readers, subscribers, advertisers, retailers know when to expect new issues of <i>Spacing</i></li> <li>• 3 issues now sold out: Winter 2004, Summer 2005, and Fall 2005/Winter 2006</li> </ul>	<ul style="list-style-type: none"> <li>• Magazine frequency is only 3x/year when standard is 4x/yr</li> <li>• Resistance to upping frequency</li> <li>• Some back issues have sold out</li> </ul>

<b>Reputation, image</b>		
<ul style="list-style-type: none"> <li>• <i>Spacing</i> and its editors well known and liked among those familiar with the magazine</li> <li>• Seen as representing astute and politically aware (young) people and other groups concerned with public-space issues in Toronto</li> <li>• Good local media coverage of magazine and blogs</li> <li>• Magazine and blogs valued by organizations with city-improvement agendas</li> <li>• <i>Spacing</i> called "the public face of public space" by <i>Globe &amp; Mail</i></li> <li>• Many industry awards and nominations for magazine's design and editorial, also design awards for buttons, blog awards</li> <li>• Editorial quality and innovation recognized by industry with awards for editors</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Spacing</i> editors frequently called upon as experts, have become regular contributors to daily, weekly newspapers</li> <li>• Taken seriously at City Hall, especially by Mayor's Office</li> <li>• Editors and contributors are invited to join city advisory boards, assist with political campaigns, speak at conferences</li> <li>• General public more aware of magazine and its issues better thanks to media attention and awards, nominations</li> <li>• Reputation attracts advertisers</li> <li>• <i>Spacing</i> has developed own identity distinct from TPSC so less confusion</li> </ul>	<ul style="list-style-type: none"> <li>• Major media using blog and magazine as a source of story ideas, not always attributed</li> <li>• Challenge to maintain editorial independence and integrity</li> <li>• Do not want to be seen as a mouthpiece for any organization/agenda, need to be on the lookout for conflict of interest</li> </ul>
<b>COLLABORATORS</b>		
<b>Suppliers</b>		
<ul style="list-style-type: none"> <li>• Mix of up-and-coming and established writers, illustrators, and photographers (contributors)</li> </ul>	<ul style="list-style-type: none"> <li>• No trouble recruiting new contributors</li> <li>• Regular contributors loyal to magazine and work for low rates</li> <li>• Photobloggers loyal to <i>Spacing</i></li> <li>• Well-known writers are regular contributors/columnists</li> </ul>	<ul style="list-style-type: none"> <li>• Can't pay industry rates</li> <li>• Have to pay established writers more for their contributions</li> </ul>
<ul style="list-style-type: none"> <li>• PointOne Graphics (printing)</li> </ul>	<ul style="list-style-type: none"> <li>• Economical and high quality</li> <li>• Local (Etobicoke)</li> <li>• Fast turn-around</li> <li>• Now FSC-certified</li> </ul>	
<ul style="list-style-type: none"> <li>• Crucial Pins (subway buttons)</li> </ul>	<ul style="list-style-type: none"> <li>• Economical and high quality</li> <li>• Location is 5-minute walk from <i>Spacing's</i> new office</li> <li>• Fast turn-around</li> </ul>	
<ul style="list-style-type: none"> <li>• Double Knot (website work)</li> </ul>	<ul style="list-style-type: none"> <li>• Local (Toronto)</li> </ul>	
<ul style="list-style-type: none"> <li>• Centre for Social Innovation (office landlord)</li> </ul>	<ul style="list-style-type: none"> <li>• Very supportive of <i>Spacing</i></li> <li>• Subsidizing <i>Spacing's</i> rent</li> <li>• Meeting room access, other shared services/facilities</li> <li>• Likeminded organizations also lease space in CSI</li> <li>• Free storage for magazines</li> <li>• Office very centrally located</li> <li>• People can visit <i>Spacing</i> (to buy magazines, etc)</li> </ul>	<ul style="list-style-type: none"> <li>• People drop by at all times</li> </ul>
<ul style="list-style-type: none"> <li>• Kid Gloves (courier)</li> </ul>	<ul style="list-style-type: none"> <li>• Local</li> </ul>	

<b>Distributors</b>		
<ul style="list-style-type: none"> <li>Magazines Canada (national and local distribution – 60 stores)</li> </ul>	<ul style="list-style-type: none"> <li>Access to national stores across Canada increases exposure, awareness</li> <li>Have participated in successful newsstand joint-marketing projects – attracted new readers, generated new subscriptions</li> <li>Unsold copies returned (can be sold as back issues)</li> </ul>	<ul style="list-style-type: none"> <li>Have to pay annual membership fee to Magazines Canada to access their distribution service</li> <li>Small number of copies distributed, esp. outside Ontario</li> <li>Payment for sales is very slow</li> <li>Slow to provide sales stats</li> <li>Rumours that distribution is not profitable for Mags Canada and service could be cancelled</li> <li>Distributor sets draw, selects stores, sets copies/store – lack of control over national distribution</li> </ul>
<b>Retailers</b>		
<ul style="list-style-type: none"> <li>Four Toronto stores serviced by Matthew Blackett (magazines)</li> </ul>	<ul style="list-style-type: none"> <li>Receive larger % of cover price for copies sold (as high as 90%)</li> <li>Most stores sell out</li> <li>Includes top-selling stores</li> <li>Easy to determine sales figures</li> <li>Initial bulk delivery of magazines now done by courier</li> <li>Better handle on draws so restocking is less frequent</li> <li>Can walk magazines to Pages</li> <li>Can courier copies to other stores</li> </ul>	<ul style="list-style-type: none"> <li>Don't have resources to handle as many stores as would like – had to scale back (Magazines Canada handling those accounts now)</li> </ul>
<ul style="list-style-type: none"> <li>60 retail outlets serviced by Magazines Canada (magazines)</li> </ul>	<ul style="list-style-type: none"> <li>Magazines Canada handles placement, ordering, restocking</li> </ul>	<ul style="list-style-type: none"> <li>Not sure where <i>Spacing</i> is sold in other cities</li> <li>Can't track individual store sales or sales by city</li> </ul>
<ul style="list-style-type: none"> <li>Swipe Books, Pages, Ballenford Books on Architecture – Toronto stores serviced by Matthew Blackett (buttons)</li> </ul>	<ul style="list-style-type: none"> <li><i>Spacing</i> receives 75% of sale price from Pages</li> <li>Kind of people who frequent stores selling buttons are likely to be interested in <i>Spacing</i></li> <li>Two stores also sell magazine</li> <li>New merchandise intern should be able to increase stores where sold, better manage sales</li> </ul>	<ul style="list-style-type: none"> <li>Supplying stores takes time</li> <li>Only receive 50% of sale price from most stores</li> <li>Stores where buttons are sold are fairly specialized</li> <li>Buttons only sold in three stores since Butterfield 8 closed</li> <li>Could be sold in more stores</li> </ul>
<b>Funders</b>		
<ul style="list-style-type: none"> <li>Advertisers</li> </ul>	<ul style="list-style-type: none"> <li>Companies approaching magazine about buying ads</li> <li>More advertising than before</li> <li>Now have media kit</li> <li>New advertisers recruited</li> <li>Trying to sell ads on website</li> <li>Rate card has been adjusted</li> <li>Repeat advertisers</li> <li>Inserts and outserts sold to advertisers at premium price</li> <li>Broad range of advertisers</li> </ul>	<ul style="list-style-type: none"> <li>Mostly local ads</li> <li>Need to recruit new Ad Director</li> </ul>
<ul style="list-style-type: none"> <li>Ontario Arts Council</li> </ul>	<ul style="list-style-type: none"> <li>As 2007-08 grant recipient, awarded \$20,000 in funding (twice as much as last two years)</li> <li>Third year of funding in a row</li> </ul>	<ul style="list-style-type: none"> <li>Funding tied to arts content</li> <li>Application process for 2007-08 was tedious and lengthy</li> </ul>

<ul style="list-style-type: none"> <li>Ontario Media Development Corporation (Magazine Fund)</li> </ul>	<ul style="list-style-type: none"> <li>Awarded \$15,000 towards direct-mail subscriptions campaign (75% of total cost)</li> </ul>	
<b>Alliances, Partners</b>		
<ul style="list-style-type: none"> <li>ERA Architects, sponsor of Toronto the Good party</li> </ul>	<ul style="list-style-type: none"> <li>Exposure to new audiences</li> <li>Provided access to contact list for direct-mail subscriptions campaign</li> </ul>	
<ul style="list-style-type: none"> <li>City of Toronto, My Toronto video contest</li> </ul>	<ul style="list-style-type: none"> <li>Cross-promotional advertising, some money provided to <i>Spacing</i></li> </ul>	
<b>Allies and friends</b>		
<ul style="list-style-type: none"> <li>Toronto Public Space Committee, [murmur], LEAF, Coach House Books, Friends of Fort York, Gladstone Hotel, Drake Hotel</li> </ul>	<ul style="list-style-type: none"> <li>Shared interests</li> <li>Support magazine</li> <li>Publicize events</li> <li>Source of story ideas</li> <li>Co-sponsor events</li> <li>Venues for events</li> </ul>	
<ul style="list-style-type: none"> <li><i>Eye Weekly, Broken Pencil, Shameless, THIS Magazine, transittoronto.com, Torontoist, blogTO</i></li> </ul>	<ul style="list-style-type: none"> <li>Swap ads</li> <li>Shared contributors</li> <li>Shared interests</li> <li>Joint projects</li> <li>Event publicity</li> </ul>	
<ul style="list-style-type: none"> <li>Toronto Archives, Ryerson Urban Planning Dept., Humber College</li> </ul>	<ul style="list-style-type: none"> <li>Story ideas</li> <li>Historical photos</li> <li>Source of <i>Spacing</i> interns</li> </ul>	
<b>CUSTOMERS</b>		
<b>Market size and growth potential</b>		
<ul style="list-style-type: none"> <li>Magazine has 900 subscribers</li> <li>Selling over 1,000 copies of each issue on the newsstand locally, plus over 1,000 copies through Magazines Canada</li> <li>Total paid circ for most recent issue (#8) was 4,200 copies</li> <li><i>Spacing's</i> e-newsletter has 3,500 subscribers; Facebook group has 2,100 members</li> <li>Print run = 5,000 copies</li> </ul>	<ul style="list-style-type: none"> <li>Strong newsstand sales, especially through local stores (near 100% sell-through for in-house accounts, 95% for Magazines Canada)</li> <li>Theme issues broaden audience, attract readers</li> <li>Public events (WOTS, Canzine) raise awareness of magazine</li> <li>Circulation nearly tripled since first issue</li> <li>Steady back issue sales: three issues sold out to date</li> </ul>	<ul style="list-style-type: none"> <li>Majority of magazine sales are single-copy sales</li> <li>Majority of newsstand sales happen in Toronto</li> <li>Only 900 subs, mostly Toronto</li> <li>Limited newsstand distribution outside Toronto (3% of print run)</li> <li>No demographic or psychographic info about subscribers or newsstand buyers</li> <li>Button buyers are not always subscribers</li> </ul>
<ul style="list-style-type: none"> <li>Considerable revenue from buttons sold online, in stores, and at special events</li> </ul>	<ul style="list-style-type: none"> <li>Good tracking of sales of subway buttons through website and stores</li> <li>Excellent sales at all events</li> </ul>	<ul style="list-style-type: none"> <li>Subscribers don't always buy buttons</li> <li>Haven't been tracking event sales of buttons</li> <li>Don't have human resources to expand sales</li> <li>TTC has own buttons now</li> <li>Knock-off buttons also exist</li> </ul>

<b><i>Retail channels, buying process, pricing</i></b>		
<ul style="list-style-type: none"> <li>• Subscriptions and single copies sold via website and at events</li> <li>• Current issue sales through Toronto stores and across Canada</li> <li>• Sub forms printed in magazine</li> <li>• Catalogued by EBSCO (libraries)</li> <li>• Magazine (\$7) and subscription (\$15/yr; \$29/2yrs) prices are affordable and competitive</li> <li>• Discount off cover price for subs</li> <li>• Single copies sold at discount at events (\$5 each, less for multiples)</li> </ul>	<ul style="list-style-type: none"> <li>• Most subscription sales through website</li> <li>• All sales through website are recorded by Paypal system</li> <li>• Variety of retail channels and payment options available to customers: credit cards (website), cash (stores, events), cheques (mail, events)</li> <li>• US subscribers pay US funds</li> </ul>	<ul style="list-style-type: none"> <li>• Credit card purchases not possible at events</li> <li>• Paypal fees associated with online store are high and based on percentage of sale price</li> <li>• Cash sales at events not tracked</li> <li>• No institutional sub rate</li> <li>• No price set for bulk sales</li> <li>• Losing money on US and International subscriptions due to high mailing costs</li> </ul>
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<b><i>Order-processing, fulfillment</i></b>		
<ul style="list-style-type: none"> <li>• Dale Duncan processes and fills all subscription orders personally</li> <li>• Matthew Blackett delivers magazines to in-house accounts</li> <li>• Now have Publications Mail number and qualify for Publishers Assistance Program</li> <li>• Subscriber database better organized</li> <li>• Editorial collective pitches in to prepare subscriber mailouts</li> </ul>	<ul style="list-style-type: none"> <li>• Personal service for subs</li> <li>• Quick response to problems</li> <li>• Easy to respond to sub queries</li> <li>• Can restock stores quickly</li> <li>• Per-issue mailing costs for Cdn. addresses have dropped</li> </ul>	<ul style="list-style-type: none"> <li>• Mailout of subscriptions purchased at events often delayed</li> <li>• Irregular checking of mailbox delays mailed-in sub orders</li> <li>• Record-keeping lacking for house retail accounts</li> </ul>
<ul style="list-style-type: none"> <li>• Matthew Blackett processes and fills all button orders personally</li> <li>• Also delivers buttons to retail stores himself</li> </ul>	<ul style="list-style-type: none"> <li>• Personal service for buyers</li> <li>• Quick response to problems</li> <li>• Can restock stores quickly</li> </ul>	<ul style="list-style-type: none"> <li>• Button order fulfillment is very time-consuming</li> <li>• Orders sometimes forgotten, not filled in timely fashion</li> </ul>
<b><i>Marketing efforts</i></b>		
<ul style="list-style-type: none"> <li>• Buttons and new issues publicized to 3,500 subscribers to <i>Spacing's</i> e-newsletter and 2,100 members of Facebook group</li> <li>• <i>Spacing</i> catalogued with EBSCO (library broker)</li> <li>• Products promoted on website</li> <li>• Promotional postcards</li> <li>• Staff business cards</li> <li>• Participation in events</li> <li>• Swap ads with other magazines</li> <li>• Listed in Mags Canada directory</li> <li>• Magazines Canada-organized newsstand marketing and subscriptions campaigns</li> <li>• OMDC-funded subs campaign</li> <li>• Have a media kit</li> <li>• 50 copies of each new issue to media and press release to 100</li> </ul>	<ul style="list-style-type: none"> <li>• Website promos link directly to online store</li> <li>• Buttons promote magazine and vice-versa</li> <li>• All printed materials include website address</li> <li>• Good reaction to magazine at Canzine, Word on the Street and specialized conferences</li> <li>• Some new subscriptions generated through Mags Canada campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Not using any blow-ins</li> <li>• Only making one renewal effort for expired subscriptions</li> <li>• Only 14 Toronto libraries have purchased subscriptions</li> </ul>

<b>Media, Publicity</b>		
<ul style="list-style-type: none"> <li>• Too many print media mentions to count and extensive online media coverage</li> <li>• Awards</li> </ul>	<ul style="list-style-type: none"> <li>• Coverage is very positive</li> <li>• Online media link to website</li> <li>• Awards help raise awareness of magazine and other activities</li> </ul>	
<b>COMPETITORS</b>		
<b>Barriers to entry</b>		
<ul style="list-style-type: none"> <li>• <i>Eye</i> and <i>NOW</i>: alt-weeklies with similar audience, occasionally run articles on public space</li> <li>• <i>Toronto Life</i>: monthly magazine focused on city life, urban history</li> <li>• readingtoronto.com: blog concerned with public space but more focused on culture and architecture</li> <li>• <i>Torontoist</i>, <i>blogTO</i>: blogs focused on Toronto events, issues</li> </ul>	<ul style="list-style-type: none"> <li>• Most media not concerned with in public space politics</li> <li>• No magazine competitors</li> <li>• Expensive to start a new print magazine</li> </ul>	<ul style="list-style-type: none"> <li>• Media more aware of public space issues and politics</li> <li>• National or Toronto-based copycat publication could emerge</li> <li>• <i>Spacing</i> has smaller circulation than print competitors</li> <li>• <i>Spacing</i> does not have same resources as <i>Toronto Life</i>, <i>Eye Weekly</i>, <i>NOW</i></li> </ul>
<ul style="list-style-type: none"> <li>• Buttons</li> </ul>	<ul style="list-style-type: none"> <li>• No real direct competitors</li> <li>• TTC buttons are ugly</li> </ul>	<ul style="list-style-type: none"> <li>• Toronto Transit Commission now making own buttons</li> <li>• Copycat buttons exist</li> <li>• Button-manufacturing is cheap</li> </ul>
<b>CLIMATE</b>		
<ul style="list-style-type: none"> <li>• 2,400 magazines in Canada, several hundred small magazines</li> </ul>	<ul style="list-style-type: none"> <li>• Federal government financial support for Canadian magazines: postage subsidies, grants</li> <li>• Provincial government financial support for Ontario magazines from Ontario Arts Council, Ontario Media Development Corporation: grants, project funding</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from US</li> <li>• Newsstand distro difficulties</li> <li>• High circ costs in Canada</li> <li>• Need ad revenue but hard to get</li> <li>• Most mags rely on subsidies</li> <li>• Big mainstream mags favoured</li> <li>• Unreliable revenue streams</li> <li>• Chance of subsidy programs being cut, funds reduced</li> <li>• Federal Conservatives are forcing re-evaluation of all Dept. of Canadian Heritage programs</li> <li>• Canada Post threatening to change rates, programs for mags</li> </ul>

## ***Appendix C: Steps to Incorporating a Small Business in Ontario\****

### **Preliminary decision-making**

1. Choose a name that complies with corporation-naming conventions. If concerned about uniqueness of name, can do a preliminary name search of NUANS database and/or check Canadian and/or US Trademark database(s):
  - Canada:  
<http://strategis.ic.gc.ca/app/cipo/trademarks/search/tmSearch.do?language=eng>
  - USA: <http://tess2.uspto.gov/bin/gate.exe?f=tess&state=mnu4c4.1.1>
2. Choose a registered office, which should be your actual office or someone's residence (can't be a PO box or RR address)
3. Pick shareholders and decide on share allocation/allotment (one easy way is to have 100 shares, where the number of shares reflects percentage ownership)
4. Decide on number of directors and choose directors
5. Decide on number of officers and choose officers
6. Choose a fiscal year-end (December 31 is typical)

### **Making things legal**

1. Use an online incorporation service like [www.corporationcentre.ca](http://www.corporationcentre.ca) to do a corporate name search (NUANS Report type) and prepare and submit on your behalf the forms required to incorporate your business federally or provincially:
  - a. NUANS name search
  - b. Articles of Incorporation
  - c. Initiation Notice of Directors
  - d. Initial Notice of Registered Office
2. Use the Canadian Revenue Agency's "Business Registration Online" system located at <http://www.cra-arc.gc.ca/tax/business/topics/bn/bro/menu-e.html> to register for the following:
  - a. Federal Business Number (BN)
  - b. CRA programs
  - c. GST (if your annual revenue is \$30,000+)
  - d. payroll deductions (for Employment Insurance and Canada Pension Plan, if have employees on contract)
  - e. corporate income tax account (automatically created when you incorporate)
3. Also use the BRO system to register your business name with the Ministry of Consumer and Business Services in order to get a Master Business License and Business Identification Number.
4. Once you have a Master Business License and Business Identification Number, apply for these accounts:
  - a. Ontario Retail Sales Tax
  - b. Ontario Employer Health Tax
  - c. Ontario Workplace Safety and Insurance Board

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\* This information was collected in July 2006 and should be used for reference purposes only as it may be out of date.

### Follow-up paperwork

1. Draw up shareholder's agreement (if one is desired)
2. Purchase or produce appropriate number of share certificates
3. Call a meeting of the shareholders and directors at which:
  - a. The shareholders:
    - i. Adopt a general bylaw (or series of bylaws) to regulate the affairs of the corporation
    - ii. Elect the directors
    - iii. Adopt a shareholders' agreement (if one is desired)
    - iv. The directors then pass resolutions to:
      - v. Appoint officers to manage the corporation's day-to-day affairs
      - vi. Approve the share certificates
      - vii. Authorize the issuance of shares
      - viii. Set the fiscal year

*(NOTE: the above can be accomplished by the written consent of the shareholders: to do so, all the shareholders and directors need to sign and date the last page of the bylaw(s)/resolution(s) document)*
  - b. Each share certificate is signed by two officers and is either distributed to the shareowner or stored in the minutes book for safekeeping.
  - c. The appropriate registers are completed:
    - i. Securities register (alphabetically indexed list of share holders and their addresses and the number of shares held by each)
    - ii. Shareholder's ledger (chronological breakdown of share issuance/transfer/sale by each shareholder)
    - iii. Stock transfer register
    - iv. Directors' register (Register of all current and former directors, including names and residence addresses with date(s) of election)
    - v. Officers' register (Register of all current and former officers, including names and residence addresses with date(s) of appointment)
4. Set up banking or make adjustments to existing banking arrangements (according to resolutions, particularly with regards to signing authority and borrowing money on behalf of the corporation)
5. Set up or make adjustments to financial accounts and record-keeping
6. Purchase a minute book (a binder with loose-leaf works just fine) and insert:
  - a. Articles of Incorporation
  - b. Bylaws
  - c. Shareholders' Agreement (if one exists)
  - d. All minutes of meetings and resolutions of directors, shareholders, and any committee(s)
  - e. Securities register
  - f. Directors' register
  - g. Officers' register
  - h. Accounting records
  - i. Share certificates (or if certificates have been distributed, then a sample share)
  - j. Register of share transfers (if applicable)

Appendix D: Spacing Media Kit

# spacingmediakit

UNDERSTANDING TORONTO'S URBAN LANDSCAPE



2007 SMALL MAGAZINE OF THE YEAR  
2007 EDITOR OF THE YEAR

CANADIAN SOCIETY OF MAGAZINE EDITORS

# spacing

## ABOUT THE MAGAZINE

**Public space is at the heart of democracy. It's where people interact, teach, learn, participate, and protest.**

But environmental degradation, commercial self-interest, and infrastructure neglect have come to dominate our cities' streets. Fortunately, imaginative and passionate city-dwellers worldwide — and in Toronto in particular — appreciate the endless possibilities that cities can offer. They are resisting the co-option of their communities through random acts of beauty and intellect.

Inspired by these actions, we launched *Spacing* in December 2003 to cover the numerous political, cultural, and social issues affecting our lives in the public realm. The magazine has quickly become an integral, independent, and unique voice that brings to life the joys and obstacles surrounding Toronto's public spaces.

Toronto is a special place — we're excited by its people and its neighbourhoods, its sidewalks and its graffiti. *Spacing* is here to help our readers understand and take ownership of the city's urban landscape.



Matthew Blackett, Publisher of *Spacing*



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## WHAT TO EXPECT IN EACH ISSUE

*Spacing* is an award-winning magazine dedicated to presenting compelling journalism, thought-provoking essays, and gorgeous photography in a full-colour, beautifully designed package. Each issue of *Spacing* presents an abundance of creative ideas and insightful commentary from the city's brightest young writers and visual artists.

### THE CURIOUS CITY

The Curious City section is packed full of short pieces collected under four sub-section umbrellas. **Infrastructure Fetish** focuses on the history and function of the industrial items that keep the city running. **Come & Go** is a two-page feature highlighting local projects and initiatives that have raised our eyebrows, for good or ill. **Hidden Gems** uncovers the small parks and spaces that are often overlooked but can offer a quiet reprieve from city life. **City Hall with John Lorinc** is a column by one of Canada's leading urban affairs writers. This feature is accompanied by **Head Space**, a Q&A with one of Toronto's power brokers.

### INNER SPACE

The Inner Space section provides space for our writers to contemplate their unique experiences and interaction with the city in a series of personal essays and literary journalism pieces. The **Toronto Flaneur** column, a feature by *Spacing* associate editor Shawn Micallef, anchors this section — he wanders through a part of the city and retells snippets of its history. Previous article topics have included chess players outside the Metropolitan United Church, the railway tracks in Parkdale, the forgotten items left behind on park benches and roadsides, and the good old days of Etobicoke's motel strip.

### COVER SECTION THEME

In each issue, *Spacing* dedicates nearly half of the magazine's total page count to a cover section focusing on a specific topic of importance to Toronto. Our contributors delve into the unique details of this theme. The cover section "The History of Our Future" in *Spacing*'s Spring/Summer 2005 issue won Gold at the 2005 National Magazine Awards for Best Editorial Package. Previous themes have included the expansive world of outdoor public art, work and play in the public realm, the love-hate relationship Toronto has with its public transit system, plans for the city's future that were never realized, and the role of the pedestrian in the city.

### BACK SPACE

The Back Space section houses three repeated features: **Green Space**, a column focused on environmental topics or organizations; **Outer Space**, a two-page feature highlighting public space issues from around the world; our four-page **Reviews** section, where writers analyze and critique books, websites and gallery exhibits; and **Space Invaders**, the closing spread of the magazine, which profiles public art initiatives, interventions, and the people behind the ideas.



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## CIRCULATION & DISTRIBUTION

- Over 1,300 paid subscribers and growing with every issue!
- Sold by 29 retailers in Toronto and available at 70 stores across Canada\*
- Over 2,600 copies per issue sold on newsstands — 94% sell-through rate!\*\*
- Distributed by Magazines Canada, one of the nation's leading distributors
- Top-selling magazine at Pages Books & Magazines (over 600 copies per issue!)
- Also sold at a wide range of urban conferences, local cultural events, and festivals
- Unique landscape format encourages Spacing be placed on first row of newsstand
- Total circulation: 5,500 and increasing with each new issue!
- Single copy price: \$7 — Subscription cost: \$15/year, \$29/2 years

\* Readers can find stores through Spacing's website  
\*\* Magazines Canada distribution department

*"Spacing is the hottest new Canadian magazine we have seen at the newsstand in years. Sales — particularly in and around Toronto — have been blistering. Since the first issue, retailers and their customers have been clamouring for more more more."*

— Chris Chambers, Manager, Retail Accounts, Magazines Canada

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## ABOUT OUR READERS

*Spacing* appeals to Torontonians who have an optimistic outlook and who hold an imaginative view of the megacity. The magazine's readers and subscribers are progressive-minded urbanites. They range in age from 18 to 45, have a wide range of income and profession, but share a keen interest in city happenings, initiatives, and politics.

*Spacing* readers are socially active, media and technology savvy, appreciate the rich culture that Toronto offers, prefer to support local businesses whenever possible, and make many personal decisions through the lens of an environmentally conscious consumer.

The magazine's diverse readership includes:

- architects
- urban planners
- designers
- media industry professionals
- government staff & officials
- educators (university, college, high school)
- university & college students
- multimedia artists
- transit riders
- community activists
- educators
- local history buffs
- cyclists
- hikers

- Nearly 75% of *Spacing* subscribers live in Toronto, with 65% residing south of Eglinton, east of Jane, and west of Woodbine; 18% of subscribers live in the outlying regions of the GTA; and 7% of subscribers hail from out of province.
- Nearly 60% of *Spacing* subscribers live within a 15-minute walk or a 5-minute bike ride of a subway station.
- Over 85% of *Spacing* subscribers signed-up through our website using PayPal.

"I love living in a city that has *Spacing* as a magazine."

*Ron Mann, film director and producer of Co Further, Grass, and Comic Book Confidential*

"I am writing to let you know how much I enjoy *Spacing*. Very nicely designed, wonderful imagery, well written, and beautifully printed."

— new reader Ron Cillizza

"I enjoy your magazine immensely. Every time I pick one up I learn something about which I've always been curious. I thought I was the only one who noticed or wondered about such nuances as sidewalk etchings, or bricks laid only on east-west streets, or subway fonts. Thank you for keeping me company and keep it up."

— subscriber Sean Rubin

"I just want to thank you for such an amazing magazine. I'm a Torontonian by nature, currently living in Ottawa (Psniffle?) and *Spacing* is to me all the spirit of Toronto as I knew it and wanted it to be."

— subscriber Kim Granville



NANCY KLEIN SPEAKS AT SPACING'S LAUNCH • DEC 2003



ATTENDEES CHECK OUT INVITED PERFORMERS AT OUR 2ND RELEASE PARTY AT THE EL MOCAMBO • DEC 2004



ATTENDEES POOL OVER SPACING'S WAPPING CHALLENGE AT TORONTO THE GOOD • MAY 2005



DAVID MILLER SPEAKS AT SPACING'S HUMANITAS EVENT 25 YEARS WITHOUT THE SPADINA EXPRESSWAY • JUNE 2006

# spacing

## EVENTS & PARTNERSHIPS

Part of *Spacing's* mandate is to be an active member of the city. Outreach to our readers and the greater public increases awareness of the magazine and the issues that *Spacing* covers. We host events throughout the year to coincide with the release of each new issue and we also participate in numerous urban conferences and arts and culture festivals.

### RELEASE PARTIES

The release of each issue of *Spacing* offers the opportunity to throw a party and invite subscribers and readers. The magazine hires a local DJ or band, and programs the evening with activities related to the theme of each issue. These parties usually attract over 300 people and have been held at legendary local establishments such as the Gladstone Hotel, El Mocambo, Arts & Letters Club, and the recently closed 360 Legion Hall on Queen Street West.



### TORONTO THE GOOD

*Spacing* has co-hosts and programs *Toronto The Good*, an annual event held since 2003 in partnership with ERA Architects and the [murmur] project. The event is held every May in conjunction with the City of Toronto's Festival of Architecture & Design. We've averaged nearly 600 people to each event (held at the Fermenting Cellar in the Distillery District and Historic Fort York). We strive to bring together each partner's respective sphere of influence and invite them into untraditional places not often visited by the general public.



### PUBLICITY

In the spring of 2005, *Spacing* presented a six week photo gallery exhibit that showcased the work of seven of Toronto's top photobloggers. Organized and curated by *Spacing*, **PUBLICity** was the first exhibit in Canada to focus solely on the work of photographers documenting their daily interactions with the city through digital photography and personal websites. The show at the Toronto Free Gallery featured Sam Javanrouh, Matt O'Sullivan, Rannie Turingan, Gayla Trail, Adam Krawesky, Jonathan Day-Reiner, and Davin Risk, all of whom contribute regularly to *Spacing* and own some of North America's most popular photoblogs.



### IN TRANSIT

This gallery show took place over a five week period in the winter of 2006. *In Transit* focused on images of Toronto's transit system. With over 25 participants, the exhibit brought together paintings, photography, and film focusing on the life of Toronto's subways, streetcars, and buses.



### TORONTO'S HUMANITAS FESTIVAL

June 3rd, 2006 marked the 35th anniversary of the cancellation of the Spadina Expressway. The highway's demise is one of the most seminal events to have shaped Toronto in the last 50 years. In partnership with the **Humanitas Festival**, *Spacing* brought together the neighbours, community activists and politicians who stopped the construction to celebrate life without the expressway. The garden party was held at the historic Spadina Museum, an architectural gem that would have been destroyed by the expressway's path. The day's speakers included Mayor David Miller and local TV journalist (and current city councillor) Adam Vaughan.



### PUBLIC SPACE INVADERS

Since 2005, *Spacing* hosts the annual **Public Space Invaders** film night at the Drake Hotel's Underground. Each year attracted up to 200 people and showcased short films, documentaries, and videos about Toronto's public spaces.



### SPACING SPONSORSHIP

*Spacing* also regularly sponsors events in line with the magazine's philosophy and/or related to topics covered by the magazine. For example, *Spacing* was a co-sponsor of the launch party and panel discussions for *u7Opia*, an anthology published in November 2005 by Coach House Books that features a number of essays and illustrations by *Spacing* contributors. **Partner Organizations:** The City of Toronto, Ryerson City Builder Program, Humber College, Harbourfront Centre, Coach House Books, Urban Explorations, Toronto Free Gallery, Toronto Society of Architects, Wireless Toronto, Live With Culture, Mansfield Press. **Sponsored Events:** Word on the Street, Doors Open, Festival of Architecture and Design, Humanitas Festival, Digifest, Scream in High Park. **Want to team up with Spacing?** Contact *Spacing's* publisher Matthew Blackett to discuss possibilities.

# spacing

## MEDIA ATTENTION

Since the magazine's first issue was released in December 2003, *Spacing* has been recognized over and over again as playing a key role in initiating discussions about the state of the Toronto's urban landscape. The magazine continues to attract new readers, media attention, and critical acclaim as it raises awareness of the importance of public space to public life.

*Spacing* is frequently referenced or called upon to comment by local and national media outlets whenever the discussion turns to the issues surrounding the public realm of Toronto. Publisher Matthew Blackett and Associate Editor Shawn Micallef are regular guests on Toronto television shows and radio programs. The magazine is often showcased for its Toronto subway station button collection (over 80,000 buttons have been sold since December 2004).

Locally, *Spacing* has been featured prominently in the *Toronto Star*, *Toronto Sun*, *Eye Weekly*, *NOW*, *Metro*, *24 Hours*, *Dose*, and *Ryerson Review of Journalism*. *Spacing* editors have also made appearances on CP24 and City TV, CBC Radio's *Metro Morning* and *Here and Now*, AM640, CFRB 1010, CIUT 89.5, CKLN 88.5, and Rogers TV's *Toronto Living*.

At the national and international level, the magazine has been profiled in the *Globe and Mail*, *National Post*, *Maclean's*, *Matthead*, *Azure*, *Utne*, *Applied Arts*, *HOW Design*, *Coupe*, the Holland-based magazine *Ode*, and the Wales-based publication *The Statesman*. The magazine has also been featured on Newsworld, Global National News, Book TV, MuchMusic, and MTV Canada.

**"Spacing...is a joyful rebellion. Read it, support it – the city is better for it."**  
— Lisa Rochan, *Globe and Mail*

**"The civic pride fashion statement of the year."**  
— *National Post* on *Spacing's* subway station buttons

**"Spacing is an innovative magazine that makes you believe in a better Toronto."**  
— *Toronto Star*

**"Spacing...exudes a real love of the local and offers charming odes to city life experiences that are usually ignored by the rest of the media."**  
— *Eye Weekly*

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## AWARDS

- Spacing was named the **2007 Canadian Small Magazine Of The Year** by the Canadian Society of Magazine Editors.
- Spacing's Matthew Blackett and Dale Duncan were named **2007 Editor Of The Year** by the Canadian Society of Magazine Editors.
- Spacing's Matthew Blackett received a **2007 Urban Leadership Award** from the Canadian Urban Institute for founding Spacing and creating a forum for discussion on a city building issues.
- Spacing received a **2006 Heritage Toronto Award** for creating a unique publication that focuses on Toronto's architectural heritage and urban design.
- Spacing received the 2005 National Magazine Award for **Best Editorial Package** for its "The History of Our Future" issue (Spring/Summer 2005, #4) over magazine heavyweights *Saturday Night*, *Report on Business*, and *Canadian Geographic*, among other nominees.
- The readers of Toronto's *Eye Weekly* chose Spacing's daily blog the **Spacing Wire** as the **Best Local Blog of 2005**.
- In September 2005, Spacing's subway button collection placed 3rd in the **Top 5 "Wearable" Self-Promotion Items of 2005** presented by *HOW Design* magazine.
- In October 2005, *Coupe* design magazine also showcased the subway button collection as one of 2005's **top design items**.
- In January 2005, the issue "Everyone is a Pedestrian" (Spring/Summer 2004, #2) was awarded the **Best Single Issue Design** by *Applied Arts* magazine.

## NOMINATIONS

- Spacing was nominated for a 2006 National Magazine Award for **Best Editorial Package** for its "What Kind Of City Do You Want?" issue (Fall 2006, #7).
- Spacing was nominated for a 2006 Canadian Newsstand Award for **Best Newsstand Issue, small magazine** for its "What Kind Of City Do You Want?" issue (Fall 2006, #7).
- In December 2006, Spacing was nominated for **Best Local Coverage** and **Best Design** in *Utne* magazine's 2006 Independent Press Awards.
- Spacing was nominated for a 2005 Canadian Newsstand Award for **Best Newsstand Issue, small magazine** for its "The History of Our Future" issue (Spring/Summer 2005, #4).
- In December 2004, Spacing was nominated for **Best New Title** in *Utne* magazine's 2004 Independent Press Awards.

Spacing's Dale Duncan (left) and Matthew Blackett (right) receive the 2007 Small Magazine of the Year and Editor of the Year awards, June 2007.



# spacing

WWW.SPACING.CA

Spacing.ca is the online companion to the printed magazine and the website has quickly become one of the most popular online destinations for Toronto residents.

The Spacing website aims to increase the magazine's brand presence and to promote awareness of the publication by featuring:

#### Daily blogs:

- Spacing Toronto (a news blog about public space issues updated daily by Spacing editors)
- Spacing Montreal (launching Sept. 2007, a daily news blog written by Spacing's Montreal correspondents)
- Spacing Photos (a blog that features a new photo each weekday)
- Spacing Votes (a blog that covers elections — all three levels — and how election issues relate to Toronto)

#### Promotion of printed magazine:

- A secure online store for purchasing the current issue of *Spacing*, 3-issue and 6-issue subscriptions, and transit buttons (with payment through PayPal).
- A page highlighting the current issue's contents and contributors.
- Select articles and features from previous issues. Sold out issues go entirely online once last copy is sold.
- A list of Toronto retailers carrying *Spacing*.
- A page to sign-up for *Spacing*'s free monthly e-mail newsletter (over 2,700 subscribers)
- Information for upcoming *Spacing* events

In January 2006, the readers of *Eye Weekly* chose the Spacing Wire as the Best Local Blog of 2005.

With the Fall 2007 launch of our new daily blogs of Spacing Montreal and Spacing TV, daily visits will be sure to rise significantly.



SPACING || 415 Spadina Ave., Centre for Social Innovation, Suite 412, Toronto ON, M5T 2E2 || [www.spacing.ca](http://www.spacing.ca) || [info@spacing.ca](mailto:info@spacing.ca) || 416-544-1017

## Appendix E: Spacing Rate Card



# spacing

## ADVERTISING RATES & SPECS

### INSIDE THE MAGAZINE (all ads are full colour)

SIZE OF AD	1 ISSUE	2 ISSUES	3 ISSUES
DOUBLE PAGE SPREAD	\$1,480	\$1,440	\$1,400
FULL PAGE	\$800	\$780	\$760
HALF PAGE	\$460	\$450	\$440
THIRD PAGE	\$350	\$340	\$330
QUARTER PAGE	\$280	\$270	\$260

### PREMIUM AD PLACEMENT

SIZE OF AD	1 ISSUE	2 ISSUES	3 ISSUES
OUTSIDE BACK COVER	\$1,000	\$975	\$950
INSIDE FRONT/BACK COVER	\$960	\$930	\$900

**BLEED PAGES:** No extra charge. Please use .25" bleed on all ads

### INSERTS & OUTSERTS (minimum 1,500 pieces)

Distribute your existing sales pieces, promotional materials (brochures, flyers, etc.) or pre-printed inserts into Spacing for maximum exposure. Or even better, customize your campaign to Spacing's unique and sophisticated readership.

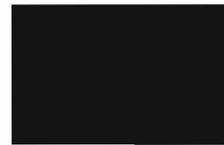
SIZE OF AD	1 ISSUE	2 ISSUES	3 ISSUES
2 PAGE INSERT	\$500	\$450	\$400

- Any insert over two pages costs \$200 per page;
- Prices do not include insertion cost (TBD upon contract signing)

### SPECIFICATIONS & MATERIALS ACCEPTED

- We will only accept ads in the following formats:  
.tif (Photoshop) .eps (Illustrator), .pdf (Acrobat or Illustrator)  
*If submitting files in Illustrator format, please supply fonts for Mac and make sure fonts are in "outline".*
- Resolution: 300 DPI
- Please FTP ads to: ftp.spacing.ca • USER: photos@spacing.ca PW: spacing

FULL PAGE 11" x 8.5"



BACK COVER 11" x 6.7"



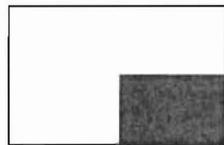
HALF PAGE 5.2" x 8.5"



THIRD PAGE 3.1" x 8.5"



QUARTER PAGE 5.2" X 4.25"



***Appendix F: Spacing Media Inc. Business Plan***

**Spacing Media Inc.**

**BUSINESS PLAN**

**February 2007**

*NOTE: The contents of this document are proprietary and confidential. It is not to be reproduced nor distributed without the written permission of Spacing Media Inc.*

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## EXECUTIVE SUMMARY

Spacing Media is a registered Ontario corporation based in Toronto, Ontario, Canada. The company's mission is to draw attention to the importance of public space in urban environments and to increase appreciation among urbanites of the endless possibilities cities possess. Spacing Media's primary business is publishing *Spacing*, a thrice-yearly paid-circulation magazine on urban issues in Toronto, which is produced by an editorial collective made up of the company's six owner/directors and four additional staff members.

The founders of *Spacing* felt that Toronto needed a publication that would discuss metropolitan issues like cycling, transit, pedestrianism, public art, city-planning, and development, which they felt were not being given the media attention they deserved. They also strongly believed that there were other Torontonians who felt the same way. It turns out they were right on both counts: the first primarily black-and-white issue of *Spacing* sold out its entire 1,500-copy print run within a month of being published in December 2003.

Today, *Spacing* is an award-winning, full-colour magazine with nearly 800 subscribers, who pay \$15 for a one-year, three-issue subscription or \$29 for two-year, six-issue subscriptions, which they have purchased at special events or through Spacing Media's secure online store. *Spacing* also sells incredibly well on the newsstand, with an unheard-of 98% sell-through rate in Toronto and 87% nationwide. Total paid circulation for *Spacing*'s most recent issue (Issue #7, published in September 2006), was just under 4,000 copies. However, newsstand copies outsell subscription copies by a ratio of 3:1, and a further several hundred copies of each issue are sold at launch parties and special events, so there is a huge potential to grow subscriptions simply by converting single-copy buyers to subscribers. In doing so and by also initiating other circulation-marketing strategies, Spacing Media should be able to achieve its goal of *Spacing* having 4,000 subscribers within three years.

Advertisers have also embraced the magazine, and with every issue, more advertising is being sold. Since the hiring of a dedicated ad salesperson (paid on commission), the value of ads sold has more than tripled from its previous high of \$1,950 for Issue #6 to a projected \$6,935 in ads sold for Issue #8, forthcoming in February 2007.

Magazine publishing is not the only source of revenue for Spacing Media. A series of ancillary products have also been very popular, in particular a series of iconic one-inch buttons representing Toronto's 73 subway stations and Scarborough RT stops. Designed by *Spacing*'s creative director, they have been called "the civic pride fashion statement of the year" and, as of December 2006, over 62,000 of these buttons have been sold, representing nearly \$40,000 in revenue for the company.

Spacing Media markets *Spacing* and its ancillary products through a variety of means, namely through the organization and sponsorship of special events, and through its multi-faceted website, Spacing.ca, which is quickly becoming a hub for information about public space issues unto itself due to its hosting of the increasingly popular *Spacing Wire* and *Spacing Photos* blogs (the website receives some 90,000 unique visitors a month). Since the first issue of *Spacing* was published in December 2003, the magazine has been recognized again and again as playing a key role in initiating discussions about the issues defining Toronto's urban landscape. *Spacing* continues to attract new readers, media attention, and critical acclaim as it raises awareness of the importance of public space to public life.

Currently, Spacing Media pays all staff a small per-issue honorarium, with the exception of the ad sales person who is paid on commission; *Spacing's* contributing writers, photographers, and illustrators are also all paid for their work published in the magazine. Spacing Media's primary objective for 2007 is to maintain its current revenue levels of approximately \$75,000 to fund its magazine-publishing activities and also cover the cost of rent for the new office it takes occupancy of in February. However, the company would like to increase its revenues this year so that by the end of December, it could afford to pay a small salary to at least one full-time staff member and up to three part-time staff. Within three years, Spacing Media would like to move *Spacing* to a quarterly publishing schedule and, pending the receipt of funding to do so, establish an internship program that would see *Spacing* editors instructing and mentoring program participants in the coverage of City Hall politics and municipal issues. The company would also like to increase the rates payable to *Spacing* contributors and to be able to pay all editors working on the magazine a small salary.

## BUSINESS OVERVIEW

### *History*

*Spacing* magazine was conceived in Fall 2002 by a group of young activists, then-members of the Toronto Public Space Committee (TPSC), who felt that Toronto needed a publication to address urban issues like cycling, transit, pedestrianism, public art, city-planning, and development, which they felt were being repeatedly overlooked or insufficiently addressed by local media. Over the following year, Matthew Blackett, Dale Duncan, Lindsay Gibb, Todd Harrison, Todd Irvine, Micheline Lewis, Dave Meslin, and Dylan Reid developed the magazine's editorial concept, defined their roles, recruited contributors, and organized fundraising events. Their efforts culminated in the publication of the first issue of *Spacing* on December 3, 2003.

Following the release of that initial issue, *Spacing*'s masthead changed somewhat as certain individuals chose to discontinue or limit their editorial involvement with the magazine and new editors came onboard. Therefore, for historical purposes, *Spacing*'s "founding editors" are considered to be: Matthew Blackett, Anna Bowness, Dale Duncan, Lindsay Gibb, Shawn Micallef, and Dylan Reid. *Spacing* is now produced completely independently of the Toronto Public Space Committee and the company that publishes the magazine has no affiliation with the TPSC, though it remains on friendly terms with the organization.

### *Company Profile*

Spacing Media Inc. grew out of the magazine-publishing collective made up of the six founding editors of *Spacing*: Matthew Blackett, Anna Bowness, Dale Duncan, Lindsay Gibb, Shawn Micallef, and Dylan Reid. The partnership was registered as a business and incorporated in the province of Ontario in July 2006, with the aforementioned individuals recognized as its legal owners, issued shares according to prior agreement, and installed as its directors.

#### **BOARD OF DIRECTORS AND OWNERSHIP BREAKDOWN**

- Matthew Blackett, *President (Chair)* 30 shares
- Dale Duncan, *Secretary/Treasurer* 14 shares
- Anna Bowness, *Director-at-Large* 14 shares
- Lindsay Gibb, *Director-at-Large* 14 shares
- Shawn Micallef, *Director-at-Large* 14 shares
- Dylan Reid, *Director-at-Large* 14 shares

#### **LOCATION AND FACILITIES**

Spacing Media is based in Toronto, Ontario, Canada. On February 1, 2007, the company will take occupancy of a small office in the Centre for Social Innovation, on the 4<sup>th</sup> floor of 215 Spadina Avenue. This office will serve as its main base of operations, providing workspace for editors and interns and housing all company records, however some off-site storage for back issues of *Spacing* will be retained.

## **Mission**

The mission of Spacing Media is to draw attention to the importance of public space in urban environments and to instill in city-dwellers worldwide—and in Toronto in particular—an appreciation of the endless possibilities that cities offer so that they will be compelled to take ownership of the urban landscape that surrounds them and inspired to participate in city life.

## **Products and Business Activities**

### **SPACING MAGAZINE**

The primary “product” of Spacing Media is an award-winning, glossy, full-colour, paid-circulation magazine published three times a year since December 2003. Seven issues have been published to date, with Issue #8 forthcoming in February 2007. Single copies sell for \$6 and one-year subscriptions are \$15. Distributed across Canada, *Spacing* sells extremely well on newsstands in Toronto, and also hundreds of dedicated subscribers (797 and growing). The revenue from newsstand, subscription, and special event sales, combined with a moderate amount of revenue from ad sales, has meant the magazine’s production costs have been covered since the first issue. In addition, *Spacing* has been recognized with several awards, including a 2005 National Magazine Award for “Best Editorial Package.” (For additional information on *Spacing*, please see the “Magazine Concept and Editorial Structure” section of this business plan.)

### **SPACING.CA WEBSITE**

The online companion to *Spacing* promotes awareness of the magazine and helps to extend its brand presence. Host of the *Spacing Wire* and *Spacing Photos*, two daily blogs added in June 2005 that provide news, links, analysis, and photography tied to urban issues in Toronto and around the world, the website has quickly become one of the most popular online destinations for Toronto residents. During the 2006 municipal election, the *Spacing Wire* spin-off blog *Spacing Votes* became a central source for campaign coverage and discussion of election issues. At the end of December 2006, Spacing.ca was attracting nearly 90,000 visitors a month, averaging nearly 250,000 page views in that same time period. (For additional information on Spacing.ca, please see the “Marketing and Promotions” section of this business plan.)

### **SUBWAY BUTTONS**

The 73 one-inch buttons in this collection visually capture the iconic and distinctive tiles of each of Toronto’s subway stations and Scarborough RT stops. Since being launched in December 2004, nearly 62,000 buttons have been sold just through select Toronto stores and Spacing.ca’s online store—and thousands more at special events. Prices range from \$1.00 for a single buttons purchased at an event to \$49 for a set containing all 73 buttons. Having generated upwards of \$40,000 in revenue for Spacing Media, these buttons remain the company’s most successful ancillary product to date. (For additional information on the subway buttons, please see the “Marketing and Promotions” section of this business plan.)

### **2007 SPACING CALENDAR**

In December 2006, Spacing Media printed a small calendar featuring original photography from *Spacing*. Copies were put on sale for \$7.99 at three Toronto stores, and for \$10 (including postage) through Spacing.ca’s online store; a copy was also included in each Holiday Gift Pack. Extra copies remaining at the end of January 2007 will likely be given away or sold at a discounted rate at upcoming events. (For additional information, please see the “Marketing and Promotions” section of this business plan.)

### **HOLIDAY GIFT PACKS**

In December 2005, and again in December 2006, Spacing Media packaged together several issues of *Spacing* in a Toronto Transit Commission route map and sold these “gift packs” for \$18 and \$20, respectively, at Pages Books & Magazines. The 2005 edition contained four issues of the magazine, while the 2006 version contained three issues plus a *Spacing* 2007 calendar. (For additional information, please see the “Marketing and Promotions” section of this business plan.)

### **EVENT ORGANIZATION AND SPONSORSHIP**

Special events in Toronto organized or sponsored by Spacing Media not only raise awareness of *Spacing* and the issues it covers but also often generate revenue for the company through cover charges and/or magazine and button sales. Organized events have ranged from art shows to film nights to parties, while sponsored events have included film festivals and urban conferences. (For additional information, please see the “Marketing and Promotions” section of this business plan.)

## ***Objectives and Goals***

### **SHORT TERM**

Spacing Media’s primary objective for 2007 is to maintain its current revenue levels of approximately \$75,000 to fund its magazine-publishing activities and also cover the cost of rent for the new office it takes occupancy of in February. However, the company would like to increase its revenues this year so that by the end of December, it could afford to pay a small salary to at least one full-time staff member and up to three part-time staff. In order to do so, Spacing Media hopes to sell more advertising in *Spacing* (possibly increasing our ad rates, which the magazine’s ad director has advised us can be done without losing advertisers), to sell more subway buttons (especially retail sales, which will likely mean expanding distribution to more stores), and to undertake a direct-mail campaign to increase the number of subscribers to *Spacing*. Spacing Media also plans to apply for the Department of Canadian Heritage’s Publications Assistance Program in 2007 in order to reduce the costs associated with mailing *Spacing* to subscribers by approximately 70%. In addition, the company hopes to submit grant applications to the Department of Canadian Heritage, the Toronto Arts Council, and the Ontario Media Development Corporation to potentially secure additional funding for *Spacing*’s editorial content and/or business development projects, as applicable. (For the last two years, *Spacing* has received \$10,000 in funding through the Ontario Arts Council’s Grants to Periodicals Program, and an application to renew this funding for *Spacing* issues published in 2008 will be submitted in June 2007.)

### **LONG TERM**

Within three years, Spacing Media would like to move *Spacing* to a quarterly publishing schedule and, pending the receipt of funding to do so, establish a hands-on, education-driven internship program that would see *Spacing* editors instructing and mentoring program participants in the coverage of City Hall politics and municipal issues (the working name for this program is “Hall Monitor”). The company would also like to increase the rates payable to *Spacing* contributors and to be able to pay all editors working on the magazine a small salary.

## MAGAZINE OVERVIEW

### **Mandate**

*Spacing* endeavours to be an integral, independent, and unique voice that brings to life the joys and obstacles surrounding the Toronto's public spaces, which encompass its historical and modern built forms and an array of natural environments. The magazine aims to help its diverse readership understand and take ownership of the city's urban landscape by providing them with the tools, information, and inspiration needed to engage with its public spaces and to combat their privatization and their co-option by corporations.

### **Editorial Concept**

Through compelling journalism and thought-provoking essays that are complemented by original illustration and striking photography, *Spacing* explores Toronto's architectural, cultural, social, political, and environmental past, present, and future, and covers all of the associated issues that concern life in the city's public realm. Written for and by those who are passionate about Toronto's public spaces, *Spacing* contains an eclectic mix of well-researched history, ruminations on the present, and visions of what the future could be.

### **Sections**

Each issue of *Spacing* is divided into four sections: *The Curious City* and *Inner Space*, which make up as *Spacing*'s "front of book"; the cover section; and *Back Space*, the magazine's "back of book."

#### **THE CURIOUS CITY**

Following the issue-opening two-page photo essay, *Spacing* is filled with short pieces collected under four sub-section umbrellas: *Infrastructure Fetish* focuses on the history and function of the industrial items that keep the city running; *Come+Go* is a two-page feature highlighting local projects and initiatives that are noteworthy (for good or ill); *Hidden Gems* uncovers the often-overlooked small parks and green spaces that offer a quiet reprieve from the hustle and bustle of city life; and *Escape Routes* explores the ways people can navigate the city without travelling on streets, following routes that typically incorporate laneways, hydro fields, and/or ravines.

#### **INNER SPACE**

This part of the front section provides room for *Spacing*'s writers to contemplate their unique (and often whimsical) experiences and interactions with the city in a series of personal essays and literary journalism pieces. Previous subjects addressed are the chess players outside the Metropolitan United Church, the railway tracks in Parkdale, the forgotten items left behind on park benches and at the side of the road, and the heyday of Etobicoke's motel strip.

#### **COVER SECTION**

As mentioned previously, this section collects together all of the issue's theme-related content, which typically includes several longer feature articles, in addition to some shorter pieces and a number of informative sidebars.

#### **BACK SPACE**

This section of *Spacing* houses five repeated features: *The Toronto Flaneur*, in which *Spacing* associate editor Shawn Micallef writes about a part of the city he has wandered through on foot; *Green Space*, a column focused on environmental topics and green organizations; *Outer*

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*Space*, a two-page feature highlighting public space issues in other parts of the world; the four-page *Reviews* sub-section, where writers analyze and critique books, websites, and gallery exhibits; and *Space Invaders*, the back-page feature that profiles the people behind various public art initiatives and creative interventions.

## **Themes**

Each issue of *Spacing* incorporates a theme, a specific topic of particular importance to Toronto chosen by the magazine's editors. The majority of the issue is devoted to exploring this idea and contributors are invited to delve into the unique and idiosyncratic aspects of the theme. *Spacing*'s Spring/Summer 2005 cover section, "The History of Our Future," won Gold at the 2005 National Magazine Awards for "Best Editorial Package." Other themes have included the expansive world of outdoor public art; work and play in the public realm; the love-hate relationship Toronto has with its public transit system; and the role of the pedestrian in the city.

Issue #1 – *The Fight to Poster*

Issue #2 – *Everyone is a Pedestrian*

Issue #3 – *Work & Play*

Issue #4 – *The History of Our Future*

Issue #5 – *The New Beautiful City*

Issue #6 – *Searching for the Better Way*

Issue #7 – *What Kind of City Do You Want?*

Issue #8 – *Intersections*

Issue #9 – *Water*

Issue #10 – *The Green Issue*

## **Past Issues**

### **ISSUE #2 – EVERYONE IS A PEDESTRIAN**

*Spacing*'s second issue focused on the many joys, obstacles and politics of walking in Toronto. In this issue, Sheila Heti (author of *The Middle Stories*) mused on eye contact in the city; Jim Munroe (No Media Kings indie-novelist and *Eye Weekly* columnist) provided his take on the increasingly fashionable urban sport of parkour; Ryan Bigge (CBC Radio's *Go!* producer) explores the evolution of language used to describe our public spaces; Nicole Cohen (*Shameless* magazine publisher/editor) examined the female pedestrian experience; Carly Zwarenstein (*NOW Magazine* regular contributor) took us through the history of the walking in Toronto; Shawn Micallef (*Spacing* associate editor) wandered Toronto aimlessly to uncover bits of the city's history; cartographer Graeme Parry wove readers through an East End alley jaunt; and *Spacing* associate editor Dylan Reid outlined what Toronto needs to be a great pedestrian city. The pages were also packed with beautiful and compelling photography from some of Toronto's top photobloggers, including Davin Risk ([lowresolution.com](http://lowresolution.com)), Adam Krawesky ([inconduit.com](http://inconduit.com)), Kevin Steele ([kevinsteele.com](http://kevinsteele.com)) and Gayla Sanders ([makinghappy.com](http://makinghappy.com)), and illustrations were provided by a few of the city's top young artists, including Marc Ngui (*Zak Meadow comic* and CBC Television *Zed TV* producer), Matt Daley (*Exclaim!*), Marlina Zuber (*Boston Globe*, *Washington Post*), Peter Ash, and Stephen Appleby.

### **ISSUE #3 – WORK & PLAY**

From buskers to street preachers to early-morning bird rescuers to graffiti cops, *Spacing*'s third issue examined the impact of work and play on Toronto's outdoor urban environment, and how people bring the city to life 24 hours a day. In this issue, *Spacing* continued to highlight some of the best and worst aspects of Toronto city life and history. *Hidden Gems* focused on the Cedarvale Park pedestrian bridge, and the buried bridges of Crawford and Harbord Streets, along the old Garrison Creek. *Public Enemy* targeted Toronto's light pollution, looking at how other cities are

trying to return the dark night sky to urban life. *Green Space* explored the reasons why street-side trees are dying — and what the City could do to fix the situation. This issue also included a new column on public-space etiquette called *Ask the Manners Duck*. Contributors to this issue included Ryan Bigge, Ed Keenan (*Eye Weekly*), Michelle Kasprzak (Montreal new media artist), Dave Meslin (Toronto Public Space Committee co-ordinator), Misha Glouberman (Trampoline Hall), and Graeme Parry (Toronto laneway expert and tour guide). A variety of Toronto's top photobloggers were again showcased, including Sam Javanrouh (*Daily Dose of Imagery*), Matt O'Sullivan (thenarrative.net), Rannie Turingan (photojunkie.ca), Jonathan Day-Reiner (groundglass.ca), and Davin Risk. *Spacing* also used the illustrative skills of Julia Breckenreid (*Globe and Mail*, *National Post*), Marc Ngui, Marlena Zuber, Matt Daley, and Jen Hsieh (a recent *Applied Arts* illustration award winner).

#### **ISSUE #4 – THE HISTORY OF OUR FUTURE**

In this issue, *Spacing* contributors contemplated the city Toronto could have been and the place it could become. Articles focused on such topics as the planned downtown and midtown expressways, hooking up a sound system to the CN Tower, turning the SkyDome into a sustainable-housing community, the non-winning proposals submitted in the 1950s for New City Hall, a city-wide network of enclosed and elevated bike paths, and waterfront urbanism at work in the Port Lands, 2043. This issue also included the publication of the results of a report conducted with the Toronto Public Space Committee on the prevalence of (often illegal) outdoor advertising in Toronto. Contributors to this issue included Jim Munroe, Darren O'Donnell, Pier Giorgio DiCicco (Toronto's poet laureate), Ed Keenan, Sam Javanrouh, Rannie Turingan, Gayla Trail, Davin Risk, Matt O'Sullivan, Nathalie Atkinson, Marc Ngui, Michelle Kasprzak, Julia Breckenreid, and Adam Krawesky. The issue also reprinted a plethora of historic images culled from the Toronto Archives.

*Note:* In May 2006, this issue of *Spacing* won Gold at the National Magazine Awards in the category of "Best Editorial Package," beating out magazines with much larger circulations, such as *Report on Business*, *Canadian Geographic*, *Azure*, and *Saturday Night*.

#### **ISSUE #5 – THE NEW BEAUTIFUL CITY**

In this issue, contributors explored Toronto's public art and how thousands of people use the city's public realm as a canvas. Bert Archer pondered why a city needs public art; Ryan Bigge examined the skeletal remains of the east Gardiner Expressway; Ed Kennan analyzed the City of Toronto's contradictory policies on graffiti, illustrator Marc Ngui created new wayfinding signs; and *Spacing* managing editor Dale Duncan gives you the answer to the most frequently asked public art question: how did that get there? This issue also included a profile by John Lorinc (*Globe and Mail*, *Toronto Life*) on R.C. Harris, arguably Toronto's most influential city builder. In his research for this piece, Lorinc discovered a few unknown facts that are hugely important to understanding the motivations of the dreamer behind the Bloor St. Viaduct, the Scarborough water filtration plant, and the numerous bridges that span Toronto's ravines and valleys. Christopher Hume (*Toronto Star*) also contributed to this issue with a look at why Toronto and other North American cities fail to grasp the possibilities of the urban ideal. The magazine also re-printed an article on the Whitby Psychiatric Hospital by the late Ninjalicious (aka Jeff Chapman) from his zine *Infiltration*. Photographers included a who's who of Toronto's photoblogging community, with images contributed by Sam Javanrouh, Matt O'Sullivan, Gayla Trail, Jonathan Day-Reiner, Rannie Turingan, Davin Risk, and Adam Krawesky. Other contributors for this issue included: Mike Smith (*NOW magazine*), illustrator Christopher Hutsul (*Toronto Star*), Misha Glouberman, Nicole Cohen, Nathalie Atkinson, illustrator Jeff Priest, as well as *Spacing* associate editors Anna Bowness (also editor at *Broken Pencil*), and Shawn Micallef.

#### **ISSUE #6 – SEARCHING FOR THE BETTER WAY**

Highlights of *Spacing*'s sixth issue were a Q&A with Mayor David Miller in which he was challenged to articulate a vision for the future of transit in Toronto and prominent transit advocate Steve Munro's presentation of a plan for re-shaping the existing system on the cheap. Other articles included a discussion of the plethora of subway construction plans from the early 1900s to the mid-1990s; the legends surrounding the Lower Bay subway station; how Queen Street could be turned into a streetcar and pedestrian-only zone; how a small group of riders short-change the TTC; a look back to 1968 and 1985 when bomb threats to the TTC caused public fear; and an essay in defense of the Toronto subway system's "public washroom aesthetic." Contributors included Ed Keenan, James Bow (*Transit Toronto*), Sarah Hood (co-author of *Toronto: The Unknown City*), Misha Glouberman; photobloggers Sam Javanrouh, Rannie Turingan, Gayla Trail, and Adam Krawesky; illustrators Fiona Smyth, Julia Breckenreid, Joe Ollman, and Christopher Hutsul.

#### **ISSUE #7 – WHAT KIND OF CITY DO YOU WANT?**

In the seventh issue of *Spacing*, published to coincide with Toronto's municipal election, our editors and contributors outlined the 10 most important public space issues facing Toronto, including the city's shrinking urban forest; the specter of Peak Oil and how the city is dealing with smog; how Toronto is mismanaging development and putting unnecessary strains on neighbourhoods; how the city is selling its infrastructure and getting very little in return; and a 45-item To Do List for the next city council. The issue also featured articles on hanging out in cemeteries, riding your bike with headphones on, the invention of Toronto's ring-and-post bike racks, and a map detailing how to get out of the Don Valley. Contributors included: Ed Keenan, James Bow, Sarah Hood, Mike Smith (*NOW magazine*), cycling activist Steve Brearton, Paul Carlucci (*Eye Weekly*), Sean Lerner (*TTC Rider Efficiency Guide*), with photos from Sam Javanrouh, Rannie Turingan, Adam Krawesky, Bouke Salverda (aidanfotos.com), and Payam Rajabi (colourblind.ca), and illustrations by Fiona Smyth, Julia Breckenreid, and Joe Ollmann.

#### ***Art Direction and Production***

*Spacing* is designed and typeset by the magazine's Creative Director, Matthew Blackett, and printed locally by Point One Graphics. Since Issue #5, the entire magazine has been printed in full colour on glossy paper stock. Featuring colourful photography and illustrations, coupled with clean lines and modern typography, each issue of *Spacing* is visually striking and stands out on newsstands. The magazine's unique 10-inch by 8-inch landscape format may be unconventional but it results in *Spacing* being placed in the front row of magazine racks.

#### **AWARDS**

*Spacing* has been recognized for its innovative design. In January 2005, Issue #2 received the "Best Single Issue Design" award from *Applied Arts*. *Spacing* was also nominated in the category of "Best Design" in *Utne*'s 2006 Independent Press Awards.

## MARKET ANALYSIS

### Market

Public space is at the heart of democracy. It's where people interact, teach, learn, participate, and protest. But environmental degradation, commercial interests, and infrastructure neglect have come to dominate city streets. Fortunately, imaginative and creative city-dwellers worldwide—and in Toronto in particular—are resisting the co-option of their communities through random acts of beauty, kindness, and intellect. These public space activists, their supporters, and likeminded urbanites, are looking for coverage of the numerous political, cultural, and social issues affecting life in the public realm so that they can better understand and take ownership of their city's urban landscape. They want to read the latest on ad creep, density regulations, parks creation, traffic congestion, and the myriad of other issues affecting their relationship with the so-called concrete jungle. They are seeking a publication that tells the stories behind the stories, explores issues explored from fresh angles, and presents them with smart, well-researched discussion of civic affairs. That magazine is *Spacing*. As the *Globe & Mail* so succinctly put it, *Spacing* is the “public face of public space.”

### Audience

Spacing Media's informal research suggests that *Spacing* readers are well-educated, progressive-minded urbanites, the vast majority of whom live in Toronto and its surrounding communities. They range in age, income, and profession but share a keen interest in city happenings, local politics, and civic affairs. With each new issue of *Spacing* published, it seems a new special-interest group is made aware of the magazine (i.e., the recent transit issue brought the magazine to the attention of Toronto's transit fanatics, as judged by the number who attended the launch party for that issue). Based on attendance at its organized events, Spacing Media also knows that *Spacing*'s diverse readership includes activists, artists, architects, civil servants, cyclists, designers, engineers, environmentalists, journalists, parks-goers, politicians, local history buffs, students, transit riders, tree lovers, urban planners, and walkers.

In order to confirm its assumptions about the magazine's readership, Spacing Media is planning to conduct a full-scale readership survey for *Spacing* in 2007, targeting both subscribers and newsstand buyers.

### Competition

While *Spacing* has no direct competitors *per se* there are several magazines with similar editorial interests and/or competing for a similar readership:

	<i>Spacing</i>	<i>Adbusters</i>	<i>The Next American City</i>	<i>Toronto Life</i>	<i>Urbanite</i>
<b>Origin</b>	Canada	Canada	USA	Canada	USA
<b>Focus</b>	City: Toronto	Global	National: USA	City: Toronto	City: Baltimore
<b>Ownership</b>	Independent	Independent	Independent	St. Joseph Media	Independent
<b>Frequency</b>	3 issues/yr	6 issues/yr	4 issues/yr	12 issues/yr	12 issues/yr
<b>Cover price</b>	\$6	\$8	\$7.95 (US)	\$4.95	Free
<b>Subscriptions</b>	\$15 - 1 yr \$29 - 2 yrs	\$35 - 1 yr \$48 - 2 yrs	\$29 (US) - 1 yr \$55 (US) - 2 yrs	\$24 - 1 yr \$37 - 2 yrs	\$18 (US) - 1 yr \$32 (US) - 2 yrs
<b>Circulation</b>	4,000 paid	120,000 paid	3,000 paid	92,570 paid	60,000 controlled
<b>Ad rate: FP, 4C, 1x</b>	\$700	N/A <sup>1</sup>	\$500 (US) <sup>2</sup>	\$11,685	\$4,010 (US)
<b>Website</b>	spacing.ca	adbusters.org	americancity.org	torontolife.com	urbanitebaltimore.com

All table figures in Canadian dollars except where noted.

<sup>1</sup> *Adbusters* doesn't sell advertising.

<sup>2</sup> No colour advertising so price listed is for a black-and-white ad.

## **ADBUSTERS**

*Adbusters* is a not-for-profit magazine based in Vancouver that, like to *Spacing*, is “concerned about the erosion of our physical and cultural environments by commercial forces.” While both magazines are concerned with “ad creep” and the increasing private-sector influence on public space, *Spacing* focuses on the local while *Adbusters* focuses on the global. By not limiting its focus to just one city, *Adbusters* has built up a large circulation beyond Canada (66% of its readers live in the United States) and the self-described “ecological” magazine can be found on most North American newsstands, even those carrying mostly “mainstream” magazines.

## **THE NEXT AMERICAN CITY**

*The Next American City* is a relatively new magazine published out of New Haven, Connecticut, that is similar to *Spacing* in that it strives to tell “clear and accessible stories” about the transforming urban environment of cities (and suburbs) and to promote “socially and environmentally sustainable growth.” However, the national magazine is focused on American cities and is currently only distributed in the United States.

## **TORONTO LIFE**

Like *Spacing*, *Toronto Life* is, as its name suggests, focused solely on Toronto. The monthly magazine shares a similar interest in local history, civic personalities, and how the city works. From time to time, public space has been written about in *Toronto Life* (most recently, Toronto Public Space Committee founder Dave Meslin was profiled by *Spacing* contributor Ryan Bigge for the December 2006 issue), however, the magazine is primarily devoted to coverage of arts and culture events/performances, restaurants, and shopping. In addition, the magazine primarily targets readers with a higher-than-average income.

## **URBANITE**

This monthly magazine has many things in common with *Spacing*: it’s dedicated to “addressing the issues affecting the relationship between the city and those who live there,” and strives to be “an intellectual and entertaining read where compelling storytelling meets exciting design.” However, despite announced plans to expand to other cities, *Urbanite* remains a Baltimore-based city magazine.

## **ADDITIONAL COMPETITION**

In addition to print magazines, the following should be classified as *Spacing*’s competition as they often address similar topics and are competing for the same readers and advertisers:

- **Readingtoronto.com:** A group blog written by Toronto’s “artistic leaders” that analyzes the design, cultural, and political forces shaping the city by having contributors share their stories, experiences, and ideas about Toronto.
- **blogTO.com:** An arts and entertainment blog produced by a collective of more than 15 contributors (some of whom also write for *Spacing*) who post about what to do, where to eat, and what to see in Toronto. Claims to attract more than 50,000 unique visitors a month and approximately 110,000 page views
- **Torontoist.com:** Another group blog (again involving *Spacing* contributors) that covers “anything in and of the city of Toronto.” Claims to have the largest and most diverse readership of any Canadian blog of its kind, with approximately 90,000 unique visitors (and 160,000 page views a month) spread across income levels and age groups, and with various interests.

- ***Eye Weekly***: This free alt-weekly is marketed as an “entertainment resource” but amidst the extensive arts and culture listings are regular articles on the topic of public space and municipal politics. *Eye*’s city editor, Ed Keenan, is a *Spacing* contributor, while *Spacing* editors Dale Duncan, Matthew Blackett, and Shawn Micallef have all contributed to *Eye*. Some advantages *Eye Weekly* has over *Spacing* are that its circulation is considerably larger (some 284,000 readers a week), the free paper is available in many more locations around the city, and, due to its weekly publication schedule, its content can be more timely than *Spacing*’s
- ***NOW Magazine***: Very similar to *Eye Weekly* in terms of being a competitor for *Spacing* but with more pages, a bigger news section, and an even larger circulation. Similarly, some of its contributors (Mike Smith and *Spacing* associate editor Dylan Reid, in particular) write for both publications
- **Daily newspapers**: All Toronto-based newspapers, particularly *The Toronto Star*, the *Globe & Mail*, and the *National Post*, have increased their coverage of public space issues recently, often drawing on *Spacing* for story ideas and sometimes asking *Spacing* editors and contributors to write these pieces. Their daily publication schedule ensures that their content is always very timely but their editors are not as “plugged in” to public space issues as *Spacing*’s editors and contributors so daily newspaper coverage of public space issues often lags behind the weeklies and the blogs. However, all of these papers have much greater reach and frequency than *Spacing* will likely ever have, which allows them to attract big-name national advertisers with no trouble.

## **ADVERTISING**

### ***Philosophy***

Spacing Media's goal is to attract likeminded, progressive advertisers for *Spacing* whose own politics and principles are in line with the magazine's, preferably individuals, publications, businesses, and organizations that seek to "better the world" through a combination of environmentally/socially conscious business practices and/or a commitment to making cities more fun and more livable. While open to all types of advertisers, Spacing Media will not include any advertisement in *Spacing* that its editors feel contradicts the philosophy of the magazine. For instance, *Spacing* will not publish ads from shopping malls because they represent the antithesis of public space.

### ***Advertisers***

Even though Spacing Media has not yet conducted a readership survey, and thus isn't yet able to provide the sort of detailed demographic and psychographic information advertising buyers usually like to have before making a purchasing decision, many companies "get" the magazine. AutoShare, York University, the Art Gallery of Ontario, Doors Open Toronto, the Green Toronto Festival, Curbside Cycle, and Cycle Solutions, among others, all feel that *Spacing* is a publication with which they want to be affiliated and they have shown their support for the magazine by purchasing ads.

The majority of the advertising in *Spacing* is Toronto-based, however, Spacing Media would like to attract national advertisers and is currently in the process of listing *Spacing* with Canadian Advertising Rates and Data to put the magazine on the radar of media buyers nationwide.

### ***Sales Projections***

Beginning with Issue #7, *Spacing* has a dedicated commission-based ad salesperson, Alex McKenna, who has been personally responsible for increasing the magazine's per-issue advertising revenue from its previous high of \$1,950 (Issue #6) to \$4,640 for Issue #7 and a \$6,935 (projected) for Issue #8. Advertising sales now make up 18% of *Spacing*'s overall revenue but this number is growing and it has been recommended that the advertising rates for *Spacing* be increased (which the magazine's ad director has advised us can be done without losing advertisers, due to their current affordability).

### ***Opportunities and Challenges***

As mentioned already, there is no other publication focused on public space issues exclusively, which is an opportunity for *Spacing*. However, with the magazine's specific focus on Toronto and limited distribution outside Ontario, its appeal outside the Greater Toronto Area may be somewhat limited so without diversifying the editorial content, it may prove difficult to capitalize on this advantage. Fortunately, Toronto is a large city, which offers a large pool of potential subscribers and advertisers and *Spacing*'s business model does not rely as heavily on advertising as, say, *Toronto Life*'s. However, when compared to other magazines, *Spacing*'s less-frequent publishing schedule may limit its ability to secure advertising even if its rate card is perceived as very affordable.

## DISTRIBUTION AND CIRCULATION

### Overview

Spacing Media currently publishes *Spacing* three times a year. The magazine is sold by subscription, at special events, and on the newsstand, principally in Toronto but with limited distribution across Canada. The cover price is \$6.00 while a one-year (3 issues) Canadian subscription costs \$15 and a two-year (6 issues) Canadian subscription is \$29. The total paid circulation for Issue #7, published in September 2006, is 3,954 copies; total circulation for the issue is 4,460 copies.

### Publishing History

	Issue	Date published	Print run
#1	Winter 2004	December 2003	1,500*
#2	Summer 2004	June 2004	3,000
#3	Winter 2005	December 2004	3,000
#4	Spring/Summer 2005	June 2005	3,000*
#5	Winter 2006	November 2005	3,500
#6	Spring/Summer 2006	May 2006	4,000
#7	Fall 2006	September 2006	5,000
#8	Winter 2007	February 2007	5,000

\* Completely sold out as of January 2007

### Circulation History

	Issue #1	Issue #2	Issue #3	Issue #4	Issue #5	Issue #6	Issue #7	Issue #8 (projected)
Subscriptions	N/A	N/A	350	400	461	575	797	850
Launch party sales	300	300	315	350	250	250	200	200
Special event sales	250	350	415	400	150	435	385	400
Newsstand sales – Magazines Canada distro <sup>1</sup>	N/A	N/A	N/A	293	602	818	1,157	1,250
Newsstand sales – self-distributed <sup>2</sup>	750	1,200	1,100	1,090	937	746	1,242	1,250
Back issue sales	100	190	225	267	200	376	173	350
Promotional and giveaway copies	100	300	250	200	300	300	506	400
Leftover copies (including returns) <sup>3</sup>	0	660	345	0	100	500	540	300

<sup>1</sup> For Issues #7 & #8 based on projected 87% sell-through

<sup>2</sup> For Issues #2 & #3, includes single-copy sales through *Spacing.ca* website

<sup>3</sup> As of January 2007, except for Issue #8

### Subscriptions

#### OVERVIEW

Since June 2004, Spacing Media has been selling subscriptions to *Spacing*. As of January 2007, the magazine has some 797 subscribers, 79% of whom live in Toronto and its surrounding communities, 10% live in other Ontario cities, 6% live in other parts of Canada and 5% live in the United States. Subscriptions are sold through the *Spacing.ca* website as well as at special events—and until the end of March 2007, they are also being promoted and sold through a direct-mail campaign organized by Magazines Canada that involves a collective campaign piece being sent on behalf of participating magazines to 1.3 million Canadian homes.

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## SUBSCRIPTION PRICING STRATEGY

INDIVIDUAL SUBSCRIPTIONS				
	Full price	Subscription price	Savings (\$)	Savings (%)
Canadian – 1 year	\$18.00	\$15.00	\$3.00	17%
Canadian – 2 years	\$36.00	\$29.00	\$7.00	19.5%
US – 1 year	\$18.00 US (\$21.07)	\$17.00 US (\$19.90)	\$1.00 US (\$1.17)	6%
US – 2 years	\$36.00 US (\$42.14)	\$31.00 US (\$36.28)	\$5.00 US (\$5.85)	14%
Canadian – 1 year, gift*	\$18.00	\$13.00	\$5.00	28%
Canadian – 2 years, gift	\$36.00	\$25.00	\$11.00	31%
US – 1 year, gift	\$18.00 US (\$21.07)	\$15.00 US (\$17.56)	\$3.00 US (\$3.51)	15%
US – 2 years, gift	\$36.00 US (\$42.14)	\$28.00 US (\$32.77)	\$8.00 US (\$9.36)	22%
INSTITUTIONAL SUBSCRIPTIONS				
Canadian – 1 year	\$20.00			
Canadian – 2 years	\$39.00			
US – 1 year	\$24.00			
US – 2 years	\$44.00			

\* to qualify for gift-subscription price, another full-price subscription must be purchased at the same time

Prices in Canadian funds except where noted

## SUBSCRIBER SERVICING

Spacing Media currently handles the subscription servicing and subscription fulfillment for *Spacing* in house. Staff under the supervision of acting subscriptions manager Dale Duncan prepare the main subscriber mailing, while Duncan alone handles supplementary mailings prepares the initial mailing to subscribers for each issue.

## SUBSCRIPTION GROWTH PROJECTIONS

*Spacing*'s subscriber base is steadily growing as more and more people learn about the magazine. The rise in popularity of *Spacing.ca* and Spacing Media's ancillary products also seems tied to the increase in subscriptions to *Spacing* sold if the number of subscription sales purchased through the online store (especially in conjunction with the purchase of subway buttons or calendars) is any indication. However, newsstand sales still outnumber subscription sales 3:1, which represents an untapped circulation source for *Spacing*. If Spacing Media were able to convert just one third of *Spacing*'s newsstand readers to subscribers, the magazine would have double the number of subscribers it currently has. In any case, within three years, Spacing Media would like *Spacing* to have 4,000 subscribers—a number that will be achieved through a combination of renewal efforts aimed at lapsed subscribers, blow-in cards in newsstand copies, a direct-mail campaign, and gift-subscription pitches to existing subscribers.

## Single-copy Sales

### OVERVIEW

*Spacing* is currently sold by 19 retailers in Toronto and is also available on select newsstands across Canada. *Spacing* services key Toronto accounts itself while Magazines Canada services the rest while also handling national distribution. A large number of copies of each issue are also sold at special events, particularly at the launch party celebrating the issue's release.

### NEWSSTAND SALES – LOCAL

*Spacing* has a very high sell-through rate on newsstands in Toronto (approximately 98%). The magazine typically sells out at most retailers and requires frequent restocking. The single best sales location is Pages bookstore where each new issue of *Spacing* sells upwards of 650 copies, making it the top-selling magazine at Pages. Spacing Media personally services this store, in addition to five other newsstands. In each case, Spacing Media receives a different percentage

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of the cover price for each issue sold (between 50% and 90%) depending on what was negotiated with the retailer; the remainder of *Spacing*'s distribution in Toronto is handled by Magazines Canada.

The most recent issue of *Spacing* is available for sale at the following Toronto locations:

- Soundscapes
- Pages Books & Magazines
- Ballenford Books on Architecture
- Book City (5 locations)\*
- This Ain't the Rosedale Library
- Press Internationale (4 locations)\*
- Another Story bookstore\*
- Toronto Women's Bookstore\*
- Victoria University Bookstore\*
- University of Toronto Bookstore\*
- David Mirvish Books\*
- York University Bookstore\*

\* Except for two Book City locations, distribution and fulfillment handled by Magazines Canada.

In September 2006, Spacing Media distributed 1,242 copies of *Spacing* Issue #7 to the retailers it services and anticipates very few (if any) returns.

#### **NEWSSTAND SALES – NATIONAL**

In July 2005, Spacing Media signed a distribution contract with Magazines Canada to distribute *Spacing* to some 60 newsstand locations across Canada (including retailers in Toronto). As a Magazines Canada member, there is no cost to Spacing Media to have the magazine distributed by the association's distribution arm. For each issue sold, Spacing receives 45% of the cover price, or \$2.75.

Magazines Canada distributed 1,330 copies of *Spacing*'s Issue #7 in September 2006 (87% of which within Ontario, the remaining 13% to other provinces) and, based on sales of previous issues, it is estimated the national newsstand sell-through rate for the magazine will be 87%.

#### **SPECIAL EVENT SALES**

The current issue and back issues of *Spacing* are also available for sale at special events organized or attended by magazine staff, such as the launch parties for each issue, Word on the Street, Canzine, and co-sponsored book launches, film nights, and art shows. Cost of all issues at these events is usually \$6/copy, two copies for \$9, three for \$13, and four for \$17. Sales at these types of events usually work out to be several hundred copies for each issue.

### ***Circulation Promotions***

#### **SPECIAL EVENTS**

Single copies of *Spacing*, subway buttons, and subscriptions are usually available for sale at special events attended or organized by the magazine. At launch parties, a copy of the new issue is generally included with the cover charge. (For more details, please see the "Marketing and Promotions" section of this business plan.)

#### **MAGAZINES CANADA PROMOTIONS**

As a member of Magazines Canada, and a user of its distribution service, *Spacing* receives promotion in the association's online *Canadian Magazine Directory*, which includes a link to Spacing.ca, a "Subscribe now!" button that takes browsers directly to the Spacing.ca online store, and a link for retailers to click to find out how to carry *Spacing* in their stores. *Spacing* is also included in Magazines Canada's annual *Retailer Catalogue*. (In both instances, *Spacing* is

listed in both the “Arts & Design” and “Issues” categories.) *Spacing* has also participated in several “Genuine Canadian Magazine” newsstand-marketing campaigns organized by Magazines Canada and is part of its current direct-mail campaign.

#### **LIBRARY MARKETING CAMPAIGN**

In September 2005, in an effort to increase public library subscriptions, *Spacing* associate editor Dylan Reid and volunteer Sean Lerner met with the librarian at the Toronto Public Library’s Urban Affairs Library (who bought a subscription for that branch) and mailed a letter and sheet of press quotes to the remaining 98 branches in the Toronto Public Library system (including a sample copy of the magazine for the 17 district libraries). It’s hard to gauge the exact effectiveness of this campaign, but more libraries have purchased subscriptions in the meantime.

#### **MAGAZINE ADS**

*Spacing* regularly trades advertising (“contra ads”) with other likeminded small magazines, such as *Shameless Magazine* and *This Magazine*.

## MARKETING AND PROMOTIONS

### **Overview**

Spacing Media promotes the *Spacing* brand through a variety of means, including a multi-faceted website (Spacing.ca), various organized and sponsored special events, and a series of ancillary products. Along the way, the magazine, its editors, and the subway buttons have attracted considerable media attentions and garnered a number of awards—which have helped to further raise awareness of *Spacing*.

### **Spacing.ca**

The Spacing.ca website serves as a valuable promotional tool for *Spacing* by featuring excerpts from back issues, a list of retailers carrying *Spacing*, plus instructions for subscribing or purchasing advertising, and the opportunity to sign up for *Spacing*'s free monthly e-mail newsletter (which currently boasts 2,500 subscribers). It also features a secure online store where *Spacing* subscriptions, back issues, and other products can be purchased (with payment through Paypal). In addition, it hosts several popular blogs produced by the magazine's editors and other contributors.

#### **SPACING WIRE**

Updated daily (and sometimes more frequently), *The Wire* (www.spacing.ca/wire) is a hub for news, events and projects about public space issues in Toronto and around the world—making it the most popular destination on our website. The blog complements the print magazine publishing in that it allows covers of news and events, as they are happening, rather than having to wait until a new issue comes out. Contributors include Matthew Blackett, Shawn Micallef, Dylan Reid, Dale Duncan, Leah Sandals, Chris Hardwicke, James Bow, Laura Hatcher, Ian Malczewski, Tammy Thorne, Craig Cal, Josh Hume, Claire Salloum, and Michelle Kasprzak. In January 2006, the readers of *Eye Weekly* voted *Spacing Wire* “Toronto’s Best Local Blog” (2005).

#### **SPACING PHOTOS**

Spacing.ca also hosts the daily photoblog *Spacing Photos* (www.spacing.ca/photos). Each weekday, a new photo from the public realm is showcased in concert with a monthly theme. Contributors consist of the city’s ever-expanding cast of photobloggers. In December 2005, *NOW Magazine*'s 2005 “Critics’ Picks” identified *Spacing Photos* as one of Toronto’s best blogs.

#### **SPACING VOTES**

From September–November 2006, Spacing.ca also hosted the very popular *Spacing Votes* blog to highlight and discuss public space issues during the 2006 Toronto municipal election campaign. This blog was primarily produced by a team of 13 young writers who each had “beat” to cover but various *Spacing* editors also contributed and urban affairs journalist John Lorinc was commissioned to write a series of columns exclusively for the blog. It was such a success and became such a hub for election news that Spacing Media plans to revive it for federal and provincial elections. During the three-period it was being regularly updated, traffic to the Spacing.ca website increased significantly from 82,606 unique visitors in September to 106,537 by the end of November.

#### **WEBSITE STATISTICS**

Between June 2005 and June 2006, Spacing.ca experienced a 1,000% increase in daily viewers. This rise coincided with the launch of *Spacing Wire* and *Spacing Photos*. At the end of

December 2006, Spacing.ca was averaging over 250,000 page views a month and was attracting some 90,000 unique visitors. In 2006, the website saw some 948,867 visitors and page views for the year totaled 2,852,005.

### **Special Events**

Part of Spacing Media's mandate is to be an active member of the city. Outreach to *Spacing* readers and the greater public increases awareness of the magazine and the issues that it covers. Throughout the year, the editorial collective hosts events to coincide with the release of each new issue and Spacing Media also participates in numerous urban conferences and annual events like Word on the Street and Canzine.

#### **RELEASE PARTIES**

The release of each issue of *Spacing* offers the opportunity to throw a party and invite subscribers and readers. The magazine hires a local DJ or band, and programs the evening with activities related to the theme of each issue. These parties usually attract up to 300 people and have been held at legendary local establishments such as the El Mocambo, the Arts & Letters Club, the Gladstone Hotel, and the now-closed 360 Legion Hall on Queen Street West.

#### **THE POLITICAL PARTY**

Held on November 6, 2006, one week before the Toronto municipal election, *Spacing* and *Eye Weekly* co-sponsored The Political Party, an event that brought together Toronto's leading mayoral candidates. Mayor David Miller and challenger Jane Pitfield outlined their visions for Toronto's public spaces and faced pointed questions from a panel made up of John Lorinc (*Spacing Votes* columnist), Ed Keenan (*Eye Weekly* city editor and *Spacing* contributor), and *Spacing* managing editor Dale Duncan. Following the mayoral event was a performance by musical guests Hot One and then two DJs. Held at Revival nightclub, the free event attracted approximately a crowd of around 450.

#### **TORONTO THE GOOD**

*Spacing* has twice co-hosted and programmed Toronto The Good in partnership with ERA Architects and the [[murmur]] project. The first event on May 17, 2005 was held in the Fermenting Cellar in the Distillery District and attracted nearly 700 people, while the May 18, 2006 edition was staged at historic Fort York and brought in nearly 500 guests. The goal for each event was to bring together each partner's respective sphere of influence and to invite them to mingle in non-traditional places not often visited by the general public.

#### **ART EXHIBITS**

From March 17 to April 21, 2005, Spacing Media presented a photo gallery exhibit showcasing the work of seven of Toronto's top photobloggers. Organized and curated by *Spacing*'s creative director, Matthew Blackett, *PUBLICity* was the first exhibit in Canada to focus solely on the work of photographers documenting their daily interactions with the city through digital photography and personal websites. The show at the Toronto Free Gallery featured Sam Javanrouh, Matt O'Sullivan, Rannie Turingan, Gayla Trail, Adam Krawesky, Jonathan Day-Reiner, and Davin Risk, all of whom contribute regularly to *Spacing* and operate some of North America's most popular photoblogs. *Spacing*'s second gallery show, *In Transit*, took over the Toronto Free Gallery from January 19 to February 28, 2006.

*In Transit* focused on images of Toronto's transit system. With over 25 participants, the exhibit brought together paintings, photography, and film focusing on the life of Toronto's subways, streetcars, and buses. Another *Spacing*-organized art show is planned for June 2007 to coincide with the release of the magazine's Water-themed issue.

#### **CITY OF TORONTO'S HUMANITAS FESTIVAL**

June 3, 2006 marked the 35th anniversary of the cancellation of the Spadina Expressway. The highway's demise is one of the most seminal events to have shaped Toronto in the last 50 years. In partnership with the Humanitas Festival, *Spacing* brought together the neighbours, community activists and politicians who stopped the construction to celebrate life without the expressway in an event billed "35 Years Without the Spadina Expressway." The garden party was held at the Spadina Museum, an architectural gem that would have been destroyed by the expressway's path. The day's speakers included Mayor David Miller and local TV journalist Adam Vaughan, whose parents were instrumental in the 'Stop Spadina' movement.

#### **FILM NIGHTS**

On January 12, 2005, *Spacing* Media hosted the first Public Space Invaders film night at the Drake Hotel's Underground, attracting nearly 200 people and showcasing short movies, documentaries, and videos about Toronto's public spaces. This event will be repeated at the same venue on March 28, 2007.

#### **EVENT SPONSORSHIP**

*Spacing* also regularly sponsors events in line with magazine's philosophy and/or related to topics covered by the magazine. For example, *Spacing* was a co-sponsor of the launch party and its associated panel discussions for *uTOpia*, an anthology published in November 2005 by Coach House Books that featured a number of essays and illustrations by *Spacing* contributors. Several *Spacing* editors sat on panels and the latest issue of *Spacing* was also sold at the event. *Spacing* also sponsored the Fembots' December 3, 2005 CD-release show for their album *The City*, billed an homage to the unknown stories of Toronto. *Spacing* promoted the show on the *Spacing Wire* and provided images taken by the magazine's contributing photographers to be projected on to the screen at the Royal Cinema during the show. *Spacing* editors were also in attendance to sell copies of the magazine. More recently, *Spacing* was a media sponsor of the 2006 Planet in Focus International Environmental Film and Video festival, sponsoring the spotlight series "Toronto in the Moving Image from the Dawn of Cinema to the Present," and posting about the films each day during the festival on the *Spacing Wire*. *Spacing* Media has also donated subscriptions and back issues of *Spacing* as prizes for various events

#### **Media Attention**

Since the magazine's first issue was released in December 2003, *Spacing* has been recognized over and over again as playing a key role in initiating discussions about the state of the Toronto's urban landscape. The magazine continues to attract new readers, media attention, and critical acclaim as it raises awareness of the importance of public space to public life. *Spacing* is frequently referenced or called upon to comment by local and national media outlets whenever the discussion turns to the issues surrounding the public realm of Toronto. Publisher Matthew Blackett and Associate Editor Shawn Micallef are regular guests on Toronto TV and radio programs. The magazine is often showcased for its popular Toronto subway station buttons.

Locally, *Spacing* has been featured prominently in the *Toronto Star*, *Toronto Sun*, *Eye Weekly*, *NOW*, *Metro*, *24 Hours*, *Dose*, and *Ryerson Review of Journalism*. *Spacing* editors have also made appearances on CP24 and City TV, CBC Radio's *Metro Morning* and *Here and Now*, AM640, CFRB 1010, CIUT 89.5, CKLN 88.5, and Rogers TV's *Toronto Living*. At the national and international level, the magazine has been profiled in the *Globe and Mail*, *National Post*, *Maclean's*, *Masthead*, *Azure*, *Utne*, *Applied Arts*, *HOW Design*, *Coupe*, the Netherlands-based magazine *Ode*, and the Wales-based publication *The Statesman*. The

magazine has also been featured on Newsworld, Global National News, Book TV, MuchMusic, and MTV Canada.

Media attention has also led to various *Spacing Wire* posts being reprinted in daily newspapers or expanded into full-blown articles written by *Spacing* editors and contributors. *Spacing*'s editors have become "go-to" people for comments on public space issues. *Spacing* editors are also contributors to *NOW Magazine*, *Eye Weekly*, the *Globe and Mail* and *Toronto Star*, and the magazine is often mentioned in their bios.

#### **SELECTED QUOTES**

"*Spacing*...is a joyful rebellion. Read it, support it – the city is better for it."

—Lisa Rochon, *Globe and Mail*

"*Spacing* is an innovative magazine that makes you believe in a better Toronto."

— *Toronto Star*

"*Spacing*...exudes a real love of the local and offers charming odes to city life experiences that are usually ignored by the rest of the media."

— *Eye Weekly*

#### **Awards**

In addition to media attention, *Spacing* has also been recognized with awards.

##### **2004**

- *Spacing* nominated for "Best New Title" in the 2004 *Utne* Independent Press Awards

##### **2005**

- *Spacing* wins a 2005 National Magazine Award for "Best Editorial Package" for "The History of Our Future" issue (Issue #4)
- *Spacing* awarded "Best Single Issue Design" by *Applied Arts* magazine for "Everyone Is a Pedestrian" (Issue #2)
- Subway buttons named the third best wearable self-promotional item by *HOW Design* in its 2005 Self-Promotion Annual and showcased as one of 2005's top design items in *Coupe Magazine*
- *Spacing Wire* chosen by "Best Local Blog of 2005" by the readers of *Eye Weekly*
- *Spacing Photos* singled out in *NOW Magazine*'s "Critics' Picks" as one of Toronto's best blogs
- *Spacing* nominated for a 2005 Canadian Newsstand Award for "Best Newsstand Issue" in the small magazines category for its "The History of Our Future" issue (Issue #4)

##### **2006**

- *Spacing* nominated for "Best Design" and "Best Local/Regional Coverage" in *Utne* magazine's 2006 Independent Press Awards

## **ANCILLARY REVENUE STRATEGIES**

### ***Subway Buttons***

Spacing Media sells a series of one-inch buttons designed by Matthew Blackett that replicate the visual landmarks and tile art of Toronto's subway stations and Scarborough RT stops. The success of the series has been called the "civic pride fashion statement of the year" by the *National Post*, and earned the magazine numerous television, radio, and print features. These one-inch buttons visually capture the iconic and distinctive tiles of each of Toronto's subway stations and Scarborough RT stops. Since being launched in December 2004, over 61,000 of these buttons have been sold just through Toronto stores and through the online store at Spacing.ca (several thousand more have been sold at various special events). These buttons remain the company's most successful ancillary product to date. In October 2005, *HOW Design* awarded them a Self-Promotion design award in the "Wearables" category and, in January 2006, *Coupe Magazine* included them in its issue on the best design of 2005.

### ***Holiday Gift Packs***

In December 2005, 100 *Spacing* "holiday gift packs" were sold for \$18 exclusively at Pages Books and Magazines. Each gift pack contained four issues (Issue 2–5) of the magazine and was wrapped in a TTC subway map. In December 2006, Spacing packaged another 182 gift packs containing a copy of Issues 5-7 and a new 2007 calendar, which were again sold exclusively at Pages Books & Magazines, this time for \$20.

### ***Calendars***

Showcasing some of the images that have made their way onto the pages of Spacing, and featuring photographs from regular Spacing contributors Sam Javanrouh, Matt O'Sullivan, Rannie Turingan, Miles Storey, Adam Krawesky, and Bouke Salverdam, these calendars sold for \$7.99 at Pages Books & Magazines, Ballenford Books, and This Ain't the Rosedale Library, and for \$10 (including postage) through Spacing.ca beginning in December 2006. A copy of the calendar was also included in each of the 2006 Holiday Gift Packs that were sold through Pages. (Extra copies remaining at the end of January 2007 will likely be given away or sold at a discounted rate at upcoming events.)

## MANAGEMENT & OPERATIONS

### **Staffing**

The following individuals, with the assistance of interns and volunteers, are responsible for the production of *Spacing*, associated products, and hosted special events. In addition to the specific responsibilities detailed below, the publisher and all editors help to determine the editorial content of *Spacing*, contribute regular articles to the magazine, and post regularly to *Spacing Wire*.

- **Matthew Blackett – Publisher & Creative Director / Acting Distribution Manager**  
As Publisher, he oversees all publishing activities (editorial, design, production, advertising, circulation, marketing, and business administration) and plays a key role himself in developing partnerships, marketing the magazine, and organizing special events. As *Spacing*'s Creative Director, he manages the magazine's visual design, including page layout, assigning illustrations and photographs, and liaising with the printer. He also currently handles the distribution of *Spacing* to newsstands whose accounts are handled in-house.
- **Dale Duncan – Managing Editor / Acting Subscriptions Manager**  
As Managing Editor, she coordinates the editorial content, assigns most stories, helps to recruit writers, and does a great deal of the substantive editing for each issue. In addition, she coordinates and supervises *Spacing*'s interns. As Subscriptions Manager, she handles subscriber-database updating, subscription fulfillment, and coordinating mailings to subscribers.
- **Holland Gidney – Business Manager**  
She is responsible for all of the administrative duties of the magazine, including (but not limited to) keeping track of Spacing Media and *Spacing* finances, overseeing advertising sales, administering payroll, making bank deposits, tracking circulation and distribution, writing grant applications, and coordinating participation in Magazines Canada projects. Also, as needed, she helps out with proofreading.
- **Alex McKenna – Ad Director**  
Since Issue #7, he has been selling advertising on a commission basis for *Spacing*.
- **Anna Bowness, Lindsay Gibb, Shawn Micallef, Dylan Reid – Associate Editors**  
As mentioned at the beginning of this section, these individuals help generate story ideas, write articles, and assist with editing the content for each issue. They also often post to *The Wire*.
- **Leah Sandals – Public Art and Reviews Editor**  
Since Issue #5, she serves as an associate editor who generates story ideas related to public art and edits the magazine's reviews section. She also posts regularly to *The Wire* about public art new and events.
- **Todd Harrison – Copy Editor**  
Since Issue #7, he has been assisting with copy-editing the magazine.

## Compensation

The individuals listed in the previous section are paid a \$300 honorarium per issue, with the exception of the copy editor who is paid \$150 and the ad director, who is paid a commission of 15% on the value of the ads he sells. Spacing Media is hoping to soon be able to afford to pay a small salary to at least one full-time staff member and up to three part-time staff.

Since Issue #5, freelance writers, illustrators and photographers have been paid for their contributions to *Spacing*. (Current rates are listed in the table below.) Contributors are also guest-listed for the launch party for the issue in which their art or writing appears, and are provided with as many copies of the magazine as they request (and is reasonable).

<b>SPACING STANDARD PAY RATES</b>			
<i>Last updated: October 9, 2006</i>			
<b>PHOTOS</b>			
Opening photo essay (single photographer)	2 pages	\$150	
Full-page photo	1 page	\$100	
Half-page photo	1/2 page	\$50	
Quarter-page photo	1/4 page	\$25	
Smaller photo	< 1/4 page	\$10	<i>unless only contribution, then pay \$15</i>
Small photo illustrating writer's own piece	< 1/4 page	\$10	
<b>ILLUSTRATIONS</b>			
Full-page	1 page	\$100	
Smaller		\$50	<i>or rate negotiated w/ illustrator</i>
<b>WRITING</b>			
Full-page articles/columns	1 page	\$100	
Longer articles		\$100/pg	<i>or rate negotiated w/ writer</i>
Infrastructure fetish	depends	\$100/pg	<i>or pro-rated depending on length</i>
Come+Go		\$25 each	<i>unless long, then by page rate</i>
Hidden Gems	1/2 page	\$50 each	
Escape Routes	1 page	\$100	
Public Enemy	1 page	\$100	
Innerspace essay	1 page	\$75 each	
Regular columns (ex. Toronto Flaneur)	1 page	\$100	
Outerspace essay	1 page	\$75/page	<i>or pro-rated depending on length</i>
Reviews - shorter	< 1 page	\$30 each	
Reviews - longer	1 page +	\$75/page	
Space Invaders	1 page	\$75	

## FINANCES

### *Spacing Media Inc.*

#### STATEMENT OF INCOME AND EXPENSES 2006

##### **REVENUE**

Circulation	\$29,183
Advertising sales	\$6,810
Ancillary product sales	\$13,568
Grant - Ontario Arts Council (2006-07)	\$10,000
Other revenues	\$4,114
<b>TOTAL REVENUE</b>	<b>\$63,675</b>

##### **EXPENSES**

Editorial	\$22,154
Advertising	\$892
Printing and binding	\$23,045
Postage	\$1,553
Marketing, Promotion and Publicity	\$9,093
Business Development	\$1,076
Overhead	\$3,282
<b>TOTAL EXPENSES</b>	<b>\$61,095</b>
<b><u>PROFIT (LOSS)</u></b>	<b>\$2,580</b>

Note: Fiscal year is Jan. 1-Dec. 31

***Spacing Media Inc.***

**STATEMENT OF INCOME AND EXPENSES  
2007 (PROJECTED)**

**REVENUE**

Circulation	\$34,746
Advertising sales	\$25,150
Ancillary product sales	\$15,250
Ontario Arts Council (2007-08)	\$20,000
Canada Council for the Arts (2007-08)	\$8,000
Other revenues	\$3,500
<b>TOTAL REVENUE</b>	<b>\$106,646</b>

**EXPENSES**

Editorial	\$30,000
Advertising	\$4,172
Printing and binding	\$25,000
Postage	\$1,850
Marketing, Promotion and Publicity	\$10,000
Overhead	\$15,500
<b>TOTAL EXPENSES</b>	<b>\$86,522</b>
<b><u>PROFIT (LOSS)</u></b>	<b>\$20,125</b>

Note: Fiscal year is Jan. 1-Dec. 31