

NEWSAGENT SALES BENCHMARK STUDY

JANUARY: 2010 vs 2009

The key newsagent departments of magazines, newspapers and greeting cards declined in January 2010 according to the latest Newsagent Sales Benchmark Study.

Of most concern is the decline in magazine unit sales in January 2010 compared to 2009 of 7%.

As previous studies have shown, newsagencies in rural situations fared better than their city counterparts.

The good news is growth showing in new (for newsagents) departments such as Ink, Gifts, Calendars and electronic voucher product. There is plenty of evidence of newsagents successfully shifting focus to new money areas and away from more traditional products.

NEWSAGENT SALES BENCHMARK JANUARY 2010 vs 2009

	UNIT SALES	REVENUE
Cards	-9%	-5%
Magazines	-7%	-5%
Newspapers	-4%	-3%
Stationery	0%	1%
Ink & Toner	3%	7%

The gap between newsagencies showing growth and decline is considerable. This is in part due to local factors such as a shop-fit or a traffic impact.

There are other factors which have impacted the results, especially with greeting cards. For example, January sales are often about quitting Christmas stock. If there is little Christmas stock left then January sales will be lower. We

Deeper analysis within the magazine department shows weekly titles are at the core of the decline. This must concern newsagents as the weeklies are key to magazine department profitability. The other result of interest is the decline in special interest titles. I'll wait and see if this is a one-off.

Within the newspaper department, foreign newspapers continue to buck the trend, reporting unit sales growth of 3% for January 2010 over 2009.

The story inside the stationery department is interesting. There appears to be a shift in the products being sold by newsagencies. Pens, pads, staples – basic home office supplies – performed better than other items.

Overall, January has not been a good month for most retail newsagents. It traded against the trend we saw in the last quarter of 2009. Hopefully, it is not an indicator for the year.

Benchmark study details: 135 newsagencies submitted sales data for this benchmark study. This was culled to 115 by eliminating businesses with questionable data quality – usually where some items sold are not scanned. The comparisons are on a same store year on year basis. This makes the result more useful.

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