

NEWSAGENT SALES BENCHMARK STUDY

JAN-MAR 2011 vs JAN-MAR 2010

It has been a tough start to 2011 for Australia's newsagency channel.

82% of newsagents participating in the Q2 2011 Sales Benchmark Study reported an average overall sales decline of 7% for January through March 2011 compared to 2010.

Here are the headline numbers:

- **Magazines.** Magazine sales fell, on average, 7% (in unit sales) in the January through March 2011 quarter over the same period last year. 78% of newsagents reported a decline in magazine sales. Computer, Music, Teenager and Motoring and led the decline with most delivering a double digit decline in sales. Women's Weeklies declined but not as much as the others.
- **Greeting cards.** Greeting card sales fell, on average, 8% (unit sales) in the quarter. 84% of newsagents reported a decline. While category level data is not available for more than half participating newsagencies, what data I have suggests that the declines are outside everyday cards.
- **Stationery.** 73% of newsagents reported a decline in stationery revenue (not including ink) with the average decline 5%.
- **Ink.** 40% of stores participating in the study have a separate ink department. 90% of these stores reported growth in ink revenue of 10%.
- **Gifts.** 65% of the stores in this study have a gift department. 80% of these reported an average sales increase of 9% in gift revenue.
- **Newspapers.** 80% of participants report an average newspaper sales decline of 2%.
- **Basket size.** 57% of newsagents reported an average 6% decline in basket size.
- **Traffic.** 69% of newsagents served fewer customers than in the 2010 period.

How magazine distributors can justify no decline and even an increase in magazine supply in the face of declining sales is beyond me.

Newsagents need to consider their space allocation for magazines. Giving the same space today to the department as, say, two years ago would be disadvantaging the business.

Suppliers and industry leaders who care about a healthy newsagency channel will engage on the issues reflected in these benchmark numbers.

I will be elaborating on these benchmark numbers and a plan for addressing them at a series of workshops planned for May / June.

The issues reflected in the numbers I have been looking at for the past week go to the heart of the future of the channel.

The latest newsagent performance data is from the Tower Systems Sales Benchmark Study. Tower Systems undertakes these studies on behalf of newsagents. This three month study is based on sales data from 106 newsagencies, trading under four different banners plus independents, businesses in capital city regional and rural situations.

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