

# EMG - UPDATE ON RECENT INITIATIVES



EMG has been very pro-active in launching initiatives to improve the magazine retailing margin and cash flow for newsagents. These initiatives have included:

- maximum 4 week on sale period
- 75% newsagents commission for 2 months for "Truckin' Life"
- increased commission trial for November and December
- no more full copy returns
- establishment of a newsagents customer service team
- put away forms in all November and December issues

Many newsagents have been contacted by our customer service team and the feedback we have been receiving from many sources has overall been very positive, applauding us for our ground breaking moves. Other publishers are also monitoring our initiatives to determine whether they have to follow our lead.

From the outset we committed to keep newsagents informed of progress and share the results of our initiatives. We have to hand sales results for titles which went on sale from 7th September to 19th October and which were on sale for a maximum of 4 weeks. After analyzing the information received we can now report on those results:

- early returns did not reduce significantly
- sales results of our regular monthly titles were generally in line with average previous sales
- sales results of our bi-monthly titles (previously on sale for 8 weeks) and our one shot titles (previously on sale for 12 weeks) were all at least 30% lower with some as much as 50% lower. This means that both newsagents and EMG lost revenue. Analysis of past results has shown us that the revenue reduction equals the sales which were previously made in the second month of on sale

We have discussed these results with several key industry representatives and all have agreed there is no logic in continuing with a change which results in reduced sales revenue for newsagents. We have carefully considered how best to counter this loss of revenue for newsagents, and EMG, and have modified the on sale period initiative as follows:

- from on sale 2nd December all our regular monthly titles, which represents nearly 66% of the number of copies we distribute each month, will continue to be on sale for a maximum of 4 weeks.
- our bi-monthly and one-shot titles will have a maximum on sale period of 8 weeks. No title will be on sale for longer than 8 weeks and we will still, where possible, schedule on sale dates for the first two weeks of the month.
- the distribution of the December titles on sale for 8 weeks will continue to be allocated in line with November issue allocations.

If you like to discuss this, or any other circulation matter, please contact me on (02) 8719 3503 or at [circulation@emgroup.com.au](mailto:circulation@emgroup.com.au)

Kind regards

Keith Whittington

Director of Circulation - EMG – Working with newsagents to give you a better deal

