

RETAIL NEWSAGENCY SALES BENCHMARK

COTOPER – DECEMBER 2015 vs 2014

This year on year same-store newsagency sales benchmark study is an analysis of basket data from 161 newsagencies: city and country, shopping centre and high street, banner groups (Newspower, Nextra, newsXpress) and independent.

The December 2015 quarter was tough for many newsagencies, especially with print media products. Here are the year on year same store comparison numbers.

- **Customer traffic.** 78% of newsagents report average decline of 1.2%.
- **Overall sales.** 76% reported an average revenue decline of 1.6%.
- **Basket depth.** 68% report a 1.5% decrease in basket size.
- **Basket dollar value.** 263% report an decrease in basket value of 1.2%.
- **Discounting.** 37% of respondents using a structured loyalty offer.

Benchmark results by key departments:

1. **Magazines.** 81% of newsagents report an average decline in unit sales of 9.5%. The average decline in weeklies was 10.5%.
2. **Newspapers.** 82% report average decline in over the counter unit sales of 7.9% . Capital and regional city dailies lead the decline.
3. **Greeting cards.** 51% of report average revenue decline of 2.1%.
4. **Lotteries.** 51% of those with lotteries report an average decline of 2% in unit sales.
5. **Stationery.** 67% of newsagents reported a decline, with an average of 5%.
6. **Ink.** 25% of stores report ink separately. Of these, 52% reported decline of 2%.
7. **Gifts.** Of the 68% in the offering gifts, 60% reported growth with an average of 7%.
8. **Tobacco.** Of the 45% with tobacco, 70% reported an average decline of 16%.
9. **Confectionery.** 50% of stores reported an average decline of 2%.
10. **Toys.** Of the 25% with toys, 65% reported growth of 5%.

While these numbers do not reflect good news for the channel, the positive side of the numbers are good for the businesses reporting them. For example, close to half newsagencies reported a decline in greeting card sales while almost the same number report growth. The difference between the two, the gulf, is considerable. Allowing for local situations, there is a point difference of eight between the average decline and the average growth. This is considerable. The businesses achieving 6% year on year growth from high margin card sales are in a different situation than those experiencing 2% year on year decline.

Look at gifts, the story is similar but even more complex. While the gam between those reporting growth and those reporting decline is considerable, more than ten points, that 32% of newsagents do not have a gift department is alarming given their greeting card sales. Even more interesting is the difference in gifts sold. Whereas in an average newsagency, gift revenue is equal to around twenty percent of card revenue, there are newsagencies where gift revenue is more than double card revenue. These are businesses aggressively pursuing change.

I saw data for one store that is a stunning turnaround. Indeed, the result was so good I made a YouTube video about it: <https://youtu.be/f-YiIFlFG68>

In my own newsagency: My key category numbers off a good base, are: **Books**: up 500+% due to trend chasing. **Diaries**: up 219%. **Cards** up 19%. **Gifts** up 60% and account for 15% of sales; **Magazines** down 1% and weeklies down 3%; **Stationery** up 5%, **Plush** up 18% and accounting for 9.15% of sales. **Traffic**: down 2%; Average Sale Value: up 9%; **Average Item Value**: up 11%.

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Success is there for the taking in any newsagency situation. I firmly believe that. In cities and country towns. In shopping malls and on the high street. We, each of us, can make our own success by embracing change and being serious about how we run our businesses – through the deliberate choices we make.

We have more control over our businesses than ever before. What we do with this is up to us. The trends affecting us are obvious. Our future is ours to own.

Please take this benchmark report as a call to action.

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