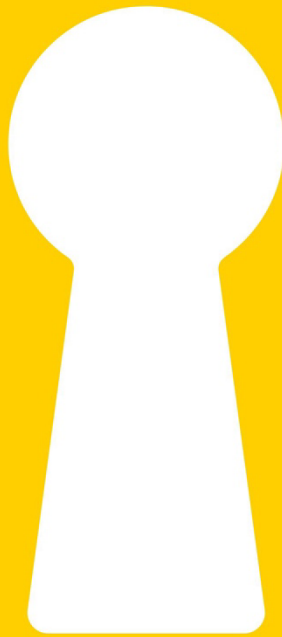


CULTIVATING VALUE

How newsXpress helps retailers
cultivate value and enjoy their
businesses.



2023
AND BEYOND

June 16, 2023.

Hello ...

Covid was good for newsagents and even though it is not over, it is over in terms of impacts – lockdowns and the like.

Now, in mid 2023, there are the stories of rising interest rates, possible recession and related economic dark cloud stories capturing the attention of people and feeding into consumer sentiment ratings.

It is in periods of disruption that we find opportunity.

newsXpress is all about helping its members find and cultivate opportunity as this drives business value.

Business value is what the business provides you and those who rely on the business with today. It is also about what the business provides when you come to sell.

How newsXpress helps each member with this is 100% up to each member.

Nothing is mandatory.

We present insights, opportunities and commercial context.

Thanks to post-Covid disruption and current economic news, there are valuable opportunities.

For a small monthly fee, we offer value on which you can rely, value you can bank on.

We'd love to help you.



Mark Fletcher

Managing Director

newsXpress Pty Ltd

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Who we are.

newsXpress is a privately owned company. We have been in business since 2001. We are a marketing group.

We're not a franchise. Nothing we pitch is mandatory. We do not charge a fee based on your turnover.

Corporately, we are newsXpress Pty Ltd, ABN 99 098 073 833.

Our head office team is small:

- Managing Director: Mark Fletcher. Also owns Tower Systems. Has owned newsagencies since February 1996.
- Retail and online strategy and management: Anthony Suta. Anthony has 16 years retail experience in physical and online retail.
- Supplier relationship manager and retail mentor: Jennifer Searle. Jennifer has 30+ years retail experience including running her own gift shops.
- Data analyst and retail mentor: Michael Elvey. Michael has 25 years tech, data analysis and retail shop floor experience.
- Corporate store manager and retail mentor: Guy Coles. Guy has 20 years retail experience in local indie as well as national corporate retail settings.
- Corporate store manager and retail mentor: Chris Farrell. Chris has 11 years retail experience including specialty visual merchandising skills.

In addition to running the newsXpress head office and providing member advice, support and services we also run related businesses:

Physical shops in Victoria, newsXpress Southland, newsXpress Mount Waverley, newsXpress Malvern.

Group online websites – available to all newsXpress members for easy online sales: www.beanieboosaustralia.com, www.jigsawsaustralia.com, www.popvinylnsinaustralia.com.

Single store websites connected to corporate newsXpress stores: www.cutenessoverload.com.au, www.noahsark.toys, www.myornaments.com.au, www.mintcoinshop.com.au.

How we make money.

newsXpress Pty Ltd makes money four ways:

- Membership fees. These are \$225.00 a month for the first store you own and \$0 for other stores you own.
- Central billing / supplier rebates. A small % paid by suppliers to cover central billing admin costs, management and risk costs.
- Online sales through our group websites. We charge members a 10% fee on sales to covers credit card fees and the cost of free shipping.
- Sales from our corporate shops.
- Sales from our corporate online businesses.

Where we spend our money.

In addition to our wages, leased space and other business overheads, here's where we spend our money:

- Bonus discount on orders placed with centrally billed suppliers from time to time.
- Seasonal collateral for members. We provide each newsXpress location with collateral for promoting major retail seasons.
- Free loyalty cards and selected other in-store materials members use to drive shopper loyalty.
- Digital assets for social media. We create hundreds of digital assets for use each year by newsXpress members.
- In-store promotional giveaways. Such as the 100 exclusive free Christmas cards we gave to members last year to drive card sales.
- Travel for member meetings in regional locations and venue fees.
- Tech infrastructure: member knowledgebase, CRM system, corporate Zoom, Dropbox, Canva and corporate website.
- Collating and shipping supplier swag bags of products samples.
- Creating personalised collateral including videos for members to use.
- Paid social media promotion for major opportunities.
- International trade show visits to be ahead of trends.
- Travel subsidies for members attendance at our national conference.

Transparency.

Even though newsXpress is a private company, our members have access to financial performance data.

We have shared this at each of our national member conferences for years.

We also welcome sharing one on one.

The business has never made a profit distribution. Rather, when funds have been available, they have been used in the business.

- On several occasions in recent years we have invested in travel and time to be with a member business experiencing difficult times, to reset the business on the shop floor, provide face to face support and to help the business find its way again.
- In 2019, 2022 and 2023 we organised (subsidised by newsXpress) overseas travel to attend international trade shows and to see best practice local independent retail in categories of interest to our members.
- In 2021 we funded a national creative writing competition with two significant cash prizes.
- On-going, we fund independent pocket level card performance analysis based on newsXpress developed and exclusive intellectual property that results in excellent card sales growth for each participating retailer.
- Rather than take a margin on EFTPOS sales by newsXpress members, newsXpress chose to pass on the full benefit to members through lower EFTPOS fees.

Your future is yours to make.

Value is important in every business, especially so in local indie retail like a local newsXpress business – what you make today and what you will make when you decide to sell.

The newsagency channel was created in the 1880s to distribute a magazine through the goldfields of Victoria. Some of the agency arrangements put in place then can be seen in business arrangements today.

While we understand and respect the history of the channel, the future for our shops is the future. It's nothing like those goldfield days.

Making the most of the opportunities of the future is about what we talk about in this document.

What you sell. How you sell. When you sell. The customers you sell to. It's all up for grabs, there for the taking. It starts with the narrative of your business, how you pitch yourself.

How far you go is up to you. We pitch ideas and opportunities. What you do with them is up to you. Once you decide, we can help with practical steps.

While we understand that for plenty, old-school products and services are valuable, their value is declining.

You're not alone. We help you, work with you, hold your hand and encourage you - as much or as little as you want.

How we help you drive value.

The value of a product depends on its gross profit, what you sell it for less what you paid for it. The real value of a product is the gross profit less the labour, and retail space costs for the product. The value of a product over a year is these things times the quantity of the product sold.

If you sell a gift for \$250 with a GP% of 50%, you make \$125.00. That's the same as the GP you would make from around 380 newspapers, 85 magazines or 100 or so lottery tickets.

newsXpress helps its members grow **profit**, and through this cultivate greater **value** for their businesses, and from that flows **enjoyment**.

Can anyone sell items worth \$250 or more? In our experience, yes!

But, value is about more than the ticket price of an item. Other factors:

- Buy price. We help you buy better.
- Stock turn. We help you understand this and improve it.
- Shrinkage. We help you reduce the cost of theft.
- Differentiation. We help you cast your business differently, to help improve shopper stickiness

We offer advice and support on these, data driven advice, helping you to maximise every value opportunity. Evidence is key, your evidence.

We know that if we help you maximise value at the transaction level, it plays out wonderfully when the time comes for you to sell your business.

Helping you cultivate value.

We guide you to harvest greater value, profit, and thereby make your business worth more.

Our 120+ preferred suppliers offer members **better margin opportunities**.

We shine a light on products that **turn faster**.

We have preferred suppliers who: provide **exclusive product** and who offer **first to market opportunities**.

Exclusive. Plenty of our preferred suppliers do not sell to other newsagents.

Our central billing program unlocks for you **delayed billing terms**.

Our shop floor tactical training and guidance can help you achieve higher inventory turn rates, delivering a **better return on investment, better return on floor space, and better return on labour**.

Enjoying your business.

Okay, this is important.

Enjoying your business helps you make better decisions. It also helps those with you in the business make better business decisions.

Through our newsXpress community you have friends you can have a laugh with, and folks you can trust to decompress with.

In our Zoom meetings and other contact points we, together, have a laugh.

We listen, and share with you. We nurture your resilience and, sometimes, help you find enjoyment when it may not have been obvious.

It really comes back to why you are in business. The answer to this varies. Understanding it is key to the enjoyment you feel and achieve.

The business itself becomes enjoyable when speed bumps are overcome and stormy weather guided away. Having access to your own business mentor can help achieve these things.

Success is enjoyable. We encourage and help to find success so you can feel the happiness it brings.

We understand, too, that enjoyment can be different for each of us. We are keen to know what enjoyment feels like for you, to make sure that we tap into enjoyment in a way that is meaningful to you.

Now, let's turn to the how ...

Nurturing your success.

We nurture your success through **opportunities** you can leverage, often needing little or no capital investment. We share these in one of our regular (at least twice a week) member emails, or our regular member Zoom meetings.

Opportunities can be new suppliers, new products, in-store tactical changes, out of store marketing ideas. Often, they are early adopter opportunities that can help our members win before other retailers know about the opportunity.

We lay out for your consideration a pathway to a **success**.

Opportunities can be sales to people who will never visit your shop through any of several national #1 ranked consumer facing websites, and / or your own exclusive website, under a brand you choose.

What is unique about what we leverage for you.

newsXpress is genuinely unique in the newsagency marketing group mix.

We leverage the Tower Systems retail experience. Tower serves 3,500+ independent retailers across 10 retail channels. Data insights from these channels provide early insights that we leverage for newsXpress members.

The value of this dataset is extraordinary.

The work by Tower Systems with toy shops, homewares businesses, and gift shops has been instrumental in newsXpress members broadening the appeal of their businesses.

Through this we can speak to key metrics such as return on floor space, return on labour, and return on investment, and through these help you cultivate more value from your business.

We own, and run our own shops, as playing fields where we experiment for our members with their full knowledge, and guidance.

We were first with a consumer-facing online offer at the group level, and at an individual store level.

We have an active new shopper strategy, focussed through several suppliers that do not partner with any other marketing group.

We will disagree with you sometimes. If you ask our opinion, our feedback will be honest, and backed by evidence. We owe you the truth.

We joined newsXpress over 12 years ago to take the business to a level we could not achieve on our own. Not only has newsXpress opened doors to suppliers and deals that were beyond us on our own but the family like community of newsXpress has supported us in ways that go beyond a purely business relationship.

Our thanks to Mark and the team and all the other members.

Brendan and Rita Mason, newsXpress Sunbury Square, VIC.

The all-important greeting card relationship.

You can stock cards from any company as a newsXpress member. There is nothing in our contract that restricts the cards you sell.

Australian newsagents sell a third of all cards sold in Australia. The average Australian will buy 8 or 9 cards a year.

We have a fine-tuned process that helps newsXpress members sell more cards to more people. Through our proprietary card pocket performance analysis, you are provided data about your business you can leverage for more valuable card success.

We offer terms with Henderson Greetings, Waterlyn, Hallmark, Simson, Affirmations, Vevoke, Paper Street, and Spirit.

Our goal is to help you increase your card pocket turn. The average card pocket turn in newsagencies is 2 times a year, too often less. Here are four examples of newsXpress guided success with cards:

- One newsXpress store moved 120 pockets from one company to another, and more than **doubled the pocket return achieved**.
- Another newsXpress store moved from a 100% relationship to a split model, cut card pockets by 25%, and **increased card revenue by 33%**.
- Another newsXpress store split cards between two suppliers. Without any capital investment they **increased card revenue 70%**.
- Another newsXpress store quit \$2 cards and recast their everyday mix with the result of **card revenue up by 50%**.

Our work in the card category is genuinely unique, and 100% focussed on achieving a better return for our members.

Joining newsXpress is one of the smartest decisions we've made in 33 years of business.

The ideas and encouragement from the wonderful team at head office, as well as other newsXpress members, has helped us transform our newsagency into a beautiful store that our customers love.

And even better are the many friendships we've formed with other members Australia wide

Jenny & Craig Boyd, newsXpress Highlands Marketplace, NSW.

The Royal Australian Mint relationship.

newsXpress is the only marketing group the Royal Australian Mint partners with. While it does supply Australia Post outlets as part of common government ownership of both businesses, our retailers benefit more from our relationship.

We have seen newsXpress members go from selling no coins to achieving \$50,000 a year in revenue.

Through our work with the Mint, and their products over four years, we have discovered how coins can work for traditional shoppers like those buying newspapers, and lotteries.

Now, we have access to exclusive opportunities.

Thanks to beautiful packaging connected with key seasonal giving occasions, Royal Australian Mint products support greeting card sales, especially for new baby arrivals, anniversaries, Father's Day, and other special events.

Products from the Royal Australian Mint also help attract new shoppers to the business as we leverage Mint data to help us understand more about mint coin collectors.

newsXpress guides success with Mint coins through training, advice, social media collateral, and in-store tactical engagement advice.

I never thought we could sell mint coins in our shop. The time an early morning newspaper customer spent \$300.00 in mint coins before 7am changed my perspective.

The Supercars coins helped us find more customers as did the AC/DC coin sets.

The Mint relationship is another unique supplier relationship from newsXpress that is helping us grow our business.

Nick Cassimatis, formerly newsXpress Caboolture, QLD.

The newsXpress exclusive approach to selling online.

newsXpress offers members easy access to several national traffic-attracting websites. newsXpress head office manages the back end of credit card fees, refunds, returns, free freight, and more. These sites are the fastest, and easiest way a newsagent can sell online.

Currently, newsXpress offers members access to **half-price beautiful websites** made specifically for a member business. Such a site can run alongside the newsXpress group-wide national sites. See www.onebaby.com.au or www.chitchatgifts.com.au for two examples.

The web technology is backed up with go-live support, marketing advice, and more. Our approach is to treat a website for a business as a start-up, a source of new traffic, and new revenue for a business.

newsXpress helped us find our niche, get online and through this find online customers as well as new customers for our shop.

It is exciting having a new business like this launch and be successful. It is encouraging, motivating and helping us to see our newsXpress business differently.

Andrea Holmes, newsXpress Numurkah, VIC.

How we do this, what \$225 a month gets you ...

Here is a list of what's included in the \$225.00 a month membership fee:

1. **Seasonal marketing collateral.** Beautiful. Exclusive. A1. Double-sided.
2. **Digital collateral.** 100s of exclusive assets for your use each year.
3. **Digital collateral for in-store use.** Ready for you to print, and use.
4. **Catalogue opportunities.** While catalogues don't work the way they used to - just ask Coles, Woolworths or Ovato - we do offer specialty / niche product catalogue opportunities from time to time.
5. **Customer loyalty cards.** For 3 different categories. Free to members.
6. **Exclusive to newsXpress seasons.** To help you attract new shoppers.
7. **100+ preferred suppliers.** Better margin. Faster selling. Good terms.
8. **Social media collateral.** Images, and videos ready for you to use.
9. **National consumer facing websites.** Connection for your shop is easy.
10. **Half price website.** Connected to your business, made for you.
11. **Supplier problem resolution.** We actively represent you.
12. **Lease negotiation.** We help you negotiate.
13. **Low EFTPOS rates.**
14. **Product buying.** To your budget, we create orders for you to consider.
15. **Business management advice.** Evidence-based advice.
16. **Team member training.**
17. **Visual merchandising advice, training, and inspiration.**
18. **Shop fit, and layout advice.** We have helped save thousands of dollars.
19. **HR.** Timely access to award rates.
20. **Member meetings.** Online. Via Zoom. Recorded for later watching too.
21. **Supplier launches / presentations.** Filmed by us, for you.
22. **Private Facebook group.** Talk about anything, any time.
23. **Online knowledge base.** 150+ business management articles.
24. **Deals envelope.** Exclusive member deals from suppliers.
25. **Financial guidance.** Helping you budget for profit.

26. **Listening.** We can be your sounding board on anything.

27. **Mental health support.** We will help any way we can.

28. **More.** We do more than this every day.

The \$225 a month membership fee is paid each month, by direct debit. This is your membership fee. It pays in part for our services. We also receive rebates from suppliers. these are disclosed to members annually.

You are under **no obligation** to purchase from newsXpress preferred suppliers.

Suppliers appreciate the commercial context we provide for products they offer and pay us a rebate to help fund what we do for our members.

In all of our years of operation, there has been no profit distribution from newsXpress. Everything earned by the group has been reinvested for the benefit of member businesses.

Once a year, we share with our members our P&L, offering transparency as to income, and expenses.

We have had our newsagency for 22 years & were facing financial hardship & basically had lost our mojo. That was until we were introduced to Mark Fletcher & the newsXpress team. We cannot recommend this group highly enough; they have been our saviours.

We have managed to turn our business around & we are no longer an old school newsagent relying on traditional lines.

The help & advice we have been given, along with the preferred suppliers they have introduced us too, has been invaluable.

The whole group is very engaged & we have met many other newsXpressers who are only too willing to offer help or advice when needed. Just wish we had joined newsXpress much earlier in our newsagency journey.

Wayne & Sharene Davies. newsXpress Leven, TAS.

What we look for in a prospective newsXpress member.

We are keen to partner with business owners who look ahead, who want to run a more successful and enjoyable business, and who are open to change.

- Your location is no barrier.
- The size of your business is no barrier.
- Being an Australia Post LPO is no barrier.
- Your card supplier preference is no barrier.
- Your financial situation is no barrier.
- Having lotto, or not, is no barrier.
- Your age, gender, and ethnicity are no barrier.

What matters most is what you want for your business, and for yourself from your business.

If, for example, you think your future relies on newspaper home delivery, lotteries, parcel collection, betting account top-up, and similar agency business, newsXpress will not be a good fit for you.

If what you want is a more successful, valuable, and enjoyable business, we may be the right fit for you.

Not everyone is, though. In the past there are times we have wished someone all the best and let them know we are not a good fit for them.

Successfully being part of newsXpress requires from you: energy, and engagement. Joining, and doing nothing would not be good for you, your business or our business. This is why we consider prospective members as much as they consider us.

The relationship is a **partnership**, one we both need to ensure is right.

It's critical we get this right, critical that we welcome people who do want change, people who look ahead and not behind. We want people who want to contribute to the newsXpress community as much as we contribute to their business.

I love working with retailers who are excited by success. That first win is always the best, so motivating.

Michael Elvey, newsXpress Retail Development Manager / mentor.

What happens when you join newsXpress?

First up, we want to know what is important to you. This guides our immediate focus to your specific needs. Depending on that, they will make suggestions and offer help.

They setup your email, connect you to our private Facebook page, introduce you to our 100+ preferred suppliers, and get you into our suite of training, and support resources.

Typically, new newsXpress members have access to several product categories they do not currently have in their businesses. We provide marketplace context, advice, and support to get into these **new product categories**, and find the shoppers who love the categories.

You will start receiving our regular **member emails**. We usually send 2 a week. They have new supplier details, preferred supplier deal opportunities, and business management advice.

You will be invited to our **member Zoom meetings**. We host at least 2 a week for our members. We will introduce you, make you welcome.

If you want help on your **shop layout**, we will have one of our specialists work with you on that, to provide suggestions.

If you want to **expand your product range**, we will have one of our specialists work with you, making supplier, and product suggestions.

If you want to **sell online** through our national product-specific consumer facing websites, we will show how you can do that and how to fulfil orders.

If you want to **sell online** though a website specific to your business, we will introduce you to the team that can deliver this at half the usual cost as a newsXpress exclusive opportunity.

You get to choose what you buy, when you buy, how you display and how you promote. We will offer advice, and suggestions. Action is up to you.

newsXpress has helped us with retail opportunities by understanding our business data and bringing to that worldwide experience and understanding and then, assisting us in transforming our business and ... taking it personal.

Russell and Cathy McDonnell, formerly newsXpress Banyo, QLD.

How do we compare?

We don't know the details of what other groups offer today or what they do or do not do for their members today, just as they cannot know this about newsXpress.

What we do know is what people who have switched to newsXpress tell us they like about our group.

- **Active.** They like how active we are, how engaged we are with members at a group level as well as at the individual business level.
- **New suppliers.** They like that we have plenty of suppliers they have not had access to before.
- **Deals.** They like that we have good value deals that help them make more money.
- **Fresh ideas.** They like the fresh ideas we pitch that help their business.
- **Speed.** They like how fast we are on trends, that we help them get into a craze early, and get out before the craze has faded.
- **Tactical.** They like the advice we provide on turning locations in-store into hotspots.
- **Evidence.** They like that our advice is evidence based and not pandering to suppliers.

We think the newsXpress offer is unique in terms of what we do, how we do it, and the extent to which we help our members.

Without the guidance and support of newsXpress over the last 3 years that we have been members, in particular the last 12 months, I'm not sure where we would have ended up! Nothing is ever too much trouble. The head office team is continually trying to help us improve our businesses.

The other thing I love about being in newsXpress is to be able to learn from other members what they are doing in their stores which can give you the confidence to try something new! I recommend newsXpress to other newsagents.

Barb Shanahan, newsXpress Lara, VIC.

Knowledge base.

newsXpress members have access to a knowledge base of advice and support. This is updated regularly, to keep content fresh and relevant.

Here are knowledge base articles either added to or updated in June 2023.

- newsXpress central billing, how it works.
- Christmas in July marketing ideas.
- Make every day your payday - why and how to...
- Advice on promoting jigsaws.
- Advice on reducing visual noise in your shop.
- Complete advice on managing cards to maximise revenue.
- Event ideas for attracting traffic.
- How to prepare your case for rent relief or a better lease.
- Recommended newsXpress business performance benchmarks.
- Advice on analysing gross profit by floor space allocation.
- Selling your business: preparing for due diligence.
- How to host an unboxing event.

Our member-exclusive knowledge base has 250 business management articles.

Your questions answered.

- *Is newsXpress a franchise?* No. This means more freedom for our members.
- *Will you show me your supplier terms before I join?* No.
- *Do you have exclusive supplier deals?* Yes.
- *My shop is small, is that okay?* Size is not a factor.
- *Can you help me sell online?* Yes.
- *Do you offer a benchmark against which I can compare my performance?* Yes.
- *Do you offer a strategy for attracting more shoppers?* Yes.
- *Is there anything from newsXpress that is mandatory?* No.
- *Do you visit our shop?* It's 100% up to you, but not usually.
- *Do we need to change the name of our business?* No, not unless you want to.
- *Do we need to put a new sign up?* No, it's up to you.
- *Do we have to wear a uniform?* No, not unless you want to.
- *Does newsXpress pay for signage?* Not for the shop. We do provide members with wonderful seasonal posters.
- *What if I sell my business?* Your agreement with newsXpress ends.
- *Do you run catalogues?* Yes, but not the old-school Christmas, back to School and Mid-Year catalogues.
- *What is your position with magazines?* We offer our members marketing tips designed to sell more magazines.
- *What is your position with lotteries?* We actively work with Lotterywest. We also have a national account manager with Tabcorp through whom we navigate any issues or concerns members express.
- *Can we see your list of preferred suppliers prior to joining?* No.
- *Can you save my business?* We will help as much as possible.
- *Can you help me reduce my labour cost?* We'll share advice.
- *Can you help me negotiate on rent?* Yes.

If you have any questions, please ask.

Okay, what's next?

If you think newsXpress is not right for you or your business, we wish you all the best. Thank you for considering us.

If you think newsXpress could be right for you, connect with us. We can host a Zoom meeting for you with some of our team members to answer any questions.

If you are ready to commit, please email us.

We are ready and keen to help.

Over to you.

Prospective member contacts:

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