

magazines IRELAND

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A HELPING HAND?

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Last month saw the magazine publishers of Ireland vote to change their representative body's name from the rather archaic PPAI (Periodical Publishers Association of Ireland) to the more progressive tag of Magazines Ireland. But amid tensions between retailers and distributors, poor category management and store owners still being inundated with obscure titles, the organisation's leaders are adamant that not only does their new name represent them better, they are also determined to do much more for the Irish retailer. **John Ruddy** talks to Magazines Ireland chairman **John Mullins**.

Like in many other FMCG categories, Irish-produced products on the newsstand are very much in the minority. 80% of all the magazine titles sold in Ireland are either from the UK or even further afield, with just 20% produced on the island.

Compared with the volume of UK magazines, the number of Irish titles might be relatively small, but their importance in the marketplace is huge. In every magazine category in which an Irish title exists, it is the market leader – making them not only a source of revenue, but a key footfall driver.

It was no great surprise, then, that the industry's representative body, formerly known as the rather unwieldy

Periodical Publishers Association of Ireland (PPAI) voted upon a rebrand to Magazines Ireland last month.

The PPAI tag, a legacy of the ongoing association with the UK-based PPA, carried with it a certain weight within the industry, but as chairman **John Mullins** said, as a sole voice for Irish magazines, it needed a clearer definition about who it was and what it stood for.

“PPAI was seen to be dated, periodical was a dated word, the naming was too closely associated with the UK PPA, and it didn't

clearly identify who we were and what we were about. Now what we are about is magazines, be it online, direct business to business, through the post – we are all about magazines,” Mullins said.

The rebrand is more than just a PR exercise, however, or an attempt to avoid confusion with a similarly-acronymed photographers' organisation. Inherent in it is a desire to create a unifying tag for Irish consumer titles, which will act as a key point of difference for the titles themselves and subsequently retailers and consumers once the magazines hit the shelves. This tag is not yet decided upon, but upon completion, it will provide an (optional) Irish-focused branding for Irish titles – a quasi Guaranteed-Irish for the indigenous publishing sector – and one with buy-in from the likes of CSNA, RGDATA and NFRN.

But with Irish magazines the market leaders in their respective categories, why do they need promotion? And why should a retailer (or indeed a consumer) want to give any more special attention to an Irish title over one from the UK?

According to Mullins, there are many reasons behind this, ranging from the emotive or the patriotic to the net contribution to a retailer's bottom line.

"Irish magazines get retailers closer to their customers, because the content is relevant to the retailers – it is aimed at Irish consumers who buy things in Irish retailers' stores. Irish magazines employ people who go to their shops. There isn't a single English publishers' staff member going into your local Centra buying stuff – but our staff are."

This patriotic call may seem a bit far-flung, but as Mullins puts it, with 2,000 people directly employed in Irish publishing, and a further 4-5,000 indirectly involved, it's a €400 million industry which generates a lot of revenue for Ireland Inc. Furthermore, while the bizarre exchange rates involved (which despite the huge slump in the STG/Euro rate, still sees some UK titles retailing for a euro price almost double that of the marked sterling rate), may give a greater cash margin due to the higher retail price, Mullins maintains that Irish titles are proven footfall drivers, with higher sales volumes and lower levels of returns.

"From a retailer's perspective, it's not about margin, it is about money in the till. And a retailer would rather provide a service to their consumers to ensure that they keep coming back, and in that sense they would much rather sell a magazine to a consumer for €3 rather than sell them a magazine which says £3 on the cover but sells for over €5. That is a very bad customer experience, and people think that this is the retailer taking advantage, and it isn't. Retailers want their shoppers to feel that they are getting value for money," Mullins said.

Giving value for money is one thing, but how will this new Irish Magazines imprimatur help retailers with what is a notoriously difficult category to manage? According to Mullins, with Irish titles outselling their British counterpart in every category, it will provide a quick and easy means for retail staff to identify titles which deserve greater precedence – particularly when being bombarded with large volumes of magazines which simply don't sell.

This will be further augmented by an upcoming 'Newsstand Dos and Don'ts' ready reckoner, which, when issued to the trade, will promote best practice in the category, regardless of the store size.

"It is a tough category to manage, so we are finalising a simple document which will explain to the retail trade, and particularly those responsible for magazines, the dos and don'ts

on how to make the category profitable. Because magazines should be the most profitable sector in the retail industry – 25% margin and full sale-or-return – but for most retailers, it often doesn't feel like this, it's an administrative nightmare, they feel that no-one is listening to them, no one is answering their calls. So we want to help them with that," Mullins said.

This 'Dos and Don'ts' document is just the first in what Magazines Ireland plans to be a

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sustained and two-way direct interface with the retail trade. With planograms (built independently by magazines expert Kathleen Ryan) being trialled in Superquinn already, Mullins and Magazines Ireland hope to be in a position to deliver independently-verified planogram assistance to retailers with magazine fixtures of all sizes over the coming months.

Furthermore, while they accept that they have a strong vested interest in promoting the Irish titles as part of any planogram advice, they maintain that it is an interest not only in their members' revenues, but also in the wider success of the Irish retail sector.

"Offering planogram advice is a new development for Magazines Ireland, because previously the distributors like Comag came in and did the planograms – so you ended up with UK planograms with Irish products shoehorned in, in the same way they would shoehorn in the local Birmingham titles in Birmingham. Now obviously the advice is skewed depending on where you get it – everyone has their paymaster – but while we have a vested interest in our members, we also have a vested interest in the retailers, because without them we are nothing. If Irish retailers went out of business tomorrow, it kills our industry; it kills Irish magazines, whereas for the English publishers, they would just lose 5% of their market. So our vested interest is in a vibrant Irish retail sector, because it is our lifeblood. We are very realistic about what we can achieve and demand in the marketplace,

but our vested interest is much more about Irish retailers being successful and profitable," Mullins said.

Bringing publishers (via Magazines Ireland) and retailers closer together may be no bad thing, particularly after the tension between one of the largest news distributors (Newsprint) and many retailers earlier this year. While most of the headlines emerging from the dispute centred on the boycotts of some IN&M titles, many magazine publishers (who depend on third-party distributors such as Newsprint) were furious at being caught in the middle.

"There are three parties in this chain, the publisher, the wholesaler and the retailer, and the publisher and the retailer are the two most important parts in that. And this middleman, the delivery boy, is causing a lot of difficulty in our industry, so we need to address that. Because this thing in January caught us in the middle, we never want to be the ham in the sandwich again. We want an open and frank two-way relationship with the retailers and the distributors – we want to talk to everyone."

These grievances may be addressed by the implementation of a newsstand charter, which would govern all aspects of the supply chain. With the charter requiring buy-in from so many quarters, it's still a work-in-progress, but with the prize so substantial, it's easy to see why it is the real long-term goal of the Magazines Ireland organisation.

"(The charter) is the Holy Grail, it is what we are all working towards. And when it comes, it will be great; it will address all the concerns of all the parties involved. But while we are working towards that, we need to deliver other wins along the way, and we feel that things like the 'Dos and Don'ts' will provide real assistance to retailers who may have thought previously that all they got from publishers was a headache.

"We want to let the retailers know that they have an ally in this chain, to let them know that there is someone there who is working in their interest as well as their own."

Convincing the retailers that the newsstand is anything but trouble will be a big job, but with a new brand coming on stream and the bit firmly between their teeth, Magazines Ireland's optimism seems to be far more than just pie in the sky.

One thing is certain, however – with the economy going down the tubes and many of the higher-margin categories taking a huge hit, any help that the Irish retailer can get will be welcomed with open arms.

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