



Communications
Canada

IMPACT OF THE REMOVAL
OF BILL C-58
ON THE CANADIAN PERIODICAL INDUSTRY

Background Study

Etude de fond

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This is one of three Background Studies that form part of the evaluation of Bill C-58.

This Study was conducted by The Coopers & Lybrand Consulting Group for the Program Evaluation Division of the Department of Communications, Canada.

The views expressed herein are the views of the author and do not necessarily represent the views or policies of the Department of Communications.

La présente est une des trois études de fond portant sur l'évaluation de la loi C-58.

L'étude a été entreprise par The Coopers & Lybrand Consulting Group pour le compte de la Division de l'évaluation des programmes du ministère des Communications.

Les recommandations concernant les politiques et les programmes ou les points de vue exprimés, ici, sont ceux de l'auteur et ne reflètent pas nécessairement ceux du ministère des Communications ou les politiques du ministère.

DEPARTMENT OF COMMUNICATIONS

2. IMPACT OF THE REMOVAL OF BILL C-58
ON THE CANADIAN PERIODICAL INDUSTRY

Final Report

September 11, 1987

Submitted by: Jacques C. [/]Bourgeois, Ph.D.
Robert Paris
Norman Baillie-David

Submitted to: Mr. Robert Letellier

The
Coopers
& Lybrand
Consulting Group

Management Consultants

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PREAMBLE

In 1975, the Canadian government enacted Bill C-58, in order to push Canadian advertisers to invest at home rather than abroad. The law started some controversy, mainly between the U.S. and Canadian press representatives.

The U.S. press called Bill C-58 "unfair", especially disputing the provisions under which a periodical could be labelled "Canadian" under the new tax act. The Canadian press representatives argued that the law was fair as it rebalanced the cost difference between the industry of the two countries.

A study was requested to address this issue by:

- carrying out a comprehensive situation analysis supported by DOC and other government sources;
- determining advertising agencies' understanding and compliance with the Act;
- evaluating the potential effects of suppressing the Bill.

EXECUTIVE SUMMARY

The following represents a brief summary of the advertising agency interviews concerning the impact of modifying or eliminating Bill C-58 on the publication industry in Canada.

The interviews were conducted during the first quarter of 1987 with executives responsible for placing media. A total of thirty (30) interviews were conducted with various-sized agencies across the country. It should be noted that the executives contacted were the opinions of advertising agency executives and not, necessarily, experts on free trade.

The overall conclusion was that the removal of Bill C-58 will result in a minimal loss of advertising revenues (5-10% maximum) to the Canadian publication industry (the study did not direct itself to the broadcast industry). The major reasons for this conclusion were:

- too small a Canadian market to significantly interest American publishers;
- the threat of over-fragmenting the Canadian media market and;
- the fact that C-58 has helped Canadian publications become the world-class vehicles that they are today (thus, no great threat of American competition).

This opinion was consistent across Canada and among various-size agencies. This was particularly true in Quebec, where it was strongly felt that francophone publications would not be impacted at all by Bill C-58's removal. There was some indication that trade publications could get hurt more than consumer and business-oriented magazines.

It should be noted that there was still a strong minority opinion of respondents who felt that Bill C-58's removal would have a much more detrimental impact on the Canadian publication industry. They argued that the cost of setting-up a Canadian edition is minimal and that increased advertising revenues going to American publishers would be "gravy". Indeed, Canadian publications simply could not compete with their American counterparts on a resource basis.

In any event, the impact of removing Bill C-58 would certainly depend on the extent of the "free trade" scenario. That is, the general liberalization of trade may encourage advertisers and publishers to favor a "North-South" regional split-run, instead of a Canadian split-run. The extent of the free trade scenario would determine which industries this would affect, and the extent to which they would be inclined to alter their current advertising behaviour.

All respondents understood the overall purpose of Bill C-58 and agreed that the law has had a very positive impact on the quality of Canadian publications.

In addition to conducting interviews with the ad agencies, multivariate statistical analysis was performed on previous magazine readership data in order to quantitatively assess the potential impact of removing the Bill. The results also showed that there would be little impact on the Canadian industry if the Bill were removed, provided that certain assumptions were maintained. The relaxation of these assumptions had the effect of increasing the potential impact of removing the Bill.

Your input into this study was greatly appreciated and most helpful in our efforts to study this important issue. Thank you again for your cooperation.

SOMMAIRE

Le sommaire ci-après porte sur les entrevues réalisées auprès d'agences de publicité au sujet de l'incidence de la modification ou de la suppression du projet de loi C-58 sur le secteur de l'édition au Canada.

Les entrevues se sont déroulées au cours du premier trimestre de 1987 avec des cadres responsables du placement des médias. Au total, trente (30) entrevues ont été réalisées avec des agences d'envergures diverses dans tout le pays. **Il convient de noter que les opinions exprimées par les cadres rencontrés sont celles de publicistes d'agences et non, nécessairement, d'experts en libre-échange.**

Il a été conclu, dans l'ensemble, que la suppression du projet de loi C-58 se traduirait par une perte minimale de recettes publicitaires (de 5 % à 10 % au plus) pour le secteur canadien de l'édition (l'étude ne portait pas sur le secteur de la diffusion). Les principaux motifs à l'appui de cette conclusion s'établissent comme suit :

- un marché canadien trop petit pour intéresser considérablement les éditeurs américains;
- la menace de trop fragmenter le marché canadien des médias; et
- le fait que le projet de loi C-58 a contribué à mondialiser les publications canadiennes (absence, donc, d'une menace significative de la concurrence américaine).

Cette opinion était la même partout au Canada et au sein des agences d'envergures diverses, particulièrement au Québec, où beaucoup considèrent que la suppression du projet de loi C-58 ne nuirait nullement aux publications de langue française. Selon certaines indications, les publications commerciales pourraient être davantage affectées que les magazines axés sur la consommation et les affaires.

Il faut tout de même remarquer qu'une opinion minoritaire marquée a été exprimée par des personnes considérant que la suppression du projet de loi aurait des conséquences beaucoup plus négatives pour le secteur canadien.

de l'édition. Selon ces personnes, le coût d'établissement d'une édition canadienne est minimal et les recettes publicitaires accrues représenteraient un profit facile pour les éditeurs américains. En effet, les publications canadiennes ne pourraient simplement pas faire concurrence, sur le plan des ressources, à leurs équivalents américains.

De toute façon, les conséquences de la suppression du projet de loi C-58 dépendraient certainement de la portée du scénario libre-échangiste. La libéralisation générale du commerce pourrait inciter les annonceurs et les éditeurs à favoriser une division régionale «nord-sud». La portée du scénario libre-échangiste déterminerait les secteurs touchés et la mesure dans laquelle ils seraient portés à modifier leurs habitudes publicitaires actuelles. Toutes les personnes interrogées comprenaient l'objet général du projet de loi et convenaient que la loi s'était répercutée très favorablement sur la qualité des publications canadiennes.

Outre les entrevues auprès des agences de publicité, une analyse statistique à variables multiples a été réalisée à partir de données antérieures sur le nombre de lecteurs de magazines afin d'évaluer quantitativement les répercussions éventuelles de la suppression du projet de loi. Selon les résultats également, le secteur canadien serait peu affecté, à condition d'en conserver certaines dispositions. L'assouplissement des hypothèses entraînait une augmentation de l'incidence éventuelle de la suppression du projet de loi.

Votre contribution à cette étude a été beaucoup appréciée et s'est avérée des plus utiles à notre examen de cette importante question. Nous vous remercions encore de votre collaboration.

I. INTRODUCTION

This report presents the results of our study to determine the potential impact of the removal of Bill C-58 on the Canadian publication industry.

Specifically the objectives of the study were to:

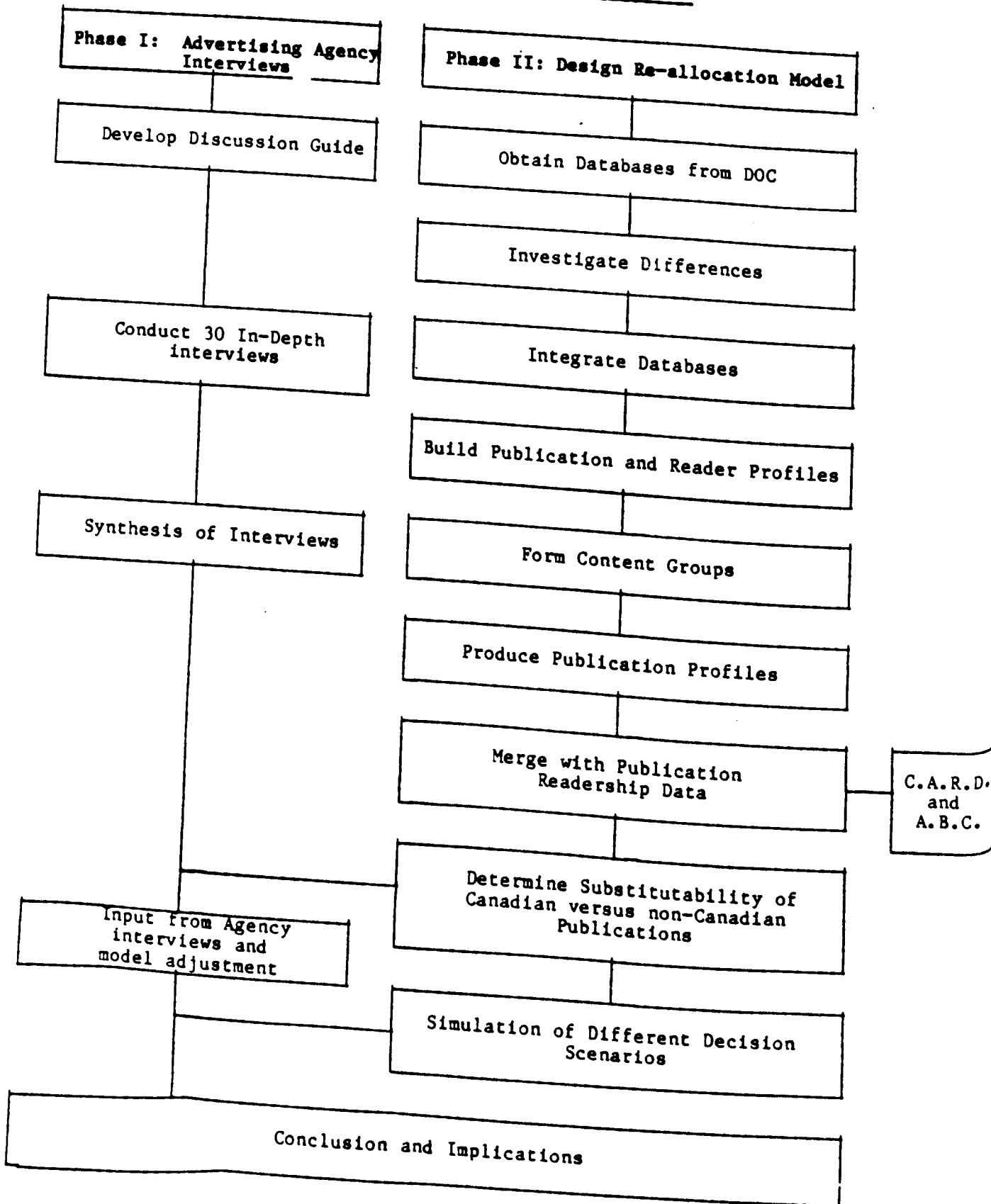
- evaluate the potential effects of suppressing Bill C-58;
- determine advertising agencies' understanding and compliance with Bill C-58;
- examine alternatives to Bill C-58.

In this report we first present a summary methodology explaining briefly the steps taken to gather and analyze the relevant information. Then we begin by stating the overall conclusion of the study, followed by the major reasons supporting this conclusion.

In the following chapters we present the advertising agencies' understanding and compliance with Bill C-58, followed by a discussion of the potential effects of Bill C-58. Finally, we close the report by restating the conclusions and discussing some recommendations for future study.

Exhibit 1

SUMMARY OF THE METHODOLOGY



II. SUMMARY METHODOLOGY

The approach used to arrive at the findings outlined in this report consisted of two phases of activities:

- Design and implementation of a re-allocation model based on survey data of 4135 respondents which would serve to quantitatively identify:
 - the impact of removing the Bill on the publication industry;
 - which magazines would be most severely affected.
- Interviews with 30 advertising agency executives on a national scale.

Exhibit 1 opposite presents a schematic overview of the approach used.

1. Design and Implementation of a Re-allocation Model

A re-allocation model was used to statistically determine the extent of substitutability of Canadian and non-Canadian publications by examining the similarity of publications based on readership profile (target audience), circulation and cost efficiency.

2. Interviews With Advertising Agency Executives

Interviews were conducted with the persons responsible for media purchasing decisions in 30 advertising agencies across Canada to determine the impact of the removal of Bill C-58 in their media buying decisions. Exhibit 2 on the following page presents the geographic allocation of interviews.

Exhibit 2

GEOGRAPHIC ALLOCATION OF INTERVIEWS

Montreal	9
Toronto	10
Halifax	3
Calgary	2
Edmonton	1
Vancouver	5
	<u>30</u>

Following an initial stage, the two above phases were conducted concurrently. The results were obtained separately and then synthesized to obtain one set of conclusions. Appendix I presents the detailed methodology used to derive and analyze the re-allocation model. Appendix II presents the interview guide used in the advertising agency interviews.

III. OVERALL CONCLUSIONS

A. THE REMOVAL OF BILL C-58 WILL RESULT IN SIGNIFICANT LOSS OF ADVERTISING REVENUES (20-30%) TO THE CANADIAN PUBLICATION INDUSTRY, IF MANY U.S. PUBLICATIONS SET-UP SPLIT RUNS. THE MAJOR REASONS ARE:

- The Canadian publication market is too small for American publishers to consider attacking on a large scale.
- Before Bill C-58 was enacted, American publishers showed little interest in Canada. There is no significant reason to believe that this attention and interest has changed.
- The possible entry of U.S. publishers into the Canadian media market would create more competition, resulting in an over-fragmentation of the media market, therefore decreasing the efficiency of media buys.
- Major Canadian publications are already world-class, and have substantial circulation bases in Canada; therefore, they need not fear potential competition from U.S. publishers.

B. THERE IS ALSO A STRONG OPINION HELD BY MANY ADVERTISING EXECUTIVES THAT BILL C-58'S REMOVAL WILL BE DETRIMENTAL TO THE CANADIAN PUBLICATION INDUSTRY, FOR THE FOLLOWING REASONS:

- The cost of setting up a Canadian edition is minimal and can be economically viable on a consumer circulation base of 90,000:
 - Increased Canadian advertising revenues would be "gravy";
 - The value of the Canadian dollar today makes it much more economical to set up a Canadian edition, compared to when the Bill was enacted in 1975.
- American publishers face a stagnant U.S. media market, and therefore are looking for any areas in which to expand.
- Canadian publications could not compete with American counterparts on a resource basis, since the smaller size of the Canadian market does not permit achievement of the same economies of scale available in the U.S. market.

C. HOWEVER, THESE OPINIONS DEPEND LARGELY ON THE TYPE OF "FREE TRADE" SCENARIO

- If unrestricted free trade were to be achieved, there would be an incentive for the Canadian industry to market products in the U.S. Therefore, an American "North-East" edition (including the Canadian market) would represent a more efficient buy than any Canadian publication. In other words, a Canadian manufacturer could purchase a combined Canadian and New England American publication that would give more market reach in a much greater cost efficient manner than any similar Canadian publication. This could result in more harm to the Canadian publication industry.
- Thus, the majority opinion rendered in Section A assumes the removal of Bill C-58 in the absence of a free trade agreement.
- It is much more difficult for Canadian publishers to penetrate the tough, competitive U.S. publication market, because:
 - Canadian publishing resources are relatively limited;
 - In the U.S. publication market, there is a greater need for regional editions.
 - Canadian publications may not really be suitable to attract U.S. readers due to the Canadian content.

IV. ADVERTISING AGENCIES' UNDERSTANDING OF AND COMPLIANCE WITH BILL C-58

In general, we can state that advertising agencies are aware of Bill C-58 and its implications in a broad sense. However, they are less certain of the interpretation of the law in specific instances.

The interviews revealed the following points.

A. UNDERSTANDING THE IMPLICATIONS OF BILL C-58

1. Media Budget Allocated to Foreign Publications

- On the average, 5-10% of an advertising agency's total print media budget is currently allocated to "foreign" publications:
 - In most instances, the media buy is Time Magazine;
 - Newsweek is purchased, but to a markedly lesser extent;
 - Some vertical trade publications (industry or leisure) are also purchased.
- Time is purchased because it is considered a top-quality, cost-efficient media buy:
 - In reaction to Bill C-58, Time eliminated its Canadian editorial content, cut staff and circulation (to reduce costs) and slashed its rates substantially; when compared with Maclean's, Time represents, in the agency's eyes, a more effective media buy.

2. Awareness of the Bill

- There is almost 100% awareness of the accounting aspect of the law, i.e., the non-deductibility of advertising expenditures for tax purposes;

- However, the specifics of the law are not clearly understood; as illustrated by some of the following queries:
 - What is the definition of a Canadian publication?
 - Why is Reader's Digest exempt from the law?

B. COMPLIANCE WITH BILL C-58

- All advertising agencies interviewed revealed that they inform their clients about the impact of Bill C-58. Few clients object to the agencies' media recommendations when this recommendation goes counter to Bill C-58. The increased tax costs involved in this type of strategy are integrated into the overall print media evaluation.
- Advertising agencies have devised ways of "avoiding" Bill C-58:
 - In the alcoholic beverage industry, for example, Canadian distributors place ads through their parent, off-shore manufacturers; the expenditures are written-off and the result is that Time becomes an excellent bargain.
 - Advertisers will promote directly to the American customer when they know their advertisement will also reach a Canadian audience. This is particularly true in the broadcast media.
 - It would appear that some smaller manufacturers may "fix" their books with little fear of interference from Revenue Canada.

V. THE POTENTIAL EFFECTS OF ELIMINATING BILL C-58: INTERVIEWS
WITH 30 AD AGENCIES

As has been explained in the Methodology, the impact of eliminating Bill C-58 was measured in two ways. First, the opinions of advertising agencies were solicited directly from their executives. Second, we constructed magazine profiles and a re-allocation model using past surveys undertaken by DOC. We will now discuss the results of the advertising agency interviews in detail. The re-allocation model is presented in Chapter VI.

A. ADVERTISING AGENCIES' OPINIONS ABOUT THE POTENTIAL IMPACT OF
ELIMINATING BILL C-58

1. Print Media Selection Criteria

In order to establish the context for relevant questions regarding differences in media purchasing patterns, we first asked advertising agency executives what criteria they use to select a publication. The criteria cited were:

- Target-market accessibility,
- Cost-efficiency,
- Affordability, and
- The "environment" of the publication (editorial content, reproduction quality, etc.)

2. The Impact of the Bill Since Its Inception in 1975

- The advertising agencies interviewed regard the impact of Bill C-58 over the past decade as extremely beneficial to the Canadian publication industry. They believe it has encouraged a number of Canadian publications, such as Maclean's, Chatelaine, Canadian Living, Homemaker's Magazine, Equinox, Canadian Geographic, etc., to grow and flourish in the absence of foreign competition.

- Some reactions regarding specific publications included:

Time - as described in Section IV, A, 1.

Maclean's - went weekly and developed an international editorial flavour.

Reader's Digest - became a Canadian foundation offering a Canadian magazine.

TV Guide - increased its Canadian content.

3. Specific Views Among Agency Executives as to the Potential Impact of Removing the Bill

The predominant view among advertising agency executives (77% of sample) interviewed is that the elimination of Bill C-58 at this time would have a negligible impact; nevertheless, there exists a noteworthy body of opinion to the contrary. The predominant and opposing viewpoints are as follows:

a. The Predominant View (77% of sample):

- The agencies interviewed anticipate a 5%-10% long-term loss of advertising revenues to Canadian publications.
- It is believed that few, if any, Canadian publications will fold.
- Those which do, clearly will be unable to compete in any scenario.
- Agencies will not switch en masse to buying U.S. publications; nevertheless, the bottom line when purchasing media shall continue to be defined by the selection criteria cited above, and not by Canadian patriotism; except perhaps with regard to media buying on behalf of Canadian government accounts.

Exhibit 3

U.S. MAGAZINES WITH CANADIAN CIRCULATIONS OF 90,000+

<u>Publications</u>	<u>Canadian Circulation*</u>
1. National Geographic	757,150
2. National Enquirer	412,872
3. Family Circle	322,679
4. Women's Day	293,351
5. The Star	264,958
6. Penthouse	244,290
7. Good Housekeeping	207,598
8. Playboy	182,722
9. MacFadden Women's Group	180,508
10. Cosmopolitan	167,668
11. Globe	157,398
12. People Weekly	146,314
13. Woman's World	124,052
14. Ladies' Home Journal	108,209
15. Prevention	107,266
16. Vogue	98,669
17. True Story	96,961
18. National Examiner	96,542
19. Popular Science	94,844
20. Gourmet	94,679
21. Rododale's Organic Gardening	90,318
22. Life	89,703

* Source; 06-30-85 ABC Publisher's statement

- All of the above opinions are based on belief that major U.S. publications will not attack the Canadian market on a large scale, if Bill C-58 were eliminated.
- As stated earlier, these opinions also depend upon different free trade scenarios.

b. The Opposing View (23% of sample):

- The elimination of Bill C-58 at this time would have a major impact on the Canadian publication industry.
- Twenty (20) U.S. publications with current Canadian consumer circulations of approximately 90,000 or more could, in their opinion, set up Canadian editions. (A list of these publications is presented in Exhibit 3, opposite.)
- Canadian publications such as Canadian Living, Home-maker's Magazine, City Woman, Ontario Living, Western Living, Canadian Geographic, Equinox, Omni, Discovery and Science Digest would be seriously threatened.
- Time could significantly hurt Maclean's by maintaining its current rates.
- Maclean's, Chatelaine and Flare would also be hurt.
- The "business" publication segment would not be seriously affected.
- All "free" circulation Canadian publications would be endangered by the prospective increase in competition.

- Canadian vertical trade publications would be seriously endangered, since their editorial content is not geographically relevant. There are, however, a few exceptions, such as mining and forestry publications.
- Unemployment levels in the publication industry could become severe, with particular hardship imposed on Canadian writers, artists, photographers and journalists.
- The above opinions expressed by advertising agency executives are based on their conviction that in the event of the Bill's removal, major U.S. publications will make serious attempts to penetrate the unprotected Canadian market.

4. Potential Switching Between Media

- In general, it is believed that there would be little switching between media.
- However, a few respondents did feel that the removal of Bill C-58 would cause the print medium to become more cost-efficient for prospective advertisers. In this event, publications would attract more advertising revenue.

5. Impact of Removing the Bill on French Language Publications

- Most of the French agency executives interviewed felt that there would be virtually no negative impact on advertising revenue directed to French publications.

- However, doubt was expressed as to whether the French-language sister publications of English magazines (i.e., Madame au Foyer/Homemaker's Magazine) could survive in the event that the corresponding English publication folded. French agency respondents were divided on this question.

6. The Influence of Advertisers with Regard to Print Media Decisions

- With regard to the influence that might be exerted by advertisers on their ad agencies' media selections, advertising agencies believe their clients expect them to make media purchase decisions based on the overall efficiency of those media buys. Therefore, agencies would not hesitate to use a foreign publication, if it were considered a superior buy.
- In the event of an increased availability of U.S. publications brought about by the elimination of Bill C-58, some advertising agencies felt they would be under pressure to justify the purchase of Canadian publications. Ultimately, clients would respect the agency's media-buy decision.

In general, neither advertisers nor their ad agencies are in favour of Bill C-58, and both would welcome its elimination. From their perspective, Bill C-58 limits their choice of publications, making it difficult to reach certain target-markets efficiently and thus weakening their overall marketing effort. It was also pointed out that prior to the enactment of the Bill, Canadian products used to get some exposure in the American market through advertising in U.S. publications, which is now virtually impossible.

**B. SUGGESTED RESPONSE OF THE PUBLICATION INDUSTRY TO THE REMOVAL OF
BILL C-58: THE AGENCY VIEWPOINT**

The following represents the opinions of advertising executives with regard to the publishing industry and does not contain any input from the industry itself.

1. The Current State of the Canadian Publishing Industry

The opinion of advertising agency executives with regard to the current state of the publishing industry can be summarized as follows:

- The industry, in general, is perceived by advertising agencies as being healthy and profitable.
- Some advertising agencies believe that Maclean-Hunter, for example, is extremely profitable, as demonstrated by the tremendous growth in the value of its stock over the past decade. However, many expressed doubt as to the publisher's financial health despite the fact that all agreed it produces good-quality magazines.
- Tele-Media is viewed as aggressive, professional, and profitable.
- Comac is perceived as being poorly managed and potentially headed for trouble.
- National advertisers are cutting budgets and re-routing advertising funds into consumer/trade promotions, therefore all media are experiencing significant pressure.
- The inflexibility of magazine lead-time (fixed closing dates of about 6-8 weeks prior to publication for acceptance of advertising space orders) places even greater pressure on these publications, since Canadian advertisers are increasingly seeking more flexibility.

2. The Reaction of Canadian Publishers to the Removal of
Bill C-58

If Bill C-58 were removed, it is felt that before taking action of their own, Canadian publishers would probably adopt a wait-and-see attitude, preferring to allow American publishers to react first. If, indeed, the worst occurred, and the top 30 American magazines did threaten to set up Canadian editions, the consensus among advertising agencies is that Canadian publishers would probably:

- Be totally incapable of competing in an advertising rate war. Rather, they would most likely use sales promotion tools such as give-aways to try and maintain their market share.
- Be unable to significantly improve the quality of their periodicals in order to compete, since many of them are already world-class.
- Have to cut costs by consolidating behind their major magazines, cancelling those less efficient in terms of circulation, and therefore less profitable as media-buys.
- Be obliged to develop innovative ways of doing business (i.e. launch other revenue-generating activities such as selling books). Failing the effectiveness of such efforts, they might be forced to raise subscription rates.

- If Bill C-58 were removed, ad agencies believe some publishers would lobby the Government extensively, while others (Maclean-Hunter, for instance) might welcome a free trade scenario that allows them to enter the lucrative U.S. market.
- According to some media directors, one effective means of non-price competition would be to significantly improve the flexibility of their closing date relative to U.S. competition.

3. The Need For Protection Against American Competition

- While there was no consensus among advertising agencies on the question of whether or not the industry needs protection, the predominant response was, "No!". Agencies believe:
 - The publishing industry is healthy, enjoying a number of world-class publications, and;
 - the Canadian market is too small to be attractive to American publishers.
- There was also a group holding the opposing view that there still exists a need for protection. Specifically, this group felt that:
 - U.S. publications will not hesitate to try and increase their share of the Canadian marketplace.
 - Canadian publishing companies lack the resources to compete successfully with the U.S. publishing giants.
 - New Canadian publications will require protection against American competition in order to grow and develop into world-class magazines.

4. Possible Alternatives to Bill C-58.

Agency executives were asked to identify potential alternatives to Bill C-58. The following are their responses:

- Tax Incentives:
 - Tax incentives for advertising in Canadian publications, rather than a tax penalty, would be considered a preferable approach.
 - Media directors would make more frequent use of American publications than they do at present.
- Selective Elimination of Bill C-58 in Some Sectors, i.e.:
 - Where Canadian publications do not exist (certain trade categories).
 - Where Canadian publications are strong and can withstand competition.
- Invoke preferential postage rates and postage rate-subsidies for Canadian periodicals.
- Establish specific Canadian ownership and content regulations (as presently exist in the broadcast media), and force a certain percentage of reinvestment of dollars back into the industry.
- Phase the Bill out over a period of from 10 to 15 years, in order to allow Canadian publishers sufficient time to react effectively, and become competitive.

Exhibit 4

LIST OF MAGAZINES BY CONTENT GROUP

CONTENT GROUP = BUSINESS & TRADE

- 1 Canadian Nurse
- 2 Canadian Business
- 3 Financial Post
- 4 Les Affaires
- 5 Business Week
- 6 Financial Times
- 7 Fortune
- 8 Nursing
- 9 Prevention

CONTENT GROUP = GENERAL INTEREST

- 10 World
- 11 Actualité
- 12 Atlantic Insight
- 13 Atl. Advocate
- 14 Cdn Geographic
- 15 Canadian Consumer
- 16 Equinox
- 17 Highlights
- 18 Protégez-Vous
- 19 Saturday Night
- 20 Selection
- 21 United Church Observer
- 22 Readers Digest
- 23 Consumer Report
- 24 Gourmet
- 25 Justice
- 26 Life
- 27 New Shelter
- 28 National Geographic
- 29 Observer
- 30 Psychology Today
- 31 Playboy
- 32 Ranger Rick

CONTENT GROUP = HOME/GARDEN/FARM

- 33 Country Guide
- 34 Cdn Workshop
- 35 Decoration Chez-soi
- 36 Western Produce
- 37 Harrowsmith
- 38 House & Garden
- 39 Organic Gardening

CONTENT GROUP = NEWS

- 40 Alberta Report
- 41 Maclean's
- 42 TV Guide
- 43 Newsweek
- 44 People
- 45 Time
- 46 US

CONTENT GROUP = SCIENCE & TECHNOLOGY

- 47 Chickadee
- 48 Owl
- 49 Quebec Science
- 50 OMNI
- 51 Popular Science
- 52 Popular Mechanics

CONTENT GROUP = TRAVEL/SPORTS/RECREATION

- 53 Beautiful BC
- 54 Cycle Canada
- 55 Discovery
- 56 Hockey News
- 57 Outdoor Canada
- 58 Ski Canada
- 59 Car & Driver
- 60 Field & Stream
- 61 Golf Digest
- 62 Golf
- 63 Int'l Wildlife
- 64 Outdoor Life
- 65 Road & Track
- 66 Sports Illustrated

CONTENT GROUP = WOMEN'S

- 67 Chatelaine / Eng.
- 68 Chatelaine / Fr.
- 69 Canadian Living
- 70 Coup de Pouce
- 71 Flare
- 72 Lundi
- 73 Good Housekeeping
- 74 McCall's
- 75 Parents
- 76 Trud Story
- 77 Vogue
- 78 Women's

VI. MAGAZINE PROFILE ANALYSIS AND RE-ALLOCATION MODEL

A re-allocation model was developed in order to quantitatively determine the extent to which U.S. publications may potentially represent substitutes to Canadian ones in the event of the removal of Bill C-58.

A. MAGAZINE PROFILE ANALYSIS

- In order to create a database of magazines for use in the re-allocation model, data from two previous magazine readership surveys* were analyzed and a profile was first determined for each magazine based upon the characteristics of magazine readership. Details of how profiles were determined are presented in Appendix I: Detailed Methodology. Itemized readership profile tables are presented in Appendix III. A total of 77 magazines were available for analysis from the prior surveys. Of these, only 63 could be used in the re-allocation model. The others were excluded due to lack of cost-related data.
- For ease and consistency of analysis, the magazines selected were also categorized by "content group", using the classification system adopted by Canadian Advertising Rates and Data (C.A.R.D.). Exhibit 4, opposite, presents the magazines used in the analysis according to their respective content groups.

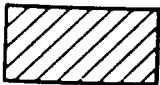
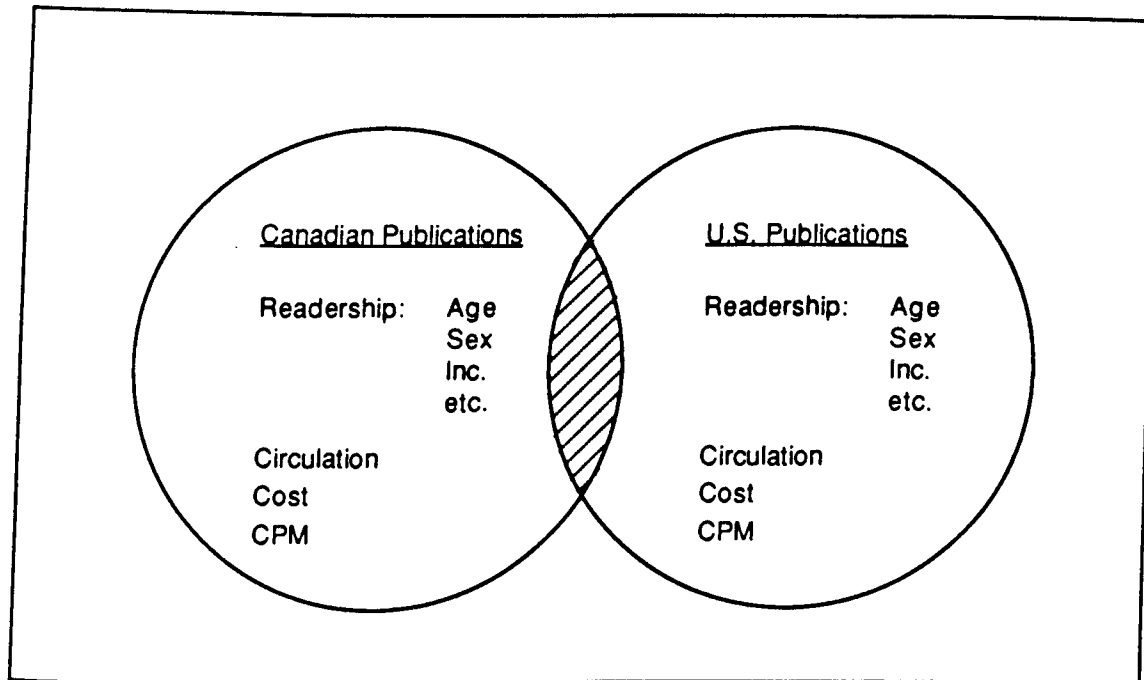
B. USE OF A RE-ALLOCATION MODEL TO EVALUATE THE IMPACT OF REMOVING BILL C-58

Using discriminant analysis on the database described above, we developed a re-allocation model which determined the extent of potential switching of advertising expenditures to U.S. magazines, and the particular U.S. magazines which would represent a potential threat to existing Canadian publications. Exhibit 5 presents a graphic illustration of the re-allocation model concept.

* "Magazine Reading in Canada", Ronald L. Cosper, December 1985.
The Coopers & Lybrand Consulting Group.

Exhibit 5

GRAPHIC ILLUSTRATION OF THE CONCEPT UNDERLYING THE
RE-ALLOCATION MODEL



= Magazines are "reallocated" from their original country of origin (e.g. Maclean's is Canadian) to the other group because they have similar profiles to the other group. These magazines represent potential substitutes

Exhibit 6

BASE CASE SCENARIO

MAGAZINES WHICH REPRESENT POTENTIAL SUBSTITUTES

<u>Magazine</u>	<u>Classified from:</u>	<u>Classified to:</u>	<u>Canadian Circulation</u>
Newsweek	Non-Canadian	Canadian	123,964
Time	Non-Canadian	Canadian	372,239
True Story	Non-Canadian	Canadian	101,921

* Three U.S. publications (Newsweek, Time, True Story) represent potential substitutes to Canadian magazines. These magazines represent 598,124 in combined Canadian Circulation.

The model was developed first under a "base case" scenario, in which everything was held constant. Then five different decision scenarios were tested with the model. The results of this analysis is presented below.

1. The "Base Case" Scenario

- Exhibit 6 presents the magazines which represent potential substitutes for Canadian publications.

This indicates that these three U.S. magazines (Time, Newsweek, and True Story) have profiles similar to the Canadian magazines with regard to readership, cost efficiency, and circulation, and therefore represent publications where media buyers could potentially switch advertising expenditures to U.S. magazines. Note that this finding is highly consistent with the earlier presented opinions of the advertising agency executives interviewed.

- We extended the base case scenario to allow for magazine circulation to allow for the fact that certain magazines, such as Time, have a larger circulation base. The results show that these magazines are relatively more important and represent more of a potential threat than may have been anticipated.

The re-allocation model shows clearly that even if Bill C-58 were eliminated, advertisers would not transfer expenditures to U.S. publications on a large scale because there remains a significant difference between U.S. and Canadian magazines, as described below.

Exhibit 7

POTENTIAL SUBSTITUTES

<u>Magazine</u>	<u>Classified from</u>	<u>Classified to</u>	<u>Canadian Circulation</u>
Canadian Business	Canadian	Non-Canadian	95,845
Financial Post	Canadian	Non-Canadian	184,867
Canadian Consumer	Canadian	Non-Canadian	456,570
Readers Digest	Canadian	Non-Canadian	1,351,467
Saturday Night	Canadian	Non-Canadian	134,146
United Church Observer	Canadian	Non-Canadian	261,113
Country Guide	Canadian	Non-Canadian	228,675
Western Produce	Canadian	Non-Canadian	133,127
Alberta Report	Canadian	Non-Canadian	53,711
Maclean's	Canadian	Non-Canadian	649,281
TV Guide	Canadian	Non-Canadian	828,489
Cycle Canada	Canadian	Non-Canadian	39,530
Chatelaine/Eng	Canadian	Non-Canadian	1,109,695
Prevention	Non-Canadian	Canadian	128,663
Observer	Non-Canadian	Canadian	-
Ranger Rick	Non-Canadian	Canadian	-
US	Non-Canadian	Canadian	63,750
Good Housekeeping	Non-Canadian	Canadian	231,941
True Story	Non-Canadian	Canadian	101,921
Woman's Day	Non-Canadian	Canadian	276,851
			6,259,665

- Magazines classified from Canadian to Non-Canadian are potential substitutes for U.S. magazines. Those classified from Non-Canadian to Canadian are potential U.S. substitutes for Canadian magazines.

2. Characteristics Which Differentiate Canadian and U.S. Publications.

- Further analysis of the re-allocation model shows that although readership profiles are similar, there are large differences in cost efficiency between Canadian and U.S. publications.
- Time, Newsweek and True Story are the only U.S. publications which could be substitutes for Canadian magazines since they are at least as cost-efficient as other Canadian magazines.
- Appendix V presents a comparison of circulation and cost data for Canadian and U.S. magazines by content group.
- Appendix V shows that it is clearly inefficient at present for the Canadian advertiser to pay U.S. rates, which are based on total U.S. circulation, to reach a Canadian audience only. Therefore, even with the removal of Bill C-58, Canadian magazines would represent the more efficient buy.

3. Potential Switching Assuming Equal Cost of Canadian and U.S. Magazines

- In order to examine the potential impact of the Bill if cost data were approximately equal, the model was also tested using only readership profile variables. In this instance, many more magazines were found to be potential substitutes. Exhibit 7 presents the potential substitutes using only readership profile variables.
- It is interesting to note that not only are major U.S. publications, such as Woman's Day and Good Housekeeping similar in terms of readership to Canadian ones, but also

many Canadian publications are similar to U.S. publications. This indicates that publications such as Maclean's and Financial Post, are potentially substitutable with U.S. publications and could possibly compete effectively in the United States, assuming they altered the Canadian content for a U.S. edition.

Therefore, we may conclude, that the potential impact of removing Bill C-58 will be minimal because U.S. publications are not as cost efficient to use as their Canadian counterparts. We may also conclude that several Canadian magazines have similar readerships to their U.S. counterparts, and could represent potential substitutes in the U.S. market.

Exhibit 8

DECISION SCENARIOS TESTED BY THE RE-ALLOCATION MODEL

<u>Scenario</u>	<u>In terms of the re- allocation model</u>
1. U.S. publications with circulation over 90,000 set up Canadian editions	33% decrease in rates (corresponding to exchange rate)
2. Canadian publications attempt a circulation push	Circulation of Canadian magazines increases 5%
3. U.S. publications attempt a circulation push in Canada to make their magazines more competitive	Canadian circulation of U.S. magazines increases 5%
4. Advertising qualifies for a 25% tax deduction	An effective decrease of 12.5% in rates for Canadian magazines
5. MacLean-Hunter attempts a circulation push	Circulation of MacLean-Hunter increases by 5%

C. EVALUATION OF DIFFERENT DECISION SCENARIOS AND POTENTIAL ALTERNATIVES TO BILL C-58.

- The interviews with advertising agency executives revealed that the removal of Bill C-58 may instigate any of a series of different scenarios which could have a direct impact on the Canadian publishing industry. Specifically, the following scenarios were hypothesized:
 - U.S. publications could set up Canadian editions in order to compete more effectively;
 - Canadian publications (or U.S. publications) could respond to the removal of the Bill with a circulation push;
 - Bill C-58 could be replaced by tax incentives for advertising in Canadian magazines.
- In order to test what effect these and other scenarios could have with respect to the possibility of magazine switching (substitutability), we tested a total of five (5) different scenarios using the re-allocation model. Exhibit 8 lists each scenario together with what the scenario effectively represents in terms of the re-allocation model.
- The results of each scenario are the same as the base case scenario (see Exhibit 6). None of the above scenarios has been found to have any impact on magazine substitutability.

The re-allocation model effectively demonstrates that even if major U.S. publications in Canada were to set up Canadian editions, as is feared by some advertising executives, they would still not be able to compete with Canadian magazines in terms of cost-efficiency unless they either instituted sharp rate reductions or achieved much larger circulation figures, as compared to their Canadian counterparts. In fact, a decrease in CPM of 100% (through any combination of rate decrease and/or target audience circulation increase) would be required to force a potential switching percentage of 30%. This finding is presented in Exhibit 9 on the following page.

Exhibit 9

EFFECTS OF 100% DECREASE IN CPM OF U.S. PUBLICATIONS

POTENTIAL SUBSTITUTES

<u>From Non-Canadian to Canadian:</u>	<u>Canadian Circulation**</u>
Business Week	27,340
Car & Driver	86,695
Fortune	48,396
Gourmet	67,258
Golf Digest	87,878
Golf	65,137
House & Garden	35,557
Life	128,817
Omni	94,750
Organic Gardening	67,761
Outdoor Life	44,222
Psychology Today	54,076
Popular Mechanics	76,314
Parents	99,696
Road & Track	94,836
True Story	152,881
US	95,625
Vogue	153,458

From Canadian to Non-Canadian

Readers Digest	1,351,467
TV Guide	828,489

* A total of 20 publications out of 63 (31.7%) are "misclassified".

** The circulation figures for U.S. publications have been increased by 50% as part of the formula to decrease CPM by 100%.

D. LIMITATIONS OF THE RE-ALLOCATION MODEL

The re-allocation model should be interpreted keeping in mind the following limitations:

- The data and magazines used in the model are based upon two magazine readership surveys conducted among Canadian consumers where the magazines examined are mentioned by the respondent in an unaided manner. As a result, several major U.S. publications which potentially could threaten Canadian publications were not included in the analysis (e.g. Penthouse, Family Circle).
- Since the surveys contained only consumer readership, industrial and trade publications could not be included in the model.

Exhibit 10

ASSUMPTIONS UNDERLYING THE SPECIAL ANALYSIS

- Canadian Rate of U.S. split-run entry is the same as U.S. rate.
- CPM calculated based on Canadian circulation.
- Propensity to establish split-runs is taken into account by introducing a variable which equals the difference in Canadian circulation and the circulation of the smallest U.S. split-run.
For example:

<u>Magazine</u>	<u>Smallest U.S. Circulation</u>	<u>Canadian Circulation</u>	<u>Circulation Difference</u>
Canadian	-	100,000	100,000
U.S. 1	10,000	100,000	90,000
2	100,000	90,000	-10,000

Therefore, those U.S. publications with Canadian circulations larger than the smallest U.S. circulation will resemble Canadian publications.

VII. SPECIAL ANALYSIS EXAMINING THE PROPENSITY OF U.S. PUBLICATIONS TO ENTER THE CANADIAN MARKET BASED ON SPLIT-RUN BEHAVIOR IN THE UNITED STATES

The preceding analysis is based on the somewhat strict assumptions that U.S. publications will maintain U.S. rates and will not create split-runs for the Canadian market. To alleviate those assumptions, a special analysis was undertaken which assumes that any U.S. publication will start a new split-run for the Canadian market if the Canadian circulation is greater than that of the smallest circulation in the U.S. The details underlying the methodology used to integrate this into the discriminant model are presented in Exhibit 10.

The results of this analysis show that significantly more U.S. publications become attractive to Canadian advertisers when split-runs are taken into account. In fact, 23.3% of U.S. publications in the sample are perceived as being similar, and represent potential substitutes to Canadian publications. Exhibit 11 presents these publications together with their Canadian circulation.

In terms of circulation, the U.S. magazines which represent potential substitutes to Canadian magazines represent 39% of the circulation, which indicates that although a smaller number of magazines are interesting to Canadian advertisers, the magazines all have proportionately higher circulation, and therefore represent a higher transfer of advertising revenues.

- English only publications.

We reexecuted the analysis for English publications only, since French publications are only contained in the Canadian group and thus influence which U.S. magazines will be seen as potential substitutes by Canadian advertisers. The results show that in addition to the magazines presented above, Time and Good Housekeeping represent potential substitutes. In total, 30% of U.S. magazines become potential substitutes for Canadian advertisers, representing 48% of circulation.

Exhibit 11

RESULTS OF TAKING SPLIT-RUNS INTO ACCOUNT

<u>U.S. Publications as Potential Substitutes to Canadian</u>	<u>Canadian Circulation</u>	<u>% of Total Canadian Circulation of U.S. Publications</u>
Newsweek	123,964	
National Geographic	793,061	
Omni	56,995	
Prevention	128,663	
Popular Mechanics	50,444	
People	131,907	
Woman's Day	<u>276,851</u>	
	1,561,885	39.0%

RESULTS USING ENGLISH ONLY MAGAZINES

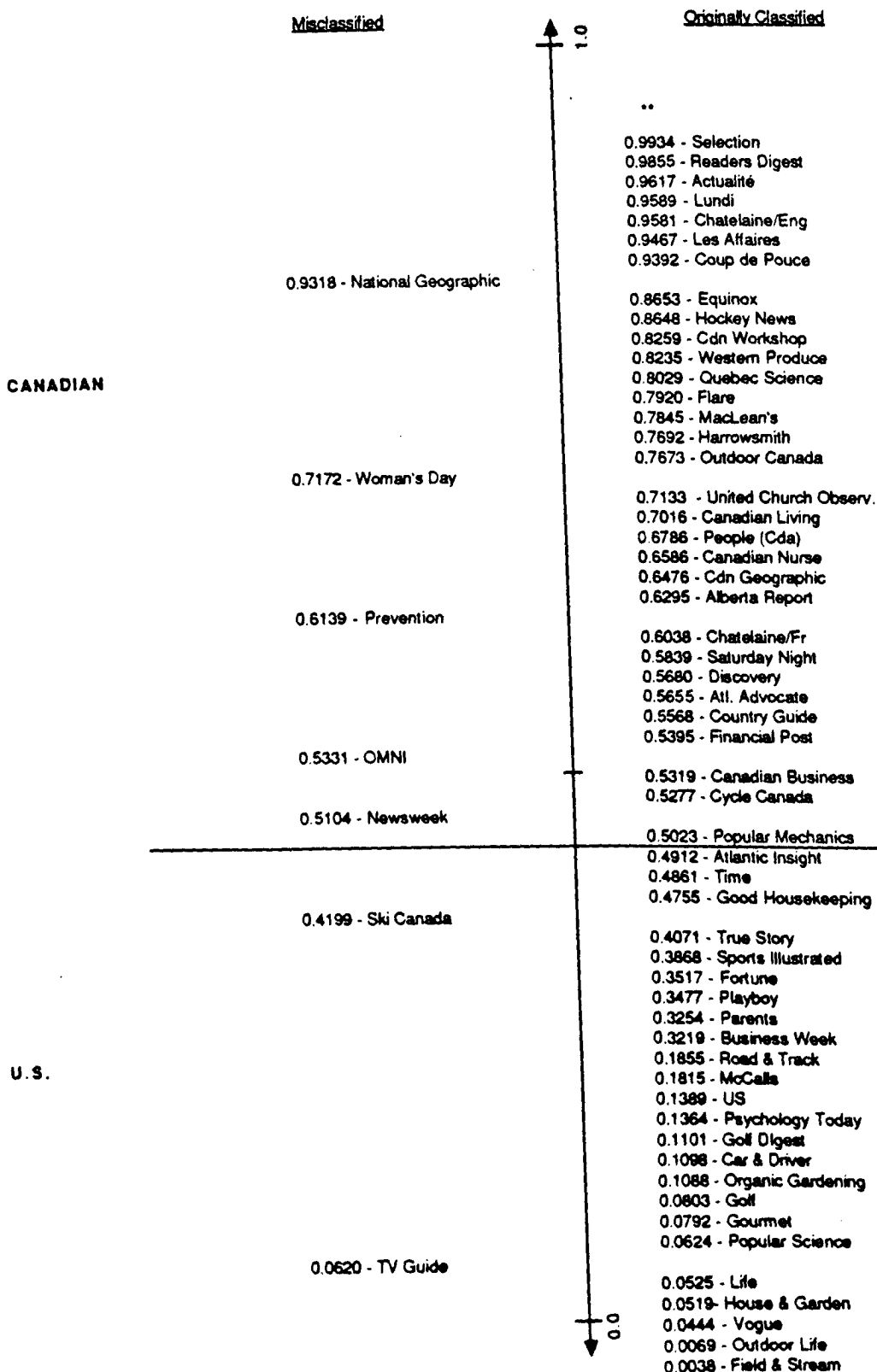
<u>U.S. Publications in Addition to the Above List</u>	<u>Canadian Circulation</u>	
Time	372,239	
Good Housekeeping	<u>231,941</u>	
New Total	1,934,124	48.4%
Total Canadian Circulation of U.S. Publications	3,993,524	100.0%

In summary, taking split-runs into account indicates that 30% of U.S. publications included in our sample will become attractive to Canadian advertisers if Bill C-58 is removed.

Exhibits 12 and 13 demonstrate how close (or how far) each publication is to becoming a potential substitute.

Exhibit 12

SPLIT RUN ANALYSIS ENGLISH & FRENCH PUBLICATION



- Those magazines on the left represent misclassified magazines, i.e. those with similar profiles to the opposite group. (see Exhibit 5)
- The number represents the probability of being classified as a Canadian magazine.

Exhibit 13

SPLIT RUN ANALYSIS
ENGLISH PUBLICATIONS ONLY

Misclassified

Originally Classified

CANADIAN

U.S.

0.9423 - National Geographic

0.7782 - Woman's Day

0.7294 - People

0.6260 - Prevention

0.5860 - OMNI

0.5486 - Time

0.5394 - Popular Mechanics

0.5155 - Good Housekeeping

0.5062 - Newsweek

0.4842 - Ski Canada

0.1213 - TV Guide

0.9989 - Readers Digest

0.9337 - Chatelaine/Eng

0.8987 - Equinox

0.8927 - Hockey News

0.8717 - Cdn Workshop

0.8298 - Western Produce

0.8185 - Harrowsmith

0.8101 - Outdoor Canada

0.7892 - MacLean's

0.7433 - United Church Observ.

0.7267 - Flare

0.7218 - Canadian

0.7140 - Canadian Living

0.6739 - Alberta Report

0.6657 - Adn Geographic

0.6588 - Atl Advocate

0.6569 - Saturday night

0.6223 - Country Guide

0.6038 - Financial Post

0.5948 - Cycle Canada

0.5943 - Canadian Business

0.5758 - Atlantic Insight

0.5502 - Discovery

0.4444 - True Story

0.4307 - Sports Illustrated

0.3877 - Playboy

0.3759 - Parents

0.3537 - Business Week

0.3000 - McCall's

0.2972 - Fortune

0.1877 - Golf Digest

0.1733 - Car & Driver

0.1717 - Organic Gardening

0.1435 - US

0.1315 - Psychology Today

0.1145 - Golf

0.0896 - Popular Science

0.8760 - Life

0.0787 - Gourmet

0.0653 - House & Garden

0.0269 - Vogue

0.0176 - Outdoor Life

0.0066 - Field & Stream

VIII. CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER STUDY

A. CONCLUSIONS

The preceding analysis, using both interviews with advertising agencies and the re-allocation model, allows us to draw the following conclusions:

- The elimination of Bill C-58 would have little impact on the Canadian publishing industry for the following reasons:
 - Most Canadian magazines are more cost-efficient in reaching the targetted Canadian audience, and will remain so even with major efforts by some U.S. magazines to decrease their CPM.
 - The Bill has allowed the Canadian publishing industry to become world-class; it can now compete on an equal footing with major U.S. publications. The Canadian publication market is considered too small for U.S. publishers to consider penetrating on a large scale.
 - The opinion leaders representing the larger agencies in Quebec and Ontario who were most informed on Bill C-58 and the free trade issue and who were around prior to the enactment of Bill C-58 voiced the opinion that the removal of C-58 will result in a minimal loss of advertising revenues. These people are really the people responsible for placing the majority of media dollars in Canada and, thus, have the greatest influence. Also, simply, the majority of respondents held this opinion.
- Those U.S. publications with split-runs in the U.S. would become attractive to Canadian advertisers if they decide to set-up split-runs for the Canadian market. If many of these publications set-up Canadian editions, there will be a significantly greater impact on the Canadian publishing industry.

- Although the predominant view is that the removal of Bill C-58 would have little impact on the publishing industry, there is a strong, conflicting viewpoint that 30 - 50% of advertising revenues would be re-routed to U.S. publications.
- The removal of Bill C-58 would expose specific publications to increased competition, notably Canadian Geographic, Equinox, Saturday Night, and certain vertical trade publications where Canadian industry does not play a major role.
- In general, it is felt that Bill C-58 limits the choice of efficient advertising media, and both advertising agencies and advertisers themselves would welcome its removal.
- Suggested alternatives to the Bill include using a tax-credit or deduction (a "carrot" rather than a "stick" approach), postal subsidies, and forced re-investment of publishing revenues back into the industry.
- Several major Canadian magazines have similar readerships to U.S. publications and free trade in the publishing industry would very well represent a significant opportunity for them!

B. RECOMMENDATIONS FOR FURTHER STUDY

- The divergence of opinion among advertising agency executives as to the potential impact of removing Bill C-58 is based upon different views as to how U.S. publishers would react to the Bill's removal. Those who believe the removal of Bill C-58 would have little impact feel that U.S. publishers would make little or no serious effort to expand their Canadian market share. Those who feel there would be a major shift of advertising revenues to U.S. publications are convinced the U.S. publishers would attack the Canadian market. A recommendation for further study, therefore, would be to interview the U.S. publishers directly to determine their reaction to the Bill's removal.

- Additionnally, it would be advisable to look at the future of the Canadian publication industry in a much broader perspective. As was pointed out in the majority of interviews, if one wishes to examine the future viability of the Canadian publication industry, one must look beyond the potential elimination of Bill C-58 and consider the impact of the ban on tobacco and/or alcohol advertising. The latter would represent a major blow to the industry and place it at a huge competitive disadvantage versus U.S. publication giants. Thus, it is our final recommendation that to fully and thoroughly study the future of the Canadian publication industry, one must examine the combined impact of different Bill C-58 alternatives under different free trade scenarios that take into account the possible elimination of tobacco and/or alcohol advertising.

We have thoroughly enjoyed working on this challenging and interesting assignment, and we hope the results and conclusions presented in this report will aid the decision-making efforts of the Department of Communications in this important matter.

THE COOPERS & LYBRAND CONSULTING GROUP



Jacques C. Bourgeois

National Partner

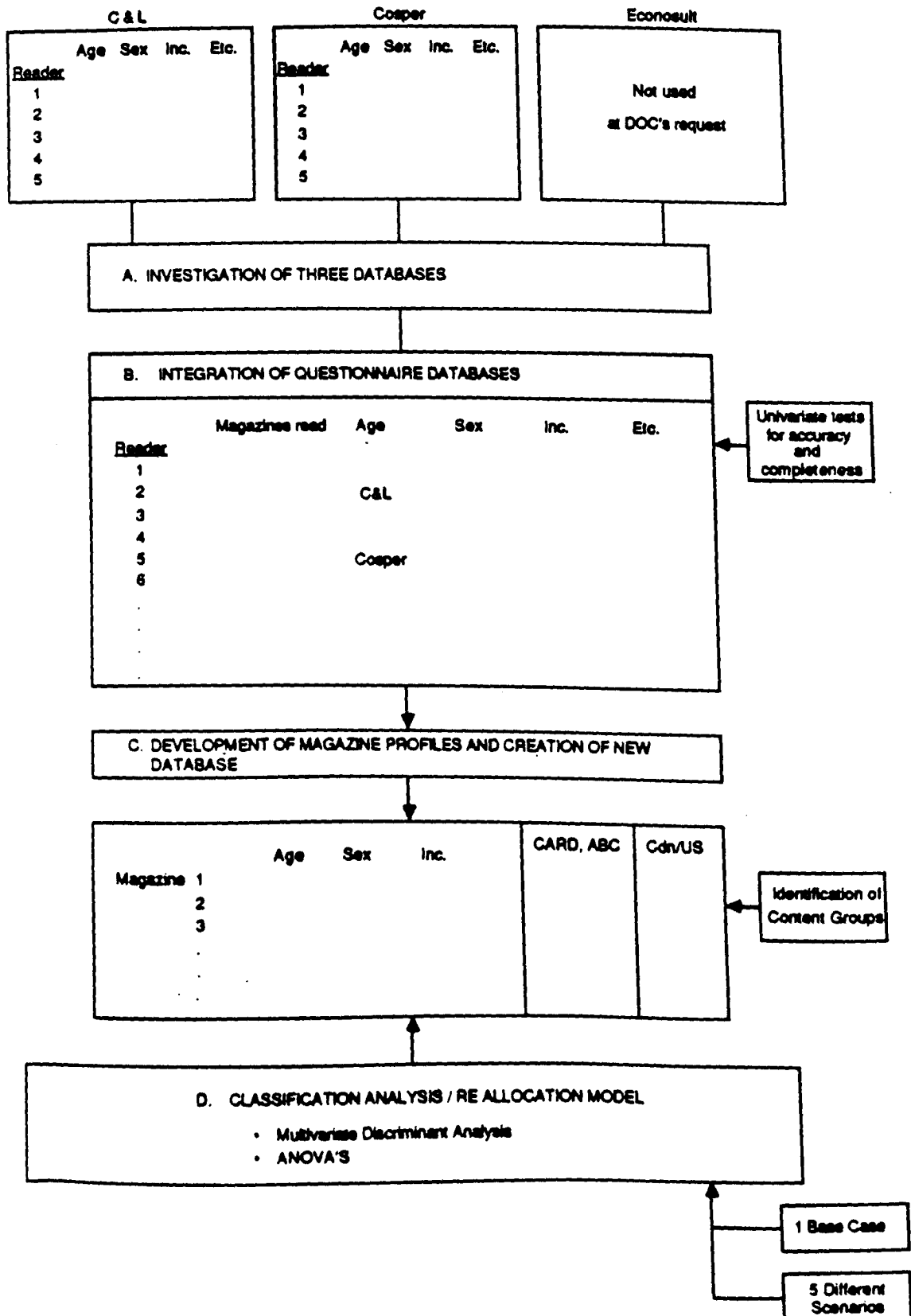
Marketing Strategy and Research

APPENDIX I

DETAILED STUDY METHODOLOGY

Exhibit A1

PROCESS OF DEVELOPING PUBLICATION PROFILES AND RE-ALLOCATION MODEL OF PUBLICATION SUBSTITUTABILITY



I. INTRODUCTION

The study methodology consisted of two series of activities or phases, conducted concurrently, and a third phase wherein a synthesis and integration of information took place. The three phases were:

- Interviews with advertising agencies;
- Development of magazine profiles and a re-allocation model;
- Synthesis and integration of results.

II. INTERVIEWS WITH ADVERTISING AGENCIES

A total of 32 advertising agencies across Canada were contacted, during March, 1987 and from among these, 30 interviews were completed. One agency refused to participate in the study; and schedule conflicts rendered it impossible for another agency to participate. The table opposite presents the list of advertising agencies interviewed. The person interviewed in each agency was that person responsible for the media purchase decisions of the agency. This was either the Vice President, Media or the Media Director.

The discussion guide used in the interviews is presented in Appendix II.

III. DEVELOPMENT OF MAGAZINE PROFILES AND A RE-ALLOCATION MODEL

The following steps were undertaken to develop the publication profiles and re-allocation model of the selected magazines.

A. INVESTIGATION OF DIFFERENCES AND SIMILARITIES AMONG THE THREE DATABASES

- First, three databases were obtained from prior readership survey's, (Coopers & Lybrand, Cosper, and Econosult) and were reviewed for content.
- As requested by DOC, the Econosult database was dropped from the analysis due to missing information;
- The two remaining databases were analyzed to determine the compatibility of questions in the respective questionnaires.

B. INTEGRATION OF QUESTIONNAIRE DATABASES

Databases from the two studies were integrated based on the compatible variables selected in the previous activity. The variables selected included:

- language of publication;
- frequency of publication
- geographic coverage;

LIST OF ADVERTISING AGENCIESI. ATLANTIC CANADASmall

McGuire Communications Ltd.

MediumIan Roberts Inc.
Saga Communications Ltd.II. QUEBECSmall

FCB/Provost

MediumPublicité Martin Inc.
Prism Communications Ltd.LargePublicité McKim Ltée
J. Walter Thompson
Company Limited
Cosette Communication
Marketing
Young & Rubicam Ltée
BCP Strategy Creativity
Inc.
Le Groupe Marketel Inc.III. ONTARIOSmall

Wunderman Intl. Inc.

MediumScali McCabe Sloves
(Canada) Ltd.LargeMacLaren Advertising
Ogilvy & Mather
Advertising
Vickers and Benson
Companies Limited
Saffer Advertising Inc.
Grey Canada
Leo Burnett Canada Ltd.
D'Arcy Masius Benton &
BowlesIV. WESTERN CANADASmallPD&A, The Advertising
Agency Ltd.MediumSimons Advertising
Ltd.
Westcan/Cole & WeberLargePalmer Jarvis &
Associates
McCann-Erickson
Advertising of Canada
Ltd.

- age of respondent;
- level of education of respondent;
- language of respondent (language spoken at home);
- employment classification of respondent;
- level of respondent;
- household income;
- sex of respondent.

Univariate analyses were then conducted to ensure data completeness and exactitude of results with the original studies;

C. DEVELOPMENT OF MAGAZINE PROFILES AND CREATION OF NEW DATABASE

- Using frequencies and cross-tabulations of the demographic variables in the integrated database, a readership profile was determined for each magazine.
- Using the profile data obtained from the magazine profile analysis, together with magazine circulation and rate data obtained from external sources*, a new magazine database was constructed.

The following circulation and rate data variables were added to the new database:

- Total circulation
- Canadian circulation
- U.S. advertising rate**
- Canadian advertising rate

From these variables, the following variables were calculated:

- Canadian cost per thousand (CPM): $\text{Canadian rate} \div \text{Canadian circulation} \times 1000$
- Total cost per thousand: $\text{U.S./Standard rate} \div \text{total circulation} \times 1000$

D. CLASSIFICATION ANALYSIS AND REALLOCATION MODEL

- Content groups were identified using the external sources and the magazines were classified into their respective groups.
- The reallocation model itself is based on multivariate discriminant analysis. In addition, ANOVA's were used to identify specific differentiating characteristics (variables) between U.S. and Canadian magazines.

* These sources included: Canadian Advertising Rates and Data (C.A.R.D.); Standard Rates and Data (U.S.A.); Audit Bureau of Classification (A.B.C.) (U.S.A.).

** All rates were quoted in or converted to Canadian dollars. Rates are for a full page, black and white (\$U.S. = \$Cdn/1.33)

DISCUSSION GUIDE FOR ADVERTISING AGENCY INTERVIEWS

DISCUSSION GUIDE

BILL C-58 STUDY

Question

Purpose

- | | |
|---|---|
| 1. Approximately what percentage of your total print media budget goes to foreign publications? | To "break the ice" and get into the topic and lead into question 2. |
| 2a. How familiar are you with Section 19 of the Income Tax Act (Bill C-58)? | To see if agency decision-makers are familiar with the law and its implications. |
| b. According to this legislation, what is an eligible publication? | To determine if the respondent distinguishes between a Canadian and a foreign publication. |
| <u>NOTE:</u> For both 1a. and 1b., if the respondent doesn't know the answer, explain it to him. | |
| 3. (Only if respondent used foreign publications according to question 1). In view of the legal aspects of Bill C-58, why do you use foreign publications to reach Canadian audiences? (i.e. no control by Revenue Canada, tariffs on foreign publications are lower, foreign publications are more profitable, etc.) | To discover why Bill C-58 isn't being complied with. |
| 4. Whenever you use foreign publications do you inform your client that these expenditures are not tax deductible? If so, what is his reaction? | To determine if the client know about Bill C-58 and the higher cost associated with advertising in a foreign publication. |
| 5. What criteria are the most important in the selection of print media vehicles (i.e. lowest CPM, target market accessibility, quality of vehicle, historical advertising pattern, relationship with media rep., other)? | To "set-up" question 6 by getting respondent to think about how his agency selects a print media vehicle. |

Question

- 6a. If Bill C-58 is eliminated, in consideration of your selection criteria outlined in the previous question, how would you react? (More specifically, would there be a tendency to switch to non-Canadian periodicals? How much switching would there be between Canadian/U.S. publications?)
- b. Would you switch between media if Bill-C58 is removed? If yes, why? (Note: use probability card)
- c. Would your clients influence your media buy if Bill C-58 is removed? What percent of clients would change this buy? Would their overall budget change?
- 7a. If Bill C-58 is removed, what Canadian publications if any, would be most susceptible to foreign competition?
- b. What will be the impact on consumer vs trade publications?
- c. What will be the impact on French vs English publications?
- 8a. If Bill C-58 is removed, how are Canadian publishers likely to react (i.e. lower prices, improve magazine quality, circulation push, etc.)?
- b. What will be the impact on the rates of Canadian periodicals? How will this effect your buying pattern?
- c. Could there be a rate war between foreign and Canadian publications in the absence of Bill C-58?
- d. Would increased competition in the periodical industry improve the periodical as an advertising medium?

Purpose

To evaluate the respondent's reaction vis-à-vis altering his media buy more in favor of foreign publications. To what extent will he alter his media buy and in what time frame?

To determine if there would be switching to other media (primarily because of the availability of increased funds).

To evaluate if the clients would influence the media buy if Bill C-58 was removed.

To determine to what extent certain Canadian publications would be vulnerable in the absence of economic protection.

To see if certain publication segments would be more or less vulnerable in the absence of Bill C-58.

To determine the most likely scenario in the absence of Bill C-58.

To see exactly how advertisers would react (i.e. maintain budget and buy more space, lower overall budget, etc.). Will competition between foreign and Canadian publications lead to a decrease in advertising revenues?

QuestionPurpose

9. In general, if Bill C-58 is eliminated, would you tend to buy domestic or foreign publications in the following situations:
- a. The Canadian publication has a higher CPM than the foreign publication and all other factors are equal.
 - b. The Canadian publication has a higher CPM but is a better quality magazine.
 - c. The Canadian and foreign publications are identical with respect to all factors.
10. Do you agree with the objectives of Bill C-58? Why or why not?
- 11a. Is the Canadian publishing industry healthy today? Why or why not?
- b. Does the industry need protection from American competition any more?
 - c. If yes, does Bill C-58 provide the optimal protection? Why or why not?
 - d. If no, are there any better alternatives (i.e. tax incentives, grants, bill modifications, etc.)?

To suggest specific scenarios.

To define the constraints imposed by Bill C-58 from the agency's perspective.

To see the importance that agencies attach to Canadian periodicals and to see, up to a certain point, if there is any degree of loyalty.

<u>(16)</u> <u>Bob</u>	<u>(8)</u> <u>Norm</u>	<u>(6)</u> <u>Richard</u>
Ontario	Prairies/B.C. (3) (5)	Atlantic (3)
Quebec - large - Prism		- BCP Quebec - Publicité Martin - PCB/Provost
Interview schedule	Ontario interviews	March 19-20 March 25-26
	Quebec interviews	March 9-13
	Western interviews	March 16-19 (flexible)
	Atlantic interviews	Flexible

MAGAZINE PROFILE ANALYSIS

Magazine Profile Analysis

CONTENT GROUP: BUSINESS & TRADE

CONTENT GROUP: BUSINESS & TRADE														SEX					
MAGAZINE	AGE												SEX				TOTAL		
	18-24		25-34		35-44		45-54		55-64		65 +		MALE		FEMALE		TOTAL		
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	
INTITLE																			
BUSINESS WEEK			8	29.6	3	11.1	8	29.6	6	22.2	2	7.4	14	51.9	13	48.1	27	100.0	
CANADIAN NURSE	3	21.4	3	21.4	6	42.9			2	14.3			4	28.6	10	71.4	14	100.0	
CANADIAN BUSINESS	2	20.0	6	60.0	2	20.0							10	62.5	6	37.5	16	100.0	
FINANCIAL TIMES			7	43.8	7	43.8	1	6.3	1	6.3			10	66.7	5	33.3	15	100.0	
FORTUNE	1	6.7	4	26.7	4	26.7	2	13.3	3	20.0	1	6.7	31	57.4	23	42.6	54	100.0	
FINANCIAL POST	5	9.3	20	37.0	11	20.4	12	22.2	1	1.9	5	9.3	6	54.5	5	45.5	11	100.0	
LES AFFAIRES	2	18.2	5	45.5	2	18.2	1	9.1	1	9.1			3	27.3	8	72.7	11	100.0	
NURSING	4	36.4	1	9.1	4	36.4	2	18.2					6	25.0	18	75.0	24	100.0	
PREVENTION	1	4.2	2	8.3	8	33.3	3	12.5	5	20.8	5	20.8							

Magazine Profile Analysis

CONTENT GROUP: GENERAL INTEREST

MAGAZINE	AGE												SEX				TOTAL	
	18-24		25-34		35-44		45-54		55-64		65 +		MALE		FEMALE			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%		
INTITLE	14	10.7	48	36.6	34	26.0	14	10.7	11	8.4	10	7.5	50	38.2	81	61.8	131	100.0
ACTUALITE	1	2.4	6	14.6	7	17.1	14	34.1	10	24.4	3	7.3	3	22.0	32	76.0	41	100.0
ATLANTIC INSIGHT			3	17.6	4	23.5	3	17.6	3	17.6	4	23.5	5	29.4	12	70.6	17	100.0
ATL. ADVOCATE					5	16.1	7	22.6	2	6.5	9	29.0	11	35.5	20	64.5	31	100.0
CON GEOGRAPHIC	1	3.2	7	22.6	5	16.1	3	13.0	3	13.0	3	13.0	7	30.4	16	69.6	23	100.0
CANADIAN CONSUMER	3	13.0	6	26.1	5	21.7	4	16.0	3	12.0	2	8.0	12	48.0	13	52.0	25	100.0
CONSUMER REPORT	1	4.0	7	28.0	8	32.0	2	4.0	6	12.0	12	24.0	23	46.0	27	54.0	50	100.0
EQUINOX	3	6.0	15	30.0	12	24.0	2	4.3	1	7.1	2	14.3	4	28.6	10	71.4	14	100.0
GOURMET			6	42.9	3	21.4	2	10.0					4	20.0	16	80.0	20	100.0
HIGHLIGHTS	1	5.0	11	55.0	6	30.0	2	10.0	1	5.0	1	5.0	5	25.0	15	75.0	20	100.0
JUSTICE	2	10.0	8	40.0	6	30.0	1	3.8	3	11.5	2	7.7	10	38.5	16	61.5	26	100.0
LIFE	2	7.7	10	38.5	8	30.8	1	9.1	1	9.1			8	72.7	3	27.3	11	100.0
MEN SHELTER	2	18.2	5	45.5	2	18.2	55	17.1	33	10.2	40	12.4	128	39.8	194	60.2	322	100.0
NATIONAL GEOGRAPHIC	23	8.7	66	20.5	100	31.1	2	14.3	3	21.4	6	42.9	5	35.7	9	64.3	14	100.0
OBSERVER			1	7.1	2	14.3	6	9.7	3	4.8	2	3.2	22	35.5	40	64.5	62	100.0
PROTEGEZ-VOUS	7	11.3	29	46.8	15	24.2	2	20.0	2	20.0			5	50.0	5	50.0	10	100.0
PSYCHOLOGY TODAY	3	30.0	3	30.0	2	20.0	1	6.7			2	13.3	5	33.3	10	66.7	15	100.0
PLAYBOY	2	13.3	3	20.0	7	46.7	83	16.4	66	17.3	94	16.6	164	32.4	342	67.6	506	100.0
READERS DIGEST	53	10.5	92	18.2	98	19.4					2	16.7	2	16.7	10	83.3	12	100.0
RANGER RICK			5	41.7	5	41.7			6	15.4	6	15.4	13	33.3	26	66.7	39	100.0
SATURDAY NIGHT	5	12.8	6	15.4	10	25.6	6	15.4	12	11.3	9	8.5	36	34.0	70	66.0	106	100.0
SELECTION	11	10.4	26	24.5	30	28.3	18	17.0	2	15.4	6	46.2	2	15.4	11	84.6	13	100.0
UNITED CHURCH OBSERVER					3	23.1	2	15.4					1	8.3	11	91.7	12	100.0
WORLD			3	25.0	8	66.7	1	8.3										

Magazine Profile Analysis

CONTENT GROUP: HOME/GARDEN/FARM

MAGAZINE	AGE												SEX				TOTAL	
	18-24		25-34		35-44		45-54		55-64		65 +		MALE		FEMALE			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
INTITLE																		
COUNTRY GUIDE	6	12.0	12	24.0	9	18.0	8	16.0	8	16.0	7	14.0	28	56.0	22	44.0	50	100.0
CON WORKSHOP	1	9.1	2	18.2	3	27.3	2	18.2	2	18.2	1	9.1	5	45.5	6	54.5	11	100.0
DECORATION CHEZ-SOI	1	7.7	7	53.3	4	30.3	1	7.7	.	.	.	.	5	38.5	8	61.5	13	100.0
HARGROWSMITH	.	.	12	34.3	8	22.9	7	20.0	2	5.7	6	17.1	14	40.0	21	60.0	35	100.0
HOUSE & GARDEN	.	.	1	11.1	3	33.3	2	22.2	3	33.3	.	.	2	22.2	7	77.8	9	100.0
ORGANIC GARDENING	.	.	5	20.0	7	28.0	4	16.0	4	16.0	5	20.0	7	28.0	18	72.0	25	100.0
WESTERN PRODUCE	.	.	1	7.1	4	28.6	5	35.7	2	14.3	2	14.3	5	35.7	9	64.3	14	100.0

Magazine Profile Analysis

CONTENT GROUP: NEWS

MAGAZINE	AGE												SEX				TOTAL	
	18-24		25-34		35-44		45-54		55-64		65 +		MALE		FEMALE			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
INTITLE																		
ALBERTA REPORT	2	7.4	5	16.5	7	25.9	3	11.1	5	18.5	5	18.5	15	55.6	12	44.4	27	100.0
MACLEAN'S	51	12.1	66	20.4	74	17.6	77	18.3	63	15.0	70	16.6	151	35.9	270	64.1	421	100.0
NEWSWEEK	7	10.1	27	39.1	11	15.9	8	11.6	8	11.6	8	11.6	34	49.3	35	50.7	69	100.0
PEOPLE	6	30.0	6	30.0	3	15.0	3	15.0	2	10.0	.	.	8	40.0	12	60.0	20	100.0
TIME	53	17.3	73	23.9	74	24.2	42	13.7	41	13.4	23	7.5	138	45.1	168	54.9	306	100.0
TV GUIDE	8	13.1	15	24.5	16	29.5	5	8.2	8	13.1	7	11.5	24	39.3	37	60.7	61	100.0
US	3	25.0	4	33.3	2	16.7	2	16.7	1	8.3	.	.	4	33.3	8	66.7	12	100.0

Magazine Profile Analysis

CONTENT GROUP: SCIENCE & TECHNOLOGY

CONTENT GROUP: SCIENCE & TECHNOLOGY																		
MAGAZINE	AGE												SEX				TOTAL	
	18-24		25-34		35-44		45-54		55-64		65 +		MALE		FEMALE			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
INTITLE																		
CHICKADEE			10	41.7	12	50.0	1	4.2	1	4.2			3	12.5	21	87.5	24	100.0
OWEN	1	9.1	6	54.5	4	36.4							5	45.5	6	54.5	11	100.0
OWL			4	20.0	13	65.0	2	10.0	1	5.0			6	30.0	14	70.0	20	100.0
POPULAR SCIENCE	3	12.5	3	12.5	7	29.2	9	37.5	1	4.2	1	4.2	15	62.5	9	37.5	24	100.0
POPULAR MECHANICS	6	40.0	3	20.0	4	26.7	2	13.3					7	45.7	8	53.3	15	100.0
QUEEN'S SCIENCE	2	15.4	7	53.8	4	30.8							5	38.5	8	61.5	13	100.0

Magazine Profile Analysis

CONTENT GROUP: TRAVEL/SPORTS/RECREATION

CONTENT GROUP: TRAVEL/SPORTS/RECREATION																		
MAGAZINE	AGE												SEX				TOTAL	
	18-24		25-34		35-44		45-54		55-64		65 +		MALE		FEMALE			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
NTITLE	2	10.0	4	20.0	3	15.0	1	5.0	5	25.0	5	25.0	3	15.0	17	85.0	20	100.0
BEAUTIFUL BC	3	33.3	2	22.2	3	33.3	1	11.1	.	.	.	.	7	77.8	2	22.2	9	100.0
CYCLE CANADA	3	33.3	2	22.2	3	33.3	1	11.1	.	.	.	.	7	77.8	2	22.2	9	100.0
CAR & DRIVER	3	20.0	7	46.7	1	6.7	2	13.3	.	.	2	13.3	11	73.3	4	26.7	15	100.0
DISCOVERY	1	9.1	.	.	4	36.4	1	9.1	2	18.2	3	27.3	5	45.5	6	54.5	11	100.0
FIELD & STREAM	3	21.4	2	14.3	6	42.9	.	.	.	.	3	21.4	4	28.6	10	71.4	14	100.0
GOLF DIGEST	1	7.7	4	30.8	1	7.7	4	30.8	1	7.7	2	15.4	7	53.8	6	46.2	13	100.0
GOLF	2	18.2	1	9.1	3	27.3	2	18.2	2	18.2	1	9.1	6	54.5	5	45.5	11	100.0
HOCKEY NEWS	3	21.4	7	50.0	3	21.4	1	7.1	.	.	.	.	11	78.6	3	21.4	14	100.0
INT'L WILDLIFE	.	.	3	27.3	2	18.2	1	9.1	3	27.3	2	18.2	6	54.5	5	45.5	11	100.0
OUTDOOR CANADA	2	8.0	7	28.0	7	28.0	3	12.0	3	12.0	3	12.0	14	56.0	11	44.0	25	100.0
OUTDOOR LIFE	4	25.0	2	12.5	5	31.3	1	6.3	3	18.8	1	6.3	8	50.0	8	50.0	16	100.0
ROAD & TRACK	4	36.4	5	45.5	2	18.2	.	.	.	.	.	.	8	72.7	3	27.3	11	100.0
SPORTS ILLUSTRATED	11	18.6	17	28.8	17	28.8	12	20.3	2	3.4	.	.	24	40.7	35	59.3	59	100.0
SKI CANADA	3	23.1	4	30.8	3	23.1	2	15.4	1	7.7	.	.	6	46.2	7	53.8	13	100.0

Magazine Profile Analysis

CONTENT GROUP: WOMEN'S

MAGAZINE	AGE												SEX						TOTAL
	18-24		25-34		35-44		45-54		55-64		65 +		MALE		FEMALE				
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%			
INTITLE																			
CHATELAIN	59	11.5	161	26.7	129	21.4	82	13.6	78	13.0	63	13.8	129	21.4	473	76.6	602	100.0	
CANADIAN LIVING	5	4.8	35	33.7	24	23.1	13	12.5	14	13.5	13	12.5	19	18.3	85	81.7	104	100.0	
COUP DE POUC	4	11.4	10	28.6	8	22.9	3	8.6	7	20.0	3	8.6	7	20.0	23	60.0	35	100.0	
ELANE	13	26.9	16	35.6	3	6.7	6	13.3	5	11.1	2	4.4	5	11.1	40	88.9	45	100.0	
GOOD-HOUSEKEEPING	4	16.0	3	12.0	9	36.0	1	4.0	3	12.0	5	20.0	6	24.0	19	76.0	25	100.0	
LORDI	4	44.4	2	22.2	1	11.1	1	11.1	1	11.1	.	.	3	33.3	6	66.7	9	100.0	
MODALS	1	6.7	4	26.7	2	13.3	1	6.7	3	20.0	4	26.7	7	46.7	8	53.3	15	100.0	
PARENTS	.	.	14	73.7	4	21.1	.	.	1	5.3	.	.	8	42.1	11	57.9	19	100.0	
TRUE STORY	2	11.1	4	22.2	3	16.7	1	5.6	1	5.6	7	38.9	2	11.1	16	88.9	18	100.0	
VOGUE	3	27.3	3	27.3	2	18.2	3	27.3	.	.	.	.	4	36.4	7	63.6	11	100.0
WOMAN'S DAY	.	.	.	.	2	22.2	2	22.2	3	33.3	2	22.2	2	22.2	7	77.8	9	100.0

Magazine Profile Analysis

CONTENT GROUP: BUSINESS & TRADE

MAGAZINE	Income																TOTAL
	\$10,000 OR LESS		\$10,001- 20,000		\$20,001- 30,000		\$30,001- 40,000		\$40,001- 50,000		\$50,001- 60,000		\$60,000 +				
	N	%	N	%	N	%	N	%	N	%	N	%	N	%			
INTITLE																	
BUSINESS WEEK	.	.	2	8.3	3	12.5	1	4.2	3	12.5	6	25.0	9	37.5	24	100.0	
CANADIAN NURSE	.	.	.	.	9	59.2	2	15.4	1	7.7	1	7.7	.	.	13	100.0
CANADIAN BUSINESS	1	12.5	.	.	2	25.0	2	25.0	2	25.0	.	.	1	12.5	8	100.0	
FINANCIAL TIMES	.	.	.	.	3	18.8	3	18.8	2	12.5	4	25.0	4	25.0	15	100.0
FORTUNE	.	.	.	.	3	21.4	.	.	.	.	4	28.6	7	50.0	14	100.0
FINANCIAL POST	1	2.2	4	8.7	6	13.0	11	23.9	7	15.2	7	15.2	10	21.7	46	100.0	
LES AFFAIRES	.	.	1	9.1	2	18.2	3	27.3	2	18.2	.	.	3	27.3	11	100.0	
NURSING	.	.	1	10.0	4	40.0	2	20.0	1	10.0	1	10.0	1	10.0	10	100.0	
PREVENTION	2	10.5	3	15.8	7	36.8	2	10.5	2	10.5	3	15.8	.	.	19	100.0	

Magazine Profile Analysis

CONTENT GROUP: GENERAL INTEREST

MAGAZINE	Income																TOTAL
	\$10,000 OR LESS		\$10,001- 20,000		\$20,001- 30,000		\$30,001- 40,000		\$40,001- 50,000		\$50,001- 60,000		\$60,000 +				
	N	%	N	%	N	%	N	%	N	%	N	%	N	%			
INTITLE																	
ACTUALITE	9	7.1	15	11.9	29	23.0	24	19.0	21	16.7	14	11.1	14	11.1	126	100.0	
ATLANTIC INSIGHT	1	2.9	6	17.5	13	29.4	4	11.8	9	26.5	4	11.8	.	.	34	100.0	
ATL. ADVOCATE	.	.	1	10.0	2	20.0	3	30.0	3	30.0	1	10.0	.	.	10	100.0	
CON GEOGRAPHIC	1	3.4	5	17.2	6	20.7	6	20.7	4	13.8	4	13.8	3	10.3	29	100.0	
CANADIAN CONSUMER	.	.	1	4.8	5	23.8	6	28.6	1	4.8	4	19.0	4	19.0	21	100.0	
CONSUMER REPORT	.	.	1	4.5	4	18.2	7	31.8	4	18.2	2	9.1	4	18.2	22	100.0	
EQUINOX	4	8.9	3	6.7	15	33.3	9	20.0	6	13.3	4	8.9	4	8.9	45	100.0	
GOURMET	.	.	1	7.1	2	14.3	.	.	4	28.6	3	21.4	4	28.6	14	100.0	
HIGHLIGHTS	.	.	1	5.9	7	41.2	5	29.4	1	5.9	1	5.9	2	11.8	17	100.0	
JUSTICE	1	5.3	3	15.8	5	26.3	3	15.8	4	21.1	3	15.8	.	.	19	100.0	
LIFE	.	.	7	26.9	7	26.9	6	23.1	3	11.5	2	7.7	1	3.8	26	100.0	
NEW SHELTER	.	.	3	30.0	2	20.0	3	30.0	.	.	1	10.0	1	10.0	10	100.0	
NATIONAL GEOGRAPHIC	11	4.1	28	10.5	55	20.6	58	21.7	46	17.2	36	13.5	33	12.4	267	100.0	
OBSERVER	1	9.1	4	36.4	3	27.3	2	16.2	1	9.1	.	.	.	.	11	100.0
PROTEGEZ-VOUS	1	1.7	7	12.1	15	25.9	13	22.4	9	15.5	7	12.1	6	10.3	58	100.0	
PSYCHOLOGY TODAY	.	.	.	.	3	30.0	1	10.0	1	10.0	2	20.0	3	30.0	10	100.0
PLAYBOY	1	9.1	2	18.2	1	9.1	3	27.3	4	36.4	.	.	.	.	11	100.0
READERS DIGEST	35	8.7	75	18.6	94	23.3	86	21.3	59	14.6	25	6.2	29	7.2	403	100.0	
RANGER RICK	1	8.3	2	16.7	3	25.0	2	16.7	3	25.0	.	.	1	8.3	12	100.0	
SATURDAY NIGHT	2	6.5	4	12.9	3	9.7	9	29.0	9	29.0	1	3.2	3	9.7	31	100.0	
SELECTION	2	2.1	19	19.8	24	25.0	15	15.6	17	17.7	9	9.4	10	10.4	96	100.0	
UNITED CHURCH OBSERVER	1	8.3	3	11.7	3	25.0	1	8.3	.	.	2	16.7	.	.	12	100.0	
WORLD	.	.	.	.	4	40.0	3	30.0	.	.	2	20.0	1	10.0	10	100.0

Magazine Profile Analysis

CONTENT GROUP: HOME/GARDEN/FARM

MAGAZINE	Income																TOTAL
	\$10,000 OR LESS		\$10,001- 20,000		\$20,001- 30,000		\$30,001- 40,000		\$40,001- 50,000		\$50,001- 60,000		\$60,000 +				
	N	%	N	%	N	%	N	%	N	%	N	%	N	%			
INTITLE																	
COUNTRY GUIDE	6	14.0	8	18.6	11	25.6	5	11.6	2	4.7	1	2.3	10	23.3	43	100.0	
CON WORKSHOP	.	.	1	11.1	2	22.2	2	22.2	2	22.2	2	22.2	.	.	9	100.0	
DECORATION CHEZ-SOI	.	.	1	9.1	1	9.1	4	36.4	2	18.2	2	18.2	1	9.1	11	100.0	
HARROWSMITH	2	6.7	6	20.0	8	26.7	4	13.3	2	6.7	4	13.3	4	13.3	30	100.0	
HOUSE & GARDEN	.	.	.	.	.	.	1	14.3	1	14.3	2	28.6	3	42.9	7	100.0
ORGANIC GARDENING	1	5.0	5	25.0	8	40.0	.	.	3	15.0	2	10.0	1	5.0	20	100.0	
WESTERN PRODUCE	2	14.3	4	28.6	3	21.4	.	.	2	14.3	1	7.1	2	14.3	14	100.0	

Magazine Profile Analysis

CONTENT GROUP: NEWS

CONTENT GROUP: NEWS																		
MAGAZINE	Income																	
	\$10,000 OR LESS		\$10,001- 20,000		\$20,001- 30,000		\$30,001- 40,000		\$40,001- 50,000		\$50,001- 60,000		\$60,000 +		TOTAL			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%		
WTTITLE																		
ALBERTA REPORT																		
MACLEAN'S	25	7.2			3	12.5	4	15.7	7	29.2	3	12.5	2	8.3	5	20.8	24	100.0
NEWSWEEK																		
PEOPLE																		
TIME																		
TV GUIDE																		
US																		

Magazine Profile Analysis

CONTENT GROUP: SCIENCE & TECHNOLOGY

CONTENT GROUP: SCIENCE & TECHNOLOGY																
MAGAZINE	Income														TOTAL	
	\$10,000 OR LESS		\$10,001- 20,000		\$20,001- 30,000		\$30,001- 40,000		\$40,001- 50,000		\$50,001- 60,000		\$60,000 +			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
INTITLE															19	100.0
CHICAGOEE	.	.	2	10.5	6	31.6	2	10.5	2	10.5	3	15.8	4	21.1	9	100.0
GMNI	.	.	2	22.2	1	11.1	2	22.2	3	33.3	.	.	1	11.1	9	100.0
OML	.	.	.	.	4	22.2	2	11.1	3	16.7	4	22.2	5	27.8	18	100.0
POPULAR SCIENCE	.	.	1	4.3	8	34.3	7	30.4	1	4.3	2	8.7	4	17.4	23	100.0
POPULAR MECHANICS	.	.	3	25.0	3	25.0	2	16.7	1	8.3	.	.	3	25.0	12	100.0
QUEBEC SCIENCE	1	8.3	1	8.3	.	.	3	25.0	1	8.3	5	41.7	1	8.3	12	100.0

Magazine Profile Analysis

CONTENT GROUP: TRAVEL/SPORTS/RECREATION

MAGAZINE	Income																TOTAL
	\$10,000 OR LESS		\$10,001- 20,000		\$20,001- 30,000		\$30,001- 40,000		\$40,001- 50,000		\$50,001- 60,000		\$60,000 +				
	N	%	N	%	N	%	N	%	N	%	N	%	N	%			
INTITLE																	
BEAUTIFUL BC	1	6.7	5	33.3	3	20.0	3	20.0	1	6.7	1	6.7	1	6.7		15/100.0	
CYCLE CANADA	1	11.1	1	11.1	1	11.1	1	11.1	3	33.3	2	22.2				9/100.0	
CAR & DRIVER			3	21.4	2	14.3	2	14.3	1	7.1	2	14.3	4	28.6		15/100.0	
DISCOVERY					1	12.5	2	25.0			1	12.5	4	50.0		8/100.0	
FIELD & STREAM			1	12.5			4	50.0	3	37.5						8/100.0	
GOLF DIGEST					2	15.7	7	58.3			3	25.0				12/100.0	
GOLF					1	12.5	5	62.5			1	12.5	1	12.5		8/100.0	
HOCKEY NEWS	1	7.7			7	53.8	1	7.7	2	15.4			2	15.4		13/100.0	
INT'L WILDLIFE	1	9.1	1	9.1	4	36.4	2	18.2	3	27.3						11/100.0	
OUTDOOR CANADA	2	3.7	3	13.0	7	30.4	4	17.4	3	13.0	2	8.7	2	8.7		23/100.0	
OUTDOOR LIFE	1	7.1	2	14.3	1	7.1	5	35.7	2	14.3	1	7.1	2	14.3		14/100.0	
ROAD & TRACK			1	12.5			3	37.5	1	12.5	2	25.0	1	12.5		8/100.0	
SPORTS ILLUSTRATED	4	8.9	1	2.2	10	22.2	13	28.9	6	13.3	6	13.3	5	11.1		45/100.0	
SKI CANADA					4	33.3	2	16.7	2	16.7	1	8.3	3	25.0		12/100.0	

Magazine Profile Analysis

CONTENT GROUP: TRAVEL/SPORTS/RECREATION

MAGAZINE	Income																TOTAL	
	\$10,000 OR LESS		\$10,001- 20,000		\$20,001- 30,000		\$30,001- 40,000		\$40,001- 50,000		\$50,001- 60,000		\$60,000 +					
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%		
TITLE															15	100.0		
BEAUTIFUL BC	1	6.7	5	33.3	3	20.0	3	20.0	1	6.7	1	6.7	1	6.7	15	100.0		
BIKE CANADA	1	11.1	1	11.1	1	11.1	1	11.1	3	33.3	2	22.2	.	.	9	100.0		
CAR & DRIVER	.	.	3	21.4	2	14.3	2	14.3	1	7.1	2	14.3	4	28.6	14	100.0		
DISCOVERY	.	.	.	.	1	12.5	2	25.0	.	.	1	12.5	4	50.0	8	100.0
FIELD & STREAM	.	.	1	12.5	.	.	4	50.0	3	37.5	.	.	.	.	8	100.0
GOLF DIGEST	.	.	.	.	2	15.7	7	58.3	.	.	3	25.0	.	.	12	100.0
GOLF	.	.	.	.	1	12.5	5	62.5	.	.	1	12.5	1	12.5	8	100.0
HOCKEY NEWS	1	7.7	.	.	7	53.8	1	7.7	2	15.4	.	.	2	15.4	13	100.0		
INT'L WILDLIFE	1	9.1	1	9.1	4	36.4	2	18.2	3	27.3	.	.	.	.	11	100.0
OUTDOOR CANADA	2	8.7	5	13.0	7	30.4	4	17.4	3	13.0	2	8.7	2	8.7	23	100.0		
OUTDOOR LIFE	1	7.1	2	14.3	1	7.1	5	35.7	2	14.3	1	7.1	2	14.3	14	100.0		
ROAD & TRACK	.	.	1	12.5	.	.	3	27.5	1	12.5	2	25.0	1	12.5	8	100.0		
SPORTS ILLUSTRATED	4	8.9	1	2.2	10	22.2	13	28.9	6	13.3	6	13.3	5	11.1	45	100.0		
SKI CANADA	.	.	.	.	4	33.3	2	16.7	2	16.7	1	8.3	3	25.0	12	100.0

Magazine Profile Analysis

CONTENT GROUP: WOMEN'S

CONTENT GROUP: WOMEN'S																
MAGAZINE	Income														TOTAL	
	\$10,000 OR LESS	\$10,001- 20,000	\$20,001- 30,000	\$30,001- 40,000	\$40,001- 50,000	\$50,001- 60,000	\$60,000 +									
	N	%	N	%	N	%	N	%	N	%	N	%	N	%		
TITLE	37	7.5	63	16.7	131	31.6	97	19.6	79	15.9	44	8.9	49	9.9	495	100.0
CHATELAIN	.	.	10	12.3	22	27.2	9	11.1	19	23.5	12	14.3	9	11.1	31	100.0
CANADIAN LIVING	.	.	7	22.3	6	19.4	9	29.0	3	9.7	1	3.2	4	12.9	31	100.0
COUP DE POUC	1	3.2	7	19.9	11	29.7	2	5.4	4	10.8	7	18.9	3	8.1	37	100.0
FLARE	3	8.1	7	19.9	6	30.0	1	5.0	3	15.0	2	10.0	2	10.0	20	100.0
GOOD HOUSEKEEPING	.	.	6	30.0	2	28.6	1	14.3	1	14.3	.	.	.	.	7	100.0
L'AMOI	.	.	3	42.9	6	42.9	.	.	2	14.3	.	.	3	21.4	14	100.0
MCCALLS	1	7.1	2	14.3	6	35.3	4	23.5	6	35.3	.	.	1	5.9	17	100.0
PARENTS	.	.	2	18.2	2	18.2	2	18.2	.	.	.	.	.	.	11	100.0
TRUE STORY	5	45.5	2	16.2	2	16.2	1	10.0	1	10.0	2	20.0	5	50.0	10	100.0
WOMAN'S DAY	.	.	.	.	3	42.9	2	28.6	1	14.3	.	.	1	14.3	7	100.0

Magazine Profile Analysis

CONTENT GROUP: BUSINESS & TRADE

MAGAZINE	Education						Language						TOTAL	
	COMP. PRI- MARY		HIGH SCHOOL/S- OME COL.		COLLEGE/- UNIV GRAD		ENGLISH		FRENCH		OTHER			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
	INTITLE													
BUSINESS WEEK	1	3.7	10	37.0	16	59.3	25	92.5	1	3.7	1	3.7	27	100.0
CANADIAN NURSE	3	20.0	5	33.3	7	46.7	15	100	.	.	.	.	15	100.0
CANADIAN BUSINESS	1	10.0	2	20.0	7	70.0	10	100	.	.	.	.	10	100.0
FINANCIAL TIMES	3	18.8	6	37.5	7	43.8	16	100	.	.	.	.	16	100.0
FORTUNE	1	6.7	6	40.0	8	53.3	12	60.0	2	13.3	1	6.7	15	100.0
FINANCIAL POST	4	7.5	18	34.0	31	58.5	52	94.3	2	3.8	1	1.9	53	100.0
LES AFFAIRES	2	18.2	3	27.3	6	54.5	1	9.1	10	90.9	.	.	11	100.0
MIRAGE	1	9.1	3	27.3	7	63.6	10	90.9	1	9.1	.	.	11	100.0
PREVENTION	6	23.1	11	42.3	9	34.6	23	68.5	3	11.5	.	.	26	100.0

Magazine Profile Analysis

CONTENT GROUP: GENERAL INTEREST

MAGAZINE	Education						Language						TOTAL	
	COMP. PRI- MARY		HIGH SCH- COLL/S- ONE COL.		COLLEGE/- UNIV GRAD		ENGLISH		FRENCH		OTHER			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
ENTIRE														
ANTHROPOLOGY	28	20.6	36	26.5	72	52.9	10	7.4	125	91.9	1	0.7	136	100.0
ATLANTIC INSIGHT	7	17.5	16	40.0	17	42.5	39	97.5	1	2.5	.	.	40	100.0
ENTL. ADVOCATE	3	17.5	5	29.4	9	52.9	17	100	.	.	.	.	17	100.0
FROM GEOGRAPHIC	9	26.1	12	37.5	11	34.4	29	90.6	3	9.4	.	.	32	100.0
CANADIAN CONSUMER	1	4.5	8	36.4	13	59.1	19	86.4	3	13.6	.	.	22	100.0
CONSUMER REPORT	4	16.0	10	40.0	11	44.0	23	92.0	2	8.0	.	.	25	100.0
EQUINOX	5	9.8	17	33.3	29	56.9	50	98.0	1	2.0	.	.	51	100.0
FORUM	2	14.3	7	50.0	5	35.7	12	85.7	2	14.3	.	.	14	100.0
HIGHLIGHTS	6	30.0	8	40.0	6	30.0	19	95.0	1	5.0	.	.	20	100.0
JUSTICE	5	23.8	11	52.4	5	23.8	.	.	21	100	.	.	21	100.0
LIFE	1	3.7	18	66.7	8	29.6	25	92.6	2	7.4	.	.	27	100.0
NEW SHELTER	4	35.4	2	18.2	5	45.5	10	90.9	1	9.1	.	.	11	100.0
NATIONAL GEOGRAPHIC	47	14.2	161	48.5	124	37.3	304	91.6	26	7.8	2	0.6	332	100.0
OBSERVER	3	21.4	5	35.7	6	42.9	14	100	.	.	.	.	14	100.0
PROTEGEZ-VOUS	15	23.4	24	37.5	25	39.1	.	.	64	100	.	.	64	100.0
PSYCHOLOGY TODAY	1	10.0	3	30.0	6	60.0	9	90.0	1	10.0	.	.	10	100.0
PLAYBOY	1	5.3	11	66.8	4	25.0	16	100	.	.	.	.	16	100.0
READERS DIGEST	14	27.4	26	50.8	113	22.0	486	94.9	22	4.3	4	0.8	524	100.0
RANGER RICK	1	8.3	5	41.7	6	50.0	12	100	.	.	.	.	12	100.0
SATURDAY NIGHT	3	7.5	18	45.0	17	47.5	40	100	.	.	.	.	40	100.0
SELECTION	29	27.4	38	35.8	39	36.3	7	6.6	99	93.4	.	.	106	100.0
UNITED CHURCH OBSERVER	5	35.7	4	28.6	5	35.7	13	92.9	.	.	1	7.1	14	100.0
WORLD	2	16.7	5	41.7	5	41.7	12	100	.	.	.	.	12	100.0

Magazine Profile Analysis

CONTENT GROUP: HOME/GARDEN/FARM

[illegible]

Magazine Profile Analysis

CONTENT GROUP: NEWS

MAGAZINE	Education						Language						TOTAL	
	HIGH		COLLEGE/UNIV		OTHER		ENGLISH		FRENCH		OTHER			
	COMP. PRI- MARY	SC-COL/S- HOME COL.	COLLEGE/UNIV	GRAD	ENGLISH	FRENCH	OTHER	N	%	N	%	N	%	N
ALBERTA REPORT	5	17.3	11	30.0	9	32.1	27	96.4	.	.	1	3.6	28	100.0
BRADLEY'S	75	17.5	101	47.3	149	34.9	400	93.7	22	5.2	5	1.2	427	100.0
NEWSWEEK	10	14.3	31	44.3	29	41.4	60	85.7	8	11.4	2	2.9	70	100.0
PEOPLE	5	13.3	12	57.1	4	19.0	21	100	.	.	.	.	21	100.0
TIME	47	15.2	146	47.1	117	37.7	273	88.1	31	10.0	6	1.9	310	100.0
TV GUIDE	15	24.2	37	59.7	10	16.1	60	96.8	1	1.6	1	1.6	62	100.0
US	.	.	7	58.3	5	41.7	11	91.7	1	8.3	.	.	12	100.0

Magazine Profile Analysis

CONTENT GROUP: SCIENCE & TECHNOLOGY

MAGAZINE	Education						Language						TOTAL	
	COMP. PRI- MARY		HIGH SCH-CLL/S- ONE COL.		COLLEGE/- UNIV GRAD		ENGLISH		FRENCH					
	N	%	N	%	N	%	N	%	N	%	N	%		
INTITLE														
CHICAGOEE	1	4.2	10	41.7	15	54.2	23	95.8	1	4.2	24	100.0		
GMNI	1	9.1	7	63.6	3	27.3	11	100	.	.	11	100.0		
OWL	1	5.0	6	30.0	13	65.0	20	100	.	.	20	100.0		
POPULAR SCIENCE	5	20.0	7	28.0	13	52.0	23	92.0	2	8.0	25	100.0		
POPULAR MECHANICS	6	37.5	5	31.3	5	31.3	16	100	.	.	16	100.0		
QUEBEC SCIENCE	1	7.7	2	15.4	10	76.9	.	.	13	100	13	100.0		

Magazine Profile Analysis

CONTENT GROUP: TRAVEL/SPORTS/RECREATION

MAGAZINE	Education						Language						TOTAL	
	COMPL. PRI- ARY		HIGH SCH-OCCL/S-		COLLEGE/- UNIV GRAD		ENGLISH		FRENCH		OTHER			
	N	%	N	%	N	%	N	%	N	%	N	%		
WTTLE														
BEAUTIFUL BC	9	42.9	10	47.6	2	9.5	21	100	.	.	.	.	21	100.0
CYCLE CANADA	1	11.1	6	66.7	2	22.2	9	100	.	.	.	.	9	100.0
CAR & DRIVER	2	13.3	9	60.0	4	26.7	14	93.3	1	6.7	.	.	15	100.0
DISCOVERY	.	.	3	27.3	8	72.7	10	90.9	1	9.1	.	.	11	100.0
FIELD & STREAM	2	14.3	11	79.6	1	7.1	14	100	.	.	.	.	14	100.0
GOLF DIGEST	1	7.7	10	76.9	2	15.4	13	100	.	.	.	.	13	100.0
GOLF	2	18.2	3	27.3	6	54.5	9	81.8	2	18.2	.	.	11	100.0
MOONEY MEN	3	21.4	6	42.9	5	35.7	13	92.9	1	7.1	.	.	14	100.0
ONT'L WILDLIFE	4	36.4	5	45.5	2	18.2	11	100	.	.	.	.	11	100.0
OUTDOOR CANADA	11	40.7	11	40.7	5	18.5	26	96.3	1	3.7	.	.	27	100.0
OUTDOOR LIFE	4	25.0	11	68.3	1	6.3	16	100	.	.	.	.	16	100.0
ROAD & TRACK	2	13.2	3	27.3	6	54.5	10	90.9	.	.	1	9.1	11	100.0
SPORTS ILLUSTRATED	9	15.0	36	60.0	15	25.0	58	96.7	.	.	2	3.3	60	100.0
UNI CANADA	2	6.7	6	40.0	8	53.3	15	100	.	.	.	.	15	100.0

Magazine Profile Analysis

CONTENT GROUP: WOMEN'S

MAGAZINE	Education						Language						TOTAL	
	COMP. PRI- MARY		HIGH SCH-COL/S- ONE COL.		COLLEGE/- UNIV GRAD		ENGLISH		FRENCH		OTHER			
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
TITLE														
CHATELAINE	138	22.7	277	45.5	194	31.9	455	76.4	138	22.7	5	1.0	609	100.0
CANADIAN LIVING	14	13.5	48	46.2	42	40.4	102	96.1	2	1.9	.	.	104	100.0
COUP DE POUCE	5	14.3	20	57.1	10	28.6	2	5.7	33	94.3	.	.	35	100.0
FLARE	10	22.7	22	50.0	12	27.3	38	86.4	5	11.4	1	2.3	44	100.0
GODD -HOUSEKEEPING	4	15.0	14	56.0	7	28.0	24	96.0	1	4.0	.	.	25	100.0
L'UNDI	4	40.0	4	40.0	2	20.0	1	10.0	9	90.0	.	.	10	100.0
MOMENTS	1	5.7	7	46.7	7	43.7	15	100	.	.	.	.	15	100.0
PARENTS	.	.	9	47.4	10	52.5	19	100	.	.	.	.	19	100.0
TRUE STORY	15	63.3	1	5.6	2	11.1	17	94.4	1	5.6	.	.	18	100.0
VOGUE	.	.	8	72.7	3	27.3	9	81.8	2	18.2	.	.	11	100.0
WOMAN'S DAY	2	25.0	5	62.5	1	12.5	8	100	.	.	.	.	8	100.0

Magazine Profile Analysis

CONTENT GROUP: BUSINESS & TRADE

MAGAZINE	Employment Status							
	EMPLOYED				UNEMPLOYED			
	EMPLOYED		ED		HOMEMAKER		TOTAL	
	N	%	N	%	N	%	N	%
INTITLE	19	56.7	4	14.6	5	18.5	27	100.0
BUSINESS WEEK	9	54.3	5	35.7	.	.	14	100.0
CANADIAN NURSE	4	50.0	3	37.5	1	12.5	8	100.0
CANADIAN BUSINESS	12	75.0	1	6.3	3	18.5	16	100.0
FINANCIAL TIMES	12	52.3	1	7.7	.	.	13	100.0
FORTUNE	34	56.7	11	21.6	6	11.8	51	100.0
FINANCIAL POST	5	50.0	4	40.0	1	10.0	10	100.0
LES AFFAIRES	9	51.8	2	18.2	.	.	11	100.0
NURSING	5	20.0	6	24.0	14	56.0	25	100.0
PREVENTION								

Magazine Profile Analysis

CONTENT GROUP: GENERAL INTEREST

MAGAZINE	Employment Status							
	EMPLOYMENT							
	EMPLOYED		UNEMPLOYED		HOMEMAKER		TOTAL	
	N	%	N	%	N	%	N	%
WINTERS	62	61.7	35	26.3	16	12.0	133	100.0
ACTUALITE	25	61.0	5	12.2	11	25.8	41	100.0
ATLANTIC INSIGHT	8	35.3	5	29.4	6	35.3	17	100.0
ATL. ADVOCATE	14	43.8	3	25.0	10	31.3	32	100.0
CON GEOGRAPHIC	18	69.6	4	17.4	3	13.0	29	100.0
CANADIAN CONSUMER	17	70.8	4	16.7	3	12.5	24	100.0
CONSUMER REPORT	21	41.3	23	45.1	7	13.7	51	100.0
EQUINOX	9	64.3	3	21.4	2	14.3	14	100.0
GOURMET	10	50.0	5	25.0	5	25.0	20	100.0
HIGHLIGHTS	12	57.1	4	19.0	5	23.8	21	100.0
JUSTICE	12	46.2	11	42.3	3	11.5	26	100.0
LIFE	8	54.5	4	36.4	1	9.1	13	100.0
NEW SHELTER	16	50.2	8	25.8	7	24.0	31	100.0
NATIONAL GEOGRAPHIC	16	50.2	8	25.8	7	24.0	31	100.0
OBSERVER	3	21.4	5	35.7	6	42.9	14	100.0
PROTEGEZ-VOUS	33	52.4	12	19.0	18	28.6	63	100.0
PSYCHOLOGY TODAY	7	70.0	2	20.0	1	10.0	10	100.0
PLAYBOY	10	62.5	5	31.3	1	6.3	16	100.0
READERS DIGEST	212	41.8	166	32.5	133	26.0	511	100.0
RANGER ROCK	4	33.3	2	16.7	6	50.0	12	100.0
SATURDAY NIGHT	20	51.3	9	23.1	10	25.6	39	100.0
SELECTION	34	62.4	25	24.3	24	23.3	83	100.0
UNITED CHURCH OBSERVER	3	21.4	4	28.6	7	50.0	14	100.0
WORLD	6	45.5	1	9.1	5	45.5	12	100.0

Magazine Profile Analysis

CONTENT GROUP: HOME/GARDEN/FARM

MAGAZINE	Employment Status							
	EMPLOYED		UNEMPLOYED		HOMEMAKER		TOTAL	
	N	%	N	%	N	%	N	%
TITLE								
COUNTRY GUIDE	26	50.0	13	25.0	13	25.0	52	100.0
CON WORKSHOP	4	36.4	4	36.4	3	27.3	11	100.0
DECORATION TIPS- J.C.	12	100	.	.	.	.	12	100.0
HARDENSMITH	18	52.9	7	20	9	26.5	34	100.0
HOUSE & GARDEN	9	100	.	.	.	.	9	100.0
ORGANIC GARDENING	8	32.0	6	24.0	11	44.0	25	100.0
WESTERN PRIDE	6	35.3	6	35.3	5	29.4	17	100.0

Magazine Profile Analysis

CONTENT GROUP: NEWS

MAGAZINE	Employment Status							
	EMPLOYED		UnEMPLOYED		HOMEMAKER		TOTAL	
			ED					
	N	%	N	%	N	%	N	%
WORLD	13	46.4	10	35.7	5	17.9	28	100.0
ALBERTA REPORT	195	45.8	139	32.6	92	21.6	426	100.0
MACLEAN'S	41	59.4	15	21.7	13	18.8	69	100.0
NEWSWEEK	10	52.6	4	21.1	5	26.3	19	100.0
PEOPLE	167	54.2	88	28.6	53	17.2	308	100.0
TIME	34	54.8	17	27.4	11	17.7	62	100.0
TV GUIDE	6	54.5	2	18.2	3	27.3	11	100.0

Magazine Profile Analysis

CONTENT GROUP: SCIENCE & TECHNOLOGY

MAGAZINE	Employment Status							
	EMPLOYED				UNEMPLOYED			
	HOMEMAKER		ED		HOMEMAKER		ED	
	N	%	N	%	N	%	N	%
INTITLE								
CHICKADEE	12	62.2	1	4.3	10	43.5	23	100.0
OMNI	5	45.5	5	45.5	1	9.1	11	100.0
QAL	10	55.6	3	16.7	5	27.8	18	100.0
POPULAR SCIENCE	13	72.0	4	16.0	3	12.0	20	100.0
POPULAR MECHANICS	5	51.3	3	50.0	3	13.6	11	100.0
QUEBEC SCIENCE	9	69.2	3	23.1	1	7.7	13	100.0

Magazine Profile Analysis

CONTENT GROUP: TRAVEL/SPORTS/RECREATION

MAGAZINE	Employment Status							
	EMPLOYED				UNEMPLOYED			
	N		%		N		%	
TITLE	N	%	N	%	N	%	N	%
BEAUTIFUL BC	6	28.6	9	42.9	6	28.6	21	100.0
BYCE CANADA	5	55.6	3	33.3	1	11.1	9	100.0
CAR & DRIVER	9	60.0	5	33.3	1	6.7	15	100.0
DISCOVERY	5	45.5	5	45.5	1	9.1	11	100.0
FIELD & STREAM	8	57.1	3	21.4	3	21.4	14	100.0
GOLF DIGEST	10	76.9	1	7.7	2	15.4	13	100.0
GOLF	9	81.8	1	9.1	1	9.1	11	100.0
HOCKEY NEWS	6	57.1	5	35.7	1	7.1	14	100.0
INT'L WILDLIFE	6	54.5	3	27.3	2	18.2	11	100.0
OUTDOOR CANADA	13	48.1	9	33.3	5	18.5	27	100.0
OUTDOOR LIFE	8	47.1	5	29.4	4	23.5	17	100.0
ROAD & TRACK	8	80.0	2	20.0	.	.	10	100.0
SPORTS ILLUSTRATED	36	60.0	14	23.3	10	16.7	60	100.0
SKI CANADA	12	65.7	1	7.1	1	7.1	14	100.0

Magazine Profile Analysis

CONTENT GROUP: WOMEN'S

MAGAZINE	Employment Status							
	EMPLOYED				UNEMPLOYED			
	N	%	N	%	N	%	N	%
TITLE								
CHATELAINE	293	48.0	154	25.2	169	26.7	610	100.0
CANADIAN LIVING	55	52.9	19	18.3	30	28.8	104	100.0
COUP DE POUC	15	44.1	10	29.4	9	26.5	34	100.0
FLARE	22	46.9	13	28.9	10	22.2	45	100.0
GOOD HOUSEKEEPING	5	20.0	11	44.0	9	36.0	25	100.0
LUNDI	1	10.0	6	60.0	3	30.0	10	100.0
MICALLS	8	53.3	4	26.7	3	20.0	15	100.0
PARENTS	9	47.4	2	10.5	6	42.1	19	100.0
TRUE STORY	3	16.8	6	37.5	7	43.8	16	100.0
VOGUE	10	90.9	1	9.1	1	9.1	11	100.0
WOMAN'S DAY	2	20.0	5	60.0	2	20.0	10	100.0

SCENARIO 1: MAJOR U.S. PUBLICATIONS SET UP CANADIAN EDITION

NUMBER OF MAGAZINES

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	33 52.38%	0 0.00%	33 52.38%
Non-Canadian	3 4.76%	27 42.86%	30 47.62%
Total	36 57.14%	27 42.86%	63 100.00%

CIRCULATION

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	8,201,139 69.39%	0 0.00%	8,201,139 69.39%
Non-Canadian	590,809 5.00%	3,026,929 25.61%	3,617,738 30.61%
Total	8,791,948 74.39%	3,026,929 25.61%	11,818,877 100.00%

MISCLASSIFIED MAGAZINES

<u>Magazine</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian Circulation</u>
Newsweek	Non-Canadian	Canadian	116,649
Time	Non-Canadian	Canadian	372,239
True Story	Non-Canadian	Canadian	101,921
			<u>590,809</u>

SCENARIO 2: CANADIAN PUBLICATION CIRCULATION INCREASES 5%

NUMBER OF MAGAZINES

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	33 52.38%	0 0.00%	33 52.38%
Non-Canadian	3 4.76%	27 42.86%	30 47.62%
Total	36 57.14%	27 42.86%	63 100.00%

CIRCULATION

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	8,611,196 70.42%	0 0.00%	8,611,196 70.42%
Non-Canadian	590,809 4.83%	3,026,929 24.75%	3,617,738 29.58%
Total	9,202,005 75.25%	3,026,929 24.75%	12,228,934 100.00%

MISCLASSIFIED MAGAZINES

<u>Magazine</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian Circulation</u>
Newsweek	Non-Canadian	Canadian	116,649
Time	Non-Canadian	Canadian	372,239
True Story	Non-Canadian	Canadian	101,921
			<u>590,809</u>

SCENARIO 3: U.S. PUBLICATION CIRCULATION INCREASES 5%

NUMBER OF MAGAZINES

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	33 52.38%	0 0.00%	33 52.38%
Non-Canadian	3 4.76%	27 42.86%	30 47.62%
Total	36 57.14%	27 42.86%	63 100.00%

CIRCULATION

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	8,201,139 68.34%	0 0.00%	8,201,139 68.34%
Non-Canadian	620,349 5.17%	3,178,275 26.49%	3,798,625 31.66%
Total	8,821,488 73.51%	3,178,275 26.49%	11,999,764 100.00%

MISCLASSIFIED MAGAZINES

<u>Magazine</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian Circulation</u>
Newsweek	Non-Canadian	Canadian	122,481
Time	Non-Canadian	Canadian	390,851
True Story	Non-Canadian	Canadian	107,017
			620,349

SCENARIO 4: ADVERTISING CANADIAN QUALIFIES FOR 25% TAX REDUCTION

NUMBER OF MAGAZINES

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	33 52.38%	0 0.00%	33 52.38%
Non-Canadian	3 4.76%	27 42.86%	30 47.62%
Total	36 57.14%	27 42.86%	63 100.00%

CIRCULATION

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	8,201,139 69.39%	0 0.00%	8,201,139 69.39%
Non-Canadian	590,809 5.00%	3,026,929 25.61%	3,617,738 30.61%
Total	8,791,948 74.39%	3,026,929 25.61%	11,818,877 100.00%

MISCLASSIFIED MAGAZINES

<u>Magazine</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian Circulation</u>
Newsweek	Non-Canadian	Canadian	116,649
Time	Non-Canadian	Canadian	372,239
True Story	Non-Canadian	Canadian	101,921
			<u>590,809</u>

SCENARIO 5: MACLEAN-HUNTER PUBLICATIONS INCREASE 5%

NUMBER OF MAGAZINES

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	33 52.38%	0 0.00%	33 52.38%
Non-Canadian	3 4.76%	27 42.86%	30 47.62%
Total	36 57.14%	27 42.86%	63 100.00%

CIRCULATION

<u>Classified from:</u>	<u>Classified To:</u>		
	<u>Canadian</u>	<u>Non-Canadian</u>	<u>Total</u>
Canadian	8,340,655 69.39%	0 0.00%	8,340,655 69.75%
Non-Canadian	590,809 4.94%	3,026,929 25.31%	3,617,738 30.25%
Total	8,931,464 74.69%	3,026,929 25.31%	11,958,393 100.00%

MISCLASSIFIED MAGAZINES

<u>Magazine</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian vs Non-Canadian</u>	<u>Canadian Circulation</u>
Newsweek	Non-Canadian	Canadian	116,649
Time	Non-Canadian	Canadian	372,239
True Story	Non-Canadian	Canadian	<u>101,921</u> 590,809

COMPARISON OF COST-EFFICIENCY BETWEEN
CANADIAN AND U.S. MAGAZINES

APPENDIX V
COMPARISON OF COST EFFICIENCY BETWEEN CDN AND US MAGAZINES

----- CANADIAN VS NON-CANADIAN=CANADIAN -----

MAGAZINE	CCPM
CANADIAN NURSE	\$16.12
CANADIAN BUSINESS	\$58.90
FINANCIAL POST	\$102.78
LES AFFAIRES	-
ACTUALITE	\$24.74
ATLANTIC INSIGHT	\$70.02
ATL. ADVOCATE	\$66.90
CDN GEOGRAPHIC	\$28.95
CANADIAN CONSUMER	-
EQUINOX	\$34.40
HIGHLIGHTS	\$54.60
PROTEGEZ-VOUS	-
SATURDAY NIGHT	\$35.97
SELECTION	\$16.55
UNITED CHURCH OBSERVER	-
READERS DIGEST	\$12.23
COUNTRY GUIDE	\$35.37
CDN WORKSHOP	\$35.81
DECORATION CHEZ-SOI	\$54.97
WESTERN PRODUCE	-
HARROWSMITH	\$25.44
ALBERTA REPORT	\$44.03
MACLEAN"S	\$22.68
TV GUIDE	\$11.45
CHICKADEE	-
OWL	-
QUEBEC SCIENCE	\$57.23
BEAUTIFUL BC	-
CYCLE CANADA	\$70.60
DISCOVERY	\$49.35
HOCKEY NEWS	\$14.59
OUTDOOR CANADA	\$36.00
SKI CANADA	\$58.12
CHATELAIN/ENG	\$17.28
CHATELAIN/FR	\$21.56
CANADIAN LIVING	\$24.64
COUP DE POUCE	\$33.94
FLARE	\$29.38
LUNDI	\$31.54

APPENDIX V
COMPARISON OF COST EFFICIENCY BETWEEN CDN AND US MAGAZINES

----- CANADIAN VS NON-CANADIAN=NON-CANADIAN -----
(continued)

MAGAZINE	CCPM
JUSTICE	-
LIFE	\$613.75
NEW SHELTER	-
NATIONAL GEOGRAPHIC	\$160.21
OBSERVER	-
PSYCHOLOGY TODAY	\$704.66
PLAYBOY	\$322.55
RANGER RICK	-
HOUSE & GARDEN	\$962.22
ORGANIC GARDENING	\$378.33
NEWSWEEK	\$25.08
PEOPLE	\$442.00
TIME	\$18.54
US	\$342.36
OMNI	\$405.00
POPULAR SCIENCE	\$399.31
POPULAR MECHANICS	\$735.64
CAR & DRIVER	\$609.83
FIELD & STREAM	\$1,368.34
GOLF DIGEST	\$667.44
GOLF	\$631.39
INT"L WILDLIFE	-
OUTDOOR LIFE	\$1,020.93
ROAD & TRACK	\$421.67
SPORTS ILLUSTRATED	\$246.62
GOOD HOUSEKEEPING	\$457.56
MCCALLS	\$1,363.42
PARENTS	\$597.72
TRUE STORY	\$174.27
VOGUE	\$265.73
WOMAN"S DAY	\$256.85
 BUSINESS WEEK	 \$1,598.73
FINANCIAL TIMES	-
FORTUNE	\$829.72
NURSING	-
PREVENTION	\$311.24
CONSUMER REPORT	-
GOURMET	\$400.14

Based on U.S. Rates and Canadian Circulation figures

CACC / CCAC



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BOURGEOIS, JACQUES C.

--Impact of the removal of Bill C-58
on the Canadian periodical industry

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