

# Business Builder | Maximising the sales of magazines in the Subagency Channel.



For this issue of point - to - point, we have spoken to key newsagent contacts to develop an easy to understand "5 point" check list of how to maximise your sales of magazines in the Subagency Channel.

## check list of how to maximise your sales of magazines in the Subagency Channel.

The best philosophy is to run your subagents as you would your own store. Below are some of the simple tools and processes currently being used by other Connections Members throughout Australia.

### 1. Customers

- The major opportunity available through effectively managing your subagents is the chance to sell to customers who may never enter your own retail premises.
- By capturing the sale wherever it exists, you truly harness the potential available in the territories you service.
- You can only ever sell one copy of each magazine issue to one customer. If the customer can't access the brand in one of your subagents, there are a multitude of other access points which may not be linked to your business. Use your subagents to reach more customers.



The Good

### 2. Range of titles

- Subagents, by their nature generally have less display space available than your own store.
- Choosing an effective range for your subagents is critical. Understand your subagents business and their customers.
- Ensure that the range of titles supplied is appropriate to the subagents store. Take into account the local demographics and nature of the subagents business.



**Tip** - Don't waste valuable shelf space. Don't supply product for the sake of it! Only supply what they can sell multiple copies of.

- Research conducted by ACP in the Petrol and Convenience channel highlighted that in over 650+ outlets, 95% of their magazine sales came from the top 30 Audit Bureau of Circulation titles. By all means stock local demand titles but stick to the above formula to satisfy the majority of your subagent customer needs which in turn will give the maximum rate of return from the magazine category.

"Keep Subagents informed. Price changes, on sale and return dates etc. Information is as vital to them as it is to you."

"Capitalise on extra sales by getting the product to them as quickly as possible."

"Spend time analysing their sales data. Don't just give them the same quantities week in week out. You may be missing many sales opportunities."

Chris Leonidas

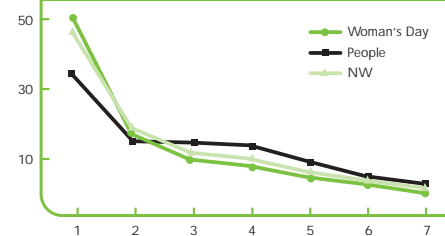
### 3. Allocations

- Subagents are yours to manage and make the most of. They are an extension of your own business and need to be treated accordingly.
- Magazine sales spike immediately upon a magazine being released and fall rapidly thereafter (see chart)
- At the start of an onsale period, as you would in your own store, expand the number of facings in your territory. This capitalising on the initial sales spike. As the onsale period progresses, reduce the facings within your territory. This may mean that brand is no longer available in some, or all your subagents. That space can be better used by another brand in an earlier stage of its lifecycle. This way you are maximising sales from the limited space available in subagents and making best use of your product allocations.
- Regularly review all allocations. As a minimum, weekly titles should be reviewed every 4 weeks and monthly titles every 2 issues. Being vigilant in this area will ensure you provide the appropriate level of supply to meet expected sales and minimising returns.



**Tip** - Don't supply your subagents the same amount each issue - you may leave yourself short or miss out on opportunity. Take into account Publisher promotional activity, seasonal requirements and school holidays when reviewing allocations.

Magazine sales decay during onsale period



### 4. Service and delivery times

- Ensure that all new issues are delivered to your subagents store in time for their opening.



**Tip** - Magazines are a time sensitive consumer product. If you don't have the magazines at your subagents in time for their store opening you can be assured of lost sales opportunities and therefore high returns! Manage the stock levels of your subagents - regular top-ups allow you to supply less stock initially, leaving you with more stock in your own store while maximising the sales opportunities in your territory.

- As a minimum, you should provide a next day delivery facility for extras.
- Co-operatively work with your subagents to process returns and remove 'slow moving' stock.



**Tip** - Assist in the removal of all magazines that have reached the end of their on-sale-period.

- Assist your subagents in the display and promotion of all magazines in line with Category Management principles.

- Displays on floors, cardboard boxes, milk crates and the like do not invite a purchase!!
- Consider investing in a fixture/rack programme.



**Tip** - You can purchase a purpose built and professional looking magazine rack and then sub-let and charge back to the subagents account for as little as a few dollars per week.

### 5. Relationship management

- Subagents are critical to maximising sales for both agents and suppliers. To achieve optimum sales, efficiently, good relations between you and your sub-agents are crucial.
- It is important that you focus on looking at subagents as a valuable extension of your business - not as a competitor.
- Look at them as a 'silent extension of your retail walls'.
- Educate your subagents in all aspects of the magazine category and the obligations and operational responsibilities they have to ensure that the relationship works for all interested parties.



The Ugly

When Managed properly a subagent can be a direct extension of your own business, they provide additional selling space and customer traffic without the major overheads. Newsagents are fortunate, very few industries offer an opportunity like this. A poorly managed territory or subagent represents a lost opportunity for all concerned and forces publishers to review their supply strategies. When properly managed subagents represent an outstanding opportunity for your business.

**For more information on Subagents contact Rodney Buchanan on 02 9282 8965.**