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Dear Stakeholder,

We are pleased to announce the release of an important report entitled ***A Strategic Study of the Magazine Industry In Ontario***. The study was authored by TCI Management Consultants, with funding provided by the Ontario Media Development Corporation (OMDC) on behalf of its Magazine Publishing Industry Advisory Committee. The study is available on our website at www.omdc.on.ca

OMDC was pleased to work with a dedicated group of magazine industry stakeholders in developing this study, whose purpose is to provide information and analysis that will lead to the development of an appropriate sectoral strategy for growth in the Ontario magazine industry over the next five years.

The study confirms that Ontario has a large, diverse magazine publishing industry; over 45% of the copies of top Ontario-produced consumer magazines are sold or delivered outside of the province.

Canadian magazine publishers have a significant domestic market share at 41%. This market share is largely due to a strong brand presence based on audiences placing a high degree of trust in magazines and their contents. The high quality of the content found in Ontario's magazines is the key success factor in building this trust.

Magazines have a long track record of withstanding competition from new media, and numbers demonstrate that Canadian magazines are holding and even extending their audiences in the face of competition from the Internet. Magazine readership has grown from 4.4 issues read per month in 2003 to 5 issues read per month in 2007. Across all age groups, the people who read the most magazines are also likely to spend the most time on the Internet.

The study highlights that the most significant success factor for the Magazine Industry over the next five years will continue to be the creation of high quality, relevant content. By 2013, indications point to most consumer magazines in Canada still being printed and distributed predominantly in hard copy. Business-to-business magazines are making a more rapid transition to electronic distribution, but they, too, may still be in print form at that time.

The most significant barrier to growth for both consumer and business-to-business magazines will continue to be a lack of financial resources to make needed investments in both high-quality Canadian content and digital technology. The study's recommendations are therefore focused on tools that can strengthen the industry's financial footing. These include:

- initiatives by industry associations that build on existing activities in the areas of research, marketing and promotion, training, digital capacity-building and measurement and assessment;
- federal government initiatives, particularly retaining Publications Assistance Program support (or a very similar program) at current or even higher levels of funding;

- a new provincial refundable tax credit for the magazine industry, based on eligible expenditures related to upgrading the amount and quality of editorial content in a magazine or related to upgrading and increasing the amount and variety of the content a magazine distributes digitally; and
- a role for the OMDC as a facilitator to build connections between Ontario's magazine publishers and firms from other creative sectors.

While the study's recommendations require more detailed examination, they provide a good starting point from which government and the industry can continue to work together towards advancing Ontario's magazine industry as a vital component in the future social and economic development of Ontario's promising Entertainment and Creative Cluster.

Sincerely,



Karen Thorne-Stone
President & Chief Executive Officer, OMDC

on behalf of the Magazine Study Steering Committee:

Sharon McAuley, Vice-President and Group Publisher, *Toronto Life*, Industry Co-Chair, OMDC
Magazine Publishing Industry Advisory Committee
Phil Boyd, President, Canadian Business Press
Mark Jamison, Chief Executive Officer, Magazines Canada
Matt Robinson, Publisher, *Outpost*