An Environmental Scan of the Canadian Magazine Industry

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Executive Summary

Magazine Industry Overview

The Canadian magazine sector is a $1 billion dollar a year industry. Each year almost 2400 magazines are published, including consumer and business-to-business brands, with content distributed both in print and digitally, via a variety of web and mobile channels.[1] There are an estimated 1,124 companies operating 1327 establishments across Canada. Ontario represents 54% of all companies.[2]

Magazine publishers operate in a landscape defined by digital transformation, changes in consumption and evolving business models, as well as by the ongoing impacts of the COVID-19 pandemic and rising operating costs. Declining advertising revenue, which has been a mainstay for magazine publishers, is forcing publishers to diversify their business models. The number of magazine titles published in Canada fell by 11% from 2,652 in 2016 to 2,368 in 2019.

The sector has experienced a dramatic decline in the last decade marked by decreases in operating revenues and sales, declines in profitability and a reduced number of titles. Since 2013, overall revenues have declined by 50% in Canada and 49% in Ontario. Advertising revenues were estimated to account for 50% of all sales by Canadian magazine publishers. Circulation revenues accounted for an estimated 36% of sales, while the proportion of sales attributed to custom publishing represented 4% of all sales.

Operating margins were at 8.5% for Ontario-based magazine publishers in 2021, and 9.3% for all magazine publishers across Canada. The sector's contribution to GDP fell by 49% across Canada, from $1.7 B in 2010 to $861M in 2020. In Ontario, this decline was 34% over the same period, from $712M in 2010 to $467M in 2020.

The total number of jobs in the Canadian magazine publishing sector declined by 56% over the period from 2010 to 2020. The total number of sector jobs in Canada was 19,045 in 2010, as compared to 8,441 in 2020. Between 2016 and 2020 the total number of jobs in the Ontario magazine publishing industry fell by 24%, from 4,692 jobs in 2016 to 3,572 jobs in 2020.

The magazine sector does not presently reflect its aspirations to Equity, Diversity and Inclusion (EDI) in its labour force.

Consumer magazines accounted for 71% of all magazine titles published in 2021 and for sixty-eight percent of all consumer magazine titles are published in Ontario. The proportion of titles that are business-to-business, trade or professional magazines is growing. Business-to-business, trade and professional magazines represented 32% of all magazines published by Ontario publishers in 2021.

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[1] Statistics Canada. Table 21-10-0053-01, Periodical publishers, summary statistics; Magazines Canada, *Supporting the Canadian Magazine Publishing Sector: A Pillar of Canada's Democracy Magazines Canada's Submission to the Federal Pre-Budget Consultations in Advance of the 2022 Budget*, August 6, 2022.
[2] IBISWORLD Industry Report 51112CA, July 2021.

Digital Transformation of the Magazine Publishing Sector

Ubiquitous access to the Internet has greatly impacted the magazine publishing industry. Access to digital media has increased and consumers have embraced digital-only products, resulting in reduced demand for print magazines and declining subscriptions sales. Greater digital consumption of magazines was further accelerated throughout the pandemic, with more readers moving away from print in 2020 and 2021. [3]

While the vast majority of titles published in Canada are distributed in print (89%), the combination of print and digital titles accounted for 58% of all magazine titles published in Canada in 2021. In addition to those published in print and digital formats, digital-only titles accounted for 11% of all titles published.[4]

For some publishers, the conversion to digital has led to growing circulation to readers who choose to access their magazines on mobile devices, computers, and/or tablets. The shift to digital formats has certain advantages such as the cost saving effects of digitization resulting from the simplification of production processes and rising profitability due to fewer printing costs.[5]

Findings of the SWOT Analysis

Strengths:

- Canadian magazines have built strong consumer brands that enjoy the trust of readers. These can help to monetize new streams of revenues both digitally and through consumer events like music concerts or trade shows.

- The quality of the Canadian magazine workforce is characterised by highly skilled editorial and technical professionals.

- Compared to international jurisdictions, Canadian magazine publishers benefit from government assistance programs.

Weaknesses:

- The cost of accessing labour in the magazine sector is rising, in the context of overall Canadian labour shortages.

- Many publishers are not yet fully monetizing their digital assets, though for publishers with digital products, leveraging their consumer data through in-house analytics or by selling it on to agencies and data consultants presents an opportunity for a new revenue stream.

Opportunities:

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[3] Vividata, *Overview of Results: Fall 2021 Study;* Vividata, *Overview of Results: Fall 2020 Study;* Vividata, *Overview of Results: Fall 2019 Study;* Vividata, *Overview of Results: Fall 2018 Study.*
[4] Statistics Canada. Table 21-10-0270-01, Periodical publishers, published titles by type of publication; Statistics Canada; Table 21-10-0268-01, Periodical publishers, print circulation by type of publication.
[5] Robert G. Picard, *Mapping Digital Media: Digitization and Media Business Models*, Open Society Foundations, Reference Series, No. 5, July 2011.

- Online subscription sales are anticipated to grow quickly over the coming five-year period, alongside a growth in mobile devices that can access media content.

- Packaging advertising across platforms presents additional opportunities to increase sales revenue.

- Partnering with other businesses and organizations is providing opportunities to increase readership reach.

Threats:

- Competition for advertising revenues from major international platforms like Google and Facebook is a significant threat to magazine publishers seeking to diversify their advertising revenues online.

- Publishers face rising costs from inflation, particularly as regards the costs of paper and printing, the volatility of which may jeopardize their profitability. In addition, the transition to digital publishing presents additional new costs.

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Introduction

1. Overall Context

Ontario Creates wishes to develop a comprehensive, detailed understanding of the current state of the magazine sector. The sector has undergone a significant amount of change over the past few years, but there is limited new data and research available to speak to the new challenges and opportunities in the space. It is anticipated that the environmental scan will also serve as a useful tool to inform an eventual program review process.

2. Approach and Methodology

2.1 Project Scope

The scope of the scan covered the following four elements:

- Detailed portrait of the magazine sector in Canada: a detailed, up-to-date information about the composition of the sector, its size and economic impact as well as which segment of this industry is currently eligible for support from Ontario Creates.
- Equity, diversity and inclusion in the sector (EDI): a qualitative assessment of the current levels of diversity within the sector as well as the identification of challenges and opportunities the industry faces when working to become more diverse, inclusive and equitable.
- Summary of major developments (10-year window): a detailed examination of the major challenges/factors that have impacted the sector over the past decade, and the subsequent impact of those factors on the sector's GDP and employment.
- SWOT analysis: an analysis of the strengths, weaknesses, threats and opportunities facing the sector in its current state. This section also highlights the areas of industry activity that are most in-need for funding/support, and an identification of any gaps in the availability of support to address those challenges and/or opportunities.

2.2 Methodology

This study used qualitative research methodologies including in-depth stakeholder interviews; a review of literature on the characteristics of the industry and past, present and future trends; a jurisdictional scan of funding available to the magazine sector; as well as an analysis of strengths and weaknesses in the industry and threats and opportunities afforded by the environment (SWOT analysis).

The extensive review of literature focused on the current characteristics and state of the magazine sector in Canada and Ontario, developments in the past decade and how they have impacted on the sector, and emerging and future trends and their anticipated impacts on the sector. The primary source for employment and GDP trends was Statistics Canada, which compiles cultural statistics for the periodicals sector.[6] Annex III provides data tables used to develop the portrait of the industry. Information was also drawn from the industry profiles for

[6] Statistics Canada, Table 36-10-0452-01 - Culture and sport indicators by domain and sub-domain, by province and territory, product perspective (x 1,000).

the magazine sector developed by Ontario Creates over the last decade,[7] as well as from data published by other sources.

Seventeen informants were interviewed to gain an understanding of the current challenges and opportunities facing the sector, the industry's strengths and weaknesses and to gather perspectives on the current state of Equity, Diversity and Inclusion (EDI) in the sector. An interview guide was developed in consultation with Ontario Creates. Annex II contains the list of interviewees.

Findings from the interviews, the review of literature and jurisdictional scan were brought together in an analysis of the industry's current strengths and weaknesses, and opportunities and threats facing the magazine sector (SWOT analysis).

3. Structure of This Report

This study is divided into the following four sections:

- Section I describes the supply and value chains that characterize the magazine sector and the key developments that have shaped them;
- Section II provides a portrait of the current state of the Canadian magazine publishing industry, trends and key developments over the past decade.
- Section III presents the SWOT analysis of the Canadian magazine sector;
- Section IV concludes with summary observations.

[7] For example, Ontario Creates, *Interim Update to October 2021 Profile*, June 2022.

I. Understanding the Canadian Magazine Sector

The Canadian magazine sector is a $1 billion dollar a year industry, publishing almost 2400 magazines.[8] These include consumer, and business-to-business brands, with content distributed both in print and digitally, via a variety of web and mobile channels. As multi-platform media brands, print magazines are seen as a high-quality, high-trust luxury medium amongst a wealth of platforms.[9]

Magazine publishers operate in a landscape defined by digital transformation, changes in consumption and evolving business models, as well as by the ongoing impacts of the COVID-19 pandemic and rising operating costs. Production and distribution processes, as well as relationships with suppliers and with buyers are evolving. Declining advertising revenue, which has been a mainstay for magazine publishers, is forcing publishers to diversify their business models, impacting the value chain.

1. The Supply Chain of Magazine Publishing

1.1 The Magazine Supply Chain

The supply chain of the magazine publishing sector begins with sourcing and procuring raw materials such as paper, converting and assembling them into a printed and/or digital product or service, and is followed by the logistics of getting it to market and adding value.[10] Advertising expenditures, per capita disposable income, the number of broadband connections and mobile telephone subscriptions and government assistance all impact the supply chain.[11]

1.2 Digital Disruption

The magazine industry in Canada has experienced significant technological disruption from digital technologies.

Ubiquitous access to the Internet has transformed how Canadians consume content, with significant implications for the magazine publishing industry. As access to digital media has increased, consumer attention has been diverted to digital-only products, resulting in reduced demand for print magazines and declining subscriptions sales.

An ongoing trend towards greater digital consumption of magazines was further accelerated throughout the pandemic, with more readers moving away from print in 2020 and 2021. [12]

As consumers have spent less on magazines and periodicals, revenue generated from single-copy and subscription sales have weakened. As a result, over the previous five-years, annual

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[8] Statistics Canada. Table 21-10-0053-01, Periodical publishers, summary statistics; Magazines Canada, *Supporting the Canadian Magazine Publishing Sector: A Pillar of Canada's Democracy Magazines Canada's Submission to the Federal Pre-Budget Consultations in Advance of the 2022 Budget*, August 6, 2022.

[9] Carla Rodrigues Cardoso and Tim Homes, Eds., *Transforming Magazines: Rethinking the Medium in the Digital Age,* Cambridge Scholars Publishing, UK, 2022.

[10] Granted Consultancy, Corporate Blog, October 21, 2021, retrieved from https://grantedltd.co.uk/funding-blog/whats-the-difference-between-a-supply-chain-and-a-value-chain/.

[11] IBISWORLD Industry Report 51112CA, July 2021.

[12] Vividata*, Overview of Results: Fall 2021 Study;* Vividata*, Overview of Results: Fall 2020 Study;* Vividata*, Overview of Results: Fall 2019 Study;* Vividata*, Overview of Results: Fall 2018 Study.*

magazine subscriptions have drastically declined. Lower consumption of magazines and periodicals has also contributed to the decline in advertising revenue.[13]

Over the past decade marketers have shifted their advertising budgets to digital platforms and lowered their spending on print.[14] The exception has been in niche-oriented magazines, where advertisers continue to recognize the value of print magazines.

As a result of this digital disruption, the entire magazine publishing sector has shifted. Most publishers have responded to changing consumption trends by investing in their digital footprints, expanding their publication activities to digital channels and allowing users greater access. The percentage of print-only magazine readers dropped by 11% in 2020.[15] One example, is the new print and Web version of Canadian Business launched by *Maclean's* publisher SJC Media at the height of the COVID-19 pandemic in fall 2021.[16]

The transition to digital publishing was initially challenging, requiring new skills and expertise, the development of digital workflows, the development of new and sometimes uncharted markets, leading to new digital production costs as traditional print revenues declined.[17] Where once these changes were thought to be disruptive, they are now understood as having been transformative. In fact, some publishers have reshaped their editorial strategies to prioritize online content first and print editions second.

The shift to digital formats has certain advantages such as the cost saving effects of digitization resulting from the simplification of production processes and rising profitability due to fewer printing costs.[18]

2. The Value Chain of Magazine Publishing

2.1 Ongoing Shift to Digital Publishing

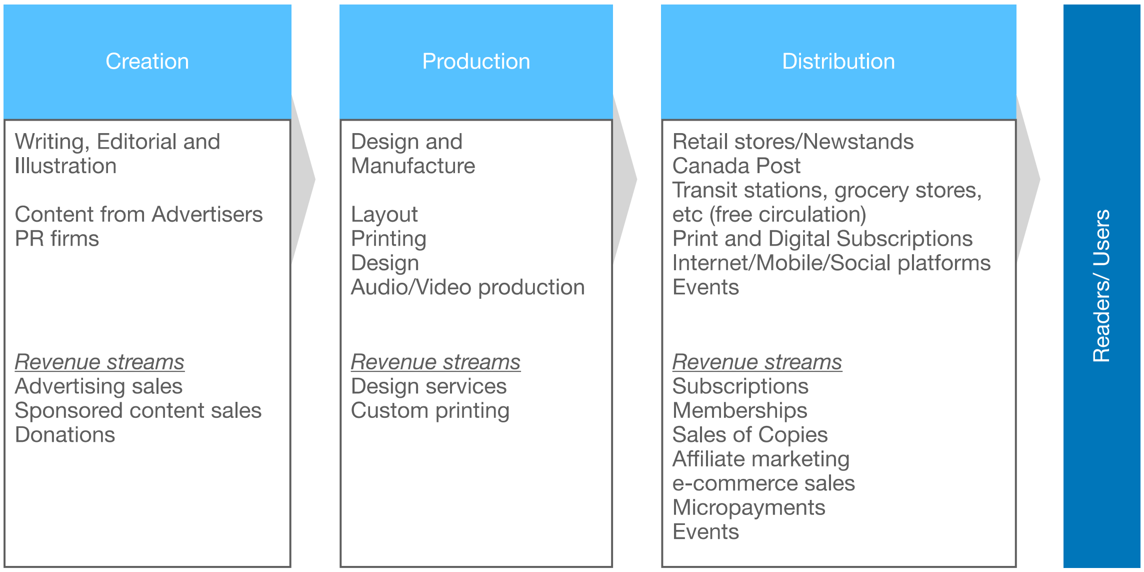
While the vast majority of titles published in Canada are distributed in print (89%), the combination of print and digital titles accounted for 58% of all magazine titles published in Canada in 2021, while print-only titles accounted for 31% of all published titles. In addition to those published in print and digital formats, digital-only titles accounted for 11% of all titles published.[19]

To create value for buyers a magazine publisher procures content from editorial contributors, news and picture agencies and publisher advertising departments. Publishers use these resources to create editorial content, and advertisements. Content is packaged into a print or

[13] IBISWORLD Industry Report 51112CA, July 2021.
[14] IBISWORLD Industry Report 51112CA, July 2021.
[15] Vividata*, Overview of Results: Fall 2021 Study;* Vividata*, Overview of Results: Fall 2020 Study;* Vividata*, Overview of Results: Fall 2019 Study;* Vividata*, Overview of Results: Fall 2018 Study.*
[16] Pricewaterhouse, *Global Entertainment & Media Outlook 2022-2026: Canada*.
[17] Marissa Bradstreet, *The Magazine Industry: How the Internet Has Changed It All*, Submitted in Partial Completion of the Requirements for Commonwealth Honors in Communication Studies, Bridgewater State University May 3, 2022
[18] Robert G. Picard, *Mapping Digital Media: Digitization and Media Business Models*, Open Society Foundations, Reference Series, No. 5, July 2011.
[19] Statistics Canada. Table 21-10-0270-01, Periodical publishers, published titles by type of publication; Statistics Canada; Table 21-10-0268-01, Periodical publishers, print circulation by type of publication.

digital magazine product. Print magazines are reproduced at printing houses, and distributed through wholesale and direct sales channels, as well as through retail sales and subscription channels. The value chain for magazines is illustrated in Figure 1.

Figure 1: Value Chain for the Magazine Industry



For some publishers, the conversion to digital has led to growing circulation to readers who choose to access their magazines on mobile devices, computers, and/or tablets. A number of digital magazine platforms have emerged to support distribution, such as ISSUU, PressReader and Apple News+, etc. There are also digital newsstands such as Zinio, DiscountMags and MagsConnect.

The growth of digital distribution has many advantages. For example, publishers interviewed for this report noted that the readership reported to advertisers can increase without scaling up publishers' material and distribution costs.[20] One publisher interviewed for this report noted the importance of Apple News+ in increasing the digital distribution of their magazine content, though the service is more costly than others.

Those companies who have succeeded in their digital transition were said to be successful with their market development.[21] At the same time, the cost of carrying both print and digital formats can be challenging, particularly for smaller publishers.[22] For some publishers, there may be risks, for example, the recent announcement from Amazon that it aims to discontinue its magazine distribution service in the US, currently provided via Kindle Newsstand.[23]

[20] Interviews.
[21] Marissa Bradstreet, *The Magazine Industry: How the Internet Has Changed It All,* submitted in partial completion of the requirements for Commonwealth Honors in Communication Studies, Bridgewater State University, May 3, 2022.
[22] Interviews.
[23] Jim Milliot, "Amazon to End Print Textbook Rentals, Overhaul Magazine and Newspaper Subscriptions," in *Publishers Weekly*, December 14, 2022, retrieved from https://www.publishersweekly.com/pw/by-topic/industry-news/bookselling/article/91129-amazon-to-end-print-textbook-rentals-overhaul-magazine-and-newspaper-subscriptions.html.

2.2 Multiplatform and Multi-Revenue Models

Successful publishers use a multiplatform approach to revenue generation. As industry observers point out: "A single online magazine with no print counterpart, no website, and no multiplatform ad package won't last long."[24] However, digital products created by magazine publishers have not generated sufficient revenue to fully mitigate declines from traditional print advertising revenues. In the face of an ever-shrinking pool of print advertising revenue, magazine publishers have had to find other reliable ways to monetize their digital content.[25] Interviewees describe diversification of revenue as a key strategy for magazine publishers.

As one scholarly publication puts it, "a sustainable publication encompasses print, digital and online products and content that can be transferred or shared amongst platforms, and new business models based on these broader value networks."[26] Business models in the magazine industry increasingly incorporate a range of revenue streams in addition to traditional subscription and advertising, such as custom publishing as well as retail-based and events-based and revenue generation strategies.[27] Canadian examples include *The Walrus Talks* national tour and *Cottage Life*'s consumer shows. Taking their brands into book publishing, and podcasting (such as that created by Toronto's *Spacing* magazine) are increasingly common amongst Canadian magazine publishers.[28]

[24] Don Nicholas, "How Do Online Magazines Generate Revenue?," Mequoda Publishing Network, December 1, 2021, retrieved from https://www.mequoda.com/articles/multiplatform-publishing-strategy/online-magazines-generate-revenue/.
[25] Magazines Canada, *Ensuring a Sustainable Future to Connect and Inspire Canadian Magazine Readers*, Magazines Canada Submission for Pre-Budget Consultations in Advance of the 2020 Budget, July 30, 2019.
[26] Carla Rodrigues Cardoso and Tim Homes, Eds., *Transforming Magazines: Rethinking the Medium in the Digital Age,* Cambridge Scholars Publishing, UK, 2022.
[27] Ontario Creates, *Industry Profile – Magazines*, August 2018.
[28] Ontario Creates, *Industry Profile – Magazines*, August 2018.

II. A Portrait of the Canadian Magazine Publishing Industry

This section provides a snapshot of the current state of the Canadian magazine publishing industry as well as trends and key developments over the past decade.

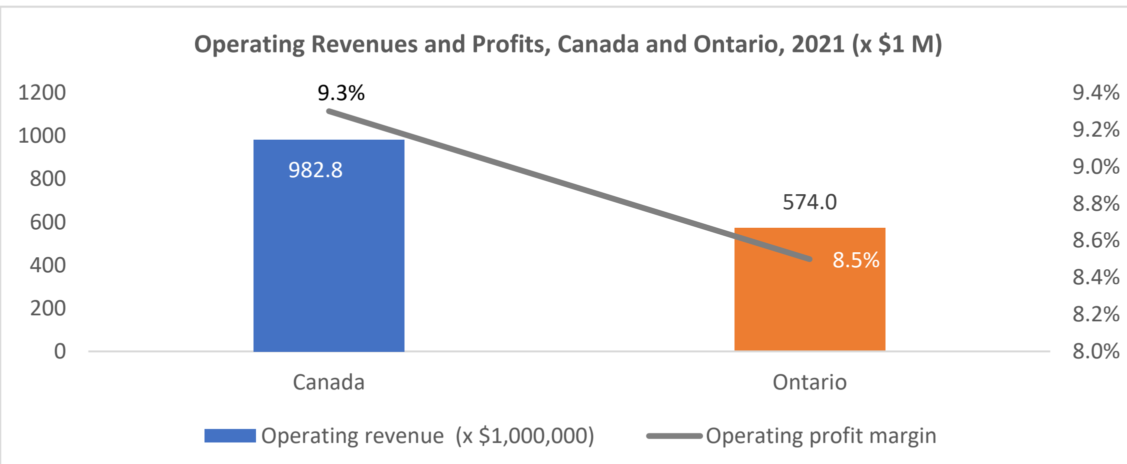
1. Size and Structure of the Industry

1.1 Operating Revenues of Magazine Publishers Stand at Almost a Billion Dollars

The Canadian magazine publishing sector attracted operating revenues of almost $983 M in 2021, achieving an operating profit margin of 9.3%.

In 2021, the last year for which data are available from Statistics Canada, Ontario magazine publishers accounted for 58% of all operating revenues earned by Canadian magazine publishers, attracting a total of $574 M in operating revenues. Overall, the operating profit margin was lower for Ontario-based magazine publishers, at 8.5%, as compared to 9.3% for all magazine publishers across Canada.

Figure 2: Operating Revenues and Profit, Canada and Ontario, 2021 (x $1 M)



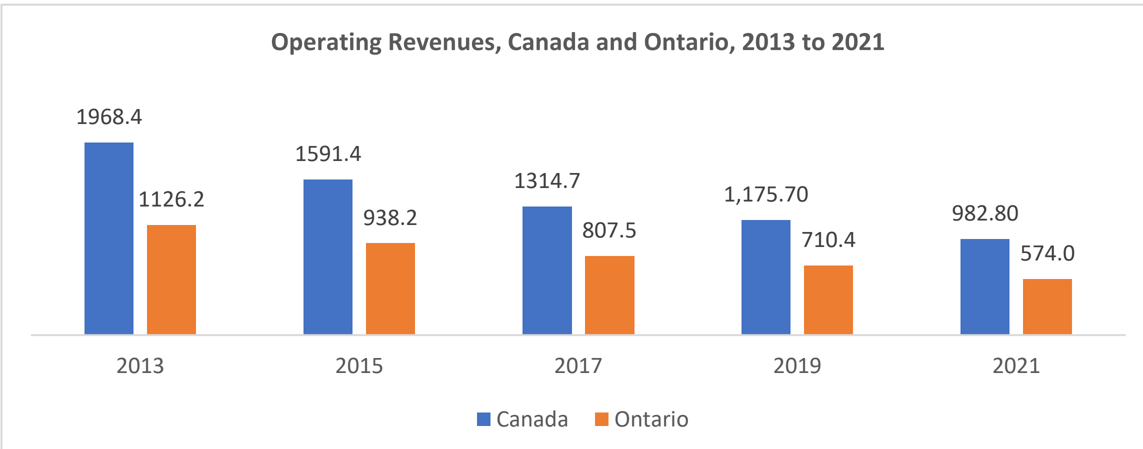
Source: Statistics Canada. Table 21-10-0053-01, Periodical publishers, summary statistics

1.2 Operating Revenues Have Declined Significantly Since 2013

Overall revenues across Canada have been declining in this sector in recent years. From 2013 to 2021, the operating revenues of Canadian magazine publishers declined by 50%, from $1,968 M to $982.8 M.

From 2013 to 2021, the operating revenues of Ontario magazine publishers declined by 49%, from $1,126 M to $574 M. Over the same period, operating expenses and salaries and wages also declined. (See Figure 5.) One exception to this trend is the B2B magazines sector. Total revenues from advertising for trade magazines decreased from $307 M in 2017 to $270M in 2020, and then increased to $294 M in 2021. This market segment's advertising revenues are expected to continue to increase until 2026, growing at a compound annual growth rate of 5%.[29]

Figure 3: Operating Revenues, Canada and Ontario, 2013 to 2021 (x $1 M)



Source: Statistics Canada, Table 21-10-0053-01, Periodical publishers, summary statistics; IBISWORLD Industry Report 51112CA, July 2021.

Impact of COVID-19

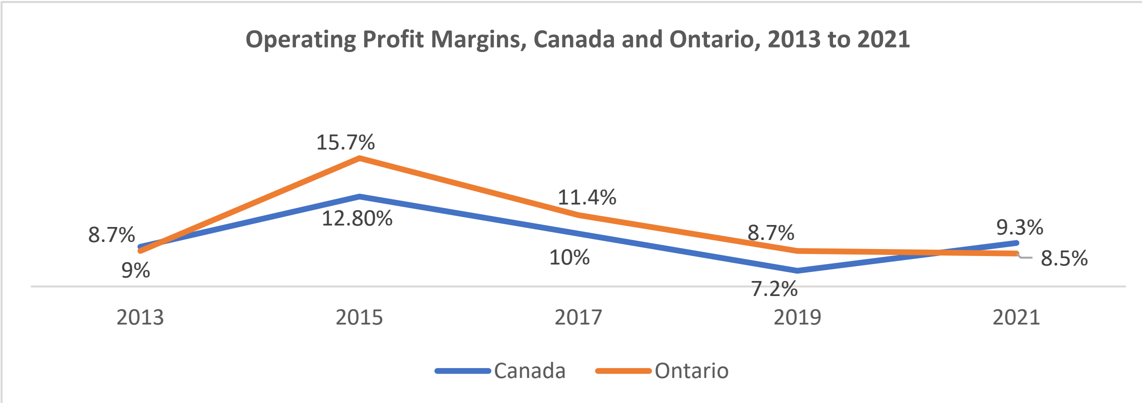
The COVID-19 pandemic impacted both advertising and circulation sales, largely the result of a significant drop in revenues occasioned by lockdown measures. In addition to a drop in advertising revenues as businesses waited for the economy to restart, it has been observed that, "Stores shut down, bookstores and newsstands disappeared — all the vehicles that magazines depend on to reach their audience disappeared, with the exception of the post office."[30] These closures and others across the economy led to significant loss of revenues for publishers and consequent staffing reductions, limiting the capacity for many publishers to innovate in the short-term, and adding to the difficulty of migrating content online.[31]

1.3 Operating Profit Margins Have Fallen Since 2015

Profit margins from the publication of magazines across Canada and in Ontario have declined since their peak in 2015. The profit margins of Canadian magazine publishers fluctuated from 8.7% in 2013 to a high of 12.8% in 2015, falling again to 8.7% in 2019 with a slight rebound to 9.3% in 2021 (see Figure 6). In Ontario, the total operating profit margin for the magazine industry increased from 9% in 2013 to a high of 15.7% in 2015 and declined after that, to a low of 8.5% in 2021.

[29] PwC, Global Entertainment & Media Outlook 2022-2026: Canada.
[30] James Gilligan, "Magazine Trends in 2021 and Beyond: A Conversation with Mr. Magazine," in *Walsworth*, May 5, 2021.
[31] Canadian Heritage, *Evaluation of the Periodical Fund 2015-16 to 2019-20,* January 9, 2022.

Figure 4: Operating Profit Margins, Canada and Ontario, 2013 to 2021



Source: Statistics Canada, Table 21-10-0053-01, Periodical publishers, summary statistics., IBISWORLD Industry Report 51112CA, July 2021.

As a fixed-cost business, the declining revenues experienced by magazine publishers have directly affected their profitability. Interviews conducted with magazine publishers for this study noted high operating costs and in particular, the rising costs of paper and printing as key challenges.[32]

For publishers with a large print magazine subscriber base, the prohibitive cost of paper coupled with substantial postage expenses pose significant challenges. Smaller publishers with a single or very small number of titles are particularly susceptible to market volatility. As one publisher noted, "It's always a fine line to keep the business in the black. Grants and subsidies keep us from becoming a loss business."[33]

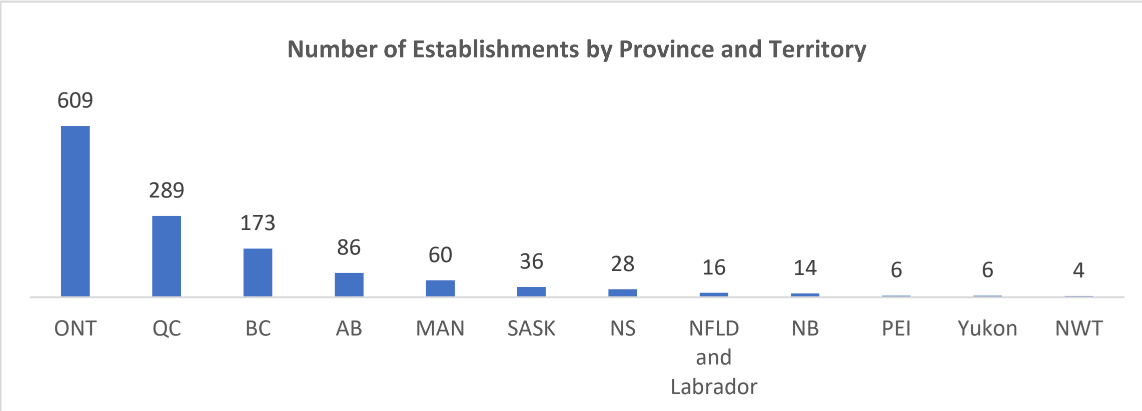
It should be noted that the industry overall has a low level of capital expenditure, reportedly spending $0.10 on capital expenditures for every $1 spent on labour, a level which has remained stable since 2016. However, those companies that print their own magazines have significantly higher capital expenditures (for things such as industrial printers, software and safety equipment).[34]

1.4 The Canadian Magazine Market is Fragmented

Across Canada an estimated 1,124 companies operated 1327 establishments[35] in the magazine sector in 2019, the last year for which data are available. Six hundred and nine of these establishments were in Ontario, accounting for 48% of these across the country. Quebec is home to 22% of all establishments, while British Columbia and Alberta account for 14% and 7% of establishments, respectively.[36]

[32] IBISWORLD Industry Report 51112CA, July 2021.
[33] Interviews.
[34] IBISWORLD Industry Report 51112CA, July 2021.
[35] A single physical location where business is conducted or where services or industrial operations are performed. A company may control multiple establishments, such as an office and a printing facility.
[36] IBISWORLD Industry Report 51112CA, July 2021.

Figure 5: Number of Establishments, by Province and Territory, 2021.



In the last decade, there has been consolidation in the Canadian market, however, ownership concentration is considered low to moderate and the market remains fragmented.[37] (By industry standards, 40% ownership by one player is considered low and 70% is considered high.[38])

Consolidation has taken place in both the consumer and B2B segments of the magazine sector. One of the major players in the industry, Transcontinental Inc., announced in November 2014 its intention to sell 15 consumer magazines (all of its eastern Canadian brands) to TVA Group for $55.5 million. Several well-known media brands were to be included in the sale such as *Canadian Living*, *Elle Canada* and *The Hockey News*. In January 2015, a partnership of two Ontario B2B companies, Annex Business Media and Newcom Business Media, acquired magazine media brands that were part of the Toronto-based Business Information Group from Glacier Media Inc., a British Columbia firm, for $19.65 million. This transaction was just one example of merger and acquisition activity in the Ontario B2B industry.[39]

In late 2016, Rogers Media exited the B2B sector with the sale of titles such as *Canadian Grocer, Marketing, The Medical Post, Benefits Canada* and *Advisor's Edge* – along with their well-respected digital counterparts, events and conferences and research projects – to Brunico Communications, EnsembleIQ and TC Media. Noting the difficulty in monetizing readers through advertising,[40] the Rogers announcement also included the sale of *Châtelaine,* and *L'actualité*; the closure of Rogers Magazine Services; and the reduction of the number of print issues of *Maclean's* and *Chatelaine*; *Canadian Business* and *Sportsnet* print versions were discontinued. These changes were said to represent a major turning point in the Canadian magazine publishing and media industries and a redrafting of the ownership landscape. What had been the country's largest magazine publisher was now a much smaller player.[41]

In 2018, St. Joseph Communications purchased custom publisher Totem from Yellow Pages Ltd.[42] In the same year, Apple announced plans to acquire Next Issue Media and its digital

[37] IBISWORLD Industry Report 51112CA, July 2021.
[38] IBISWORLD Industry Report 51112CA, July 2021.
[39] Ontario Creates, *Industry Profile – Magazines*, January 2015.
[40] The Canadian Press, "Rogers Stops the Presses on 4 Magazines, Scales Back Others, in *Marketing*, October 3, 2016.
[41] Magazines Canada, John Milne & D. B. Scott, *Moving Forward From A Position of Strength*, May 2017.
[42] "St. Joseph Buys Totem a Division of Yellow Pages," in *PrintCan*, June 13, 2018, retrieved from https://www.printcan.com/news/2018/20180613945.shtml.

magazine subscription service Texture from current owners, publishers Rogers Media, Condé Nast, Hearst, Meredith, and investment firm KKR.[43]

In 2019, Rogers exited the publishing sector, entering into an agreement with Toronto-based St. Joseph Communications, the publisher behind *Toronto Life* and others, to sell all seven of its consumer print and digital magazine brands.[44]

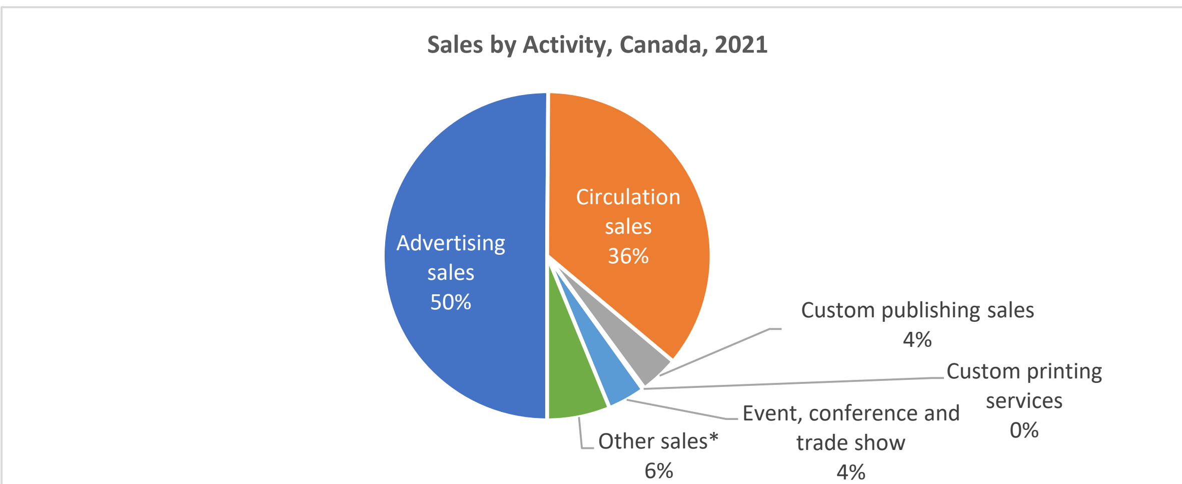
Quebecor Media and St. Joseph Communications are today two of the largest periodical publishers in Canada. TVA Group, owned by Quebecor, is the largest periodical publisher in Quebec, with entertainment brands such as *7 Jours, La Semaine* and *TV Hebdo*. Amongst its English-language titles, TVA Group publishes *Canadian Living*. [45]

2. Sales Revenue

2.1 Advertising is the Most Important Source of Revenues for Magazine Publishers

In 2021, advertising revenues were estimated to account for 50% of all sales by Canadian magazine publishers. Circulation revenues accounted for an estimated 36% of sales, while the proportion of sales attributed to custom publishing represented 4% of all sales. Sales of other products and services, such as custom publishing and printing services, events, and distribution services, accounted for 6% of sales in 2021.

Figure 6: Breakdown of All Sales, by Activity, Canada, 2021



Source: Statistics Canada, Table 21-10-0070-01, Periodical publishers, sales by activity.

Across Canada, magazine publishers attracted $741 M in revenues from advertising, circulation and custom printing sales in 2021. Advertising revenues totalled $413 M in 2021, while circulation revenues represented total sales of $296.5 M. For their part, custom publishing sales totalled $31.3 M.

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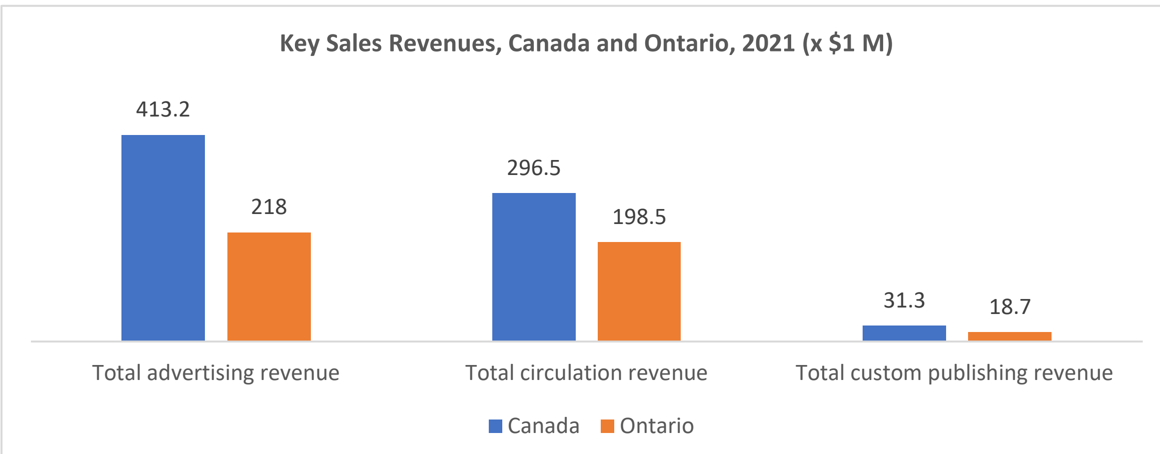
43 Ontario Creates, *Industry Profile – Magazines*, March 2018.
44 Bree Rody, "St. Joseph acquires Rogers Media's magazine titles," in *Media in Canada*, March 20, 2019.
45 Quebecor website: https://www.quebecor.com/en/our-activities/magazines.

Magazine publishers in Ontario attracted a total of $435.2 M in sales revenues from advertising, circulation and custom printing in 2021. This included $218 M in revenues from sales of advertising, $198.5 M in circulation sales and $18.7 M in sales of custom publishing.

Circulation revenue has been able to capture a greater portion of industry revenue over the five years to 2021, with this trend mainly coming about as a by-product of declining print advertising expenditure. Magazine publishers have depended more heavily on circulation revenue as print advertising sales have declined. However, publishers are very limited in the extent to which they can generate revenue from circulation. Higher cover prices may deter readers, which would, in turn, influence advertising revenue, as subscriptions are used to scale up readership. In fact, a substantial portion of magazine circulation is unpaid for this reason. Publishers typically offer steep discounts or complimentary copies in an effort to maintain a wide audience, which provides value to advertisers.

Figure 7: Sales Revenues from Advertising, Circulation and Custom Publishing, Canada and Ontario, 2021 (x $1 M)

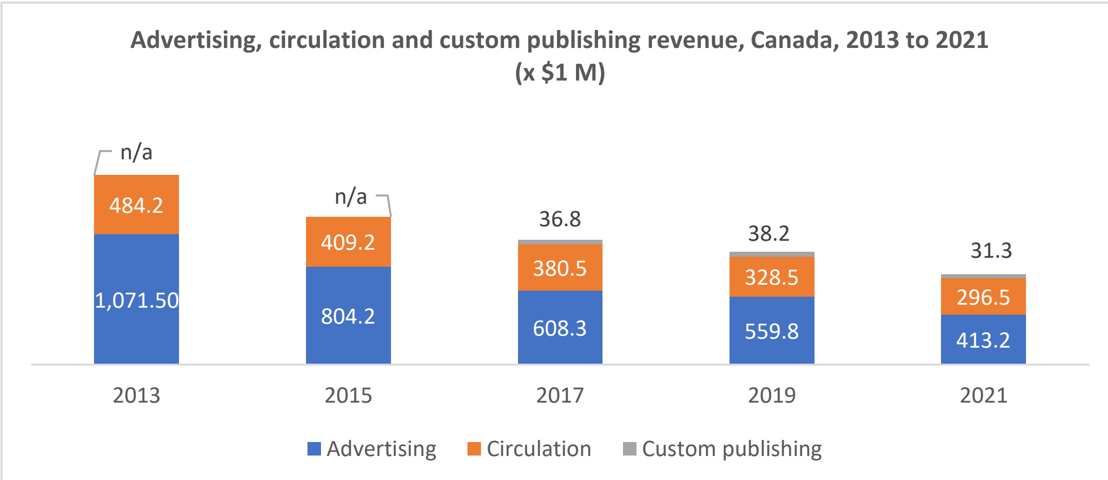


Source: Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

2.2 Revenues Have Steadily Declined Since 2013

The amount of revenues from advertising, circulation and custom publishing declined by 61% for magazines published in Canada, from $1,072 M in sales revenues reported in 2013 to $413 M in 2021. While the revenues from circulation sales account for an increasing share of revenues, the amount generated by these sales has declined by 39%, from $484 M in 2013 to $297 M in 2021. Similarly, the revenues from sales of custom publishing have fallen in value from $37 M in 2017 to $31 M in 2021.

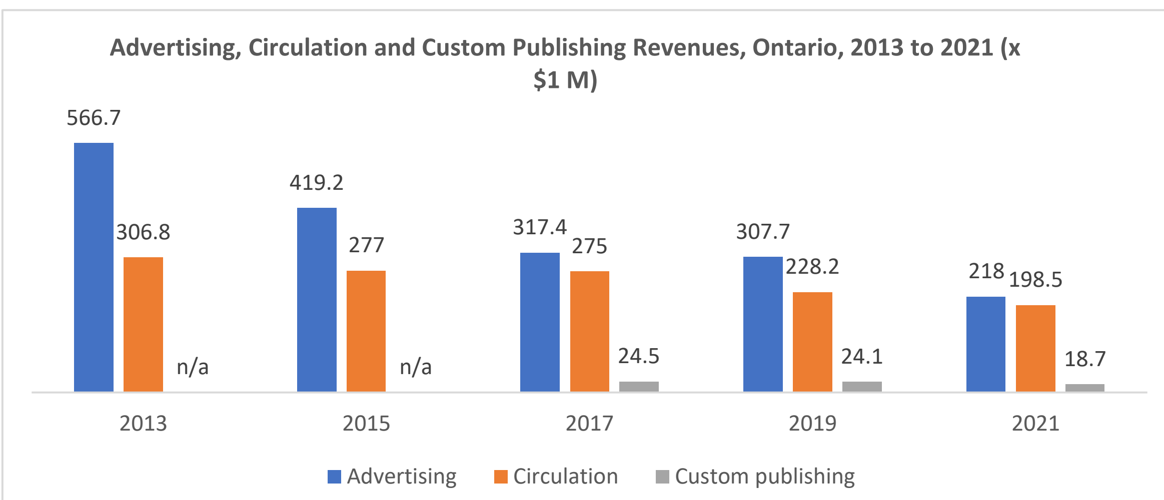
Figure 8: Advertising, circulation and custom publishing revenue, Canada, 2013 to 2021 (x $1 M)



Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

From 2013 to 2021, revenues from advertising, circulation and custom publishing in Ontario decreased by 50%, from $874 M in 2013 to $435 M in 2021. Advertising revenues declined by 62%%, from $567 M in 2013 to $218 M in 2021. Circulation revenues declined by 35% over this period, from a high of $307 M in 2013 to a low of $199 M in 2021. Revenues from custom publishing also declined, falling 24% from $25 M in 2017 to $19 M in 2021.

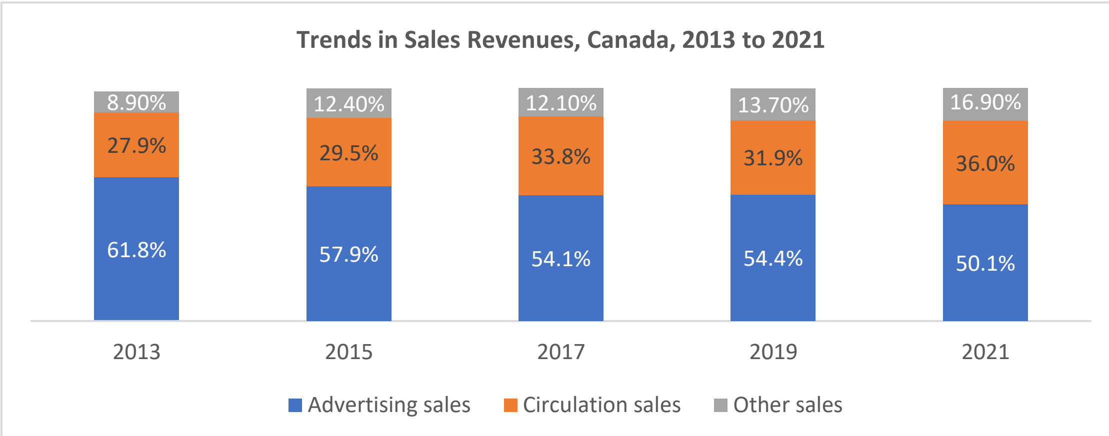
Figure 9: Advertising, circulation and custom publishing revenue, Ontario, 2013 to 2021, (x $1 M)



Data on revenues from custom publishing sales not available for 2013 and 2015.
Source: Statistics Canada. Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

In 2013, advertising sales represented 62% of all sales revenues of magazines published in Canada. This has declined to 50% of all revenues in 2021. Over the same period, the proportion of revenues from circulation sales increased from 28% of all sales in 2013 to 36% in 2021. Other sales such as custom publishing, printing and other services have increased in importance, accounting for 9% of all sales in 2013 and 17% in 2021.

Figure 10: Breakdown of Sales by Activity, Canada, 2013 to 2021



Source: Statistics Canada, Table 21-10-0070-01, Periodical publishers, sales by activity.

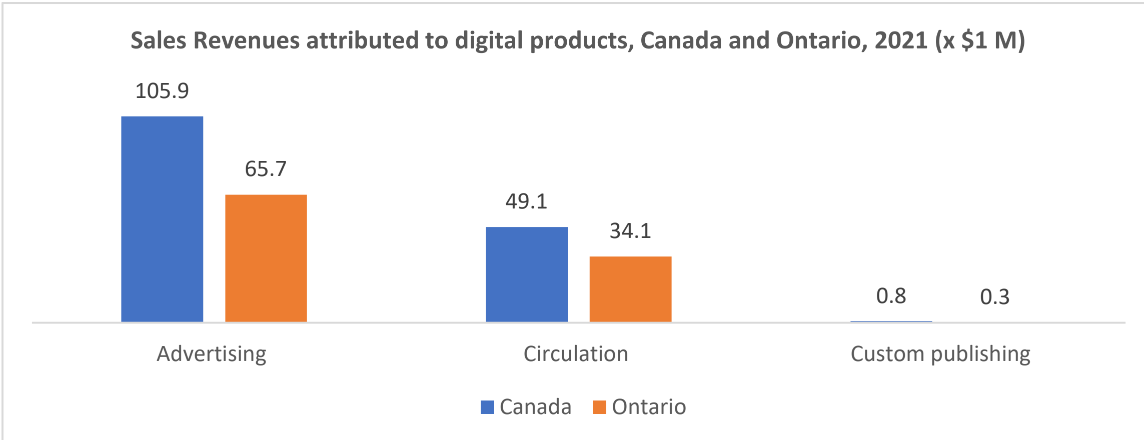
Sales attributed to digital products accounted for over 20% of all revenues from advertising, circulation and custom publishing in 2021.

Across Canada, sales revenues attributed to digital products account for 21% of all sales revenues from advertising, circulation and custom publishing in 2021, totalling $156 M. In Ontario $100 M in sales revenues from advertising, circulation and custom publishing were attributed to digital products, accounting for 23% of these sales overall (print and digital products).

2.3 Two-Thirds of Sales Attributed to Digital Products are From Advertising

Advertising was the largest source of sales revenues attributed to digital products in 2021. Digital advertising sales accounted for 68% of sales revenues attributed to digital projects across Canada and for 66% of sales attributed to digital products published by Ontario companies in that year.

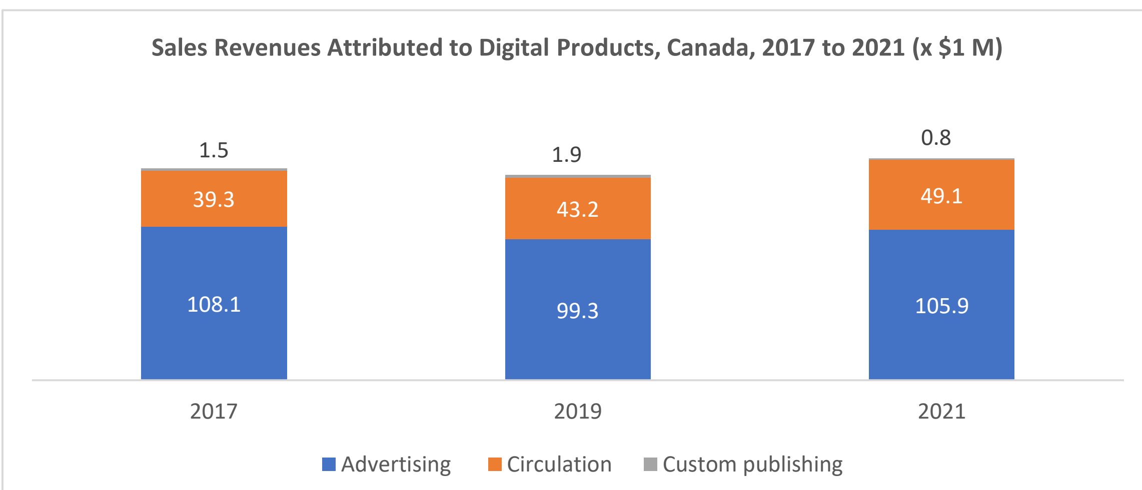
Figure 11: Sales Revenues attributed to digital products, Canada and Ontario, 2021 (x $1 M)



Source: Statistics Canada. Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

Sales of advertising, circulation and custom publishing attributed to digital products increased slightly from 2017 to 2021 for Canadian magazine publishers and declined slightly in Ontario. Revenues from sales of advertising and circulation sales for Canadian published magazines increased by 5% between 2017 and 2021, from $149 M to $156 M.

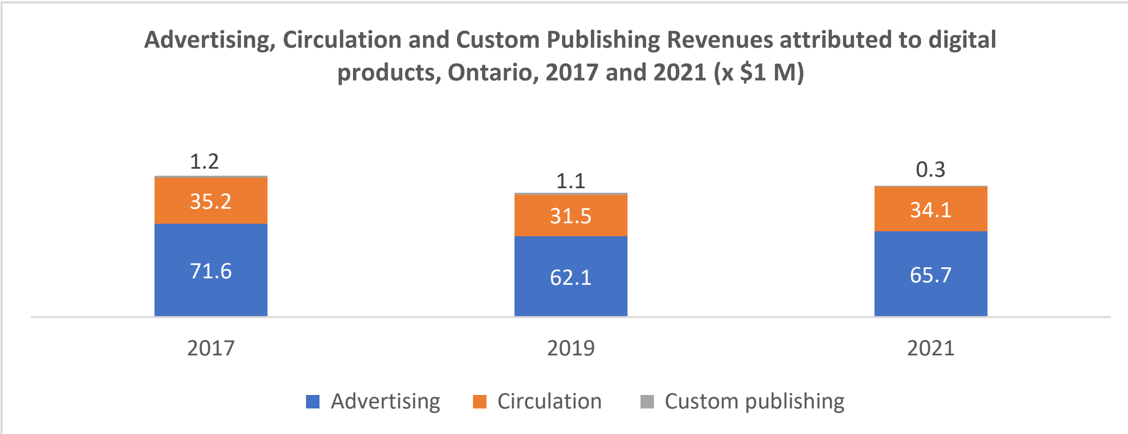
Figure 12: Advertising, circulation and custom publishing revenue attributed to digital products, Canada, 2017 to 2019 (x $1,000,000)



Source: Statistics Canada. Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

In Ontario, sales revenues from advertising, circulation and custom publishing attributed to digital products declined slightly between 2013 and 2021, falling 7%, from $108 M in 2013 to $100 M in 2021. Sales of custom publishing attributed to digital products saw the sharpest decline, falling by 75% from $1.2 M to $0.3 M.

Figure 13: Advertising, circulation and custom publishing revenue attributed to digital products, Ontario, 2013 to 2021, (x $1 M)

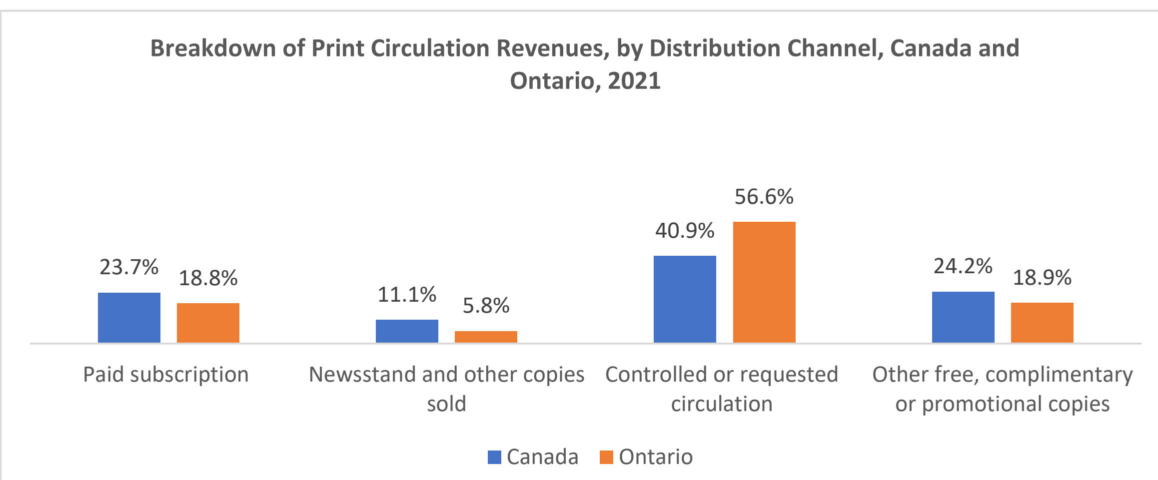


Source: Statistics Canada. Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

2.4 The Majority of Print Circulation Revenues Derive from Controlled or Requested Circulation

In 2021, sales of controlled or requested circulation accounted for 57% of print circulation revenues in Canada, and 41% of print circulation revenues in Ontario. This was followed by other free, complementary or promotional copies, which accounted for 24% of print circulation revenues for magazines published in Canada, and 19% of magazines published in Ontario. Paid subscriptions accounted for a similar proportion of print circulation revenues.

Figure 14: Breakdown of Revenues from Print Circulation, by Distribution Channel, Canada and Ontario, 2021

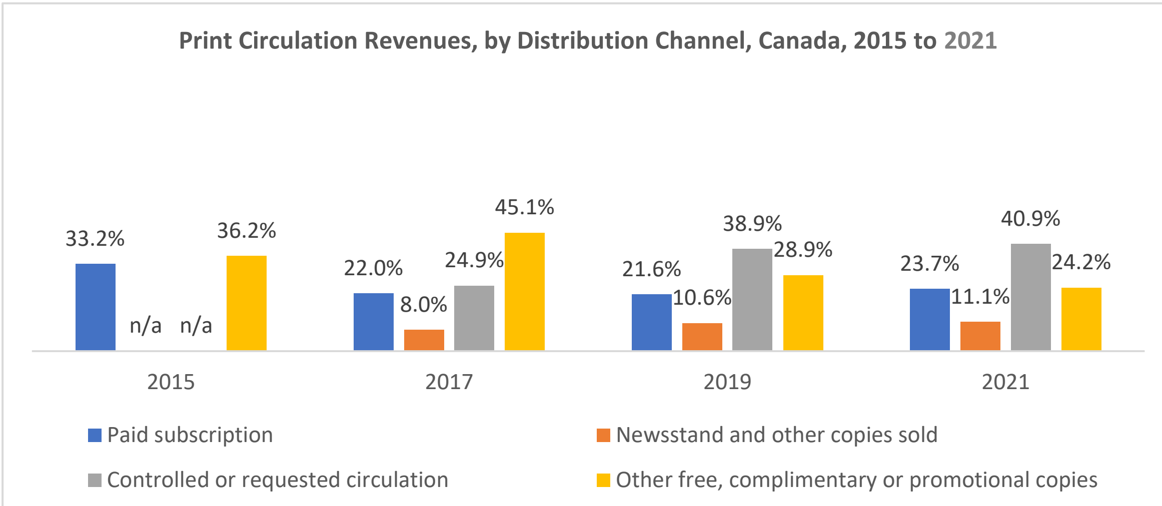


Source: Statistics Canada. Table 21-10-0269-01, Periodical publishers, print circulation by channel of distribution.

2.5 Paid Subscriptions and Newsstand Sales Are Declining in Favour of Controlled Circulation

Across Canada, the proportion of print circulation revenues from paid subscriptions and newsstand sales is declining in favour of controlled circulation. Paid subscriptions accounted for 33% of print circulation revenues of Canadian magazine publishers in 2015 and 24% in 2021. By comparison, the share of print circulation revenues from controlled or requested copies increased from 25% of revenues in 2017 to 41% in 2021.

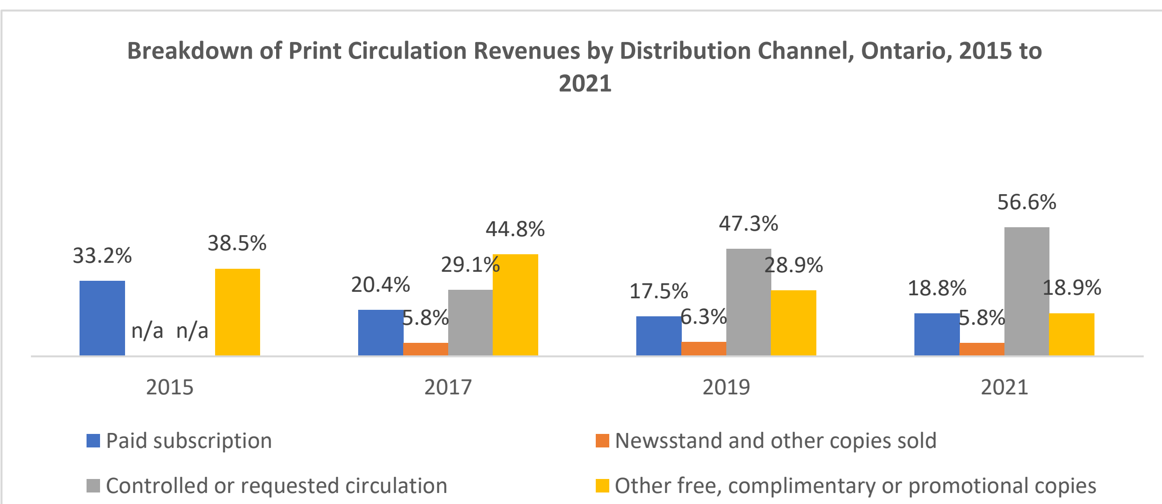
Figure 15: Print Circulation Revenues by Distribution Channel, Canada, 2015 to 2021



Data for newsstand and other copies sold, and for controlled or requested circulation not available for 2015. Source: Statistics Canada. Table 21-10-0269-01, Periodical publishers, print circulation by channel of distribution.

For magazines published in Ontario, the share of print circulation revenues achieved by paid subscriptions and newsstand sales has declined since 2013.

Figure 16: Print Circulation Revenues by Distribution Channel, Ontario, 2015 to 2021



Data for newsstand and other copies sold, and for controlled or requested circulation not available for 2015. Source: Statistics Canada, Table 21-10-0269-01, Periodical publishers, print circulation by channel of distribution.

3. Characteristics of Titles Published

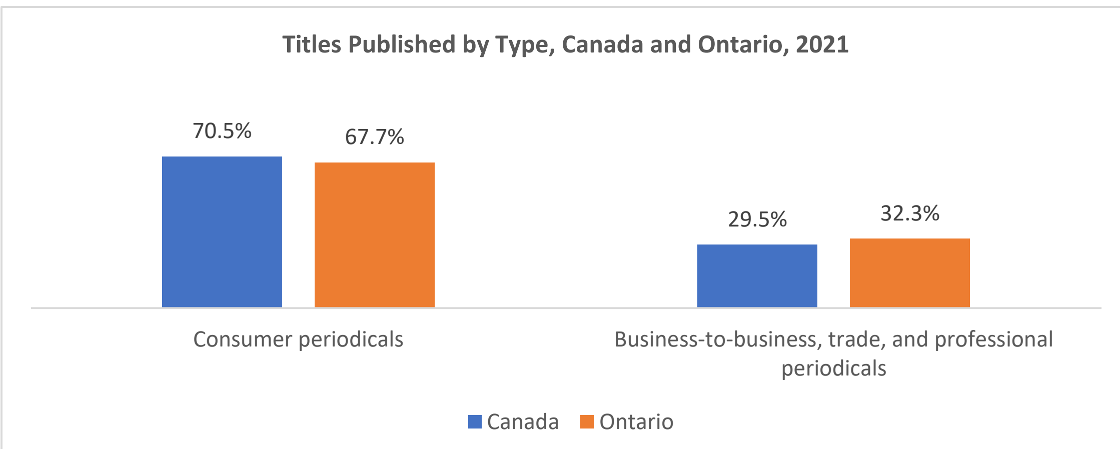
3.1 Fewer Magazine Titles Published

Falling advertising revenues have led to a drop in the number of published Canadian magazines. In 2016, there were 2,652 magazine titles published in Canada. By 2019, 284 of these magazines had ceased publishing, reducing the number of magazines to 2,368, an 11% drop.[46] One study noted that post-COVID, the number of magazines has rebounded from the height of the pandemic.[47]

3.2 Majority of Magazines are Consumer Facing Titles

Consumer magazines accounted for 71% of all magazine titles published in Canada in 2021, and 68% of all titles published in Ontario. Business-to-business, trade and professional magazines represented 32% of all magazines published by Ontario publishers in 2021.

Figure 17: Breakdown of Titles Published, Canada and Ontario, by Consumer and Business/Trade/Professional Title, 2021



Sources: Statistics Canada. Table 21-10-0270-01, Periodical publishers, published titles by type of publication; Statistics Canada; Table 21-10-0268-01, Periodical publishers, print circulation by type of publication.

3.3 The Share of Business-to-Business Titles Published in Ontario Increased Between 2017-2021

Business-to-business, trade and professional magazines accounted for 13% of titles published by Ontario magazine publishers in 2017. This increased to 32% of all magazines published by Ontario publishers in 2021. The COVID-19 pandemic encouraged business-to-business magazine publishers to explore new growth opportunities in digital distribution, accelerating work

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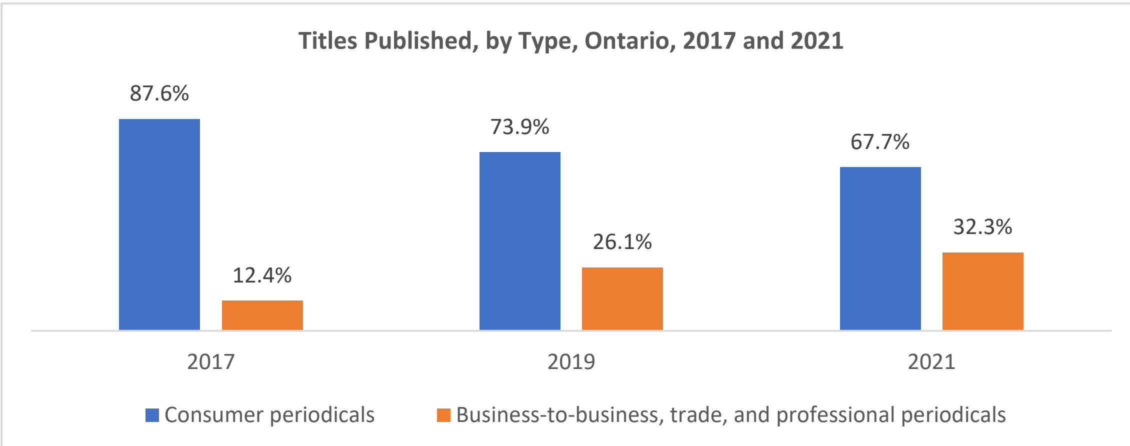
[46] Magazines Canada, *Supporting the Canadian Magazine Publishing Sector: A Pillar of Canada's Democracy*, Magazines Canada's Submission to the Federal Pre-Budget Consultations in Advance of the 2022 Budget, August 6, 2021.

[47] Media Alliance, *News/Media Alliance Releases 2022 Magazine Media Factbook*, News Release, November 7, 2022, retrieved from https://www.newsmediaalliance.org/release-news-media-alliance-releases-2022-magazine-media-factbook/.

on audience databases for some publishers, allowing them to segment their audiences for advertisers.[48]

Figure 18: Breakdown of Titles Published, Ontario, by Consumer and Business/Trade/Professional Title, 2017 to 2021



Source: Statistics Canada. Table 21-10-0268-01, Periodical publishers, print circulation by type of publication.

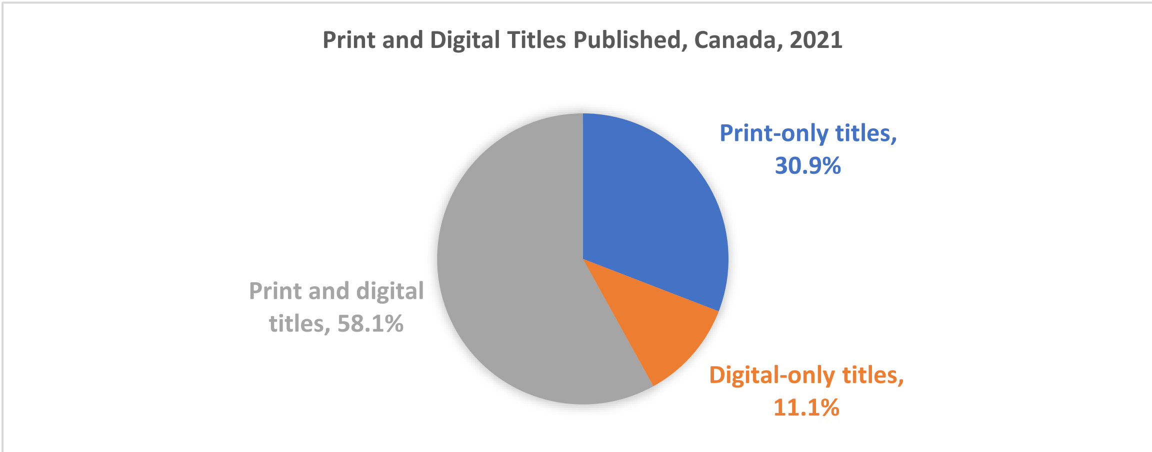
3.4 Majority of Titles Are Distributed in Both Print and Digital Formats

In 2021, the majority of titles published in Canada were distributed in both print and digital formats. The combination of print and digital titles accounted for 58% of all magazine titles published in Canada. Print-only titles accounted for 31% of all published titles. For their part, digital-only titles accounted for 11% of all titles published.

As many publishers (for example Rogers Communications) have left the industry to focus solely on digital media the industry has continued to be disrupted. This trend of technological disruption is expected to continue over the five years to 2026.[49]

[48] PwC, *Global Entertainment & Media Outlook 2022-2026: Canada*.
[49] IBISWORLD Industry Report 51112CA, July 2021.

Figure 19: Breakdown of Titles Published, Canada, by Print and Digital, 2021



Source: Statistics Canada. Table 21-10-0270-01, Periodical publishers, published titles by type of publication.

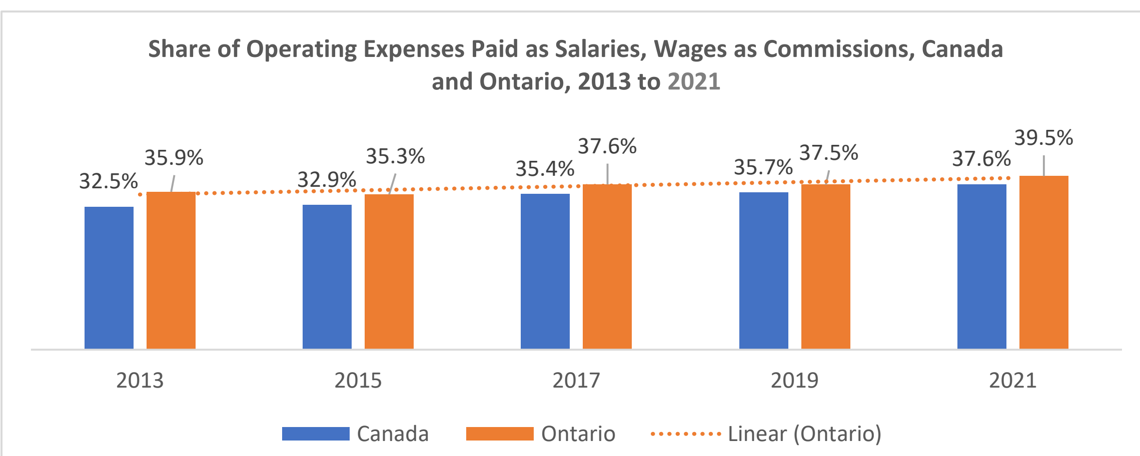
4. Employment and Wages

4.1 Salaries Account for A Third of Overall Operating Expenses

The magazine publishing sector is labour-intensive. Journalism, editing, advertising sales and distribution all require extensive amounts of labour. These costs represent over a third of operating costs to Canadian magazine publishers.

While declining in value, the share of expenses represented by salaries and wages has increased slightly since 2013. In 2021, salaries, wages and commissions accounted for an estimated 36% of all operating expenses across Canada, and for 38% of operating expenses incurred by Ontario magazine publishers. This compares to 33% of Canadian magazine publishers' operating expenses and 36% of Ontario publisher expenses in 2013.

Figure 20: Trends in Share of Operating Expenses Paid as Salaries, Wages and Commissions, Canada and Ontario, 2013 to 2021



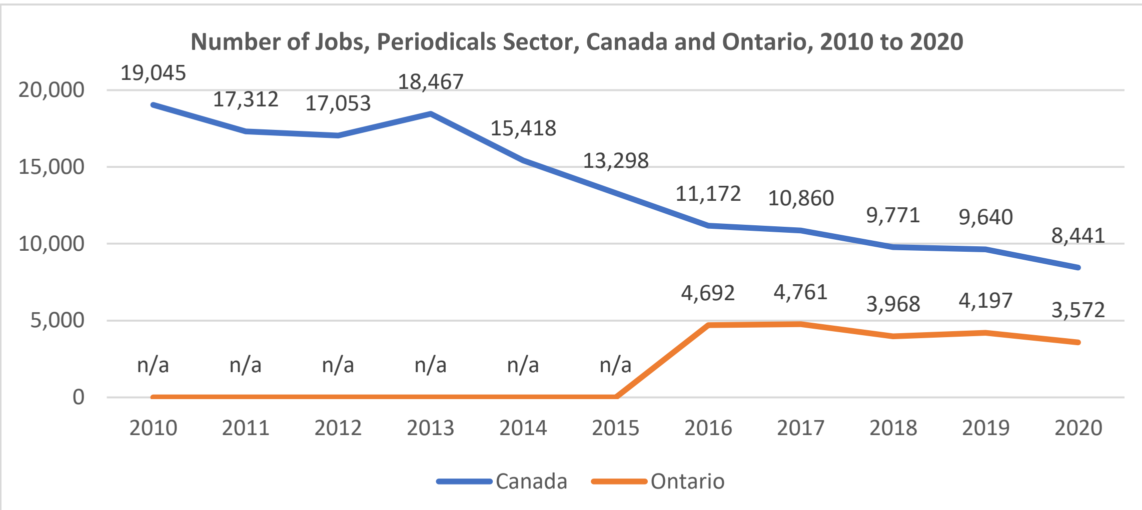
Derived from: Statistics Canada, Table 21-10-0054-01, Periodical publishers, industry expenditures; Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

4.2 The Number of Jobs Has Fallen Dramatically Since 2010

The total number of jobs in the Canadian magazine publishing sector declined by 56% over the period from 2010 to 2020. The total number of sector jobs in Canada was 19,045 in 2010, as compared to 8,441 in 2020.

Between 2016 and 2020 the total number of jobs in the Ontario magazine publishing industry fell by 24%, from 4,692 jobs in 2016 to 3,572 jobs in 2020.

Figure 21: Number of Jobs, Periodicals Sector, Canada and Ontario, 2010 to 2020



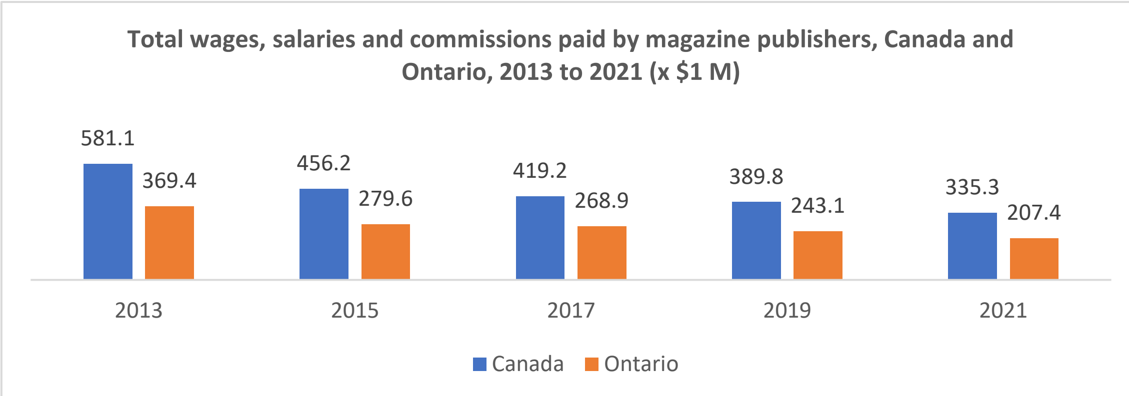
Data for the number of jobs in Ontario are unavailable for the years from 2010 to 2014 inclusively.
Source: Statistics Canada, Table 36-10-0452-01, Culture and sport indicators by domain and sub-domain, by province and territory, product perspective.

4.3 The Amount Spent on Salaries Has Declined Since 2013

In dollar terms the total amount expended on salaries and wages by Canadian and Ontario magazine publishers has declined substantially since 2013. Salaries and wages paid by Canadian magazine publishers declined by 42%, from $581 M in 2013 to $335 M in 2021. The salaries and wages paid by Ontario publishers declined by 44%, from $369 M in 2013 to $207 M in 2021. According to Magazines Canada, every $75,000 in lost revenue at a Canadian magazine publisher will cost one job.[50]

[50] Magazines Canada, *Supporting the Canadian Magazine Publishing Sector: A Pillar of Canada's Democracy*, Magazines Canada's Submission to the Federal Pre-Budget Consultations in Advance of the 2022 Budget, August 6, 2021.

Figure 22: Total wages, salaries and commissions paid, Canada and Ontario, 2013 to 2021 (x $1 M)



Source: Statistics Canada. Table 21-10-0053-01, Periodical publishers, summary statistics.

4.4 Employment, Equity, Diversity and Inclusion[51]

Limited data are available on employment, equity, diversity and inclusion in the magazines sector. A study that surveyed magazine publishers and staff including freelance workers in 2021 found that 45% of respondents were of the view that the industry is not inclusive and equitable while 28% said that it was inclusive and equitable and 27% were not sure. Generally, people from equity-seeking groups were less likely to feel that the industry was inclusive and equitable.

The study found that equity, diversity and inclusion (EDI) are important to magazine workers, but that they see a need to do more. Eighty-two percent agreed that EDI is important to the organizations they worked for; 70% said that their organizations had taken concrete steps to promote EDI while 56% were of the view that the Canadian magazine industry does not currently reflect the diversity of Canadian society.[52]

Respondents saw having a diverse, equitable and inclusive workforce as key to promoting EDI in their organization and across the industry. As one noted, “The thing that has been the most significant for us is to have editorial board and staff members who come from diverse backgrounds and have a desire to have the magazine better reflect the society in which it publishes. Direct and immediate change came from this.”[53]

Interviews conducted with magazine publishers for this study show that a more diverse and inclusive workforce is a priority. Publishers are focusing on identifying talent in all job categories from equity-seeking groups. Publishers describe recruitment as a particular challenge. An area where they are able to make progress is the freelance market. One interviewee noted that

[51] Aliya Jamal and Zenobia Jamal, of Zenev and Associates, Diversity and Inclusion Consultant, *The State of Diversity, Inclusion and Equity in the Canadian Magazine Industry: Survey Report (Summary)*, July 29, 2021.

[52] Aliya Jamal and Zenobia Jamal, of Zenev and Associates, Diversity and Inclusion Consultant, *The State of Diversity, Inclusion and Equity in the Canadian Magazine Industry: Survey Report (Summary)*, July 29, 2021.

[53] Aliya Jamal and Zenobia Jamal, of Zenev and Associates, Diversity and Inclusion Consultant, *The State of Diversity, Inclusion and Equity in the Canadian Magazine Industry: Survey Report (Summary)*, July 29, 2021.

their publishing company aims to join the Canadian Centre for Diversity and Inclusion in order to stay abreast of best practices in recruiting and to access training for its hiring team that will mitigate against bias.

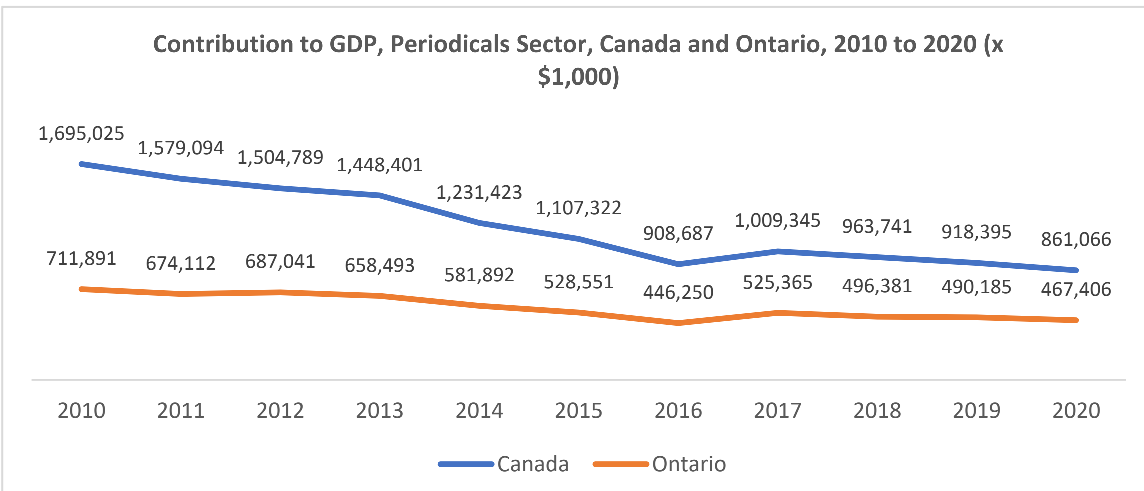
A report by Magazines Canada explored the potential benefits of a paid internship program for the national magazine industry as a pathway to create a more diverse talent pool. Internships frequently lead to employment, and the study recommended that such a program would yield benefits to publishers by helping to develop a more diverse talent pool, providing a source of digital expertise and innovation to publishers, and creating an advantage for the industry in competing for talent with other sectors.[54]

5. Contribution to GDP

5.1 The Sector's Contribution to GDP Has Declined Since 2010

Across Canada, the contribution to GDP by the magazine publishing sector fell by 49%, from $1.7 B in 2010 to $861M in 2020. In Ontario, the contribution to GDP by the magazine publishing sector fell by 34% over the same period, from $712M in 2010 to $467M in 2020.

Figure 23: Contribution to GDP, Periodicals Sector, Canada and Ontario, 2010 to 2020 (x $1,000)



Source: Statistics Canada, Table 36-10-0452-01, Culture and sport indicators by domain and sub-domain, by province and territory, product perspective (x 1,000).

[54] Ontario Creates, *Industry Profile – Magazines*, August 2018.

III. A SWOT Analysis of the Magazine Publishing Sector

This section examines the outlook for the Canadian magazine industry, together with an analysis of its strengths, weaknesses, challenges and opportunities.

1. Industry Outlook

1.1 Magazines Continue to Be Popular with Canadians

Canadians are highly connected to digital services and are active consumers of content online. The vast majority (94%) of Canadians have access to the Internet at home[55] and the Government of Canada has committed to connecting 98% of Canadians to high-speed Internet by 2026 and 100% of Canadians by 2030.[56] In 2020, 80% of Canadians had a mobile data plan for personal use.[57] Online content consumption trends are expected to continue, aided by the proliferation of mobile and tablet devices and unlimited data plans.

Magazines reach nearly 8 out of 10 Canadians. The most popular genres are consumer magazines on food, travel and health.[58] The proportion of Canadians who read magazines exclusively in print has been declining in recent years and reached a low of 52% of magazine readers in 2021.[59] In the same year, the proportion of digital magazine readers surpassed 50% for the first time.[60] Just over half of readers access at least some content through their mobile device. Younger readers from Gen X, Millenials and Gen Z access digital magazine content through search and links shared via social media. [61]

1.2 Digital Growth

According to market intelligence sources, the magazine publishing sector is expected to continue to strengthen its digital presence as consumers continue to transition to online media. Publishers will likely continue investing in their digital assets, relying on established brand recognition to strengthen their presence online and increase their digital revenue streams. Interviews with publishers reveal that their most important goal is to grow their digital businesses. One publisher noted that its digital revenue streams grew by more than 60% during

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[55] Statistics Canada, "Access to the Internet in Canada, 2020," in *The Daily*, May 31, 2021, retrieved from https://www150.statcan.gc.ca/n1/daily-quotidien/210531/dq210531d-eng.htm.

[56] Government of Canada website: https://ised-isde.canada.ca/site/high-speed-internet-canada/en. See also Jessica Mundie, "Many Indigenous communities lack internet infrastructure. Some are building it themselves." In *National Post,* December 29, 2022, retrieved from https://nationalpost.com/feature/left-behind-indigenous-communities-internet.

[57] Statistics Canada, *Access to the Internet in Canada, 2020*, May 31, 2021, retrieved from https://www150.statcan.gc.ca/n1/daily-quotidien/210531/dq210531d-eng.htm.

[58] Vividata, "Canadians still like newspapers and magazines," in *Masthead*, February 2, 2023; Patti Summerfield, "Newspapers and magazines still have broad audiences in Canada, in *Media in Canada*, January 23, 2023.

[59] Patti Summerfield, "Newspapers and magazines still have broad audiences in Canada," in *Media in Canada*, January 23, 2023, retrieved from https://mediaincanada.com/2023/01/23/newspapers-and-magazines-still-have-broad-audiences-in-canada/.

[60] Vividata, *Overview of Results: Fall 2021 Study;* Vividata, *Overview of Results: Fall 2020 Study;* Vividata, *Overview of Results: Fall 2019 Study;* Vividata, *Overview of Results: Fall 2018 Study*.

[61] Vividata, "Canadians still like newspapers and magazines," in *Masthead*, February 2, 2023; Patti Summerfield, "Newspapers and magazines still have broad audiences in Canada, in *Media in Canada*, January 23, 2023.

the pandemic and aims to continue growing it over the next three years to represent the majority of its business. Another is investing in digital in order to achieve half its revenues from these assets. This will allow splitting their marketing campaigns across their print and digital publishing.

Advertisers are expected to continue to allocate more of their resources to digital advertising spends, and as the economy recovers from the pandemic, an anticipated increase in corporate profit is expected to lead to greater advertising expenditure.

The ability to capitalize on digital advertising depends on understanding and being able to derive insights from consumer data. Large publishers with quantities of consumer data and sufficient resources to fund predictive modelling projects and data analytics often have a competitive advantage, particularly over publishers without the ability to created targeted marketing campaigns or who cannot sell data to consultants and market research firms. While the transition to digital realm has been pointed to as the cause of the industry's decline, some publishers are successfully adapting to this environment. The eventual realization of returns on their investments in digital infrastructure could usher in a new era for the industry.

At the same time, it is important to note that growth in digital revenue is expected to only partially offset declines in subscription sales due to ongoing competition for advertising revenue. The latter is said to have moved towards global digital services such as Facebook and Google.[62] These and other tech "giants" are expected to continue to attract the vast majority of new digital advertising spend, while smaller publishers will be challenged to offer the same level of consumer data.[63]

One market analysis predicts that, "by 2026, digital circulation revenue will account for just 13.8% of total circulation revenue, less than doubling its share from 7.6% in 2017."[64] To meet their revenue needs, publishers will need to continue to grow and scale their digital offerings.

1.3 Ongoing Consolidation

Rising costs and continued declines in revenues will favour ongoing consolidation. As smaller, minimally profitable magazines continue to leave the industry, there is evidence that the industry's medium-sized and large publications will continue their consolidation. Across Canada, the number of establishments in the industry is anticipated to shrink from 1,324 to 1,170 over the five years to 2026, contracting at an annual rate of 4.3%. The rate of employment is expected to coincide with this contraction, decreasing at an annualized rate of 5.0% to about 5900 employees during the same period.[65]

2. Strengths

2.1 Strong Brands

Canada's magazine publishers have built strong consumer brands that enjoy the trust of readers. Trusted brands can be leveraged to support online discoverability and are attractive to advertisers.[66] As such they can help to monetize new streams of revenues both digitally and

[62] Interviews.
[63] Pricewaterhouse Global Entertainment & Media Outlook 2022-2026 Canada.
[64] Pricewaterhouse Global Entertainment & Media Outlook 2022-2026 Canada.
[65] IBISWORLD Industry Report 51112CA, July 2021.
[66] IBISWORLD Industry Report 51112CA, July 2021; Faisal Kalim, "How to generate 'more sales and greater return on investment': Publisher insights from 2022 Magazine Media Factbook," in *What's New in*

through consumer events like music concerts or trade shows. Events and trade shows, including conferences, accounted for 3.7% of Canadian magazine publisher revenues in 2021, up from 3.1% in 2013.[67] Some publishers have built successful digital brands based on hobbyist content including videogaming, technology and culture.[68] Some have invested in branded video, producing video content to attract new customers and diversify their revenues from advertisers.[69]

2.2 Skilled Workforce

Interviews with magazine publishers repeatedly highlighted the quality of the Canadian magazine workforce, characterised by highly skilled editorial and technical professionals. There is enthusiasm for increasing the diversity of the sector, while at the same it was noted that some positions do not have a very high turnover rate.[70] There are opportunities to enhance the diversity of the workforce through internships and mentorships.[71] Publishers interviewed spoke of their efforts to appeal to diverse readerships through their content.

2.3 Funding Assistance

Compared to international jurisdictions, Canadian magazine publishers benefit from an array of government assistance programs to help fund their operations and projects. This funding support is a unique resource that reflects Canada's smaller domestic market.

Interviews conducted for this study point out the benefits of having access to both federal and provincial sources of funding. Federal funding is critical to sustain operations, particularly as the industry transitions to new business models. Provincial support continues to encourage innovation, market expansion and other means of increasing publisher revenues.

3. Weaknesses

3.1 Rising Cost of Labour

The cost of accessing labour in the magazine sector is said to be rising in response to new needs, in a context in which Canada faces labour shortages and rising labour costs generally. Labour costs account for roughly a third of operating expenditures in the sector. In addition to editorial and design and production labour costs, as magazine publishers expand their online offerings, they also need to access specialized skills in areas such as online discoverability, data analysis and digital media production and distribution.

Publishers will also face increased labour costs as they continue their efforts to recruit, mentor and provide internship opportunities to professionals from diverse communities. A recent survey of the sector revealed that equity, diversity and inclusion (EDI) is important to magazine publishers and that the majority have taken steps to promote EDI within their companies. However, it is also clear from the study that more can be done.[72] As noted above, a more diverse

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Publishing, November 25, 2022, retrieved from https://whatsnewinpublishing.com/how-to-generate-more-sales-and-a-greater-return-on-investment-publisher-insights-from-2022-magazine-media-factbook/.

[67] Statistics Canada, Table 21-10-0070-01, Periodical publishers, sales by activity.

[68] Pricewaterhouse Global Entertainment & Media Outlook 2022-2026 Canada.

[69] Pricewaterhouse Global Entertainment & Media Outlook 2022-2026 Canada.

[70] Interviews.

[71] Magazines Canada, *Internship Study Report Summary*, 2017.

[72] Aliya Jamal and Zenobia Jamal, of Zenev and Associates, *Diversity and Inclusion Consultant, The State of Diversity, Inclusion and Equity in the Canadian Magazine Industry: Survey Report (Summary)*, July 29, 2021.

workforce is a priority for Ontario publishers interviewed for this report. Publishers are interested in identifying diverse talent in all job categories.

3.2 Monetizing Consumer Data

According to interviews and the literature, many publishers are not yet fully monetizing their digital assets. For publishers with digital products, leveraging their consumer data through in-house analytics or by selling it on to agencies and data consultants presents an opportunity for a new revenue stream. Data analytics will continue to become more sophisticated, providing increased value for marketers who can use them to create more effective campaigns, for example, targeted to specific demographics. As platforms like Google move to provide greater privacy protection to consumers, magazines may need to adapt by developing alternative revenue streams, such as through paywalls.[73]

4. Opportunities

4.1 Potential for Revenue Growth with Digital Publications, Products and Services

The Internet presents advertisers with opportunities to reach customers in niche markets. Online subscription sales are anticipated to grow quickly over the coming five-year period, alongside a growth in mobile devices that can access media content. Publishers interested in growing their digital presence will adapt by streamlining their content for mobile devices, particularly as magazine distribution platforms for mobile devices become more popular with readers. Publishers interviewed mentioned diversifying into graphic design services to create new revenue streams.

4.2 Multiplatform Approach to Advertising Sales

Magazine publishers have opportunities to maximize sales revenues by providing advertisers with the option to purchase a "package" of platforms for their ads that includes print, online, social media and eNewsletters. This approach may enhance a publisher's value proposition in the eyes of a marketer, and thus counteract a decline in sales.[74]

4.3 Partnerships with Other Businesses and Organizations

Partnering with events was said by interviewees to be most relevant to B2B and arts magazines or other special interest consumer magazines. For some publishers, partnering on events is a means of growing their readership.[75] Interviewees mentioned a range of innovative partnerships with museums, conferences, fora and brands (for example, on pop up stores). Many partnerships are ongoing and enable magazine publishers to raise their visibility, reach new

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[73] Sadie Hale, "Preparing for the post-cookie world using paywall, sub and first-party data: FIPP panel discussion," FIPP blog entry, March 17, 2022, retrieved from https://www.fipp.com/news/preparing-for-the-post-cookie-world-using-paywalls-subs-and-first-party-data-fipp-panel-discussion/; McKinsey & Co., *The demise of third-party cookies and identifiers*, prepared by Marc Brodherson, Adam Broitman, Craig Macdonald, and Simon Royaux, McKinsey & Co., April 12, 2021, retrieved from https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-demise-of-third-party-cookies-and-identifiers.

[74] Mary Hogarth, "How magazines can take a strategic approach to advertising," in *What's New in Publishing,* 2019, retrieved from https://whatsnewinpublishing.com/how-magazines-can-take-a-strategic-approach-to-advertising/.

[75] Interviews.

audiences and enhance their offerings to advertisers. Some publishers have extended their reach to other jurisdictions through their partnerships.

5. Threats

5.1. Competition From the Global Platforms in Digital Advertising

Canadian magazine publishers are no match for global digital companies such as Facebook and Google, with their sophisticated analytics and consumer data, of great interest to advertisers. Interviewees noted their increasing difficulty in competing with these platforms for digital advertising revenues. According to one source, new competitors in the social media and games spaces (i.e., TikTok, Fortnite) have arisen to create even more intense competition for magazines.[76] It is interesting to note that Google recently blocked any news from being distributed on its platform following the passing of Bill C-18, *An Act respecting online communications platforms that make news content available to persons in Canada*.[77]

5.2 Rising Costs

Publishers face rising costs from inflation, particularly as regards the costs of paper and printing. As noted above, these costs are both increasing and exhibit high volatility. This makes it more difficult for publishers to plan appropriately and according to those interviewed, the volatility of these costs may jeopardize their profitability.

Some publishers interviewed for this report noted the high costs of shipping their magazines to subscribers. It was pointed out that these costs represent a higher burden for smaller magazines.

The transition to digital publishing presents additional new costs. Skilled editorial, design and other professionals are essential to magazine publishers and represent a significant fixed cost. Access to highly skilled workforce provides magazine publishers with a competitive edge. Publishers need access to professionals with the technical skills to help them monetize their digital content, for example by hiring experts in user analytics and consumer data. These skills are expensive for publishers to access but essential to better leverage their digital investments and diversify their revenue streams.

[76] David Abrahamson, "The Future of the Magazine Form: Digital Transformation, Print Continuity," in *Journal of Magazine Media,* Volume 16, Number 1, Fall 2015, University of Nebraska Press.
[77] The Canadian Press, "Why Google is blocking some Canadians from selling online news," in *CBC News,* February 23, 2023, retrieved from https://www.cbc.ca/news/business/google-blocking-news-1.6757500.

Figure 14: A SWOT Analysis of the Canadian Magazine Industry

Strengths What do magazine publishers do well? What unique resources can they draw from? What do others see as your strengths?	**Weaknesses** What can publishers improve? Where do publishers have fewer resources than others? What are others likely to see as weaknesses?
• Canadian magazines have built strong brands. • The workforce in the sector is highly skilled. • Canadian magazine publishers have access to an array of funding assistance.	• The cost of labour is rising, particularly in relation to digital publishing. • While publishers are committed to increasing diversity in the sector, more needs to be done. • Publishers are not monetizing their consumer data.
Opportunities What opportunities are open to magazine publishers? What trends could they take advantage of? How can they turn strengths into opportunities?	**Threats** What threats could harm magazine publishers? What is the competition doing? What threats do the weaknesses expose magazine publisher to?
• There are opportunities for revenue growth in digital publications and products • Packaging advertising opportunities exist across platforms to increase sales revenue • Partnerships with other businesses and organizations can increase readership reach.	• There is competition for advertising revenues from major international digital platforms like Google and Facebook • There are rising costs for paper, printing and other expenses due to inflation.

IV. Concluding Summary Observations

1. The State of the Magazine Publishing Industry

1.1 The Magazine Sector Has Experienced Significant Decline in the Last Decade

The sector has experienced a dramatic decline in the last decade marked by decreases in operating revenues and sales, declines in profitability and a reduced number of titles. Since 2013, overall revenues have declined by 50% in Canada and 49% in Ontario. Revenues from advertising, circulation and custom publishing have declined by 61% in Canada and fifty per cent in Ontario, with other sources of revenues (such as events, custom printing and others), offsetting these declines somewhat.

The sector attracted operating revenues of almost $983 M in 2021 with Ontario magazine publishers representing 58% or of $574 M of revenues.

The number of titles published in Canada fell by 11% from 2,652 in 2016 to 2,368 in 2019. The impact of the COVID-19 pandemic on the number of titles published is not yet known.

Overall, the operating profit margin was lower for Ontario-based magazine publishers, at 8.5%, as compared to 9.3% for all magazine publishers across Canada.

The sector's contribution to GDP fell by 49% across Canada, from $1.7 B in 2010 to $861M in 2020. In Ontario, this decline was 34% over the same period, from $712M in 2010 to $467M in 2020.

The total number of jobs in the Canadian magazine publishing sector declined by 56% over the period from 2010 to 2020. The total number of sector jobs in Canada was 19,045 in 2010, as compared to 8,441 in 2020. Between 2016 and 2020 the total number of jobs in the Ontario magazine publishing industry fell by 24%, from 4,692 jobs in 2016 to 3,572 jobs in 2020.

The magazine sector does not presently reflect its aspirations to EDI in its labour force.

1.2 Consumer Magazines Dominate the Sector

The magazine market in Canada is dominated by consumer magazines, which accounted for 71% of all magazine titles published in 2021. Sixty-eight percent of all consumer magazine titles are published in Ontario.

Total consumer magazine revenues are predicted to decrease at a compound annual growth rate (CAGR) of -1.2% until 2026. Consumer print magazines are expected to continue to be challenged by declining revenues, which are predicted to shrink at a compound annual growth rate (CAGR) of -3.3% until 2026. While digital magazine revenues will increase at 1.9% CAGR, it will be insufficient to compensate for the decline from the print magazine market.[78]

1.3 The Business-to-Business Market is Growing

Business-to-business, trade and professional magazines represented 32% of all magazines published by Ontario publishers in 2021. The proportion of titles that are business-to-business, trade or professional magazines is growing.

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[78] Pricewaterhouse, *Global Entertainment & Media Outlook 2022-2026: Canada*.

Due to its close proximity to the US, by far the largest events market in the world, the Canadian B2B magazines sector has a relatively small trade shows sector, which shielded the industry from some of the worst impacts of the pandemic, as Canada had some of the strictest government lockdown measures of any Western country.[79]

The sector in Canada has experienced major changes in both ownership and operations over the last several years. With the exit of Rogers Media from the sector and its B2B properties now divided primarily between Brunico Communications of Toronto, Chicago-based EnsembleIQ and Quebec-headquartered TC Media, a significant shift has occurred in the size and makeup of the key players. A diversified environment with multiple revenue streams is the new normal as publishers realize the value of reader data.[80]

1.4 There is Market Fragmentation

Industry concentration in Canada is considered low to moderate. The capital investment required to enter the industry is minimal, and publishers can easily enter, albeit with significant risks regarding declining demand for printed periodicals. According to Statistics Canada, 97.4% of all industry establishments employ fewer than 50 people, exemplifying the fractured nature of the industry and furthering the inability of most operators to attain a significant enough market share to skew the industry toward a higher level of market share concentration as a whole. There were an estimated 1,124 companies operating 1327 establishments in the magazine sector in 2019 (609 in Ontario) in 2021.[81]

1.5 Publishers Are Carrying Costs for Print and Digital Formats

Fifty-eight per cent of all titles published in Canada were distributed in both print and digital formats. Publishing across print and digital platforms is complex and not without risk, requiring publishers to invest in the production of digital and print content, as well as in a range of strategies to increase their reach.

Digital aggregators and virtual newsstands provide new opportunities to Canadian magazine publishers. These distribution channels allow consumers to access magazine content repackaged for digital consumption.

In addition to building, populating and maintaining their brands on dedicated publisher websites, social media platforms have become a ubiquitous means of promoting magazine content. Both require the regular production of tailored content.

To keep readers coming back to print, some publishers are adopting print strategies that raise the value of individual issues – whether through special issues, or larger "bookazines", with a higher sticker price.

Podcasts and Youtube channels offer additional ways to extend brands and increase reach of in-person events, though publishers interviewed for this report pointed out that content for these is costly to produce. One study notes that podcasts are complementary to other media and deliver incremental reach.[82]

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[79] Pricewaterhouse, *Global Entertainment & Media Outlook 2022-2026: Canada*.

[80] Ontario Creates, *Industry Profile – Magazines*, August 2018.

[81] IBISWORLD Industry Report 51112CA, July 2021.

[82] *The Canadian Podcast Listener 2021*, cited in Canadian Heritage, *Canadian Magazine Industry Research – Anglophone Market*, prepared by Research and Knowledge Insights, 2023, page 41.

1.6 Advertising and Circulation are the Primary Sources of Sales Revenues

Advertising revenues were estimated to account for 50% of all sales by Canadian magazine publishers. Circulation revenues accounted for an estimated 36% of sales, while the proportion of sales attributed to custom publishing represented 4% of all sales. Sales of other products and services, such as custom publishing and printing services, events, and distribution services, accounted for 6% of sales in 2021. For digital titles, two-thirds of sales are from advertising.

With respect to revenues from print circulation, sales of controlled or requested circulation[83] accounted for 57% of these revenues across Canada and 41% in Ontario. Other free, complementary or promotional copies accounted for 24% of print circulation revenues in Canada, and 19% in Ontario.

Across Canada, the proportion of print circulation revenues from paid subscriptions and newsstand sales is declining in favour of controlled circulation. Paid subscriptions accounted for 24% of print circulation revenues of Canadian publishers in 2021, down from 33% in 2015.

2. Findings of the SWOT Analysis

Amongst the industry's strengths, Canadian magazines have built strong brands. The workforce in the sector is highly skilled and Canadian magazine publishers have access to an array of funding assistance.

Industry weaknesses include rising labour costs, particularly in relation to digital publishing. While publishers are committed to increasing diversity in the sector, more needs to be done. Publishers are also not sufficiently monetizing their digital assets, in particular their consumer data.

There are opportunities for revenue growth in digital publications and products. Packaging advertising across platforms presents additional opportunities to increase sales revenue. Partnering with other businesses and organizations is providing opportunities to increase readership reach.

Amongst the potential threats facing the industry, the study found that competition for advertising revenues from major international platforms like Google and Facebook is a significant threat to magazine publishers seeking to diversify their advertising revenues online. The rising costs of paper and printing costs, and increased expenses including labour costs, due to inflation are another threat.

[83] Controlled circulation refers to copies distributed free of charge on a regular basis to consumers selected by the publisher. Requested circulation refers to copies of magazines that are individually addressed to recipients who have directly requested the periodical from a publishing firm..See Canadian Periodical Fund guidelines for a glossary of terms: https://www.canada.ca/en/canadian-heritage/services/funding/periodical-fund/magazine/application-guidelines.html#a4.

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Annex II: Stakeholders Interviewed

Jennifer Anstey, CEO, Horse Media Group

Kim Coles, Executive Director, Magazines Canada

Erin Creasey, Director, Industry Development, Ontario Creates

Krista Faist, Founder and CEO, Twenty-Two Media

Lisa Fiorilli, Research Officer, Ontario Creates

France Fortier, Director, Periodical Policy and Programs, Canadian Heritage

Joe Glionna, Board Chair, Magazines Canada and President, Newcom Media Inc.

Matt Hilliard-Forde, Program Consultant, Ontario Creates

Scott Jamieson, CEO, Annex Business Media

Nathalie Lock Milne, VP of Content, SavvyMom

Ann Nguyen, Owner, Culturerus

Alysa Procida, Executive Director/Editorial Director, Inuit Art Quarterly

Delon Rashid, President, Managing Partner, Turnkey Media Solutions

Ryan Sargent, Director, Business & Legal Affairs, House & Home

Erin Smith, Manager, Research and Strategic Planning, Ontario Creates

Orest Tkaczuk, Manager, Media Matters

Suzanne Trudel, Executive Director, Alberta Magazine Publishers Association

Annex III: Data Tables Used to Develop the Portrait of the Industry

Titles Published

Table 1: Breakdown of Titles Published, *Canada and Ontario*, by Consumer and Business/Trade/Professional Title, 2021

	Canada	Ontario
Consumer periodicals	70.5%	67.7%
Business-to-business, trade, and professional periodicals	29.5%	32.3%
Total	**100.0%**	**100%**

Sources: Statistics Canada, Table 21-10-0270-01, Periodical publishers, published titles by type of publication; Statistics Canada, Table 21-10-0268-01, Periodical publishers, print circulation by type of publication.

Table 2: Breakdown of Print Titles Published, *Canada*, by Consumer and Business/Trade/Professional Title, 2017 to 2021

	2017	2019	2021
Consumer periodicals	83.1%	73.7%	70.5%
Business-to-business, trade, and professional periodicals	16.9%	26.3%	29.5%
Total	**100%**	**100%**	**100%**

Source: Statistics Canada, Table 21-10-0268-01, Periodical publishers, print circulation by type of publication.

Table 3: Breakdown of Print Titles Published, *Ontario*, by Consumer and Business/Trade/Professional Title, 2017 to 2021

	2017	2019	2021
Consumer periodicals	87.6%	73.9%	67.7%
Business-to-business, trade, and professional periodicals	12.4%	26.1%	32.3%
Total	**100%**	**100%**	**100%**

Source: Statistics Canada, Table 21-10-0268-01, Periodical publishers, print circulation by type of publication.

Table 4: Breakdown of Titles Published, *Canada*, by Print and Digital, 2021

	Canada
Print-only titles	30.9%
Digital-only titles	11.1%
Print and digital titles	58.1%
Total	**100%**

Source: Statistics Canada, Table 21-10-0270-01, Periodical publishers, published titles by type of publication.

Table 5: Published titles by type of publication, *Canada*, 2017 to 2019

	2017	2019	2021
Total, print-only titles	**33.9%**	**30.9%**	**30.9%**
Consumer periodicals, print-only titles	11.1%	8.5%	9.7%
Business-to-business, trade, and professional periodicals, print-only titles	22.8%	22.4%	21.1%
Total, digital-only titles	**3.8%**	**9.5%**	**11.1%**
Consumer periodicals, digital-only titles	0.9%	1.6%	1.8%
Business-to-business, trade, and professional periodicals, digital-only titles	2.9%	7.9%	9.2%
Total, print and digital, both media titles	**62.3%**	**59.5%**	**58.1%**
Consumer periodicals, both media titles	29.4%	30.2%	30.5%
Business-to-business, trade, and professional periodicals, both media titles	32.9%	29.3%	27.6%
Total, all titles	**100%**	**100%**	**100%**

Source: Statistics Canada, Table 21-10-0270-01, Periodical publishers, published titles by type of publication.

Summary of Revenues, Expenses and Profit

Table 6: Summary of Revenues, Expenses, and Operating Profit, *Canada*, 2021

	Canada	Ontario
Operating revenue [1] (x $1,000,000)	982.80	574.0
Operating expenses [2] (x $1,000,000)	891.30	525.1
Operating profit margin [4]	9.3%	8.5%

Source: Statistics Canada, Table 21-10-0053-01, Periodical publishers, summary statistics.

Table 7: Summary Trends, *Canada*, 2013 to 2021

	2013	2015	2017	2019	2021
Operating revenue [1] (x $1,000,000)	1,968.4	1,591.4	1,314.7	1,175.7	982.8
Operating expenses [2] (x $1,000,000)	1,790.6	1,388.4	1,183.6	1,091.2	891.3
Operating profit margin [4]	9%	12.80%	10%	7.2%	9.3%

Source: Statistics Canada, Table 21-10-0053-01, Periodical publishers, summary statistics.

Table 8: Summary Trends, *Ontario*, 2013 to 2021

	2013	2015	2017	2019	2021
Operating revenue [1] (x $1,000,000)	1,126.2	938.2	807.5	710.4	574
Operating expenses [2] (x $1,000,000)	1,028.0	791.0	715.1	648.6	525.1
Operating profit margin [4]	8.7%	15.7%	11.4%	8.7%	8.5%

Source: Statistics Canada, Table 21-10-0053-01, Periodical publishers, summary statistics.

Contribution to GDP

Table 9: Contribution to GDP, Periodicals Sector, *Canada and Ontario*, 2010 to 2020 (x $1,000)

	Canada	Ontario
2010	1,695,025	711,891
2011	1,579,094	674,112
2012	1,504,789	687,041
2013	1,448,401	658,493
2014	1,231,423	581,892
2015	1,107,322	528,551
2016	908,687	446,250
2017	1,009,345	525,365
2018	963,741	496,381
2019	918,395	490,185
2020	861,066	467,406

Source: Statistics Canada, Table 36-10-0452-01, Culture and sport indicators by domain and sub-domain, by province and territory, product perspective (x 1,000).

Sales Revenues

Table 10: Breakdown of All Sales by Activity, *Canada*, 2021

	2021
Advertising sales	**50.1%**
Circulation sales	**36%**
Custom publishing sales	**3.8%**
Custom printing services	0.2%
Event, conference and trade show	3.7%
Other sales*	6.2%
Total Sales	**100%**

* Includes distribution services.

Source: Statistics Canada, Table 21-10-0070-01, Periodical publishers, sales by activity.

Table 11: Sales Revenues, by Type of Revenues, *Canada and Ontario*, 2021 (x 1,000,000)

	Canada	Ontario
Total advertising revenue	**413.2**	**218.0**
Total circulation revenue	**296.5**	**198.5**
Total custom publishing revenue	**31.3**	**18.7**
Total	**741.0**	**435.2**

Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

Table 12: Breakdown of Sales by Activity, *Canada*, 2013 to 2021

	2013	2015	2017	2019	2021
Advertising sales	61.8%	57.9%	54.1%	54.4%	50.1%
Circulation sales	27.9%	29.5%	33.8%	31.9%	36%
Custom publishing sales	3.9%	2.7%	3.3%	3.7%	3.8%
Custom printing services	*	0.5%	0.5%	0.4%	0.2%
Event, conference and trade show	1.7%	3.3%	3.1%	3.7%	3.7%
Other sales**	3.3%	5.9%	5.2%	5.9%	6.2%
Total Sales	**100%**	**100%**	**100%**	**100%**	**100.00%**

* Not available
** As of reference year 2017, other sales includes distribution services.
Source: Statistics Canada, Table 21-10-0070-01, Periodical publishers, sales by activity.

Table 13: Advertising, circulation and custom publishing revenue, *Canada*, 2013 to 2021 (x $1,000,000)

	2013	2015	2017	2019	2021
Total advertising revenue	1,071.5	804.2	608.3	559.8	413.2
Total circulation revenue	484.2	409.2	380.5	328.5	296.5
Total custom publishing revenue	*	*	36.8	38.2	31.3
Total	**1,555.7**	**1,213.4**	**1,025.6**	**926.5**	**741.0**

* Not available.
Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

Table 14: Advertising, circulation and custom publishing revenue, *Ontario*, 2013 to 2021, (x $1,000,000)

	2013	2015	2017	2019	2021
Total advertising revenue	566.7	419.2	317.4	307.7	218.0

Total circulation revenue	306.8	277.0	275.0	228.2	198.5
Total custom publishing revenue	*	*	24.5	24.1	18.7
Total	**873.5**	**696.2**	**616.9**	**560.0**	**435.2**

* Not available.
Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

Table 15: Sales Revenues attributed to digital products, *Canada and Ontario*, 2021 (x $1,000,000)

	Canada	%	Ontario	%
Advertising revenue attributed to digital products	105.9	68%	65.7	66%
Circulation revenue attributed to digital products	49.1	32%	34.1	34%
Custom publishing revenue attributed to digital products	0.8	1%	0.3	0%
Total Sales Revenues	**155.8**	**100%**	**100.1**	**100%**

Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

Table 2: Advertising, circulation and custom publishing revenue attributed to digital products, *Canada*, 2017 to 2021, (x $1,000,000)

	2017	2019	2021
Advertising revenue attributed to digital products	108.1	99.3	105.9
Circulation revenue attributed to digital products	39.3	43.2	49.1
Custom publishing revenue attributed to digital products	1.5	1.9	0.8
Total	**148.9**	**143.4**	**155.8**

Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

Table 17: Advertising, circulation and custom publishing revenue attributed to digital products, *Ontario*, 2017 to 2021, (x $1,000,000)

	2017	2019	2021
Advertising revenue attributed to digital products	71.6	62.1	65.7
Circulation revenue attributed to digital products	35.2	31.5	34.1
Custom publishing revenue attributed to digital products	1.2	1.1	0.3
Total	**108.0**	**94.7**	**100.1**

Source: Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).

Table 18: Print Circulation Revenues by Distribution Channel, *Canada and Ontario*, 2021

	Canada	Ontario
Paid subscription	23.7%	18.8%
Newsstand and other copies sold	11.1%	5.8%
Controlled or requested circulation	40.9%	56.6%
Other free, complimentary or promotional copies	24.2%	18.9%
Total circulation revenues	**100%**	**100%**

Source: Statistics Canada, Table 21-10-0269-01, Periodical publishers, print circulation by channel of distribution.

Table 19: Print Circulation Revenues by Distribution Channel, *Canada*, 2015 to 2021

	2015	2017	2019	2021
Paid subscription	33.2%	22.0%	21.6%	23.7%
Newsstand and other copies sold	*	8.0%	10.6%	11.1%
Controlled or requested circulation	*	24.9%	38.9%	40.9%
Other free, complimentary or promotional copies	36.2%	45.1%	28.9%	24.2%
Total print circulation revenue	**100%**	**100%**	**100%**	**100%**

* Not available
Source: Statistics Canada.,Table 21-10-0269-01, Periodical publishers, print circulation by channel of distribution.

Table 20: Print Circulation Revenues by Distribution Channel, *Ontario*, 2015 to 2021

	2015	2017	2019	2021
Paid subscription	33.2%	20.4%	17.5%	18.8%
Newsstand and other copies sold	*	5.8%	6.3%	5.8%
Controlled or requested circulation	*	29.1%	47.3%	56.6%
Other free, complimentary or promotional copies	38.5%	44.8%	28.9%	18.9%
Total print circulation revenue	**100%**	**100%**	**100%**	**100%**

* Not available
Source: Statistics Canada, Table 21-10-0269-01, Periodical publishers, print circulation by channel of distribution.

Employment

Table 21: Number of Jobs, Periodicals Sector, *Canada and Ontario*, 2010 to 2020

	Canada	Ontario
2010	19,045	n/a
2011	17,312	n/a
2012	17,053	n/a
2013	18,467	n/a
2014	15,418	n/a
2015	13,298	n/a
2016	11,172	4,692
2017	10,860	4,761
2018	9,771	3,968
2019	9,640	4,197
2020	8,441	3,572

Source: Statistics Canada, Table 36-10-0452-01, Culture and sport indicators by domain and sub-domain, by province and territory, product perspective.

Table 22: Summary Trends in Salaries and Wages*, as Percentage of Operating Expenses, *Canada and Ontario*, 2013 to 2021

	2013	2015	2017	2019	2021
Canada	32.5%	32.9%	35.4%	35.7%	37.6%
Ontario	35.9%%	35.3%	37.6%	37.5%	39.5%

Sources: Statistics Canada, Table 21-10-0054-01, Periodical publishers, industry expenditures; Statistics Canada, Table 21-10-0071-01, Periodical publishers, advertising, circulation and custom publishing revenue (x 1,000,000).