

# *NICHE PUBLISHER BEATS THE ODDS*



# SPRINT IN PRINT BUSINESS

BY JAMIE STURGEON

**S**caling the CN Tower takes guts. David Chaundy-Smart, an experienced climber, knows this because he did it.

Something else that takes guts — launching a magazine during a recession while longer-run technological shifts have thrown the entire publishing industry into doubt.

Here too, Mr. Chaundy-Smart, now the 47-year-old executive editorial director of **Gripped Publishing Inc.**, has experience.

Ten years after his much-publicized stunt, that sense of daring compelled him to channel his passion into a livelihood by launching *Gripped*, the first magazine in Canada about rock climbing. He and business partner Sam Cohen were working without a safety harness.

Recent graduates from the University of Toronto, neither had any experience in

the print media business. "At the beginning, it looked pretty rough," says Mr. Cohen, 40, *Gripped's* publisher. "We did sales, we did everything [but] we learned about how to do the business."

The pair made it work. *Gripped* has grown steadily, and has been joined by two other titles, *Triathlon Magazine Canada* and *Canadian Running*.

The climbing magazine, which tests products and reviews rock faces across Canada, has a circulation of about 12,000, making it a niche player in the overall national magazine market. Its best-selling title, *Canadian Running*, has gained about 31,000 subscribers since its launch two years ago, putting it at the lower end of the mainstream market.

Aside from the publishing group's diligence to the tried-and-true sales methods of direct-mail and newsstand marketing, the secret to their success, Mr. Cohen says, is the personal interest the employees bring to every issue.

See **MAGAZINES** on FP4

# CYCLING SET TO LAUNCH

## MAGAZINES

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"Everyone in the office, all the editors, are extremely passionate about the subjects," he says. "It means when we have meetings, they are very productive."

Toronto-based Grippéd employs 10, including Mr. Chaundy-Smart and Mr. Cohen. The two are avid rock-climbers while the rest of the staff is a collection of either record-holding marathon runners or triathletes.

Industry experts say there may be another reason for Grippéd's success: It has come up with a publishing model that is working at a time when others are failing — identifying and satisfying narrow but profitable markets.

"I think what we're going to see over the next little while is what they [Grippéd] seem to be doing, which is looking for niche markets to develop magazines for," says Prof. Chris Waddell, director of the School of Journalism and Communication at Carleton University in Ottawa.

New technologies are affecting structural change across mainstream media, breaking apart broader offerings into specific, interest-oriented products, Prof. Waddell says.

## WHO'S THRIVING

As mainstream media struggles against new, more nimble and cost-effective content providers, general-interest is out, media analysts say. Supplanting it is niche-oriented magazines. The numbers lend credibility to this view. TIME magazine's revenue has sunk year-over-year for the past five years, while many of the biggest gainers cater to narrow interests.

### 2007-2008 REVENUE CHANGE

#### Biggest gainers

More (women +40)	+48% (\$5.98M)
Canadian Home & Country	+27% (\$4.2M)
Ontario Out of Doors	+13% (\$3.5M)
Famous (Cineplex)	+9% (\$5.4M)
Toronto Life	+5% (\$11.4M)

#### Biggest losers

Canadian Living	-14% (\$42.9M)
Chatelaine	-8% (\$16.6M)
Maclean's	-6% (\$34.8M)
Flare	-6% (\$17.8M)
TIME Canada	-3% (\$20.4M)

SOURCE: MASTHEAD PUBLISHING INC.

NATIONAL POST

To compete and remain relevant to advertisers and readers, Grippéd operates Web sites for all its titles, offering a portion of what subscribers get in print. However, as e-readers and smartphones push more people online where free alternatives proliferate, Mr. Cohen says his company is going to have to decide if it will embrace free or keep content cordoned off.

"Obviously there are huge challenges in front of us," he says. Yet ultimately, he contends people will awake to the realization paying for professional work is worth it.

"We're providing niche markets with access to information that is otherwise not really available — or at least not available in a professional format."

Advertising fragmentation will likely continue, Prof. Waddell suggests, meaning publications will have to rely less on their historic source of revenue and more heavily on subscriptions, both off and online.

That means more pricey subscriptions, but also a reinforcement of high-quality content.

"What we may be seeing is a move away from mass-market, low-priced print publications to higher priced, more selective ones," he says. "But if you're asking people to pay more, you have to ensure your content is there."

says. He says the phenomenon is seen most acutely in television, where specialty channels are taking market share away from conventional broadcast networks. It is, he says, why The History Channel and Food Network are profitable while conventional stations owned by Global and CTV Inc. are not.

"I think we're going to see more of that in the print business," Prof. Waddell says.

That may already be the case. *TIME*, one of the largest general-interest magazine in Canada, has seen revenue slip 24% since 2003, the year Grippled launched its second title, *Triathlon. Canadian Running* followed in 2008.

Now, Grippled is launching a fourth magazine, *Cycling*, in March. "The value of launching a magazine during a recession is, times will get better," Mr. Cohen says.

That remains to be seen. Even for niche players, print media hardly can be described as a growth market these days. Circulation and revenue figures have declined for most magazines in Canada since 2003, according to figures from Masthead, an industry Web site.

"Our expectations are not huge," the publisher admits, "they are realistic." Any new publication faces its biggest challenges in its first year as advertisers are wary of spending on a publication with an unproven customer base," Mr. Cohen says.

Grippled also has learned the ropes of Canada's grant network, tapping federal and provincial bodies for financing designed to seed new ventures such as *Cycling*. From time to time, the publisher has received financing from the federal Canada Magazine Fund and it also obtained discounted mailing rates from the Publications Assistance Program. The Ontario Media Development Corp. also provided grants of \$25,000 to launch *Canadian Running* and *Cycling*.

Mr. Cohen says that these taxpayer-funded organizations have proven invaluable to sustaining domestic producers in danger of being squeezed out by larger U.S. competitors. "I'd have to say we

wouldn't be starting a fourth magazine if we hadn't had that opportunity," he says. "Twenty-five thousand isn't a lot of money to start a magazine, but it helps reduce our risk."

The grants have allowed Grippled to grow, but other smaller players merely hang on as they struggle to find economic equilibrium in an age where the rules are being redrawn. Driven by the rise of blogs and other low-cost, widely accessible Web sites, publishers everywhere have seen advertising revenues strained.

