



November 24, 2016

The Honourable Mélanie Joly, MP  
Minister of Canadian Heritage  
Department of Canadian Heritage  
15 Eddy Street  
Gatineau, QC K1A 0M5

*Via email and consultation portal*

**RE: Submission to the Canadian Content in a Digital World Consultation**

Dear Minister,

Thank you for the opportunity to provide comments for the Canadian Content in a Digital World Consultation.

As you may know, Yellow Pages (YP) is a leading Canadian digital media and marketing solutions company that supports local economies by helping neighbourhood businesses reach new customers and foster stronger relationships with existing clients. With over 2500 employees across Canada, YP has successfully transformed itself from a print to digital company with close to 70% of all revenues now coming exclusively from digital products and services.

YP is supportive of the Department's efforts to encourage Canada's cultural and creative industries and appreciates the recognition that they are a key element of the Canadian economy. As a publisher of several print and digital magazines, including *Western Living* and *Vancouver Magazine*, YP understands the importance of Canadian content in an increasingly globalized world.

This is why YP strongly supports expanding Canadian Periodical Fund (CPF) support to include publications distributed through a variety of methods – not just through subscriptions. While this subject was not specifically included in the consultation documents, we believe that it is an essential element of ensuring the ongoing success of Canadian content-based magazines. At present, a number of highly circulated and popular magazines do not receive funding support due to biased eligibility criteria – a reality that is negatively impacting a large segment of the industry.

**The need to broaden CPF criteria**

As you may know, the CPF was originally developed to “provide financial assistance to Canadian print magazines, non-daily newspapers and digital periodicals to enable them to overcome market disadvantages and continue to provide Canadian readers with the content they choose to read”. Further, the fund's mandate is to “ensure Canadians have access to diverse Canadian editorial content of printed magazines, printed non-daily newspapers and digital periodicals”. Unfortunately, due to how the fund is structured, we believe that these two objectives are not currently being met.



This is largely due to the CPF eligibility criteria that requires a publication to have 50% paid circulation to receive funding support – a requirement that explicitly excludes controlled circulation magazines. As the vast majority of publications in Western Canada are distributed through this method, the fund is effectively excluding half of Canada’s content producers from government support. Controlled circulation is a legitimate and sustainable distribution model to deliver content to readers and, outside of Eastern Canada, it is a traditional model for magazine delivery. By focusing its support only on subscription-based magazines, the CPF is ignoring the exceptional Western Canadian content that is being developed and inadvertently creating a bias for Eastern magazines that is inconsistent with the CPF’s objectives.

### **Reader interest is more than just subscriptions**

We believe that reader interest must be a key component of the CPF’s eligibility criteria, however, there are better ways of measuring interest beyond subscriptions. The Print Measurement Bureau (PMB), for example, is one of the primary methods that measures readers per copy of each issue and is the preferred tool of advertisers who are determining where to spend their limited advertising dollars. The PMB assesses both readership and circulation and, in our view, provides a more informed perspective of a reader’s interest in a publication. YP’s *Vancouver Magazine*, for example, has 5.6 readers per copy according to the PMB and *Western Living* magazine has 3.7. This is comparable to *Toronto Life*, which has 6.7 readers per copy, although it receives \$430,000 annually from the CPF whereas *Vancouver Magazine* and *Western Living* receive \$0.

In terms of circulation, this PMB score translates to 102,000 hard copies of *Western Living* and over 47,000 copies of *Vancouver Magazine* being distributed across the Western provinces. They also have found digital success, with *Western Living* attracting over 22,000 unique online visitors a month and *Vancouver Magazine* averaging an impressive 51,000 users in the same period. Both magazines are disseminated through controlled circulation and target specific demographics through newsstands, offices, hotels, newspaper inserts, airline lounges and online. Although they do not rely on subscriptions, these publications (and others like them) have substantial readerships that are comparable to other subscription-based magazines that receive CPF funding. For example, *Hockey News* magazine has a circulation of about 90,000 copies and receives approximately \$800,000 annually from the fund. *Western Living*, which has a similar circulation, receives \$0. Both “provide Canadian readers with the content they choose to read” and “diverse Canadian editorial content”, yet only one is eligible for government support.

### **Value of controlled circulation magazines**

In addition to their equally impressive readerships, controlled circulation magazines are just as established and well-respected as their subscription-based counterparts. For example, *Western Living* and *Vancouver Magazine* both have a rich history in Western Canada. Established in 1971, *Western Living* is Canada’s largest regional magazine. From Winnipeg to Victoria, it focuses on the best aspects of the West – its people, places, homes, gardens, food and adventures. *Vancouver Magazine*, established in 1967, is still the only city magazine in



Vancouver and provides a playbook to the City with features on events, food & drink, politics, real estate and current affairs.

Both magazines use 100% Canadian content, employ Canadian creators and consistently win awards regionally and nationally for their content. They both have won Magazine of the Year at the Western Magazine Awards, have been highly decorated at the National Magazine Awards and have been awarded at the Editor's Choice Awards by the Canadian Society of Magazine Editors. They are the quintessential magazines that the CPF was designed to support and protect. However, due only to their reliance on a regional method of distribution, they cannot receive the same funding support as their subscription-based counterparts in Eastern Canada. To the thousands of Canadian readers who support these magazines, and the creators that they in turn support, this is disappointing and should be addressed.

### **Conclusion**

By relying on subscriptions as the marker of reader interest, the CPF is excluding a number of excellent Canadian magazines from government support. We strongly recommend that the Department amend the eligibility criteria for the CPF to ensure an equal opportunity for all magazines that "provide Canadian readers with the content they choose to read" – regardless of how they receive it.

YP appreciates the opportunity to comment on the Canadian Content in a Digital World Consultation and would like to thank you again for your ongoing support of the magazine industry.

Sincerely,

Caroline Andrews  
Vice-President and Chief Publishing Officer  
Yellow Pages