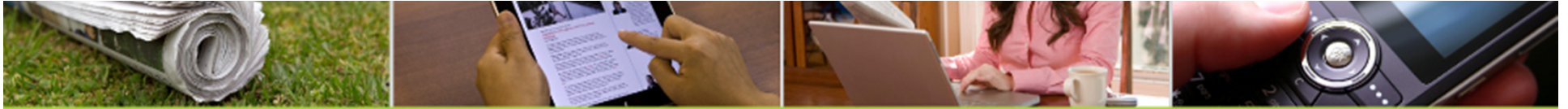




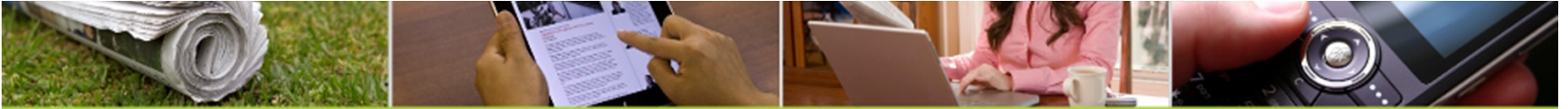
# Flyers Work!

October 2011

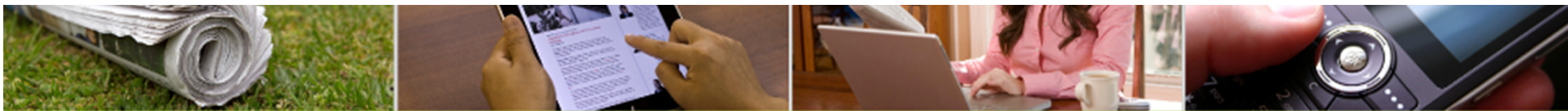


# Flyers Work!

- FDSA Project Objectives
- Flyer Industry in Canada
- Flyer Delivery Preferences
- Usage and Effectiveness of Flyers
- Flyer Readership by Category

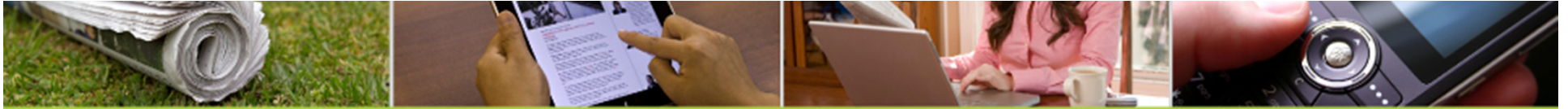


# FDSA Objectives



## FDSA Project Objectives

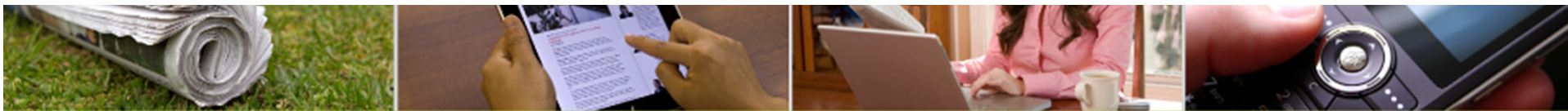
- FDSA recognizes the need for flyer research
- Where do you look for flyer research?
- Comprehensive resource needed
  - Phase one – collect and summarize all available information on flyer industry
  - Phase two – investigate proprietary research on flyer habits



## FDSA Project Objectives

### Strategic objectives identified to demonstrate that flyers are ...

- a substantial part of the Canadian economy
- an important part of the marketing mix



# Flyer Industry in Canada

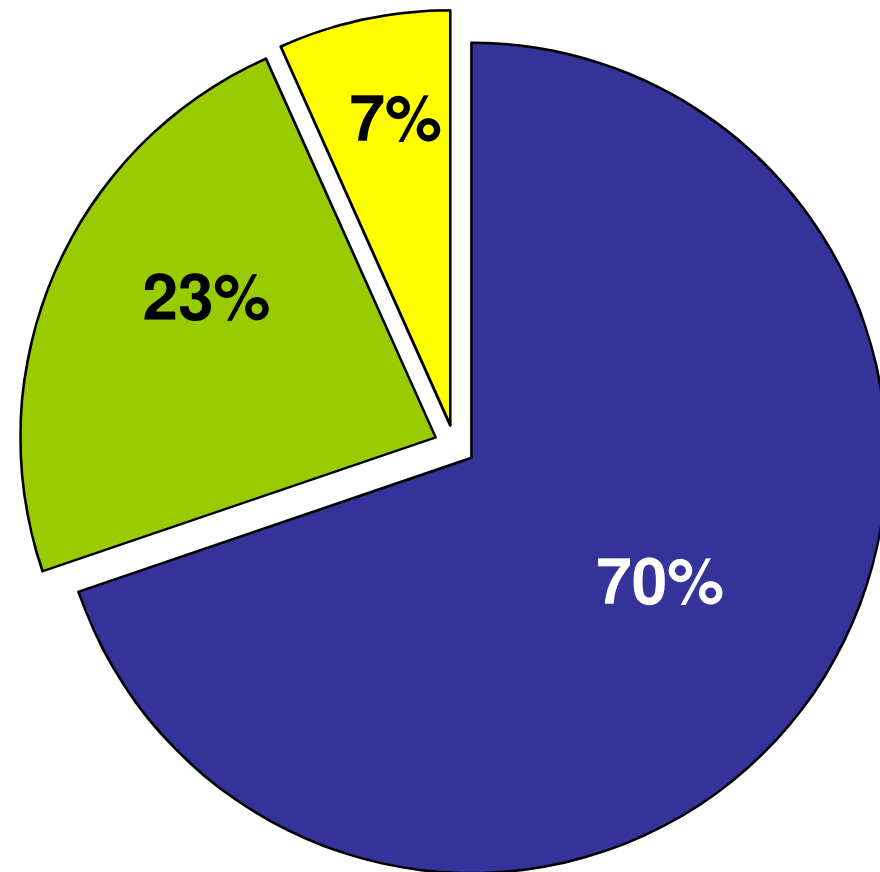


# Flyer Distribution in Canada

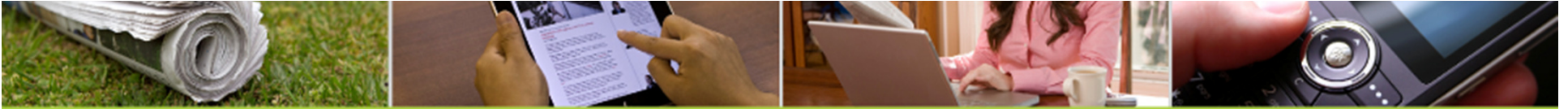
More than **16 billion** hard copy flyers were distributed in Canada in 2010.

This means Canada's 13.7 million households each received at least:

**1,178** flyers in a single year  
**98** flyers per month  
**22** flyers per week

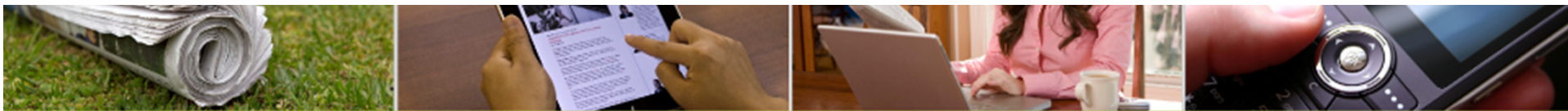






# Flyer Delivery Preferences

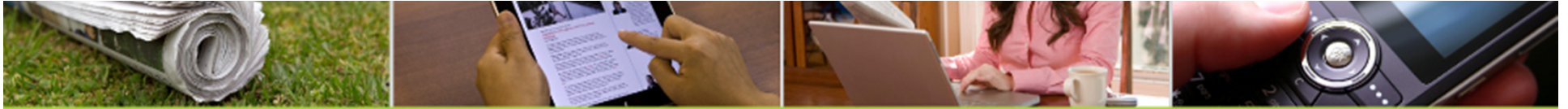




# Preferred Flyer Delivery

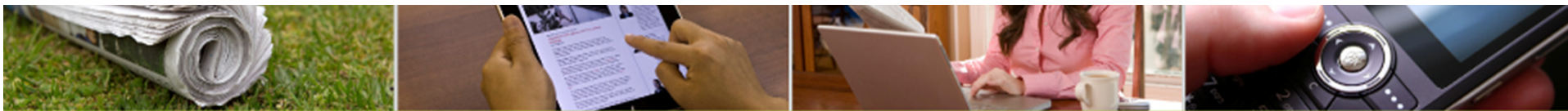
Canada	
Newspaper	<b>45%</b>
No Preference	<b>20%</b>
Delivered separately	<b>15%</b>
Mail	<b>14%</b>
Online/email	<b>6%</b>

USA	
Newspaper	<b>48%</b>
Mail	<b>23%</b>
Online	<b>18%</b>
No preference	<b>11%</b>



## Online Flyers

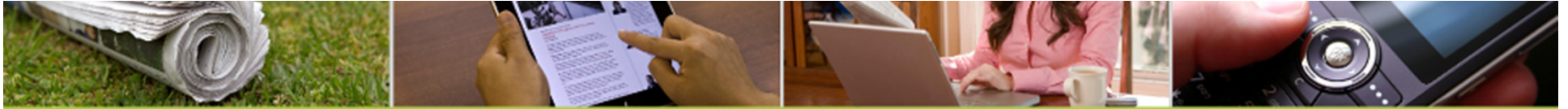
- Growing in popularity
- In the United States **40%** of adults read an online flyer in the past 30 days
- Canadian online flyer sites
  - Flyerland.ca reports at least 1.5 million unique visitors monthly
  - Publisac.ca / Dealstreet.ca reports more than 1 million page views monthly



“Site metrics confirm that users visit Publisac.ca primarily to view the flyers in addition to viewing retailer pages, deals by category and coupons.

We notice that when a coupon FSI is distributed in the market, the popularity of the coupon's section increases almost instantaneously.”

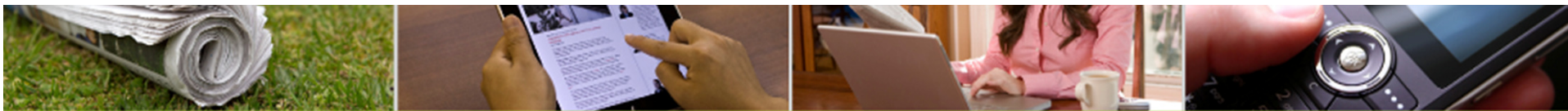
*Alain C. Courville  
General Manager, Distribution - Digital Initiatives  
Transcontinental*



## Online Flyers

**Print flyers are the mainstay and research confirms that consumers are more engaged with a printed product.**

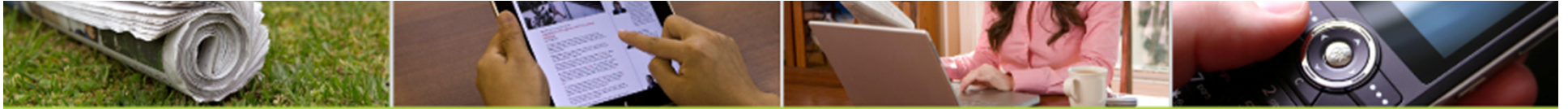
- In the United States **87%** of the online flyer readers **ALSO** used newspaper delivered flyers.
- In Canadian major markets **90%** **ALSO** read the printed flyers.



## Online Flyers Still in Infancy

	Use Flyers Often / Sometimes
Print Flyers ONLY	23%
Online Flyers ONLY	6%
Both	56%

**85% of Canadian consumers use retail advertising flyers “often” or “sometimes”.**

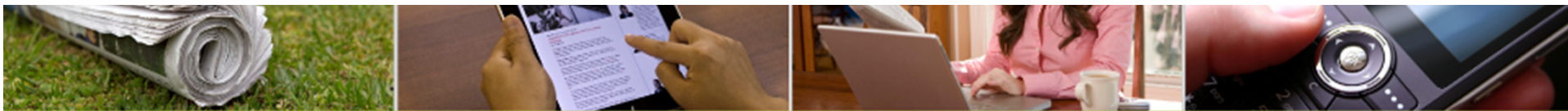


## Printed Flyers Still Best Choice

*According to the Kubas Primedia Major Market Retail Report conducted in 2011 ...*

- **90%** of e-flyer users also use the print version.
- Among those using e-flyers “often” **74%** also use print flyers “often”.
- As a result the “lift” offered by e-flyers is only about **7.5%**

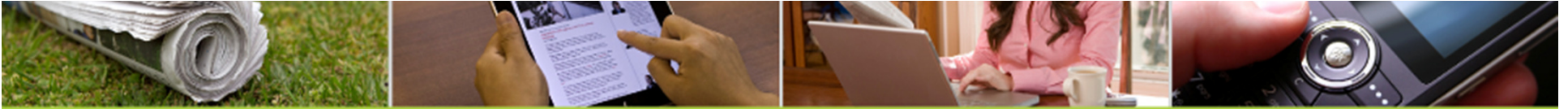




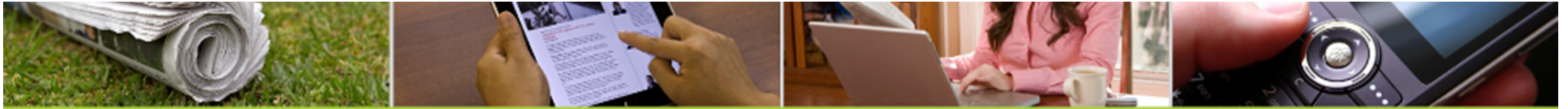
“Overall, e-flyers can be seen as a complement to print flyers, but they’re not nearly ready to take over. The “e” version gets a little extra mileage out of the print program, but it’s still the print flyer that’s the engine.”

*Ed Strapagiel, Executive Vice President  
KubasPrimedia*





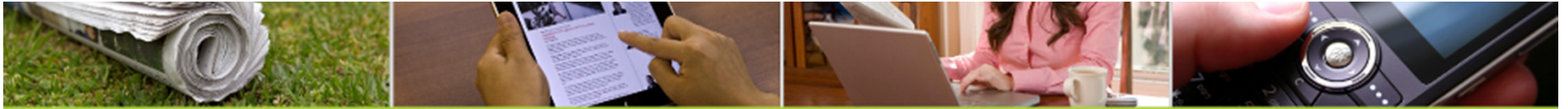
# Flyer Usage and Effectiveness



## Flyers Rated Highest ...



- **70% to 80%** of Canadian households use flyers (depending on store type).
- No other medium achieves this level of usage.



# Flyers Rate High Among Consumers

	<b>Excellent/ Good Rating</b>
<b>General Product Information</b>	<b>63%</b>
<b>Information on Local Shopping</b>	<b>72%</b>



# Flyers Affect Purchase Decisions

	Ontario & Quebec Consumers
Look at flyers at least once per week	<b>76%</b>
Consult flyers when making special purchases	<b>80%</b>
Make actual purchase decisions based on flyers	<b>67%</b>
Agree that flyers are part of their regular shopping routine	<b>66%</b>

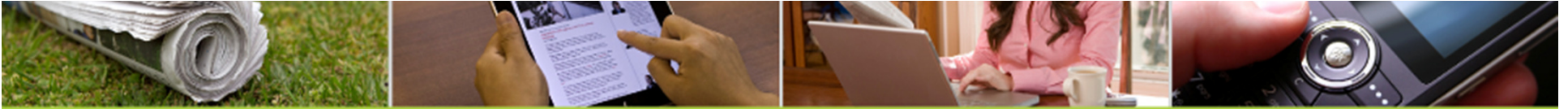


## Flyers Reach Non-Broadcast Users

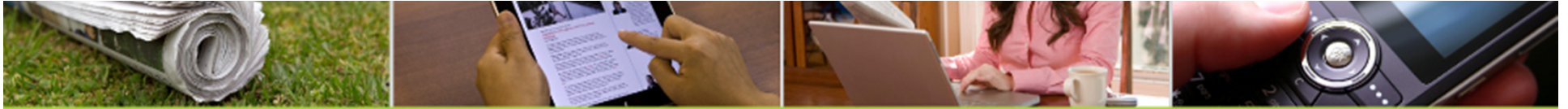
**Flyers in community newspapers effectively reach those who are not reached by radio or television.**

	Cannot be reached by commercial radio	Did not watch TV in the past week
Read community newspapers for flyers	<b>41%</b>	<b>30%</b>





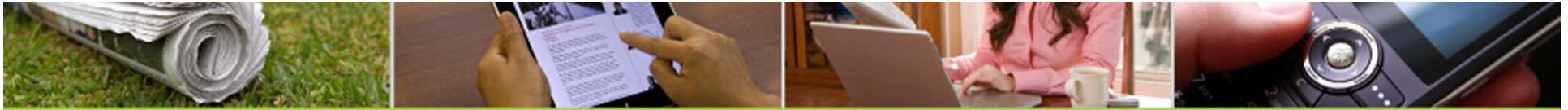
# Flyer Readership by Category



# Flyer Readership Research

- Urban and Rural Study 2011 (Newspapers Canada)
- NADbank 2010
- ComBase 2008/2009
- Crop 2011 (Publisac)

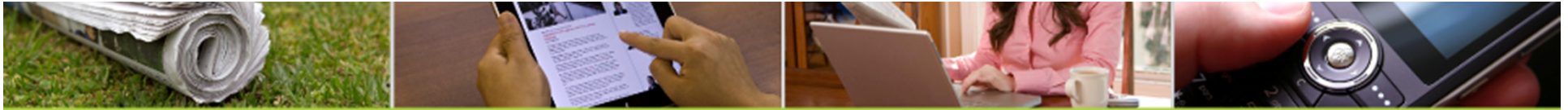




## Urban and Rural Study

- Newspapers Canada conducted a 2011 survey of adults in urban and rural Canada
- Study designed to uncover differences in shopping habits

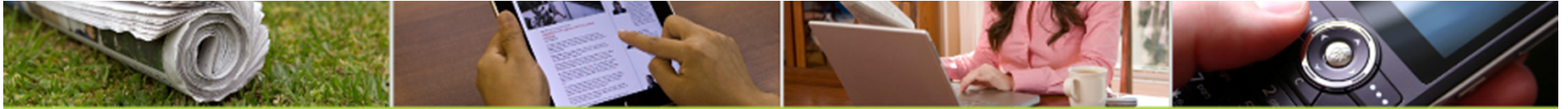




## Rural Canadian Lifestyles

- Rural Canadians have different needs and lifestyles
- Some store types visited more frequently
  - Car dealership
  - Local department store
  - Local grocer
  - Home improvement/hardware store
  - Discount store



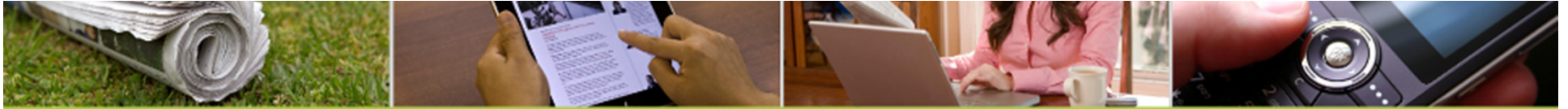


## Information Source by Category

Study asked about information sources for different categories:

- Grocery Products
- Hardware/Home Improvement Products
- Household Appliances
- Clothing or Footwear
- Home Electronics
- Healthcare Products or Services
- Cars or Trucks





## Impact of Media

Impact of media measured including:

- Flyers delivered in newspapers
- Other flyers not delivered in newspapers
- Television
- Radio

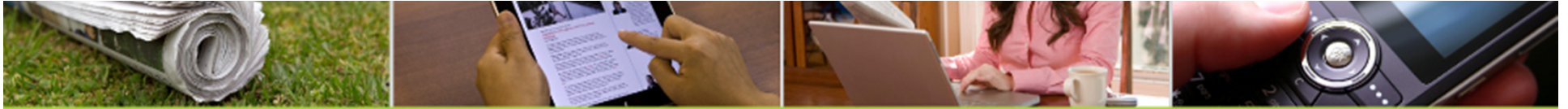




# Flyers in Newspapers Rank High

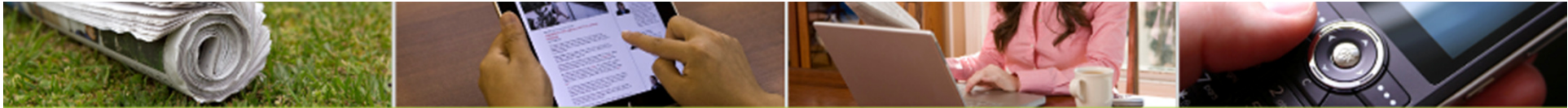
**Canadians refer to flyers in newspapers for information about products they purchase.**

Information Sources Referred to When Thinking of Buying:	% Refer to Flyers in Newspaper	% Refer to Other Flyers	% Refer to TV	% Refer to Radio
Grocery Products	64	39	9	4
Hardware/Home Improvement Products	57	32	13	5
Household Appliances	54	33	19	5
Clothing or Footwear	53	27	14	4
Home Electronics	48	32	17	4
Healthcare Products or Services	43	29	12	3
Cars or Trucks	23	13	24	7



## Flyer Research and NADbank

- NADbank 2010 asks flyer usage by 14 different categories.
- NADbank conducted in urban markets across Canada.
- Current flyer data gathered in mail-back questionnaire.



# Flyer/Insert Usage by Category

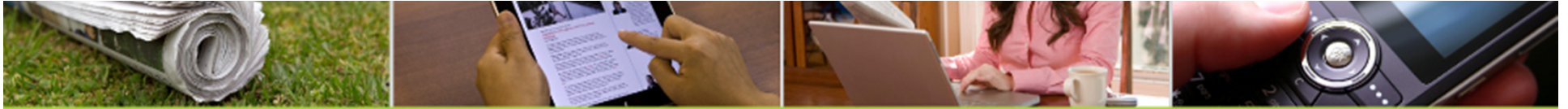
Frequently or Sometimes Use Flyers/Inserts to Plan or Make Purchases of	% Used By Category
Groceries	79%
Clothing and Accessories	62%
Entertainment/Restaurants	61%
Health Care or Personal Care Items	59%
Appliances or Furniture	56%
Home Entertainment Items	54%
Home Furnishings	53%
Home Improvement Products and Services	47%
Computer Hardware/Software	47%
Wireless Products	38%
Sports Equipment	33%
Investments or Banking Services	22%
Fitness Clubs	16%
Other Products or Services	48%





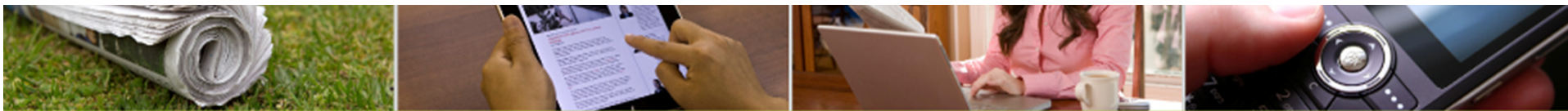
# Flyer Users are Avid Newspaper Readers

Frequently or Sometimes Use Flyers/Inserts to Plan or Make Purchases of:	% Used by Category	Print Readership 6/7 Day Cume	Total Weekly (Print & Online)
Groceries	79%	74%	78%
Clothing and Accessories	62%	74%	78%
Entertainment/Restaurants	61%	74%	79%
Health Care or Personal Care Items	59%	74%	79%
Appliances or Furniture	56%	73%	78%
Home Entertainment Items	54%	74%	79%
Home Furnishings	53%	73%	78%
Home Improvement Products and Services	47%	74%	79%
Computer Hardware/Software	47%	75%	80%
Wireless Products	38%	74%	79%
Sports Equipment	33%	76%	81%
Investments or Banking Services	22%	76%	80%
Fitness Clubs	16%	72%	77%
Other Products or Services	48%	73%	78%



## Flyer Research and NADbank

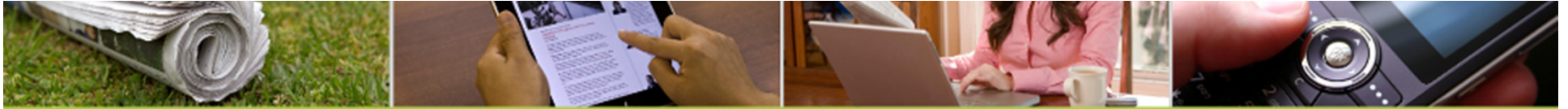
- NADbank adding a new question on flyers
- Included in 2012 mail-back questionnaire
- Data available in
  - Full sample markets Spring 2013
  - Half sample markets Spring 2014



# Flyer Research and NADbank

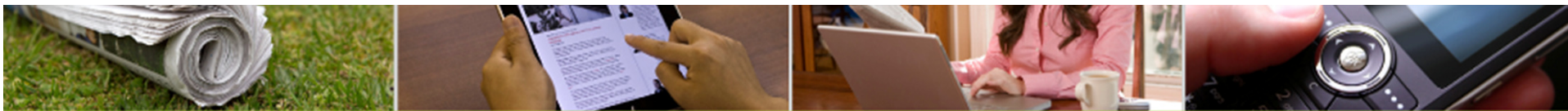
## Method of receiving flyers

- With daily newspaper
- With community newspaper
- With mail (addressed mail)
- Delivered to door (unaddressed mail)
- At your local retail store
- Online



## Flyer Research and ComBase

- ComBase 2008/2009 measured 218 markets with 40,000 interviews
- Questions included on flyers:
  - Main reasons for reading community newspaper: flyers
  - Readership of flyers delivered in community newspapers: 11 categories



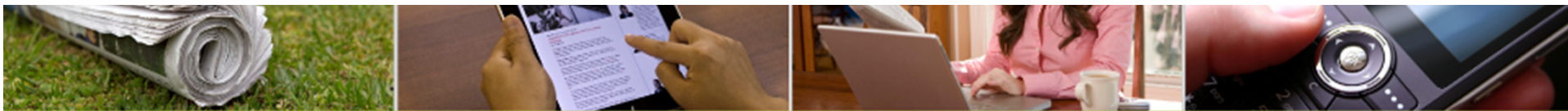
# Flyer Research and ComBase

What are your main reasons for reading your community newspaper:

- Local News
- Local Events
- Editorial
- Real Estate
- Jobs/Employment
- Classified Ads
- Advertising in the newspaper
- **Flyers**







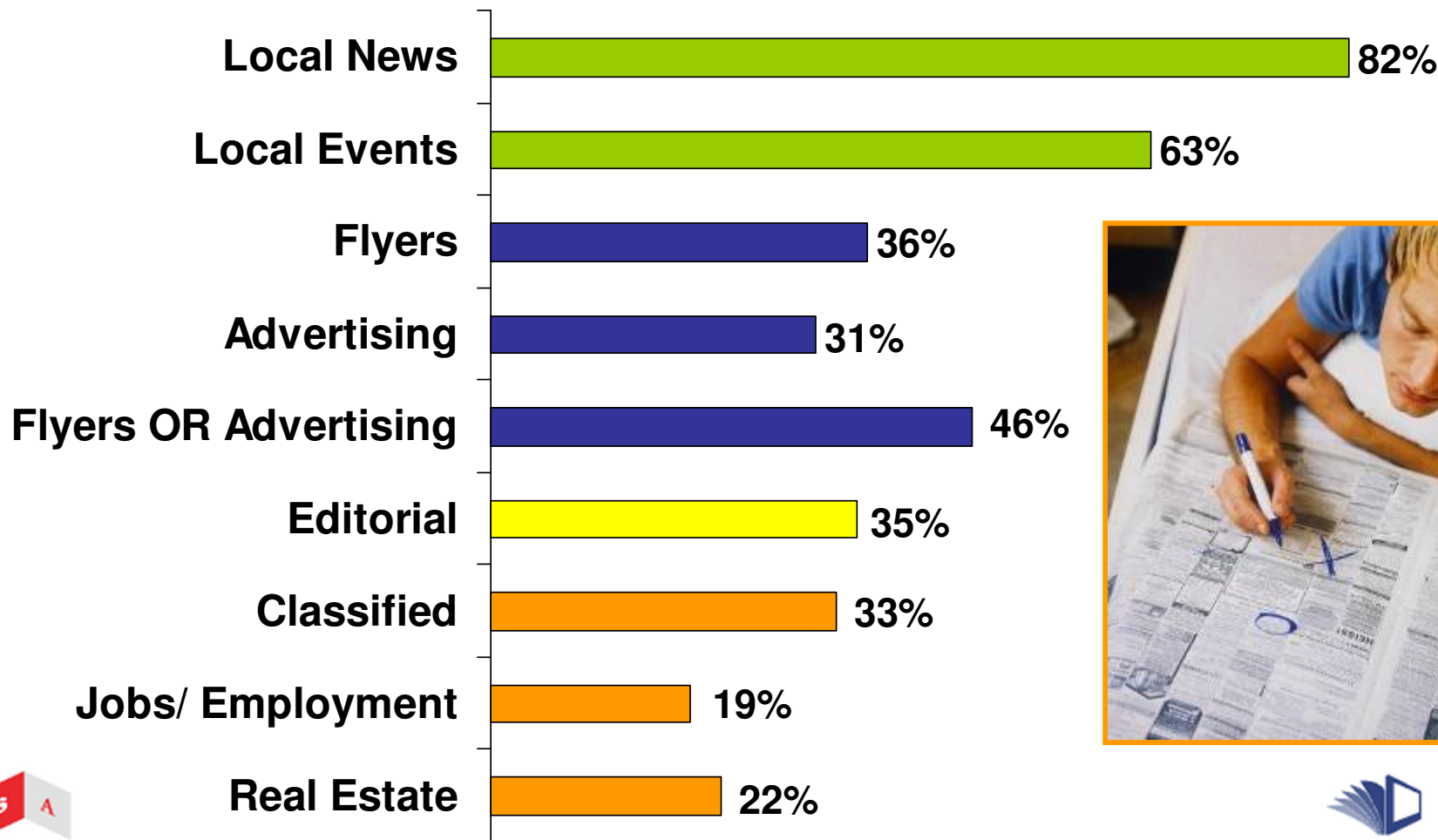
## Readers Welcome Flyers

- **36%** of community newspaper readers choose **flyers** as one of their main reasons for choosing to read the publication.
- **46%** of community newspaper readers chose **flyers** or **advertising**.



# Reasons for Reading Community Papers

Almost half of community newspaper readers are reading for flyers or advertising!



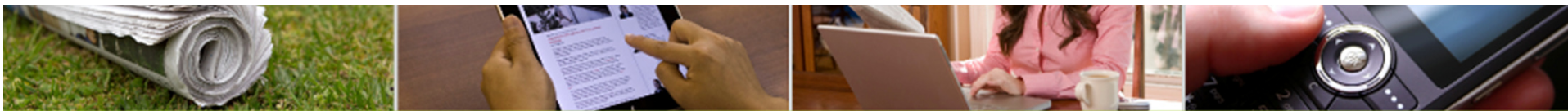




# Community Newspaper Readers Receptive!

**62%** of Yorkton This Week/Marketplace readers are receptive to advertising messages in their community newspaper and **about half** are seeking flyers.

	All markets	Province of SK	Yorkton CA	Yorkton This Week + Marketplace
% Community Newspaper Readers Seeking Flyers OR Advertising	46	52	58	62
% Community Newspaper Readers Seeking Flyers	36	39	46	48
% Community Newspaper Readers Seeking Advertising	31	38	41	45



## Flyer Research by Category

Thinking of flyers delivered with community newspapers, do you read the following ALWAYS, SOMETIMES or NEVER:

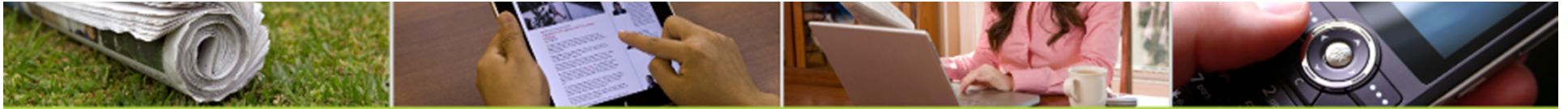
- Grocery Store
- Drug Store or Pharmacy
- Home Improvement Store
- Automotive Supply or Service
- Department Store including Clothing
- Fast Food Restaurant
- Furniture or Appliance or Electronics
- Computer Hardware or Software
- Investments or Banking Services
- **Telecommunications and Wireless Products**
- Other Products or Services





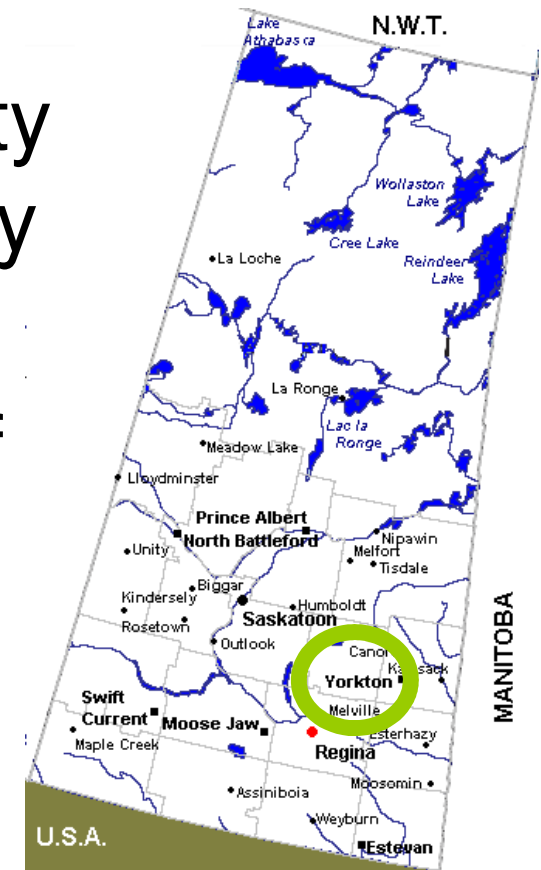
# Flyer Readership by Category

Read Flyers Delivered in Community Newspapers (Always/Sometimes)	Community Newspaper Readers	Seek Ads/Flyers	Seek Flyers
	%	%	%
Grocery Stores	76	87	91
Department Stores (including clothing)	70	82	86
Home Improvement Stores	68	78	81
Furniture, Appliances or Electronics	66	75	78
Drug Stores/Pharmacies	62	74	79
Computer Hardware or Software	47	53	56
Fast Food Restaurants	42	51	54
Automotive Supply or Services	40	46	47
<b>Telecommunications and Wireless</b>	<b>31</b>	<b>36</b>	<b>38</b>
Investments or Banking Services	27	33	34
Other Products or Services	58	65	68



## Flyer Readership - Geography

- Analyze behaviour of community newspaper readers who actively seek **flyers**
- Compare the following levels of geography:
  - All markets measured
  - Province of Saskatchewan
  - Yorkton community newspapers (*Yorkton This Week + Marketplace*)

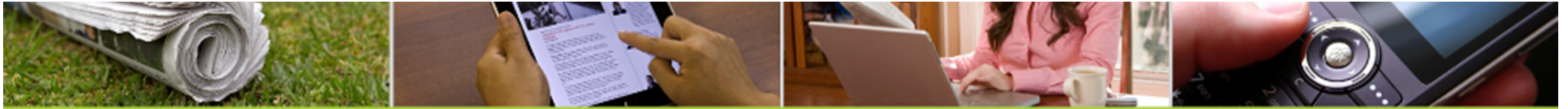






# Flyer Readership by Category

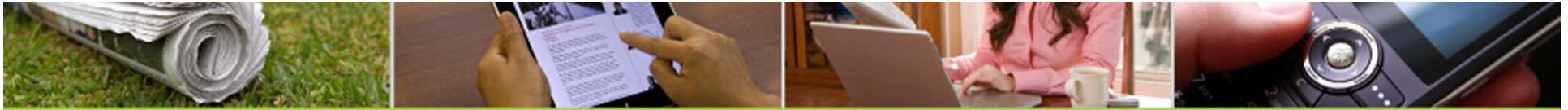
Read Flyers Delivered in Community Newspapers (Always/Sometimes)	Seek Flyers ALL MARKETS	Seek Flyers SK	Seek Flyers Yorkton This Week / Marketplace
	%	%	%
Grocery Stores	91	88	92
Department Stores (including clothing)	86	84	93
Home Improvement Stores	81	83	91
Furniture, Appliances or Electronics	78	78	88
Drug Stores/Pharmacies	79	75	78
Computer Hardware or Software	56	53	63
Fast Food Restaurants	54	55	68
Automotive Supply or Services	47	58	63
<b>Telecommunications and Wireless</b>	<b>38</b>	<b>41</b>	<b>57</b>
Investments or Banking Services	34	34	43
Other Products or Services	68	73	81



## Telecommunications/Wireless Flyers

- Across all markets, **38%** of community newspaper readers seeking flyers, read Telecom/Wireless flyers
- In the province of SK that number climbs to **41%**
- In the market of Yorkton, **57%** of This Week/Marketplace readers are looking at Telecom/Wireless flyers





## Flyers in Yorkton, SK

### Yorkton This Week

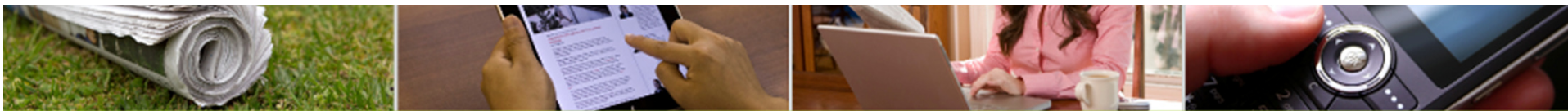
- paid product

### Marketplace

- TMC, controlled circulation
- 18 flyers per week average

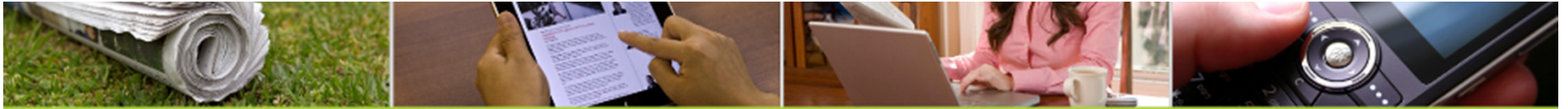


Combined readership of 72% in the Yorkton market.



## Flyers and Publisac

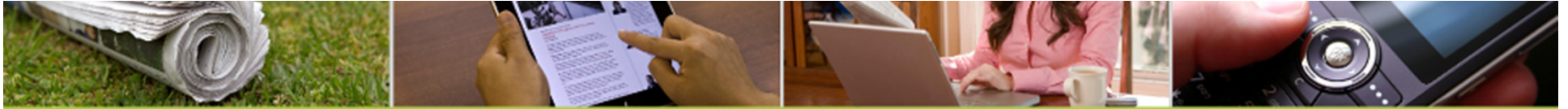
- Publisac provides 97% penetration of the Quebec market
- 50+ million items delivered every week
- Research confirms
  - 95% of recipients examine Publisac contents
  - 81% prefer to receive flyers in Publisac
  - an average of 25 minutes spent with flyers



# Category Readership and Publisac

Flyer Category	Average Level of Readership
Hardware/Renovation	79%
Food	70%
Drug Stores	62%
Department Stores	65%
Specialty Stores	65%

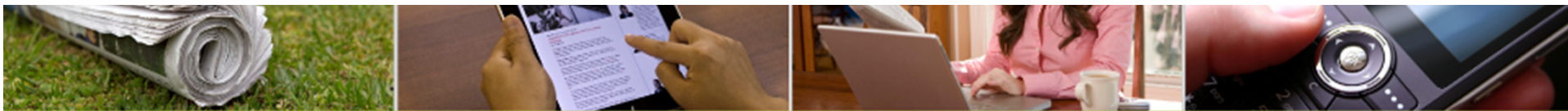




# Flyers Work!

- Flyer distribution in Canada is big business
- Flyer data available in many different media research studies
- Comprehensive resource needed
- FDSA research project in early stages





# Flyers Work!

**Kelly Levson**

*Director of Research/ComBase General Manager*

**Newspapers Canada**

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www.newspaperscanada.ca