

Happy Holidays

from the Chair and Board of FDSA!



reach

CONNECTING YOUR MESSAGE WITH YOUR AUDIENCE | DECEMBER 2007

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FLYER DISTRIBUTION
STANDARDS ASSOCIATION

In partnership with
Retail Council of Canada

Many accomplishments and challenges for FDSA in 2007

2007 was a busy and exciting year for the Flyer Distribution Association of Canada (FDSA), full of accomplishments and activities designed to grow the association and provide more effective leadership and better resources to its members.

In the past 12 months, the association revised its vision and mission statements to more accurately reflect changes taking place in the flyer distribution industry. The FDSA's vision as it moves forward into 2008 is to grow by becoming the standard body for all constituents, and its new mission statement is to serve as the national voice of the industry, providing leadership and resources to all members. The association now publishes a regular newsletter with articles and information to keep members informed of what's happening in the industry.

During the year, the FDSA also developed a survey to stimulate discussion about the often difficult issue of flyer distribution during the Boxing Week period. The survey was designed to find out what retailers want and need during this period. It asked them about the size of their flyer distribution, their

primary and secondary distribution days during the week, their ideal or intended day of distribution for their weekly flyers during the week between Christmas and New Year's, and whether this would be an additional distribution or instead of their primary and secondary distribution day.

Although initial response to the survey was slow, the fact that it was done and opened up the lines of communication between retailers and distributors was a positive development, says Tom Andrew, FDSA Chairman and Director of Print Media Distribution with Sears Canada.

"It triggered some very healthy discussion around the subject," he said. "We will do this

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Your turn

This is your newsletter. We'll cover the news you want to hear and we'll interview experts about the issues you want. Send your ideas to Bill Yetman at byetman@retailcouncil.org.

EXTRA! EXTRA!

THE ONLY NATIONAL FORUM FOR THE FLYER INDUSTRY

4TH NATIONAL RETAIL FLYER SYMPOSIUM

FEBRUARY 28, 2008

PARAMOUNT CONFERENCE & EVENT VENUE,
222 ROWNTREE DAIRY ROAD, TORONTO
(10 MINUTES FROM PEARSON AIRPORT)

The RAC Flyer Symposium has become an annual 'must attend' for anyone involved in this medium that is so vital to retail advertising. The daylong event brings together all industry stakeholders from printers, shippers, agencies, newspapers and distributors, and of course the advertisers themselves. The goal of the day is to provide an educational forum for industry best practices and a platform to communicate new developments and research. This year promises to be

the best symposium yet as we include expert insight in creating the "Ideal Retail Media Mix" through the integration of flyers and other mediums, and it will be attended by all of Canada's leading retailers.

Purchase your ticket today!

- Members \$350 (taxes extra)
- Non-Members \$450 (taxes extra)
- more than 10 tickets from same company earns a 10% discount

Fee includes: Take Away Symposium Handbag with Registration, Continental Breakfast, Lunch, Full Day Seminar and Awards Ceremony Reception.



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REPORT

Solid growth expected in traditional media ad sales

Traditional media will continue to see a large percentage of the ad spend in Canada, according to new research by the Canadian Marketing Association.

According to the CMA, advertising spending in Canadian media will increase from \$19 billion in 2007 to more than \$23.3 billion in 2011.

Digital media is expected to lead all other marketing channels in 2011 in terms of direct sales, with Canadian business expected to spend more than \$3.3 billion on digital media in Canada, more than double the \$1.4 billion recorded in 2007.

However, with advertising expenditure in Canada forecasted to expand at a compound annual growth rate of 5.3% over the 2007-2011 period, a large percentage of the ad spend in Canada will continue to be allocated to traditional media. Solid overall growth continues in all traditional media categories with television, direct mail and out-of-home experiencing the most rapid growth.

"This report demonstrates the substantial and growing contribution that marketing makes to the economy both in terms of its financial investment and for its role in generating employment," said CMA's Wally Hill, Vice-President, Public Affairs and Communications.

Conducted by Global Insight, the CMA report *Marketing's Contribution to the Canadian Economy* includes ad spending impacts for more than 25 industries. To order a copy, visit www.the-cma.org.

It's a fact!

- Percentage of respondents to a survey who said they have shopped somewhere new based on a flyer received with their newspaper: 37
- Percentage of youth aged 18-24 who said they would try a new store based on a flyer: 48
- Fraction of Canadians who said they find flyers and marketing material that come in the mail of interest to them: 1/3
- Fraction who said they discard flyers and advertisements that arrive in the mail before reading them: 1/4

Source: "Making and Breaking Loyalty," a study based on telephone surveys conducted by The Logit Group on behalf of the Canadian Marketing Association

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again for next season, and should get a larger response. The good thing is that the plans were made earlier than past years between retailers and their distribution companies."

During the year, the association completely revamped its committee structure, reviewed and refined the Seven Steps accreditation process and became a resource for Retail Council of Canada's Senior Retail Marketing Network, helping retailers to better understand the distribution industry and process.

Looking westward in 2008

Looking ahead, the FDSA is working with the Retail Advertising and Marketing Club (RAC) to hold a flyer symposium and is planning to hold a conference in Western Canada during the first half of 2008 to provide a venue for networking and for sharing experiences.

"As a national organization, it's essential that we represent the entire country, and this is a great opportunity to get the West involved and attract more representation from this very important region," says John Burns, Chair of FDSA's marketing committee and Manager, Database Marketing and Dealer Advertising, Consumer Advertising & Marketing, with Canadian Tire Corporation. "In the past, we've tended to focus more on the East. It's time we did a better job in attracting representation and members from Western Canada."

FDSA committees will be very active with a number of initiatives, including the development of a proactive government relations campaign to educate government agencies and officials about the flyer industry, forming coalitions and partnerships with other groups and developing best practices

for all stakeholder groups, including retailers, distributors, transportation providers, carriers and consumers.

The association plans to continue to refine audit procedures to help drive the development and implementation of even more exceptional distribution standards, and plans more activities to help educate the industry in general to strengthen its position in the Canadian economy now and for the years ahead. It will also begin to tackle environmental concerns by developing industry environmental guidelines.

"The association has made some great strides in recent years, but we still have a lot to do to strengthen our industry and provide value to our members, customers and consumers," says Andrew. "We are looking forward to another busy and productive year." ■

FDSA revamps committee structure

The FDSA has revamped its committee structure to better reflect changes that are taking place in the flyer business and to get more representation and input from the industry.

At the association's annual meeting in October, the Board of Directors agreed to realign its committees to focus on the areas of auditing, leadership, resources and education.

"The changes and refocusing of the committees will enable them to study issues and develop solutions to problems that are more relevant to our members," says FDSA Chair Tom Andrew. "The changes really bring the committee structure up to date and in sync with what is happening in the industry today."

- The **Audit Review Task Force** is an ad hoc committee that has been established to review

the current Seven Step audit process and recommend adjustments and improvements to the Board of Directors. It will also be responsible for reviewing its current contract with the Canadian Circulations Audit Board and recommend options to the Board. The CCAB's contract comes up for renewal at the end of 2007. The committee also will evaluate the dynamics related to other auditing firms such as Audit Bureau of Circulations, and provide the Board with direction about associated risks and opportunities.

- The **Leadership Committee** will focus its efforts on developing best practices, designing industry guidelines and overseeing the continued improvement of current standards. It will also be responsible for communicating and providing information to external constituents, including governments, consumer advocacy groups and other related stakeholders.
- The **Resources Committee** will be devoted to increasing value proposition of being a member of the association through increasing the number of resources and information available on the flyer industry. It will oversee such

initiatives as an online directory of distributor warehouses, the dwelling file, an online supplier directory, a quarterly newsletter and the FDSA website.

- The mandate of the **Events and Education Committee** is to develop a variety of forums that facilitate learning and networking. Its programs will be used to promote new offerings and resources to members and prospects, study industry trends and challenges and share those findings, and generally facilitate the sharing of information among members.

Committees will now be comprised of between six and 10 members, all coming from industry except the Chair, who is a member of the Board of Directors. Committees discuss issues pertaining to their areas of concern and then will make recommendations to the Board.

"It's a way to get greater representation from the industry and to broaden the experience base on the committees," says Andrew. "Under the new system, there could be anywhere from 80 to 150 people from the industry sitting on committees. That will really expand the industry's participation and voice." ■



CCAB audit review continues

Canadian flyer distributors are doing a great job receiving, packaging and loading product. But variances start to emerge across different distribution centres when analyzing delivery, verification, and non-delivery resolution.

These are the findings expressed by Tim Peel, General Manager of CCAB — BPA Worldwide, the company tasked by the FDSA to conduct audits of Canadian flyer distributors.

"Accreditations are ongoing for 2007, and will be finalized early next year. The results from 2006 show distributors had few challenges with the first three steps of the accreditation process," Peel says. "We start to see divergences in the last four steps: delivery, verification, resolution of non-delivery problems and the audit process."

In a report to the FDSA Board of Directors at the association's meeting in October, Peel reported that 92 per cent of distribution centres, or 59 of the 64 audited in 2006, received accreditation. This year, CCAB plans to audit 69 distribution centres across the country.


As of December 3, 43 centres had met the accreditation standards, six audits were in progress, 10 are scheduled for January, and nine centres need to confirm their scheduled audit date.

Peel reported that the CCAB is working with the association's Leadership Committee to continue to refine and improve the accreditation process. Throughout 2006 and 2007, distributors had to receive a grade of 87.5 per cent, up from 85 per cent in 2005, to receive accreditation status.

"We raised the bar slightly in 2006 over 2005, and this has remained the accreditation threshold throughout 2007," Peel said.

An updated list of all accredited distributors is now available on the CCAB website at www.bpaww.com/fdsa and can be accessed through the FDSA website (www.fdsa-canada.org). Individual accredited centres, the accreditation date, market type and names of products going through each accredited centre are listed for each distributor.

"It's important for distributors to prove that they are accredited and for advertisers to see a listing of accredited products distributed from each centre," Peel said.

Once the 2007 accreditations are complete, CCAB will present a full report of its findings to the FDSA Board of Directors, likely in March 2008. 

Retailers lead move to recycled newsprint for flyers

Some of Canada's largest retailers are responding to consumer demand for higher environmental standards by changing a key aspect of their marketing that touches nearly every Canadian — the weekly flyer.

Retailers and printers are forming partnerships with Atlantic Newsprint Company to test a new newsprint line designed for the flyers that make their way into millions of Canadian homes each week.

The five new products, labeled Fooder News, Eco-Brite, Eco-Smooth, Eco-Gloss, and Eco-Direct, have been created with higher gloss and brightness than standard newsprint for printers that produce the millions of weekly flyers and directories. Each product is made from 100% recycled fibre and is manufactured at the Atlantic Newsprint mill in Whitby, Ont.




"Canada's best retailers are very much in touch with their customers, and their customers are setting ever-higher standards for environmental performance," said Michael Booth, VP of Sales for Atlantic Newsprint, a division of Atlantic Packaging Products Ltd. of Toronto.

"Customers' expectations touch all areas of the retailer's business, so moving to environmentally responsive products like our enhanced 100% recycled newsprint for flyers is a step that leading retailers find appealing."

Major supermarket, hardware and general merchandise retailers are testing the new Atlantic newsprint. Booth says the trials are producing promising results.

"These are respected retailers with high expectations and they are careful about any change they make in the face they present to consumers," says Booth. "They understand the value of presenting their marketing messages on 100% recycled newsprint, and we think they will be pleased with the results."

For more details, visit www.atlantic.ca/newsprint.html. 



FLYER DISTRIBUTION
STANDARDS ASSOCIATION

Representing a billion-dollar industry, the Flyer Distribution Standards Association addresses issues shared by retailers, distributors, printers, binderies, transport companies and media agencies. Its mandate is to establish standards for the retail flyer process, from technical specifications to processes and terminology, to increase efficiency for the entire industry.