

Magazines deliver healthy results at check out by the numbers vs. candy

Magazines Generate
4x+ the Gross Profit
of Front-End Candy
(\$1.64 per unit).

Magazines are the
Most Profitable Item
at Checkout
(\$1.07 true profit/unit).

Out of 229 Total Store Categories,
Magazines Ranks
Fourteenth
in Per-Unit True Profit.

1 Magazine =
5x the
Revenue
of a Candy SKU.

24% More
Shoppers
think its important to
carry Mags over Candy.

Magazines are
#1 on the List
as an affordable treat
for women.

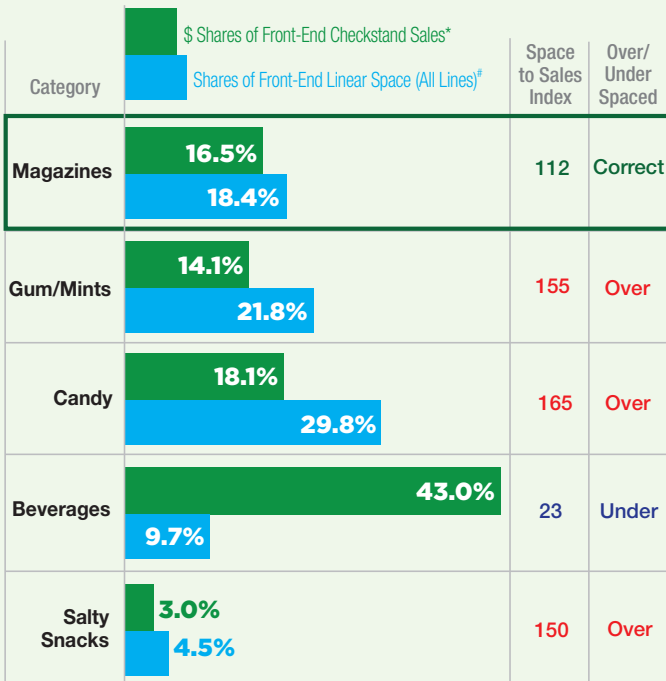
Magazines have
70% less
Direct Labor Costs
(\$0.06 Per-Unit vs. Candy.)

Magazines have a
22%+ True Profit
(\$1.07 per unit vs.
-\$0.06 for candy)

Magazines: Efficient and Profitable

A Matter of Balance: Checkout Sales vs. Space

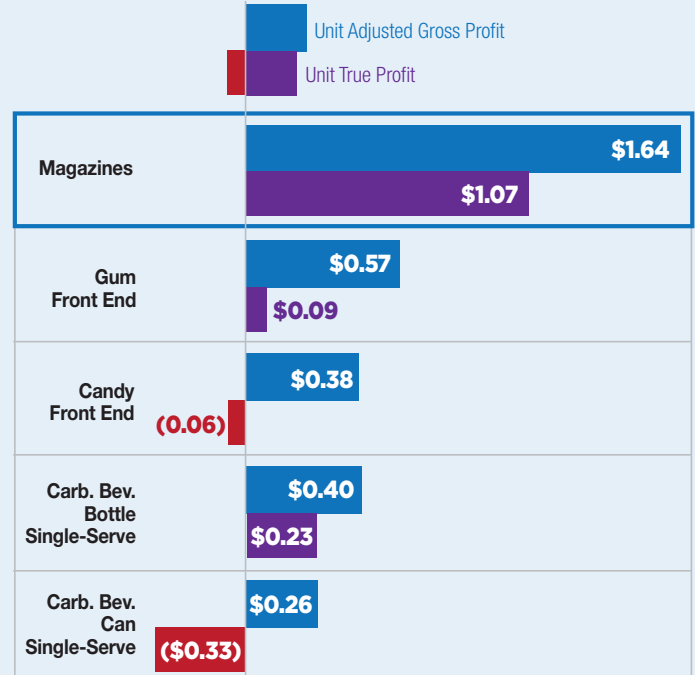
Dollar Sales Importance Does Not Match the Amount of Linear Space that Front-End Categories Receive



Sources: * IRI 52 weeks ending 6/30/2013, DHC Analysis; # TWR Audits, October/November 2013

Front End Category: A Performance Overview

Magazines Generate Four Times the Per-Unit Profit Compared to Other Front-End Categories



Source: Willard Bishop 2015

- High Average Ring: **\$4.81**
- High Adjusted Gross Profit Rate: **34%**
- SBT brings **infinite ROII**
- It would take more than **5** purchases of a Candy item to equal that of **1** Magazine purchase!
- Magazines are a **Guaranteed sale**

Magazine shoppers shop more frequently (*nearly weekly*), have larger baskets (*avg. spend per basket ~\$45 vs. ~\$34*) with more units (*19 vs. 13*), and spend more money (*annual spend ~\$1,700 vs. ~\$300*) than non-magazine shoppers

Source: * Front End Focus, IRI 52 weeks ending 6/30/2013, DHC Analysis; TWR Audits, October/November 2013. Additional GM Categories of common interest include Batteries, Snack/Energy Bars and Razors/Blades represent a combined 4.4% of Retail \$ Sales and 1.5% of Linear Inches at Checkout. The information contained herein is based in part on data reported by IRI through its Market Advantage service as interpreted solely by Time Warner Sales & Marketing and/or Dechert-Hampe & Co. (Copyright© 2013, Information Resources, Inc.). The information is believed to be reliable at the time supplied by IRI but is neither all-inclusive nor guaranteed by IRI. Without limiting the generality of the foregoing, specific data points may vary considerably from other information sources. Any opinions expressed herein reflect the judgment of Time Warner Sales & Marketing and/or Dechert-Hampe & Co. and are subject to change. IRI disclaims liability of any kind arising from the use of this information.

