



Convenience Stores and Newsagents Association (CSNA)
submission to the Joint Oireachtas Committee on Tourism,
Culture, Arts, Sport and Media

Future of the Media-Future Business Model Plans

March 2023

The Association welcomes the opportunity to inform the members of the Committee some additional aspects of The Future of Media, particularly any reference to Business Model Plans that will undoubtedly affect all of our 1,500 member stores throughout the country.

We have followed the discussions relating to the accepted importance that Ireland quite correctly places on Press Freedom and would hope that the Committee accepts that retailers form part of the struggle to provide a wide and diverse set of views and viewpoints as laid out each day through the newspapers, periodicals and magazines we stock in our stores.

It is not in the least grandiose to grant the position of a retailer a place at the table of Press Freedom. We sell and stock periodicals and pamphlets across a wide political spectrum and persuaded the Irish distributor of French magazines to commence sales of “Charlie Hebdo” in 2012 following the attack on the satirical newspaper. News retailing in Ireland has generally (with limited exceptions) been allowed to cater for all tastes, subject to the laws of the land.

The primary reason that we are making our views and observations known to the Committee is that we are genuinely fearful that, for commercial reasons, retailers will, in many instances, no longer be in a position to continue to stock ANY printed publications unless there are radical and targeted efforts across a variety of bodies to halt the costs of selling news products.

All of us are aware that the publishers provide a digital version of their printed title, most of whom charge a subscription that is literally a small fraction (and more convenient) than the printed version.

No-one who has provided testimony to date to the Committee or to the Commission set up to consider the Future of Media has managed to provide any evidence that the production of a daily, weekly, Sunday or periodical title could survive if it discontinued to publish the printed version.

The publications cannot and will not survive if they cease to print the titles; they have conveyed this to us privately and once you understand the economics of publishing and the “split” in revenues obtained from advertising, it is obvious that the Printed Word is not only important, it is **crucial** to provide for the continued access to Democratic principles and reportage.

It is on this basis, the importance of continuing to provide for printed copies of publications, that we submit the industry is blind to the facts developing before them. With falling sales in real terms, fewer retailers are seeing the footfall effect that previously encouraged them to provide shelf space to a variety of publications, all they see are rising costs, reduced margins and increasingly costly labour being used **to haul, unpack, count, document, stock, replenish, refresh/tidy, remove, account, parcel, return, check and query each day**, it is little wonder that the new breed of retailer

who is used to a much more streamlined retail solution is unlikely to accept providing space and time to a product that clearly needs to make itself more amenable to a changed environment.

There has always been an acceptance by publishers that their titles require the widest possible number of outlets to maximise their offering. They would have viewed the opening up of the market to supermarkets, filling stations and non-newsagent outlets as a positive step and rarely were any Applications to Supply rejected.

A number of them provided tens of thousands of copies of their titles to pubs, hotels, nursing homes and other outlets at commercial rates that reflected the "Free Paper" appendage, yet these copies cannibalized sales in those stores paying full wholesale price AND a very costly delivery(carriage) charge each week.

It is very difficult to feel close to a publisher that sends representatives into the housing estates around your shop offering householders subscription deals that do not have a delivery charge applied. Any of our members offering Home News Delivery cannot compete at this level and consider these incursions to be an unfair tactic by our erstwhile "partners".

The most problematic area is the application of not one, but two, delivery charges for the papers and magazines we receive each day. The overwhelming majority of news retailers are being charged in excess of €6,500 per year just to receive papers and magazines. This requires weekly sales of more than 200 titles **just to pay for delivery!** This extremely high Cost of Business, which increases practically every year, despite falling sales of 7%-10% is the single greatest threat to the availability of printed news and magazines. This is already affecting many Dublin City outlets where costs per square metre and labour costs make a decision to discontinue selling papers a rational one for the operator who believes that the majority of his customers have already given up the practice of buying a printed paper.

The problem for Irish retailers is that, unlike our counterparts in the UK, we are obliged to trade with two, rather than a single company for our News titles.

For retailers wishing to stock the Independent (Mediahuis) titles such as Irish /Sunday Independent and Sunday World, Irish Times, Irish Examiner, Irish Daily Star, Irish Mirror, Irish Racing Post and over 45 local titles as well as The Irish Farmers Journal and a number of magazines such as RTE Guide, they will have to deal with the 100% Mediahuis-owned Newsread Ltd.

To stock The Irish Daily Mail and its Sunday partner, The Irish Sun, the Times/Sunday Times and all the UK titles such as Guardian, Telegraph, Express and Financial Times, as well as practically all of the

3,000+ UK-published magazines, retailers must maintain an EM News account, the company that is a division of UK-based Menzies.

There is no competition for any of the newspaper titles , a retailer cannot ask either of the firms to supply them with all titles, which is NOT the way news distribution operates in the UK and elsewhere, leading to additional costs for us, and, more worryingly, unnecessary and unsustainable environmental costs, with 2 delivery trucks traversing the same routes, going to the same outlets across the entire county every day of every week using significant amounts of fuel in so doing.

The Future of media needs to have a fully developed and integrated plan, allowing all stakeholders to meet and discuss without the constraints of Competition Law stunting innovative ideas for possible solutions.

The Association has a long history, stretching back to 1910 in Ireland and sincerely wishes to be helpful to you in the course of your deliberations but urge you to accept that print is not only necessary, it is vital for the Future of Media in Ireland.

As previously indicated, we would be willing to attend a future meeting of the Committee on this very important topic.

Vincent Jennings

CEO

CSNA