

# Island Banquet Magazine

## Business Plan

### Table Of Contents

Executive Summary .....	2
Goals.....	2
Product Description.....	2
Market Trends .....	3
Market Definition & Objectives.....	5
Advertiser Promotion Strategy.....	5
Distribution Area & Method .....	5
Target Audience & Marketing Message .....	6
Sponsor Promotion Plan.....	6
Marketing Methods & Channels .....	6
Competitor Matrix.....	7
Competitor Analysis.....	7
Competitive Advantage.....	7
SWOT Analysis.....	7
Financials (first year) .....	8
Revenue Overview .....	8
Display Advertising Rates.....	8
Classifieds Advertising Rates.....	8
Newsletter Advertising Rates.....	8
Web Advertising Rates.....	8
Sales plan.....	8
Revenue Summary .....	9
Costs Summary .....	9
Profit/Loss .....	9

## Executive Summary

Island Banquet is a magazine about local food in its contexts of producers, processors, distributors, retailers and restaurants in the Vancouver Island region. It provides information about growing, purchasing, preserving, preparing and enjoying locally grown food. It will appeal to consumers in terms of promoting the local economy and building community, the benefits of freshness, taste and health. It will present locally grown food as now convenient, affordable, trendy and politically correct.

## Goals

1. The magazine accomplishes two primary goals:
  - a. Fosters local economy by increasing purchases of locally produced food
  - b. Raises awareness of food security issue
2. It appeals to “soccer moms” as well as those already involved in the local food industry or aware of the food security issue
3. It provides a way for every producer to have a presence
4. Its revenue allows the owner and any employees to earn living wage

## Product Description

Island Banquet raises the awareness of the benefits and opportunities of local food and provides local food producers, processors, distributors, retailers and restaurants a new promotion channel. The magazine is intended to appeal to a range of customers including consumers and other buyers interested in the issues of quality, health, food security and local economics.

The magazine will initially focus on CRD consumers based on the assumption that people will only travel so far to make purchases from advertisers. Some non-CRD advertisers will also be interested if they have CRD distribution points or methods. The magazine will expand to rest of island after first year.

The product will include quarterly print magazine, a website and an electronic newsletter every month.

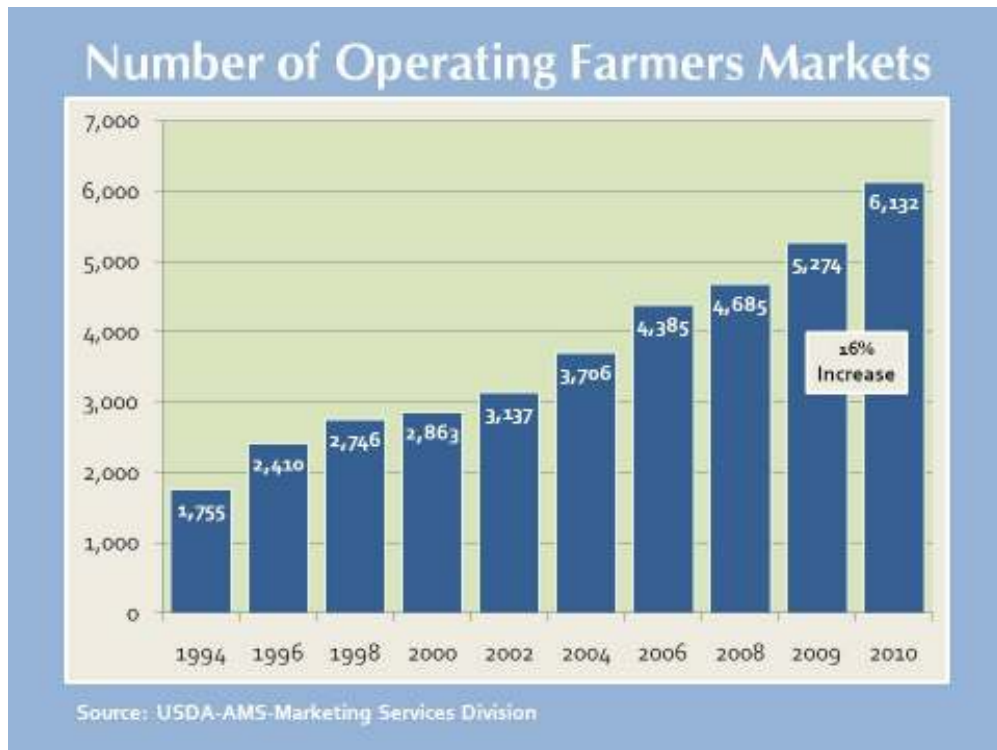
### **The magazines pages will be made up of:**

- 20 pages equivalent of display advertising plus back cover, inside front cover and inside back cover
- Two pages of classified advertising
- One page of membership listings (includes business type, name and contact information)
- One page table of contents and masthead
- One page “from the editor” column
- One page column about food security
- One page column about growing and preserving food
- One page events listing
- One page subscribe offer
- One page “Local Heroes”: a column featuring profiles of a local producer, processor or retailer
- Two pages of other stories about local food
- Three pages seasonal recipes

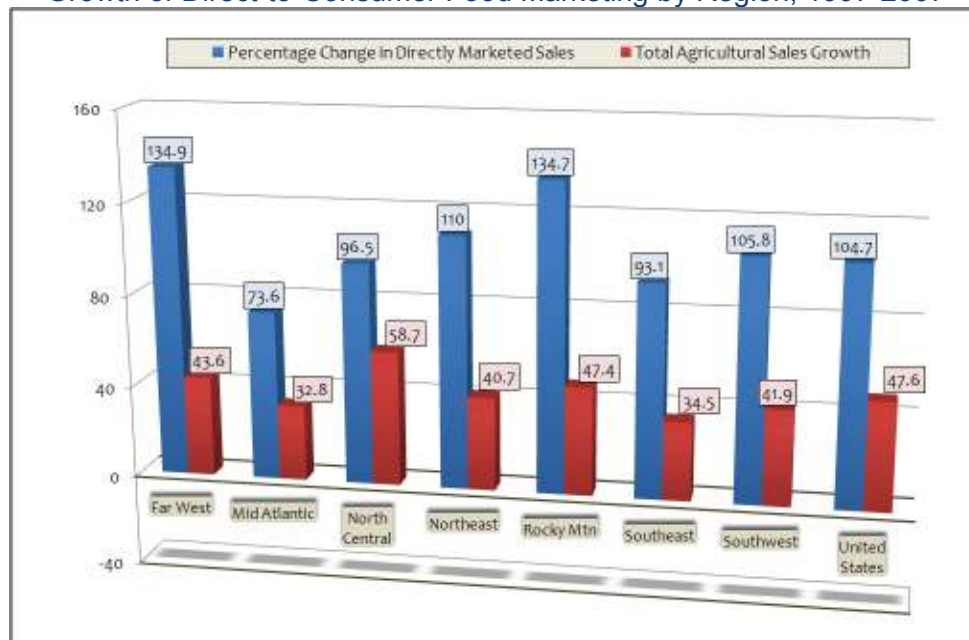
## Market Trends

“According to the latest data from the U.S. Agriculture Dept.'s Census of Agriculture, between 2002 and 2007 the number of American farms increased by 76,000 compared to a decline of 87,000 in the five years before that.”

“The U.S. Department of Agriculture today announced that the 2010 National Farmers Market Directory lists 6,132 operational farmers markets, representing 16 percent growth over the previous year.”



Growth of Direct-to-Consumer Food Marketing by Region, 1997-2007



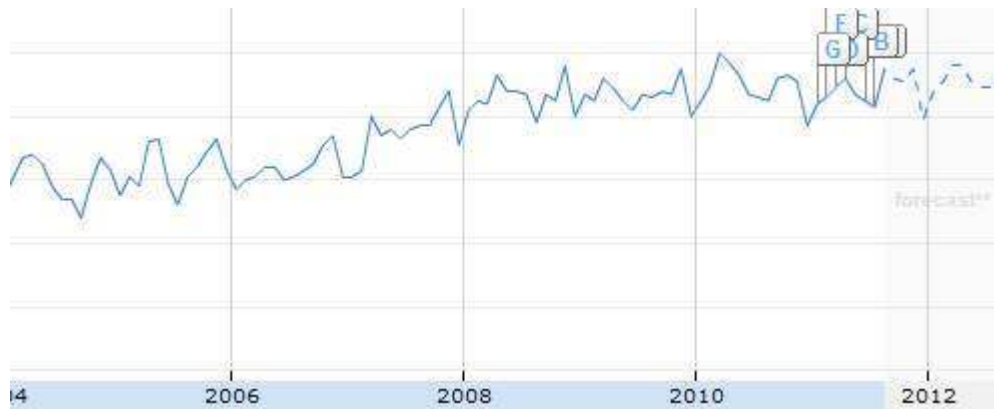
- In 2005, there were 1,144 community-supported agriculture organizations (CSAs) in operation in the US, up from 400 in 2001 and 2 in 1986. In early 2010, estimates exceeded 1,400, but the number is believed to be much larger.
- Direct-to-consumer sales in the US accounted for 0.4 percent of total agricultural sales in 2007, up from 0.3 percent in 1997.
- In 2008 Canadian farmers markets produced \$1.03 billion in annual sales, for a total economic impact of up to \$3.09 billion.

**The following are the findings of a 2006 Ipsos Reid Poll:**

- One-quarter (25%) of all Canadians have either read, heard or seen "a lot" about locally grown food - the same proportion as those who have read, heard or seen "a lot" about organic food.
- In the past six months, 42% of Canadians have been 'regular purchasers' of locally grown food, saying they "always" or "usually" purchased locally grown food when it was available. Another 38% say they "sometimes" chose locally grown when available, while only 20% "rarely or never" did.
- Those disproportionately likely to have heard "a lot" about locally grown food include:
  - Residents of British Columbia (31%)
  - Younger adults age 18-34 (28%)
  - Adults age 35 and older (30%)
  - Women (28%)
- Regular purchasers of locally grown food are disproportionately:
  - Age 55 and older (54%)
  - Women (46%)
- Whether they buy locally grown food or not, the majority (56%) of Canadians always (18%) or usually (38%) check to see where their fresh fruit and vegetables have come from when shopping.

**Google Searches on the keywords *local food* since 2004**

Interest per Google **web** searches on the words local food from 2004 to today.



The graph below shows the number of **news** articles during the same period.



## Market Definition & Objectives

The initial market is the CRD. The majority of advertisers will not want to advertise to customers who cannot realistically be expected to travel to their locations nor will customers be interested in products beyond their range of comfortable travel. In the CRD there is approximately:

- a population of 375,000 (total island is double) of which over one third are currently between 45 – 65 years of age.
- a total of 28,000 business with 0-19 employees of which 10% are related to food or hospitality and 0.5% to agriculture for approximately 2,800 food related businesses in the CRD.
- Each issue will require approximately 30 advertisers for a sales target of 0.01% of the total food, tourism and agricultural related businesses in the CRD.

## Advertiser Promotion Strategy

The magazine will be promoted directly to potential advertisers. Promotional efforts will focus on its value to them with regards to:

- Exposing their products to those who already buy products with related values
- Increasing demand for their products by raising the profile of the issues
- Creating a position for their product in the marketplace

## Distribution Area & Method

5000 magazines will be distributed to existing free distribution points on Vancouver Island and the Gulf Islands. Focus will be within the CRD.

Victoria	500
Saanich	500
Central Saanich	500
North Saanich	500
Oak Bay	500
Colwood	500
Metchosin	500
Sidney	250
Langford	250
Highlands	100
Esquimalt	100
Sooke	100
View Royal	75
Salt Spring	50
Galiano	50
Mayne	50
Pender	50
Saturna	50
<i>Advertisers</i>	<i>300</i>
<i>Media Outlets</i>	<i>75</i>
<b>Total</b>	<b>5000</b>

## Target Audience & Marketing Message

The magazine will target members of the Baby Boomer, X Generation and Millennials equally as they have all expressed interest in the local food movement in roughly equal proportion. Messaging will be based on the findings of the report "Harvesting Support for Locally Grown Food: Lessons Learned from the Be a Local Hero, Buy Locally Grown Campaign" and its seven year update. This 140 report is an analysis and commentary on the "lessons learned" from a successful, multi-year BUY LOCAL campaign in Massachusetts. The report can be found at: <http://buylocalfood.org/upload/content/Harvesting%20Support%20Manual.pdf>

See also their seventh year update at:

<http://www.buylocalfood.com/upload/resource/CISALocalHeroMarketResearchReport2006.pdf>

The report's findings are that *local economics, community, freshness* and *health* were the primary values of those participating and therefore a slogan along the lines of, "Buy Locally Grown: Better for You, Better for our Community" most accurately reflected them.

NOTE: Although it will not be a part of the primary messaging, it is expected that concerns about food security in terms of availability, freedom from pollution and cost will be major drivers of the trend to local food as concerns and impacts of peak oil, climate change and economic insolvency rise.

## Sponsor Promotion Plan

The magazine will include pages of coupons redeemable at any member outlet.. Members will be reimbursed by the magazine. Potential sponsors – companies or individuals who are not directly involved in the local food industry but who wish to support the magazines goals – will be offered the opportunity to do so by buying coupons as advertising. Sponsorship money will be divided 50% as revenue and 50% towards the coupons redeemable value. Thus each sponsor supports the local food movement by supporting 1) the magazine and its ability to evangelize, 2) the consumer by reducing the cost of local food, and 3) the producer by increasing their sales without additional cost. As a part of the public relations plan to develop a buy local campaign, a local currency and encourage a local economy, each coupon is called a "Vancouver Island Vote".

## Marketing Methods & Channels

For the launch, each issue, and on-going, Island Banquet Magazine will use a wide variety of minimal cost promotional methods and channels including some of the following marketing and public relations tactics:

- Press releases
- News tips
- Media interviews and stories
- Case studies
- Articles
- Posters
- Community Involvement
- Attend Special Events
- Gift Certificates
- Coupons
- Contests
- Internet Marketing
  - Social Media
  - Website ads
  - Blogs
  - Search Engine Optimization
  - Google Adwords/Adsense
  - Facebook ads

# Competitor Matrix

Company	Target Audience	Comments
Times Colonist	Community Paper	No food related ads
Local Papers	Community Papers	A few food related ads
Boulevard Magazine	High end lifestyle	A few food related ads
<b>Eat Magazine</b>	<b>High end lifestyle</b>	<b>Lots of food related ads</b>
Island Tides	Gulf Islands Residents	Very few food related ads
Monday Magazine	Alternative Lifestyle	Very few food related ads
Lookout Magazine	Military (navy) Families	No food related ads
Senior Living	65+	Very few food related ads
Greater Victoria Dining Guide	Mainstream (tourist) Dining	No local food ads
Island Parent	Parents of young children	No food related ads
Voyager (Nanaimo)	Mainstream tourism	A few food related ads
Farm Fresh	Local food consumers	Only published annually

## Competitor Analysis

Competitors are those who would be competing for the same *local advertisers dollars*. Of those listed above (reviewed in August, 2011) only Eat Magazine represents a real competitor. All the others contained either no or almost no food related (food, beer, wine, restaurants, etc.) advertisements. It is in fact surprising how little food related advertising there actually is. Only “Eat Magazine” had a significant amount of food related advertising and it also had *local* food related advertising and content.

## Competitive Advantage

The competitive advantage of Island Banquet magazine is its editorial focus on local food. No other publication in the region focuses exclusively on the local food market either in terms of its content or revenue.

## SWOT Analysis

Opportunities	Strengths	Weaknesses	Threats
Food is #2 advertising category after toiletries	Passion for and knowledge of issues	Lack of capital	Competition could easily publish similar
Long term, steady increase in search volume	Project management, customer service and operations experience	Lack of financing experience	Businesses advertise less in downturns
Help with marketing is identified industry need	Understanding of technical skills required	Lack of publisher experience	Some local food costs more*
Government, civic and industry support	Large pool of potential financial, technical and other resources	Lack of advertising sales experience	Seasonal nature of many advertiser businesses*

\*These points will be addressed in marketing messages.

## Financials (first year)

### Revenue Overview

- The magazine will be free to consumers.
- All first issue advertising will be sold before the issue is produced.
- The magazine will contain 40 pages with a sales target of 50% of each page. Each quarter page is priced at \$500. Twenty pages at \$1k each, plus covers, will bring in \$25k per issue.
- The magazine will contain two or more pages of classifieds advertising (text and display).
- Additional revenues will come from:
  - Web based advertising. All print advertisers get a 20% discount on web advertising rates.
  - monthly electronic newsletter with one sponsor per issue.
  - A margin on the cost to mail issues to subscribers.
  - On-line directory membership fees (\$100/yr). All advertisers get free membership. All members are listed in the on-line directory.
- Sponsors – companies or individuals who wish to support the magazines goals. Sponsorship money pays for coupons useable at any member outlet. Sponsors may also contribute to production costs.

### Display Advertising Rates

	1X	2X	4X
<b>Full Page</b>	1695	1595	1495
<b>1/2 Page</b>	895	845	795
<b>1/4 Page</b>	495	465	435
<b>1/8 Page</b>	295	275	255
<b>1/16 Page</b>	195	185	175
<b>DPS</b>	2995	2795	2595
<b>BC</b>	1995	1845	1695
<b>IFC</b>	1855	1755	1655
<b>IBC</b>	1595	1545	1495

### Classifieds Advertising Rates

<b>Text Only Ad</b>	<i>Frequency/Cost</i>
20 words <i>plus</i>	1x \$50
contact info	2x \$95
(address, phone,	3x \$140
email)	4x \$180
<b>Display Ad</b>	<i>Frequency/Cost</i>
2.25" wide x 3"	1x \$125
high	2x \$240
	3x \$350
	4x \$425

### Newsletter Advertising Rates

Newsletter Sponsorship (display ad) – (12 issues per year) \$250 ea.

### Web Advertising Rates

	1X	3X	12X
<b>Header home page</b>	275	245	225
<b>Header other page</b>	175	155	125
<b>Square any location</b>	75	65	55

### Sales plan

Sales will focus on both sponsorships and advertising. With a revenue goal of \$25k of space and an average sale being \$500 at least 50 sales will be required. With a due date of Dec 1 that will require ~1.5 sales per day – an activity target of 15 calls per day. Sponsorship and sales activity will occur in parallel. Sponsorships will be driven by the survey model.

## Revenue Summary

Type	Calculation	Per Issue	Annual (x4)
Display advertising	20 pages plus covers	\$25,000	\$100,000
Classifieds advertising			
Display	9 ads x \$285	\$2,500	\$10,000
Text only	12 ads x \$115	\$1,375	\$5,500
Web advertising	8 advertisers x \$155	\$1,250	\$5,000
Circulation	30 x 19.95/4 issues	\$250	\$1,000
Newsletter	\$250 x 12 issues	\$750	\$3,000
Directory memberships	100 members x \$100ea.	\$2,500	\$10,000
Sponsors	production contributions	\$1,250	\$5,000
<b>Total Revenue</b>	"all sold"	<b>\$34,875</b>	<b>\$139,000</b>

## Costs Summary

Type	Calculation	Per Issue	Annual (x4)
Printing	40 pages x 5k copies	\$3,500	\$14,000
<i>Some color</i>	\$2,000		
<i>All color</i>	\$5,000		
Design and layout	40hrs * 50\$/hr	\$2,000	\$8,000
Distribution	gas & ferry	\$250	\$1,000
Writers	\$500 x 5 article	\$2,500	\$10,000
Photography			
<i>Custom</i>	\$250ea. x 10	\$2,500	\$10,000
<i>Stock Photos</i>	\$50ea. x 10	\$500	\$1,000
Marketing	Internet, events, etc.	\$2,500	\$10,000
Telephone	cell phone charges	\$250	\$1,000
Miscellaneous Office		\$250	\$1,000
Licenses			\$100
Bookkeeping	\$50/hr * 2hrs	\$100	\$400
CPP contribution		\$500	\$2,000
<b>Sub Total</b>			<b>\$59,500</b>
Taxes payable	\$139,000 x 24%	\$8,750	\$35,000
<b>Total Costs</b>		<b>\$23,600</b>	<b>\$93,500</b>

## Profit/Loss

		Quarterly	Annual
	<b>Total Revenues</b>	34,875	139,000
	<b>Total Costs</b>	(23,600)	(93,500)
	<b>Profit/Loss</b>	<b>11,275</b>	<b>45,500</b>