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2024 Market trends & insights from DistriPress

## Making the most of the children's sector



### DistriPress Reports

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## Children's magazines: Most Valuable Product?

The children's sector has been consistently strong, weathering several market challenges. It can offer more than just magazine sales for savvy distributors and retailers



The children's character Bluey has been something of a phenomenon in magazines as well as on television. Immediate launched the officially licensed *Bluey Magazine* in 2021. It has grown its market share from 2.8% to 4.4% – the only title in the top 20 preschool market to grow both volume and revenue year-on-year.

In April this year, Immediate signed a deal with Blue Ocean, expanding the brand into Germany, Spain, Portugal and Poland, along with existing agreements in Australia, New

is now the company's second largest internationally licensed brand, after *Top Gear*.

The children's sector is the most valuable subcategory in UK magazines, with a more than £117m RSV. Immediate, the market leader with just under 40% of the market share, launches two to three new titles into the children's market a year. In line with the rest of the market, these are primarily based around existing intellectual property (IP).

"It's one of those subcategories where you see constant launches," says Martin Hoskins, Head of Newstrade at Immediate Media. "There's always a reason for shoppers to go back to that newsstand, because there's always something different or exciting taking place. There are also some really huge brands, from Peppa Pig, which isn't one of ours, Lego, Pokémon or Bluey. There are some really big IPs out there that can help draw shoppers into the newsstand space."

Investment in the children's sector for distributors and retailers also comes with the opportunity to sell add-ons, such as collectible trading cards, toys, stationery and stickers.



[LEGO Magazines](#)

## Market overview

Top 10 UK Magazine Sub Categories	Annual UK RSV	Share
Children's and youth	£117,518,931	18.80%
TV Listings	£115,427,924	18.50%
Traditional Women's Weeklies	£80,546,192	12.90%
Puzzle magazines	£50,519,757	8.10%
Women's lifestyle and fashion	£35,304,500	5.70%
Women's celebrity weeklies	£28,636,245	4.60%
Home interest	£27,278,244	4.40%
News and current affairs	£23,883,272	3.80%

Source: Frontline Group

The children's magazine sector is largely driven by impulse purchases. As a result, sales are driven by a combination of price, cover mount, IP and editorial. "There's a lot of pester power involved in buying decisions," says Hoskins. "Parents want to feel like it's value for money."

Unlike other big selling subcategories, publishers have been able to command a slightly higher price point. Educational value is also a factor for parents when purchasing, as discussed by Seymour publishing's Duncan Shearer [in a recent interview for InPublishing](#).

Category	Average Cover Prices*
Children's and youth	£6.13
TV Listings	£2.60
Traditional women's weeklies	£2.15
Puzzle magazines	£3.34

\*as of July 2024. Source: Frontline Group

This is partly due to the higher upfront costs of the IP licensing, but also the perception of value is not always driven by price, as Hoskins explains. "A cover mount should relate to the editorial in the magazine; that's a clear part of our strategy. Parents want to know that the product they are buying will keep their children entertained for a decent amount of time, that the toys will be played with again and again."

Title	CP	Cover and mount
1 POKEMON	5.50	Bouncy balls and cards
2 PEPPA PIG PLAY PACK MAG	6.99	Bumper underwater special
3 PAW PATROL	7.99	Dino playset
4 DISNEYS PRINCESS	6.99	Creative set plus mini-mag
5 PAW PATROL	6.99	Police playset
6 LEGO NINJAGO	6.99	Climbing Kai
7 FROZEN	4.99	Jewellery set
8 BLUEY	5.99	Grannies bumper set
9 GO GIRL	6.99	Keyring, x3 fidgets & pencil

Immediate follows three different publishing models: single licensed IP, compilation titles that combine several recognisable brands, and in-house brands, without any connection to licensed IP. With the upfront costs involved, licensed IP products naturally have a higher threshold for success compared to non-licensed brands, Hoskins explains. But these are the titles that tend to sell best into multiple territories.

“The brand is already established within that marketplace,” says Hoskins. “We have two models at play: we will either licence Bluey into overseas markets, or we might export the UK version. We've only really heavily focused on overseas markets over the past three or four years.”

Selling titles overseas can be complicated as the licence might be held by other publishers in certain territories, but partnerships and connections can open up routes to market. The Blue Ocean agreement, for example, was in part made possible by the fact that Hubert Burda owns both brands. That relationship has opened up several European markets for Immediate, and the company has made headroom in Australia and Canada. “We do better in English speaking markets as the editorial is English.”

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## Add-ons and collectibles

Some publishers are leaning further into the children's market towards collectibles. Italian publisher Sbabam started moving further into the toy and collectibles market in 2015. Now, almost 100% of their product offering is toy-based.

“Our main sales channel is still the kiosk and the newsstand, so for this reason, we produce gadgets and collectible toys, and mini books and small magazines. We don't really produce

Sales & Business Developer Manager at Sbabam and Cicaboom.

Sbabam's most popular lines include licensed products. Disney is one of the biggest, with sub-brands such as Disney Princess and Marvel doing well. Hello Kitty is one of the company's recent partnerships, with Sbabam acquiring the European licence 18 months ago. A critical consideration, says Fedeli, is which brands are selling well generally across newsstands.

"Children know that they can go to the kiosk or newsstand and find certain comics and magazines related to their favourite brands. If they find toys that relate to those brands too, that can be useful for generating add-on sales."

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## Joined up distribution

Distributors are also looking to maximise the children's market by utilising both magazines and add-ons. Germany-based MZV GmbH and Company KG (MZV) has a 100% owned subsidiary, Partner Medienservices GmbH, based in Stuttgart, for its non-press products such as trading cards. The Pokémon Company International TPCI has recently selected Partner Medienservices to distribute its Pokémon Trading Card Game, in Germany and across other territories.

"The children's market is very important for us," says Werner Hirschberger, Director Export and New Business for MZV, and Managing Director for Partner Medienservices GmbH.

MZV also works with Blue Ocean Entertainment. It is the clear market leader in Germany, with more than 50% market share in children's magazines. Another MZV client, Tema, is the market leader in the toy sector Tema (and is the parent company of Sbabam). Blue Ocean Entertainment, Topps and

players in the collectibles business, Hirschberger explains.

“Collectibles have been attractive for children and families for decades and there is no end in sight. We even expect that the passion for collecting may continue to grow.”

More IPs are set to enter the German and European market, he adds. “Our growth potential lies in helping suppliers develop their brands and providing access to the mass market in Germany as well as other countries. We aim to be a central partner internationally.”

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## Pricing and point of sale

Supermarkets play a big role in the sales strategy for children’s magazines and collectibles. Product placement is absolutely vital to ensure consistent sales, says Hirschberger. For example, placing trading cards or impulse toy products at the checkout counter of a supermarket.

“Presentation space on retail shelves or checkout counters of supermarkets for collectibles and toys along with costs and trade terms are clear challenges. If profitability is at risk, publishers and producers of collectibles and toys may shift the distribution of their products to channels other than press distribution.”

Get the product placement right, and it can have a positive impact on general sales for newsstands. Kirill Makurin, Executive Sales and Operations for Toysland Oü, explains that ‘pester power’ can bring more people into newsstands as children aim to build collections of toys or publications.

“Our experience shows that expanding the range of products in retail outlets by adding flowpacks and collectibles significantly increases the turnover of each point of sale,” he says. “A variety of choices attracts more customers and boosts sales.”

HOSKINS feels that despite the market being very busy and competitive, retailers are mostly getting it right. “From a retail point of view, it's making sure that they plan around the products by the various subcategories: the preschool market, primary boys or girls, etcetera, and making sure they're merchandising it. I think they do a great job.”

Retailers are very good at promoting and shouting about any new titles, which is more important for the subcategory than any other, says Hoskins. “They're great at letting their shoppers know when a new brand's out.”

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## A resilient – more sustainable – future

The children's market has proven more resilient than many other magazine categories, but it's not immune from pressures and trends affecting the wider sector. There are more and more premium-priced products for children, for example, which is a new trend.

“These are bumpers or exclusives, and people are prepared to pay, provided they see that value offering,” says Hoskins.

Parents are also paying more attention to the environmental impact of what they're buying, which has encouraged manufacturers like Toysland Oü to review the processes and materials they're using. “We pay great attention to the quality of our toys and the materials from which they are made. We constantly monitor new requirements for toys and fully comply with them.”

Ultimately, it's a hungry market, and publishers and distributors need to be on the constant lookout for the next *Bluey*.



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