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ANALYSIS OF CAPABILITIES AND NEEDS OF CANADA'S  
CULTURAL INDUSTRIES IN FOREIGN MARKETING

ANNEXES

Submitted to the  
Cultural Policy Division,  
Department of External  
Affairs

CPER Management Consulting Inc.  
March, 1985

CAI EA77 85A52

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ANNEX I: LIST OF INTERVIEWEES

## LIST OF INTERVIEWEES

### Film and Video

- 1) Ms. K. Avrich, Executive Director, Association of Canadian Film and Television Producers
- 2) Ms. I. Bennie, Isme Bennie International
- 3) Mr. J. Bouchard, Multimedia Audiovisual Inc.
- 4) Mr. R. Cohen, The Ronald Cohen Film Company
- 5) Mr. R. Cooper, Robert Cooper Productions
- 6) Mr. G. Cousineau, Association des Producteurs de Films du Quebec
- 7) Mr. R. Demers, Les Productions La Fete Inc.
- 8) Mr. M. Donovan, Salter Street Films
- 9) Mr. Ellis, Ralph C. Ellis Enterprises Ltd.
- 10) Mr. M. Hirsch, Nelvana Ltd.
- 11) Mr. S. Jephcott, Executive Director, Canadian Film and Television Association and Cyclops Communications Corp.
- 12) Mr. A. Link, Cinepix Inc. and DAL Productions
- 13) Mr. W. Macadam, Norfolk Productions Ltd.
- 14) Mr. P. Mortimer, Vice-President, Association of Canadian Film and Television Producers

- 15) Mr. M. Raymond, Les Productions Via Le Monde Inc.
- 16) Mr. E. Riley, Atlantis Films Ltd. and Atlantis Films International Ltd.
- 17) Mr. S. Roth, R.S.L. Films Ltd.
- 18) Mr. M. Roth, Canadian Motion Picture Distributors Association
- 19) Mr. W. Testar, Executive Director, B.C. Film and Video Industry Association

#### **Book Publishing**

- 20) Mr. M. Boucher, Presses Universite Laval
- 21) Mr. G. Bryson, Addison-Wesley (Canada) Ltd.
- 22) Ms. M. Cutler, Tundra Books
- 23) Mr. A. Del Busso, Le Boreal Express Ltd.
- 24) Mr. Doucet, General Publishing Ltd.
- 25) Mr. H. Foulon, Editions Hurtubise HMH Ltee.
- 26) Mrs. J. Hushion, Executive Director, Canadian Book Publishers Council
- 27) Mr. M. Lester, Lester and Orpen Dennys Ltd.
- 28) Mr. S. McIntyre, Douglas and McIntyre Ltd. and Douglas and McIntyre Educational

- 29) Mr. B. Newton, Gage Publishing Ltd.
- 30) Ms. L. Pepin, Association Quebécoise des Presses  
Universitaires
- 31) Mr. S. Reid, Holt, Rhinehart and Winston of Canada Ltd.
- 32) Mr. R. Sanders, Western Producer Prairie Books
- 33) Mr. P. Tisseyre, Societe des Editeurs de Manuels  
Scolaires du Quebec et Editions du Renouveau  
Pedagogique
- 34) Mrs. P. Yaffee, Executive Director, Association of  
Canadian Publishers

#### **Sound Recording**

- 35) Mr. Altman, Boot Records
- 36) Mr. P. Boivin, Quebec Disques
- 37) Mr. P. Christakos, Scorpio Nova International
- 38) Ms. L. Georges, L'Association du Disque et de  
l'industrie du Spectacle Quebécois
- 39) Mr. J. LaCoursiere, A & M Records
- 40) Mr. A. Mair, Attic Records
- 41) Mr. H. Peterson, Stoney Plain Records

42) Mr. B. Robertson, Executive Director, Canadian Recording Industry Association

43) Mr. E. Rosen, Executive Director, Canadian Independent Record Producers Association

#### Art Galleries and Dealers

44) Ms. M. Friedland, Miriam Friedland Galleries

45) Mr. C. Lamanna, Carmen Lamanna Gallery

46) Ms. S. Simpson, S.O. Simpson Art Gallery

47) Ms. M. Sheill, Waddington and Shiell Galleries

48) Ms. E. Yeomans, Professional Art Dealers Association of Canada

#### Periodical Publishing

49) Ms. D. Hoyle, Executive Director, Canadian Periodical Publishers Association

#### Provincial and Federal Officials

50) Mr. A. Bishop, Nova Scotia Department of Culture, Recreation and Fitness

- 51) Mr. G. Buick, Assistant Deputy Minister, Alberta Culture
- 52) Ms. J. Cohnstaedt, Deputy Minister, Department of Culture, Heritage and Recreation, Manitoba
- 53) Mr. C. Denis, Ministère du Commerce Extérieur du Québec
- 54) Mr. S. Hayes, Director of Marketing Consulting Services, Prince Edward Island Development Agency
- 55) Ms. J. Hayton, Market Development Assistance Program, Alberta Department of Economic Development
- 56) Mr. A. Horne, Director, Product Development Management Program, Department of Development, Nova Scotia
- 57) Ms. R. Jackson, Senior Film and Video Policy Officer, Department of Communications
- 58) Mr. W. Litwack, Director of Planning, Telefilm Canada
- 59) Mr. I. McLaren, Director of Distribution, Telefilm Canada
- 60) Mr. John Parsons, Arts Branch, Ontario Ministry of Citizenship and Culture
- 61) Mr. J. Perlin, Director of Cultural Affairs, Newfoundland
- 62) Mr. A. Rankin, Director, Cultural Affairs, Department of Community and Cultural Affairs, Prince Edward Island
- 63) Mr. K. Rogers, Assistant Deputy Minister, Saskatchewan Culture and Recreation

- 64) Mr. F. Rioux, Relations culturelles et de la coopération, Ressources historiques et culturelles (New Brunswick)
- 65) Ms. J. Rush, Director of International Marketing, Ontario Ministry of Industry and Trade
- 66) Mr. J. Saum, Trade Development Officer, Aid to Trade Program, Saskatchewan Department of Economic Development and Trade
- 67) Mr. S. Tobin, Director of Trade Services Program, Department of Commerce and Development, New Brunswick
- 68) Mr. J. Watt, Director of Cultural Industries, Department of Communications
- 69) Ms. B. Wakeham, Director of Prospect Development, Market and Product Development Program, Department of Development, Newfoundland

ANNEX II

INTERVIEW GUIDES

**INTERVIEW GUIDE FOR DISCUSSIONS WITH  
REPRESENTATIVES OF FIRMS**

**A. BACKGROUND**

**i) Purpose and Approach**

Our company, CPER Management is preparing a report for the Department of External Affairs that would provide the necessary information to the Department for developing a strategy for supporting the foreign marketing efforts of Canada's cultural industries. We are conducting three levels of research: 1) an analysis of data concerning the capabilities and achievements to-date of the cultural industries in penetrating foreign markets; 2) a review of federal and provincial programs and services which provide support to the foreign marketing of Canada's cultural industries and products; and, 3) an assessment of the industries' problems, prospects and needs concerning foreign marketing and sales, and how External Affairs could respond to these needs.

**ii) Purpose of Interview**

The purpose of this interview is primarily to identify the problems, needs and potential opportunities of your industry in foreign marketing. In order to do this we would

like to discuss the following topics:

- i) your firm's activities and achievements to-date in foreign marketing and sales;
- ii) the markets which you consider to be most promising for your industry and your firm's particular products;
- iii) the problems and successes which you have encountered in penetrating foreign markets; and,
- iv) your views on the prospects for your industry in foreign markets and your recommendations for assistance from External Affairs (both field operations and in Canada) in meeting your foreign marketing needs.

**iii) Confidentiality**

The results of these discussions will be treated as commercial confidential.

## B. THE FIRM YOU REPRESENT

Before proceeding to the questions concerning your firm's experiences and needs with respect to foreign marketing and sales, we would like to establish some facts about your firm. What is your firm's:

- language of products, if appropriate (e.g., percentage of English Language, percentage of French Language)?
- language of operations?
- age?
- country of controlling interest?
- legal status (limited partnership, private, publicly-traded)?
- size
  - number of employees?
  - total revenues?
  - number of products/productions per year?

What are your firm's:

- product lines/selected markets?
- sources of income (e.g., sales, rentals, co-productions, government support)?

## C. THE FIRM AND FOREIGN MARKETS

1. At which particular countries have your foreign

marketing efforts been directed? Why (e.g., size of market, ease of entry into market, government-to-government agreements, language, Canadian presence, such as programs of Canadian Studies)?

2. Over the past three years, what was the average proportion of total earned revenues accounted for by those earned in foreign markets? Has this proportion increased, decreased or remained relatively constant over the years? If not, why? e.g., Is this an inherent characteristic of the business? Were there particularly significant changes or swings in the market over this period?
3. What is the importance of these foreign revenues to your firm (e.g., increased production runs, more profitable than domestic sales, size of Canadian market?)
4. In which countries have sales been achieved? Specific product or consumer markets in these countries?
5. What is it that has sold your particular products in these individual countries (e.g., characteristics of the products which have particular appeal? Your marketing approach? Bilateral agreements? Canadian presence? Schools with Canadian studies programs? Cultural similarities and ties with Canada)?

6. Over what period of time has your firm been marketing in each of these countries?
7. What specific marketing and sales activities have been used by your firm for each country? (e.g., touring; media; fairs; major markets; direct advertising) What is the relative effectiveness of each of these types of activities in each of these countries?
8. How important are co-productions for achieving sales in these countries?
9. Do you have a local partner or agent in these countries? How important is a local partner/agent?
10. Which particular foreign countries and individual product/consumer markets do you consider hold the most potential for your products? What is the basis of your assessment (e.g., market information, sales achieved to-date)? Are there specific approaches in each of these markets which are most appropriate (e.g., straight export, rights, co-productions, local agents/distributors, licensing, subsidiary)? Please explain.
11. From which other countries does the major competition come for each of these markets? How well can Canadian companies compete with these firms? Why?

12. What is the relative profitability of foreign as compared to domestic sales? For: straight exports, sales of rights, co-productions?
13. What are the relative costs of marketing in Canada and abroad?
14. What are the reasons for your firm's limited success in other countries (e.g., characteristics of the market, including tariff and non-tariff barriers; characteristics and strengths of the competition, both indigenous and foreign; characteristics of your firm's marketing and sales efforts)?

**D. PROSPECTS, PROBLEMS AND NEEDS IN FOREIGN MARKETING EFFORTS**

15. You have previously identified (in #10 above) certain countries and individual markets within them, as having the most potential for increasing your firm's foreign sales. What are the major problems which confront your firm in penetrating these markets? What should you be doing that you are not doing? Why not (e.g., cost, time, expertise)?
16. Do you consider that other Canadian firms in your industry face the same or similar problems?
17. Have you received any assistance to-date from the

provincial or federal governments in specific markets or in developing foreign marketing capabilities in general?

- Program For Export Market Development (PEMD)?
- Trade Fairs and Missions?
- Book Publishing Development Program?
- Canadian Film Development Corporation (Telefilm)?
- Federal posts abroad?
- Other Federal?
- Provincial programs?

Please describe specific assistance: e.g., attendance at trade fair, major markets, incoming buyers, market studies, development of promotional materials, sales aids.

18. How effective/beneficial has each of these types of assistance been? Has your firm or an industry association compared their effects on sales - both long term and immediate? Please describe source and results.
19. What improvements, modifications or changes would you suggest? What benefits would you expect from these changes, improvements?
20. What suggestions would you make for federal initiatives (External Affairs, in particular) to assist in penetrating these markets? Describe the specific problems that would be addressed, the benefits you would

expect to flow from your suggestions and why this would be an appropriate role for government.

THANK YOU FOR YOUR COOPERATION AND ASSISTANCE

**INTERVIEW GUIDE FOR DISCUSSIONS WITH PROVINCIAL AND FEDERAL  
OFFICIALS ON PROGRAMS AND ISSUES CONCERNING FOREIGN MARKETING  
OF CULTURAL INDUSTRIES**

**Background**

Our company, CPER Management, is preparing a report for the Department of External Affairs that will provide the information needed to develop a strategy for supporting the foreign marketing activities of Canada's cultural industries. We are conducting three levels of research: 1) an analysis of data on the capabilities and achievements to-date of the cultural industries in penetrating foreign markets; 2) a review of federal and provincial programs and services which provide support to the foreign marketing of Canada's cultural industries and products; and, 3) an assessment of the industries' problems and needs and prospects concerning foreign marketing.

The report will be completed by the end of December and the results will be available through the Cultural Policy group of External Affairs.

The purpose of this interview is to acquire information about programs which support Canada's cultural industries in foreign marketing.

Cultural industries are defined in this study to include the film and video production and distribution

industries, book publishing, sound recording, galleries and art dealers and broadcasting.

#### The Program(s)

1. Does your department/ministry/program support the cultural industries in their foreign marketing efforts?
2. If yes, which branch/division or agency is responsible for it? Which particular programs? Activities?
3. What are the objectives of this program, e.g., cultural, economic?

#### Marketing Assistance

4. What types of marketing activities are supported by this program (e.g., market studies, trade fairs, advertising, promotion)? Sustained efforts or once-off, short term activities? Which is most prevalent?
5. Which cultural sectors and sub-sectors qualify for the assistance of your program(s)? (Sectors: i.e., book publishing, sound recording, etc.; sub-sector: distribution, production, etc.)
6. Do any industries/sectors apply more consistently than others? Account for a major portion of the support provided? If so, which ones? Is this due to the

industry, as a whole, being more active in foreign markets? Other reasons?

7. What types of assistance are provided (e.g., grants, loans, assistance-in-kind)?
8. What are the eligibility criteria for obtaining the program's support (e.g., ownership, professional or not, size of sales, track record in foreign/export sales)?
9. Are there specific countries/regions at which the program support is directed? If yes, which ones and why?
10. How much financial support did this program receive in 1983/84 FY? How much will this program receive in 1984/85 FY? Any data on the distribution of this support (e.g., between industries, particular countries)?
11. Are the individual activities which are supported by the program, evaluated/monitored to determine their effectiveness? If yes, how? Any results available? Copies?

#### Prospects, Problems and Needs

12. Are there particular foreign markets which you consider

hold the greatest potential for the sales of Canadian:

- films/video productions?
- books (text? trade?)
- records?
- art works?
- broadcast programming?

Please describe.

What factors is your view based on? (probe)

13. Are there particular characteristics of these markets which should be considered in the marketing/sales efforts of firms? (e.g., for efforts: sustained vs. short term, need for local partner, co-production vs. exports? for countries: government-to-government agreements, cultural similarities, Canadian presence?)  
Please describe. Implications for marketing activities?
14. What do you consider to be the major problems faced by each of the industries supported by your program(s) in penetrating foreign markets? (Discuss particular industries and particular markets.)
15. What are the major problems of these industries in the effectiveness of their marketing efforts in penetrating foreign markets?
16. What do you see to be the prospects for the various cultural industries in foreign markets - both overall

and individually? Particular problems which would have to be resolved in order to capture opportunities, improve prospects?

17. What do you suggest the federal role, and the role of External Affairs in particular, should be in responding to these needs? Programs in Canada such as PEMD? Fairs and Missions? Field offices abroad? (e.g., feasibility or market studies, support to development of sales aids, opportunity identification, assistance in finding local partners, etc.?)

## GUIDE DE L'INTERVIEWEUR - REPRÉSENTANTS D'ENTREPRISES

### A. RENSEIGNEMENTS GÉNÉRAUX

#### i) Objectif et approche

Le ministère des Affaires extérieures a demandé à notre firme, CPER Management, de préparer un rapport qui renfermerait tous les renseignements nécessaires à l'élaboration d'une stratégie à l'appui des industries culturelles canadiennes qui cherchent à pénétrer les marchés étrangers. Nous menons nos recherches sur trois fronts: 1) une analyse des données se rapportant aux capacités et aux réalisations des industries culturelles sur les marchés étrangers; 2) un examen des programmes et services fédéraux et provinciaux à l'appui de la commercialisation à l'étranger des industries et des produits culturels canadiens; et 3) une évaluation des problèmes, des perspectives et des besoins en matière de commercialisation de ces produits à l'étranger, ainsi que des moyens que pourrait utiliser le ministère des Affaires extérieures pour répondre aux besoins de l'industrie.

#### ii) But de l'entrevue

L'entrevue a pour but principal de recenser les problèmes, les besoins et les possibilités de votre secteur en matière de commercialisation à l'étranger. Pour obtenir ces renseignements, nous aimerions aborder les sujets suivants:

- i) les activités de commercialisation menées par votre entreprise à l'étranger et ses réalisations à ce chapitre;
- ii) les marchés que vous considérez les plus prometteurs pour votre secteur, de même que pour les produits qu'offre votre entreprise;
- iii) les problèmes et les réussites que vous avez connus au cours de vos activités de pénétration des marchés étrangers; et
- iv) vos vues au sujet des perspectives de votre secteur sur les marchés étrangers et vos suggestions quant à l'aide que pourrait offrir le ministère des Affaires extérieures (à l'étranger et au Canada) en réponse à vos besoins en matière de commercialisation à l'étranger.

### iii) Confidentialité

Les renseignements fournis seront considérés comme des renseignements commerciaux confidentiels.

## B. VOTRE ENTREPRISE

Avant de vous poser des questions portant sur les expériences que vous avez connues sur les marchés étrangers et vos besoins à ce chapitre, nous aimerions obtenir **les renseignements de base suivants au sujet de**

**votre entreprise:**

- la ou les langues dans lesquelles vos produits sont offerts, s'il y a lieu (pourcentage offert en anglais, pourcentage en français, etc)
- la langue de travail
- sa date de fondation
- le pays qui détient la participation majoritaire
- son genre (société en commandite, privée ou ouverte)
- sa taille
  - o nombre d'employés
  - o chiffre d'affaires
  - o nombre de produits ou de productions annuellement
- ses gammes de produits et ses marchés de prédilection
- ses sources de revenu (ventes, locations, co-productions, aide gouvernementale)

**C. L'ENTREPRISE ET LES MARCHÉS ÉTRANGERS**

1. Vers quels pays en particulier vos efforts de commercialisation ont-ils été dirigés, et pourquoi (importance des marchés, facilité d'accès, accords de gouvernement à gouvernement, langue, présence canadienne, programmes d'études canadiennes, etc.)?
2. Au cours des trois dernières années, quelle proportion en moyenne les ventes étrangères de votre entreprise ont-elles représentée par rapport au total des revenus? Cette proportion a-t-elle augmenté, diminué ou été relativement stable au cours des dernières années?

Pourquoi? Est-ce attribuable à une particularité de votre domaine d'activité?

Le marché a-t-il connu des changements ou des oscillations importantes pendant cette période?

3. Quelles répercussions ces revenus étrangers ont-ils pour votre entreprise (intensification de la production, bénéfices supérieurs à ceux réalisés sur les marchés intérieurs, taille du marché canadien, etc.)?
4. Dans quels pays avez-vous réalisé des ventes? Quels produits y sont particulièrement recherchés et quels sont les groupes de consommateurs visés?
5. Pourquoi vos produits se sont-ils vendus dans ces pays (caractéristiques qui rendent vos produits attrayants, stratégie de commercialisation, accords bilatéraux, présence canadienne, écoles ayant des programmes d'études canadiennes, ressemblances et relations culturelles avec le Canada, etc.)?
6. Depuis quand votre entreprise écoule-t-elle ses produits dans chacun des pays que vous venez de mentionner?
7. À quelles activités de commercialisation votre entreprise a-t-elle eu recours dans chacun de ces pays (tournées, médias, foires, marchés importants, publicité directe, etc.)? Quelle a été l'efficacité relative de chaque type d'activités dans chacun des pays en question?

8. Dans quelle mesure les coproductions vous ont-elles permis de réaliser des ventes dans ces pays?
9. Avec-vous un associé ou un agent sur place à l'étranger? Dans quelle mesure est-il important d'en avoir un?
10. Quels pays marchés, ou groupes de consommateurs étrangers offrent les meilleures possibilités en ce que concerne la commercialisation de vos produits? Sur quoi fondez-vous vos conclusions (renseignements sur les marchés, ventes réalisées, etc.)? Existe-t-il des stratégies qui conviennent plus exactement que d'autres à ces marchés (exportations directes, droits, coproductions, agents et distributeurs sur place, licences, filiales, etc.)? Expliquez s'il vous plaît.
11. Quels autres pays vous font directement concurrence sur chacun de ces marchés? Comment les entreprises canadiennes s'en tirent-elles? Pourquoi?
12. Dans quelle mesure les ventes à l'étranger sont-elles profitables par rapport aux ventes au Canada, et ce, pour les exportations directes, pour la vente de droits et les coproductions?
13. Quels sont les coûts de la commercialisation au Canada par rapport à ceux de la commercialisation à l'étranger?
14. Quels facteurs sont venus limiter les succès de votre entreprise à l'étranger (particularités du marché, y compris les barrières

tarifaires et non tarifaires, caractéristiques et points forts des concurrents indigènes et étrangers, nature de vos activités de commercialisation)?

**D. PERSPECTIVES, PROBLÈMES ET BESOINS EN MATIÈRE DE COMMERCIALISATION**

15. À la question 10, vous avez identifié certains pays et, à l'intérieur de ces pays, certains marchés qui présentent les meilleures possibilités d'accroissement des ventes étrangères de votre entreprise. Quels sont les principaux obstacles qui entravent la pénétration de ces marchés par votre entreprise? Quelles mesures y aurait-il lieu de prendre? Pourquoi n'avez-vous pas pris ces mesures (coûts, temps, connaissances spécialisées)?
16. À votre avis, les autres entreprises canadiennes de votre secteur font-elles face à des problèmes identiques ou semblables?
17. Jusqu'à maintenant, les gouvernements fédéral ou provinciaux vous ont-ils aidé à pénétrer des marchés précis ou, en général, à accroître votre capacité de commercialisation à l'étranger?
- Programme de développement des marchés d'exportation (PDME)
  - Foires et missions commerciales
  - Programme d'aide au développement de l'industrie de l'édition canadienne
  - Société de développement de l'industrie cinématographique canadienne (Téléfilm)
  - Missions canadiennes à l'étranger

○ Autres programmes fédéraux

○ Programmes provinciaux

Donnez les détails de l'aide offerte (participation à des foires commerciales, marchés importants, acheteurs en visite au Canada, études de marché, création de matériel publicitaire, services facilitant la vente, etc.).

18. Dans quelle mesure chacun des programmes d'aide susmentionnés a-t-il été efficace ou avantageux? Votre entreprise ou votre association commerciale ont-elles mesuré les répercussions immédiates et à long terme qu'ont eues ces programmes sur les ventes? Donnez la source et les résultats obtenus.
19. Quelles améliorations ou modifications proposeriez-vous? Quels avantages compteriez-vous tirer de ces améliorations ou modifications?
20. À votre avis, comment le gouvernement fédéral, et le ministère des Affaires extérieures en particulier, pourrait-il faciliter la pénétration des marchés en cause? Décrivez les problèmes précis qu'il faudrait régler et les avantages qu'entraîneraient vos suggestions, et expliquez pourquoi le gouvernement devrait jouer ce rôle.

MERCI DE VOTRE COLLABORATION

ANNEX III

SUMMARY OF GOVERNMENT PROGRAMS WHICH  
SUPPORT FOREIGN MARKETING OF FILMS, BOOKS,  
SOUND RECORDINGS AND VISUAL ARTS OBJECTS

## ANNEX III

### SUMMARY OF GOVERNMENT PROGRAMS WHICH SUPPORT THE FOREIGN MARKETING OF FILMS, BOOKS, SOUND RECORDINGS AND VISUAL ARTS OBJECTS

#### INTRODUCTION

This annex contains a brief summary of government programs and activities which are aimed at assisting the four sectors in their foreign marketing efforts. Assistance is provided through both dedicated 'cultural' programs and through some general trade support programs.

#### FEDERAL ASSISTANCE

Programs designed to assist the individual cultural sectors are outlined below. All of the sectors may also apply for support from the Program for Export Market Development (PEMD).

##### Assistance from Telefilm Canada

- The Broadcast Program Development Fund

This Program provides production assistance and is also aimed at addressing some of the financing problems faced by the industry through its script and project development and bridge financing assistance. The Program has an annual budget of \$50 million with a total of \$250 million.

- Telefilm's Foreign Offices

The following are the international support activities for the film and video industry which were being planned by Telefilm Canada's overseas offices in New York, Los Angeles, London and Paris at the time of this study. Some of the services below, if provided, may

be offered on a cost-recovery basis, for example, preview screenings that require a theatre. The types of services being planned are as follows:

- Production Development;
- Marketing Support;
- Cultural Promotion;
- Promotion of the Canadian Film and Video Industry;
- Information and Communications Services.

### **The Book Publishing Development Program (DOC)**

This is a financial assistance program of the DOC aimed at achieving both cultural and economic objectives. The cultural objectives are concerned with the development of Canadian writers and books and the economic objectives are concerned with increasing the financial viability and domestic market shares of Canadian-controlled publishers.

The Program consists of eight components of which two, the Foreign Rights Marketing Assistance and the Export Marketing Assistance components are aimed at assisting publishers in penetrating foreign markets. The Foreign Rights Marketing Assistance (FRMA) component provides travel and per diem grants to publishers to attend international book fairs for the purposes of buying and selling both finished products and rights. The annual FRMA allocation of the total BDP budget has been approximately 3% (\$150,000 - \$200,000). The component is administered by the Department of Regional Industrial Expansion.

The Export Marketing Assistance component assists publishers in funding promotional activities. Because of the demand for funds from this component and the limited budget it has, the average contribution to each publisher has been about \$4,000 - \$5,000. The funds are used, therefore, for such activities as mailings and brochures. The 1983 - 84 budget for the component was \$270,000. In 1984 - 85 the budget is \$375,000.

## The Program for Export Market Development (PEMD)

PEMD is designed to help develop and increase the export market of Canadian goods by sharing with businesses the financial risks of entering new foreign markets. PEMD is not intended to support normal export businesses, maintain existing foreign markets or win new business in markets where the supplier is already established. The following chart describes the various forms of assistance provided to Canadian companies under PEMD. The Program is delivered through the regional offices of the Department of Regional Industrial Expansion (DRIE).

Details of the project eligibility criteria and specific forms of assistance provided under each PEMD section are described in the following chart. The Program also has a set of overall eligibility criteria concerning eligible organizations and eligible applicants or firms which must be met by each project applicant. These eligibility criteria are as follows:

- PEMD is available to Canadian business operations which include the supply or manufacture of the product or performance of the service for which the PEMD assistance is required.
- Organizations eligible for assistance are: incorporated firms or partnerships or groups of such firms, firms of professionals (e.g., engineers, architects) recognized by and controlled under regulations of the federal or provincial association of the profession, or groups or partnerships of such firms.

Not eligible for assistance are: unincorporated companies, individuals or partnerships (other than those identified above), organizations from the public sector including Crown Agencies and federal or provincial marketing boards, and organizations exempt from tax under Section 149 of the Income Tax Act.

- To be eligible for PEMD assistance the applicant organization must:

- be established and operating in Canada;

- have sufficient operational experience to demonstrate that it has the ability or potential for competitive performance in foreign markets for the products or services concerned; and,
- have sound managerial and financial capability with positive net worth and working capital.

Program for Export Market Development (PEMD)

OBJECTIVES	COMPONENTS/ACTIVITIES	ELIGIBILITY CRITERIA	SPECIFIC ASSISTANCE PROVIDED
<ul style="list-style-type: none"> <li>- increase the export of Canadian goods and services by sharing with the business community the financial risks of entering new foreign markets</li> <li>- not intended to support normal export business, maintain existing foreign markets or win new business in markets where the supplier is already established</li> </ul>	<ul style="list-style-type: none"> <li>o <u>PEMD section A: Assistance for Specific Project Bidding</u> <ul style="list-style-type: none"> <li>- financial contribution to firms toward the cost of pre-contractual stages of bidding/proposing on a specific project which requires a bidding/proposal procedure</li> <li>- support not normally provided when more than one Canadian firm is competing for the same work</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>o overall program eligibility criteria concerning: organizations and individual firms</li> </ul> <p style="text-align: center;">PLUS</p> <ul style="list-style-type: none"> <li>o project criteria: applicant must demonstrate that:               <ul style="list-style-type: none"> <li>- the project is specific concerning the products, services and region and requires a bidding/proposal procedure</li> <li>- competent Canadian capabilities and sources exist for the goods and services involved</li> <li>- the contract would likely not be pursued without PEMD assistance</li> <li>- there is reasonable profitability of obtaining the contract</li> <li>- the contract would provide a significant net benefit to Canada</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>o May include:               <ul style="list-style-type: none"> <li>- <u>personnel costs</u> of daily allowance for time spent by company personnel working full time on the project in Canada of \$100 per day, \$150 per day while in travel status including two days travel time (for professional or equivalent personnel only)</li> <li>- 50% return economy air fare or equivalent to furthest point on approved itinerary (travel in Canada excluded)</li> <li>- 50% of special costs demonstrated as being necessary and having direct bearing on the success of the project (e.g., consulting, legal, translation, obtaining bid bonds)</li> </ul> </li> </ul>

## Program for Export Market Development (PEMD)

OBJECTIVES	COMPONENTS/ACTIVITIES	ELIGIBILITY CRITERIA	SPECIFIC ASSISTANCE PROVIDED
	<ul style="list-style-type: none"> <li>o <u>PEMD B: Market Identification Trips</u> <ul style="list-style-type: none"> <li>- assists in exploring a new market for Canadian goods and services</li> </ul> </li> <li>o <u>PEMD C: Participation in Trade Fairs Abroad</u> <ul style="list-style-type: none"> <li>- encourages participation in trade fairs where effective penetration of new markets is likely to result</li> <li>- firms must exhibit under their own name</li> </ul> </li> <li>o <u>PEMD D: Invitation to Incoming Buyers</u> <ul style="list-style-type: none"> <li>- shares the cost of bringing foreign business or government officials who influence purchasing decisions of their organizations, to Canada or to an approved location abroad</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Program Criteria re: organization and firm, any financial assistance provided must be repaid by the company if sales are made. Applications must be for a contribution of \$1,000 or more</li> </ul> <p style="text-align: center;">PLUS</p> <ul style="list-style-type: none"> <li>- project must: <ul style="list-style-type: none"> <li>o involve a geographical area that is new to the applicant or introduce a line of goods or services new to a market area</li> <li>o apply to goods and services available from existing Canadian sources and capabilities</li> <li>o be unlikely to take place without PEMD assistance</li> <li>o have a reasonable probability of success</li> <li>o make good business sense relative to its costs, the company's financial position and the expected benefits</li> </ul> </li> </ul>	<p>PEMD B: 50% of return economy air fare or equivalent to the furthest point on the itinerary plus a daily allowance of \$150 while abroad for a maximum of two full-time employees. A total of 2 days' travel plus 5 days in any one country</p> <p>PEMD C: 50% of return economy air fare or equivalent transportation plus a daily allowance of \$150 for a maximum of two full-time employees attending the fair for the duration of the two plus one day to set up and one day to dismantle the display and two days travel. 50% of the following trade fair costs, if incurred, will be reimbursed: space rental, display costs, special show literature up to a maximum of \$1,000</p> <p>PEMD D: 50% of the incoming buyers return economy air fare to the furthest point on the itinerary plus a daily allowance of \$150 for each business day the incoming buyer is with the host firm plus two days travel</p>

## Program for Export Market Development (PEMD)

OBJECTIVES	COMPONENTS/ACTIVITIES	ELIGIBILITY CRITERIA	SPECIFIC ASSISTANCE PROVIDED
	<p>o <u>PEMD E: Establishment of Export Consortia</u></p> <ul style="list-style-type: none"> <li>- assistance to Canadian companies (especially small and medium-sized) to form permanent export consortia. Participating firms are assisted to jointly establish a newly incorporated company to engage solely in the export of the Canadian products and services of those firms</li> <li>- assistance available under one or both of two phases, i.e., phase one involves a feasibility study to determine the viability of forming an export consortium; phase two involves the formation and initial operation of the new export consortium</li> </ul>	<ul style="list-style-type: none"> <li>- program criteria on organization and firm eligibility plus:               <ul style="list-style-type: none"> <li>o proposed consortium must be composed of a minimum of three eligible companies of which at least one is a manufacturer or contractor and it must be demonstrated that the goods or services of each of the other proposed members contributes to the marketability of the range of goods and services to be sold through the consortium</li> </ul> </li> <li>- must be demonstrated that the proposed consortium:               <ul style="list-style-type: none"> <li>o has a significant and credible potential for the export of Canadian manufactured goods and services <u>on an established and continuing basis</u>. A consortium established for the sole purpose of pursuing one project or contract will not be eligible</li> <li>o is likely to result in significant net benefits to Canada</li> <li>o would not likely be established without PEMD assistance</li> </ul> </li> </ul>	<p>PEMD E: <u>Daily allowances</u> for time of professional or management personnel of participating firms as follows: \$100 a day in Canada, \$150/day while in travel status outside of Canada. 50% of <u>return economy air fare</u> or equivalent to the point on an approved itinerary. A maximum of 20% of the total PEMD contribution may go to travel in Canada and a maximum of 20% to travel abroad.</p> <p><u>PLUS</u> 50% of <u>other costs</u> demonstrated as being necessary and having a direct bearing on the success of the project</p>

## Program for Export Market Development (PEMD)

OBJECTIVES	COMPONENTS/ACTIVITIES	ELIGIBILITY CRITERIA	SPECIFIC ASSISTANCE PROVIDED
	<ul style="list-style-type: none"> <li>o <u>PEMD F: Sustained Export Market Development Activities</u> <ul style="list-style-type: none"> <li>- assistance to Canadian exporters who wish to undertake a sustained marketing effort in a foreign market by establishing facilities on location</li> <li>- assistance available under one or both of two phases, phase one involves the development of a market penetration plan, consisting of a market study and a proposal, phase two involves the implementation of a market penetration plan</li> </ul> </li> <li>o PEMD 'R' not described here as it applies to Agricultural, Fish and Food products</li> <li>o PEMD 'S': provides support to associations</li> </ul>	<ul style="list-style-type: none"> <li>- program eligibility criteria for organizations and firms <u>plus</u> applicant should           <ul style="list-style-type: none"> <li>o have established export capabilities</li> <li>o there should be preliminary indications that the export market in question offers substantial growth opportunities to the firm and long term benefits to Canada</li> </ul> </li> <li>- in most cases the applicant will have already achieved a small market share at a low level of activity and will be seeking a greater market share through increased marketing by establishing facilities such as a sales office or a "sales and services" centre in the target area</li> </ul>	<ul style="list-style-type: none"> <li>- PEMD F: daily allowances of \$100 per day in Canada, \$150 per day while in travel status outside of Canada. 50% of the return economy air fare or equivalent to the furthest point in the approved itinerary. Travel costs in Canada are not eligible. 50% of other costs demonstrated as being necessary and having a direct bearing on the success of the project</li> </ul>

## PROVINCIAL ASSISTANCE

Two broad types of assistance programs and activities are outlined; those aimed specifically at assisting one or more of the cultural sectors in foreign marketing, and, general export assistance programs.

### NEWFOUNDLAND

- Department of Culture, Recreation and Youth

The Department of Culture, Recreation and Youth (Cultural Affairs Branch) provides limited support to foreign marketing activities of cultural industries and officials there reported that assistance is provided only if the federal Department of External Affairs in Canada or the posts abroad will participate financially (e.g., an art exhibit).

The province has no programs aimed at sound recording or film and The Publisher's Assistance Program does not directly support international activities. The visual arts sector was reported to be the most frequent recipients of support. No financial formula exists for determining the level of support provided.

- Department of Development

- Market and Product Development Program (MAPD)

Types of activities supported are as follows:

- a) new product research and development;
- b) promotion of new and existing products;
- c) product packaging and labelling;
- d) meeting potential clients;
- e) sponsoring trips to trade exhibitions and fairs.

The program's budget for 1984 - 85 is \$80,000 and is not

restricted to Newfoundland based companies. Support is 50% of costs up to a maximum of \$50,000 and is not repayable.

The program has been used minimally to assist book publishers for marketing analyses. No other cultural industries have applied to the Program.

#### PRINCE EDWARD ISLAND

- The Department of Community and Cultural Affairs

The Department has no formal policy or programs regarding the support of cultural industries in foreign marketing and the province is currently in the midst of a study on the industries. Individual activities are sometimes supported on an ad hoc basis, for example, the circulation in Japan of a PEI book.

- Prince Edward Island Development Agency (PEIDA)

- Marketing Consulting Service

Program supports both domestic and export activities.

Types of activities supported are as follows:

- a) sales assistance;
- b) product development;
- c) market education and research;
- d) advertising and promotion assistance;
- e) trade shows;
- f) product design;
- g) market familiarization and incoming buyers;
- h) marketing plans;
- i) licensing and joint venture;

j) export development.

As yet, the Program has supported only the video sector with advertising and promotion assistance. Companies must meet overall program criteria.

The PEIDA 1983 - 84 budget was \$1.4 million. Assistance can be made available on a grant basis or at shared cost.

## NOVA SCOTIA

- Department of Culture, Recreation and Fitness

The Cultural Affairs Branch provides support to books, visual arts and crafts, films as well as to the performing arts.

Financial support is provided to attend trade fairs and festivals as well as for artist's performances.

The budget is approximately \$100,000.

- Department of Development

- Product Development Management Program (PDMP)

Assistance is available to manufacturers on a 75% cost shared basis for:

- a) product design fees to a maximum of \$15,000 for a new product or redesign of an existing one;
- b) packaging design development costs;
- c) prototype labour and material costs up to a maximum of \$5,000.

PDMP is a grant program with a 1984 - 85 budget of \$75,000.

The Program has supported film companies to produce marketing brochures and literature, particularly for the

export market. Requests have not been made by other cultural sectors.

## NEW BRUNSWICK

- Relations Culturelles et de la Cooperation

The Department provides support to the foreign marketing of cultural industries through multilateral and bilateral agreements. There are no formal support programs.

The New Brunswick government is currently developing policies with respect to film and assistance has been provided on occasion to individual projects. For example, the provision of logistical support to a documentary crew which went to France.

Support to book publishing is limited to activities in Canada.

Officials reported that there is only one part time sound recording studio in the province and therefore this sector receives limited support. The Department has purchased and distributed records on a very small scale.

Assistance is provided to art galleries and dealers in conjunction with External Affairs. The New Brunswick government will pay for transportation and insurance to the first place and from the last place of an exhibition. As well, the Department participates in catalogue printing.

The estimated annual expenditures on foreign marketing of cultural industries is between \$30,000 - \$40,000.

- Department of Commerce and Development

- Trade Services Program

a) Trade Mission assistance is available for foreign and domestic markets. This section is department initiated and provides sharing of approved costs with a per diem.

b) Trade Show assistance is also department initiated and varies in the amount of support provided.

- c) Incoming Buyers Missions support is based on travel costs of buyers plus a per diem.

In addition, the Department offers such services as market information and intelligence, tariff and documentation data, transportation information and trade show information.

Budget figures were not available.

The cultural sectors were reported to not be eligible for this assistance.

## QUEBEC

### • Ministère du Commerce extérieur

#### - Aide à la promotion des exportations (APEX)

- i) Market Identification Assistance: per diem of \$110 in Canada and \$125 abroad applies with a maximum of \$5,000 per project. Translation and transportation costs are shared 50%.
- ii) Trade Show Assistance: maximum contribution of \$10,000 per project, same costs shared as (i) with other eligible costs shared at 50%.
- iii) Market Development Plan: assistance is available to set up foreign sales office, warehousing, distribution networks, etc. Minimum level of support is \$10,000 with a maximum of \$50,000 over 12 months only. Same costs shared as (i) with other eligible costs shared at 50%. This program is directed at companies with annual sales in excess of \$1 million.

APEX budget for 1984 - 85 is \$5 million. In 1983, 153 grants were provided.

#### - Fairs and Missions

Assistance is available for exhibitions and missions

organized by the Department varying from 50% to 100% sharing of costs.

Budget for 1984 - 85 is approximately \$1.5 million.

- Courses and Seminars

Preparatory courses and seminars vary in length from 4 to 30 hours for Quebec based companies interested in exporting. Some costs shared.

- Marketing Management Program

Three types of assistance available:

Section A: market studies with 60% sharing of eligible costs up to a maximum of \$15,000.

Section B: Outside marketing consultants fees shared at 60% to set up a marketing organization. Maximum of \$15,000.

Section C: Design of marketing related publications shared at 40% up to a maximum of \$10,000.

1983 - 84 budget was \$4 million.

Assistance is also available to support bringing in incoming buyers.

Financial statements must be submitted and show sales of more than \$200,000 for cultural industries. For other industries, sales must be more than \$500,000. Companies do not qualify if they receive PEMD assistance. All cultural sectors qualify for assistance under these programs.

- Societe de Developpement Industriel du Quebec (SDI)/Quebec Industrial Development Corporation (QIDC)

- Program for Exports

- a) Creation of a Consortium

Assistance is granted on the basis of a minority capital interest and/or a temporary basis in one of the following forms: (i) loan convertible into the business's shares; (ii) shareholder advance; and (iii) acquisition of shares.

Budget for 1983 - 84 totalled \$869,000.

- b) Assistance for Identification and Establishment in New Markets

Companies with sales of less than \$25 million are eligible for 80% cost sharing of eligible expenses while those companies with sales over \$25 million are eligible for 50% cost sharing. Assistance up to a maximum of \$400,000 is available and is repayable over five years. This is the same type of assistance as PEMD "F". Budget for 1983 - 84 totalled approximately \$12 million.

- c) Financing Exports

Financing is available in addition to regular financing for exporting of goods and services and major contracts.

Budget for 1983 - 84 totalled \$2.2 million.

## ONTARIO

- Ministry of Industry and Trade

- Fairs and Missions - Incoming Buyers

- Export Success Fund (\$6.0 million in FY 84 - 85)

50% cost sharing (non-repayable) up to \$35,000 per annum

for:

- a) market research by outside consultants;
- b) on site market assistance;
- c) product modification, package design;
- d) registering patents and trademarks, preparing promotional material, undertaking product demonstrations, warehousing;
- e) capital projects (loans up to \$50,000) for prefeasibility and feasibility studies, bid preparation, insurance premiums for bids and performance bids.

- Export Consulting

Provision of market data, organizing export seminars, and export publications.

- International Marketing Intern Program

50% cost sharing of the salary of a recent graduate (up to \$15,000 per annum) for up to 2 years.

- New Exporter Border State Programs (NEBS)

Educational program whereby companies new to exporting are bussed to Buffalo (or Cleveland) for walk through of customer facilities, meetings with customs brokers, Canadian consulate staff, agents, etc. (first year of operation only).

- Foreign Offices

There are 14 around the world, of which 8 are in the U.S.

- Ontario House (International Offices Branch)

The facilities of Ontario House in London, England have been used by cultural industries' officers as a base for their operation while on business travel there.

These programs are open to the cultural sector if the specific proposals submitted are judged to make sense by program officials. The Programs are looking for projects which will increase Ontario's exports and increase the provinces wealth and employment. Support has been provided to the book publishing industry and to the sound recording industry. There is a separate section in the Ministry for film and video companies.

● Ministry of Citizenship and Culture

The Ministry does not provide direct trade assistance to the sectors for foreign marketing activities but does work with the Ministry of Industry and Trade on its programs.

MANITOBA

● Department of Culture, Heritage and Recreation

This province is in the process of establishing a comprehensive cultural industries policy, excluding galleries and perhaps crafts. Officials of the Department reported that as the policy progresses it will include marketing and distribution-related initiatives.

Manitoba has signed a sub-agreement under ERDA which is aimed at strengthening the opportunities for Manitoba's interests in Canada and abroad in the areas of communications and culture. The province is putting in \$21 million to act as the seed money for increased production. Over the 5 year period the province will be examining issues related to pre-production, production, marketing and distribution and infrastructure. Programs are to be developed over the five year period.

● Department of Economic Development and Tourism

- Trade Assistance Program

- a) Trade Shows - the Department will share up to 50% of eligible costs to a maximum of \$2,000 for companies participating in approved trade shows;
- b) Trade Missions - the Department pays 50% of costs up to a maximum of \$2,000 for companies invited to participate.

The 1984 - 85 budget for the program is approximately \$400,000. Cultural industries is estimated to account for about 10% of the budget.

The province also provides individual export counselling through six offices, has a trade information library and undertakes export related seminars.

The emphasis of the Program is on manufacturing. Direct support is provided to book publishing. Indirect support is provided to film and video and sound recording if the company manufactures equipment.

SASKATCHEWAN

● Department of Economic Development and Trade

- Aid to Trade Program

- a) market research, 50% of costs shared;
- b) product promotion, 50% of costs shared;
- c) trade fairs, 100% of costs shared;
- d) trade missions, 100% of costs shared;
- e) incoming buyers, 50% of costs shared;
- f) sample shipments, 50% of costs shared.

This program is not repayable and can be used abroad as well as in Canada.

The Program budget for 1984 - 85 is approximately \$400,000.

## ALBERTA

### • Alberta Culture

Alberta Culture has no actual programs for the support of international marketing of the cultural sectors. However, there may be a program developed for the provinces' industries overall. Some individual activities are used to assist the cultural industries abroad. Examples are:

- support to individual film makers to attend conferences to conduct direct marketing or to establish contacts;
- financing of author tours;
- participation in the London Book Fair (although it was organized by the writers and publishers association and the Department of Economic Development); and,
- travel assistance to artists to participate in exhibitions.

Sound recording companies have not received assistance to-date but travel funds might be available to individual recording artists. As well, the Alberta Fund for the Performing Arts distributes lottery funds for the marketing of products, getting them abroad and record production.

### • Department of Economic Development

#### - Market Development Assistance Program (MDAP)

The Department uses this program when PEMD has turned down the proposal for export activities. MDAP also covers domestic marketing. The per diem while in travel status is \$125, in Canada it is \$100. Each company is allowed a maximum of \$5,000 per fiscal year.

Total Program budget is \$300,000.

- Trade Missions

Active programs for which budget is included in each geographic division of department, consequently no separate budget available for programs. Normally this is not a cost sharing program.

- Trade Shows

Normally, department shares 50% of costs for exhibit expenses only. An up front participation fee is charged.

Program officials report that as long as the goods and services are made in Alberta they could set support (regardless of sector). The Program is for manufactured goods and services for sales abroad.

BRITISH COLUMBIA

• Ministry of Industry and Small Business Development

- Trade Mission Program

Ministry selected companies participate in missions with up to 100% cost sharing of transportation and official receptions.

Total budget of \$1.0 million for fiscal 1984 - 85.

- Market Development Assistance Program

The Ministry pays return airfare for one person to a maximum of \$2,000.

Total budget of \$1.0 million for fiscal 1984 - 85.

- Incoming Buyers Program

The Ministry will pay return airfare for one buyer up to a maximum of \$2,000.

Total budget of \$0.4 million for fiscal 1984 - 85.

- Trade Show Assistance Program

The Ministry may pay 50% of eligible costs up to a maximum of \$2,500 for a company to participate in a trade show.

Total budget of \$0.4 million for fiscal 1984 - 85.

ANNEX IV

COMMENTS MADE BY THE CANADIAN PERIODICAL  
PUBLISHERS ASSOCIATION

## ANNEX IV

### COMMENTS MADE BY THE CANADIAN PERIODICAL PUBLISHERS ASSOCIATION

#### INTRODUCTION

The focus of this study was on four cultural sectors (i.e., book publishing, sound recording, film and video and private art galleries and dealers).

In the course of the study we were approached by the Canadian Periodical Publishers Association concerning the needs of the periodical publishing industry with respect to foreign marketing. The views expressed are as follows:

#### Importance of Foreign Markets

The following points were made about the importance of foreign markets to Canadian periodical publishers:

- Special interest magazines in Canada were reported to have limited subscriberships in Canada. The limit for individual subscribers was considered to be between 500 and 800 and approximately 500 for institutional subscribers. This limited circulation base is considered to be too small to maintain the magazines as financially viable operations.
- For literary magazines, international markets were considered to be important due to the size of the Canadian market for such publications and for building a reputation in this market. The assistance of the Canada Council and the Ontario Arts Council were said to have been extremely useful to the industry in developing high quality, literary magazines capable of competing effectively in international markets.
- Medium-size periodical publishers were said to be jumping into the consumer market and therefore competing with the large circulation, 4 colour magazines of U.S. publishers. The U.S. products

of similar quality are offered at lower prices than the Canadian products. Non-domestic sales were seen as a means for increasing the sales base of these costly productions.

- It was reported that foreign markets are considered to be important by magazine publishers but that they place priority on the following, in descending order:
  - renewing Canadian subscriptions,
  - developing new Canadian subscriptions,
  - developing international subscriptions.
  
- However, it was reported that interest in international markets is growing among publishers because Canadian mailing lists were said to be "wearing out".

#### Major Foreign Markets

- The United States and England were identified as the most likely potential markets for long-term subscribers. The following sub-sectors and specific product lines were identified as holding the most potential for international success:
  - Canadian studies programs and conferences,
  - literary magazines,
  - visual arts and native crafts magazines,
  - children's magazines,
  - nature publications,
  - feminist publications,
  - political alternatives' publications,
  - scholarly journals, and,
  - some news and opinion journals.

## Problems, Barriers and Needs Affecting Foreign Market Penetration

### Problems

- The CPPA official interviewed stated that, aside from other priorities, one of the reasons Canadian publishers have not made significant efforts to penetrate foreign markets was because postal rates are so high.

### Foreign Marketing Requirements

The following requirements were identified for effective foreign marketing of periodicals:

- There is a need to find a person in Britain who is knowledgeable about buying mailing lists and can distinguish between those which are useful and those which are not.
- It was suggested that Canadian publishers require knowledge of buying patterns in foreign markets. For instance, it would be important to know whether foreign buyers are more prone to buy at newsstands or through subscriptions. These patterns have significant implications for marketing strategies.
- Other information required is that concerning mail regulations.

### Suggested Roles for External Affairs in Assisting Periodical Publishers To Penetrate Foreign Markets

The following suggestions were made:

- It was suggested that the DEA Posts provide to visitors of their libraries, copies of the cooperative publishers' catalogue. As well, it was suggested that the Posts 'showcase' Canadian

magazines.

- An example of a valuable effort on behalf of DEA's officials in Dallas was that of dropping off Canadian publishers' magazines at a Canadian Studies conference. It was suggested that this effort be emulated elsewhere.
  
- Finally, the CPPA considered that DEA officers abroad could provide to the industry, information on facts such as where people buy magazines and details on postal regulations. It was suggested that DEA officials meet with several circulation directors of British magazines to discuss with them matters of demographics, buying patterns, how to determine what a good response is to a particular promotion campaign, etc.

#### **Comments on PEMD**

- The comments made about PEMD were relatively general, as follows:
  - PEMD 'S' is very difficult to find out about,
  - It would likely be difficult for periodical publishers to acquire PEMD assistance to increase their subscriber lists.

ANNEX V

STUDIES AND REPORTS REVIEWED

## ANNEX V

### STUDIES AND REPORTS REVIEWED

- 1) Recorded Music Market, Frost and Sullivan Inc., NY, NY, January, 1981
- 2) Profile of the Book Publishing Industry, March 1983, CPER Management Consulting Inc. (Department of Communications)
- 3) Extract From the Woods Gordon Study on the Canadian Sound Recording Industry, (Department of Communications)
- 4) A Discussion Paper on The Foreign Rights Marketing Assistance Program, Department of Regional Industrial Expansion, December 1983
- 5) Canadian Cultural Industries, Broadcasting, Publishing, Records and Film, P. Audley, James Lorimer and Co., Publishers, Toronto, Ontario, 1983
- 6) Cultural Statistics, Book Publishing Industry: A Financial Analysis 1978 - 1981, Statistics Canada
- 7) The French Market for Sound Recordings, Woods Gordon (Department of Communications), 1983
- 8) Submission by the Canadian Book Publishers Council on Book Publishing Policy, 1984
- 9) Submission by the Association of Canadian Publishers on Book Publishing Policy, 1984
- 10) Report to the Minister of Citizenship and Culture by the Special Committees for the Arts, Government of Ontario, 1984

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