

# Audit Bureau of Circulations: a perspective on rule changes

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October 14, 2008

# What I'll cover over the next few minutes...

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- ❑ NAA/ABC Circulation Subcommittee; who, what, why
  - ❑ A few issues being worked today
  - ❑ Flexibility and simplicity in the future
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Audit Bureau  
of Circulations  
Board of Directors



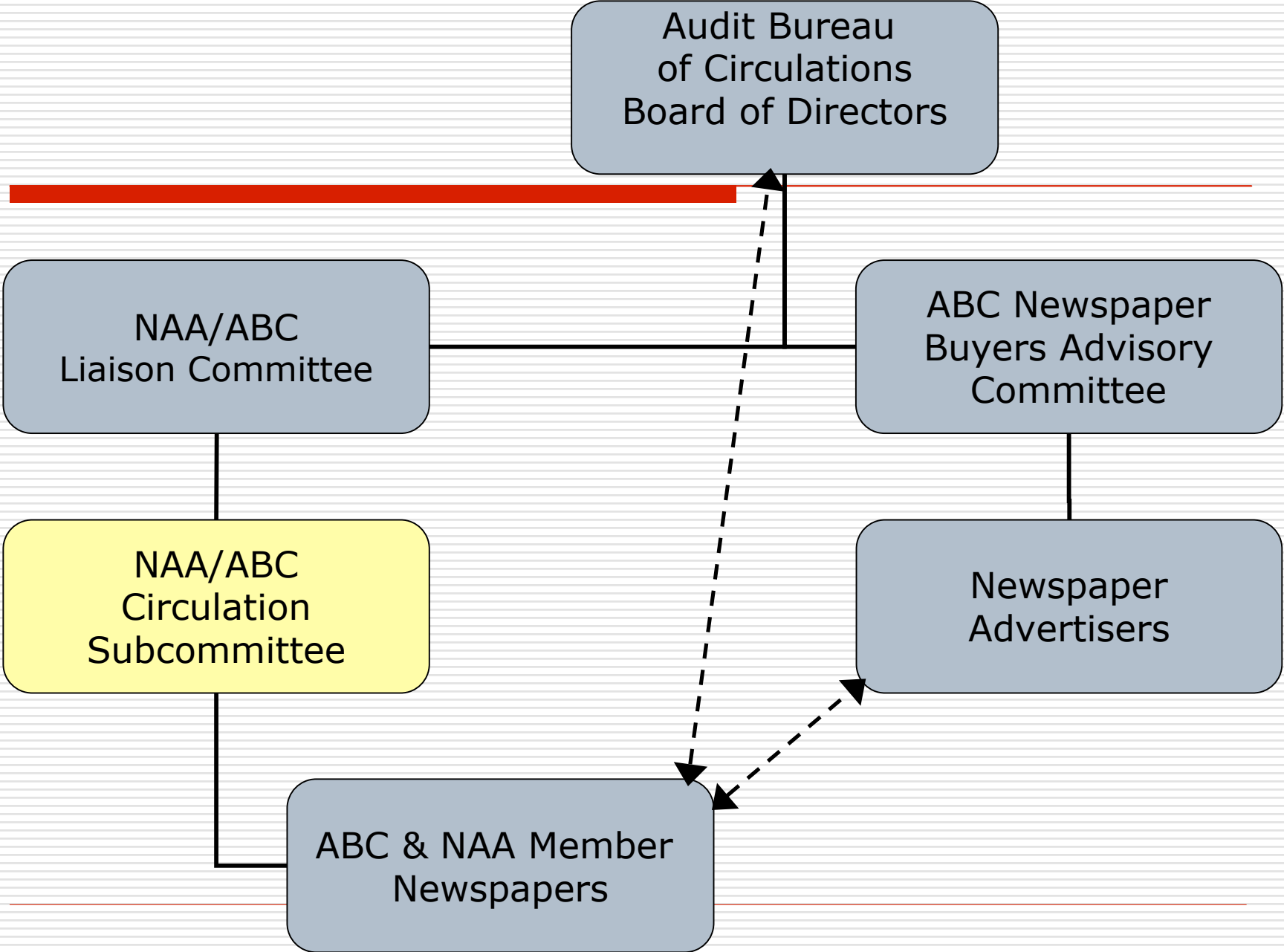
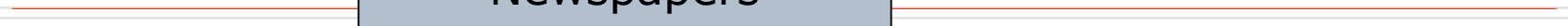
NAA/ABC  
Liaison Committee

ABC Newspaper  
Buyers Advisory  
Committee

NAA/ABC  
Circulation  
Subcommittee

Newspaper  
Advertisers

ABC & NAA Member  
Newspapers



# NAA/ABC

## Circulation Subcommittee

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Jim Boyd: *News-Sentinel, Knoxville, TN*

Manuel Collazo: *Lee Enterprises, Davenport, IA*

Al Cupo: *Suburban Newsppr Assn, Harleysville, PA*

Doug Davis: *News-Journal, Daytona Beach, FL*

Rick Deaver: *Tribune-Herald, Waco, TX*

Jeff DeLoach: *Caller-Times, Corpus Christi, TX*

Cindy Doege: *Star-Tribune, Minneapolis, MN*

Jim Galetano: *Daily Herald, Arlington Hgts, IL*

Steve Hesse: *Media News Group, Denver, CO*

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# NAA/ABC

## Circulation Subcommittee

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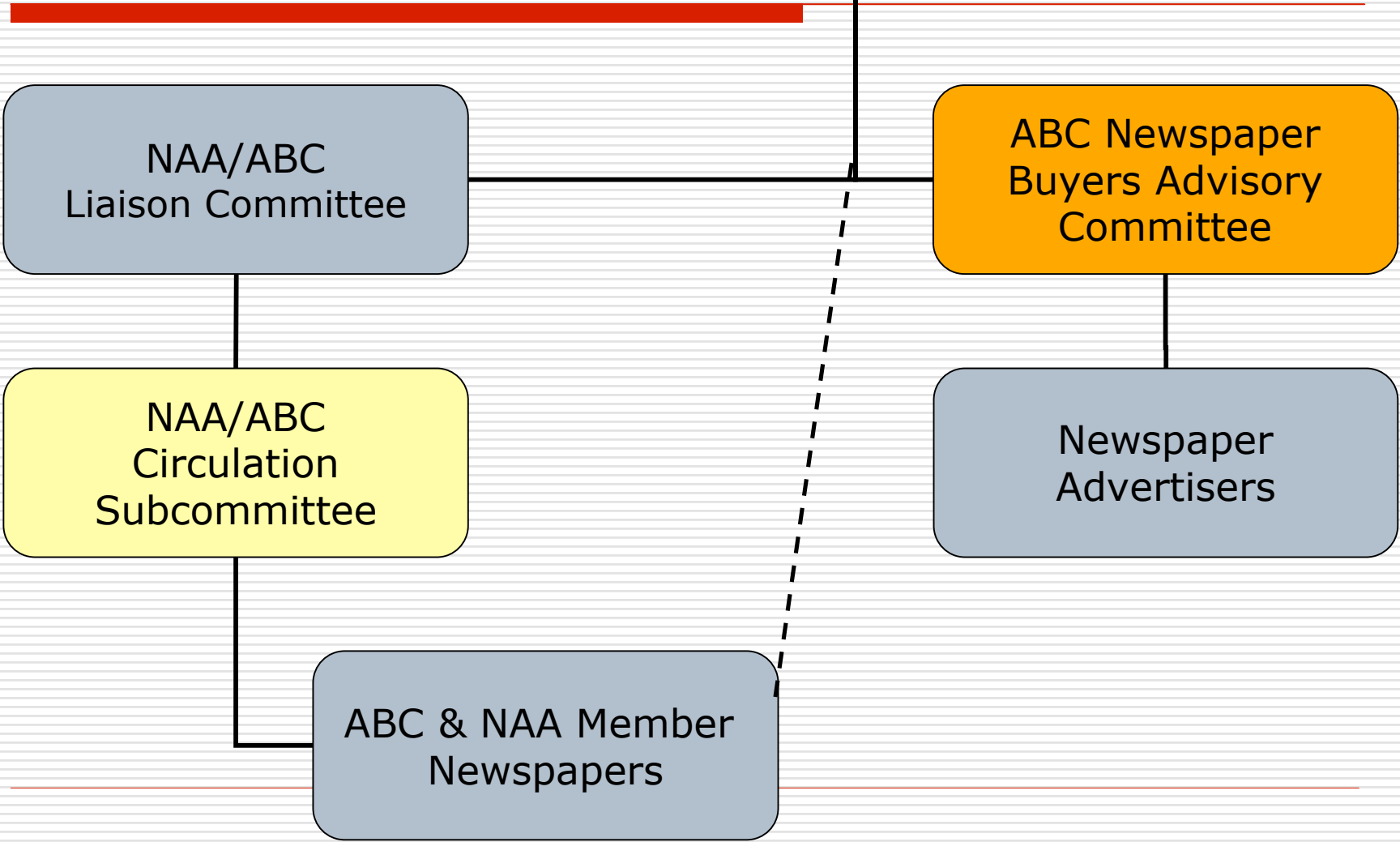
- Martha Hines: *Press, Grand Rapids, MI*
- Helen Hoffman: *Gannett, Inc., McLean, VA*
- Michael Murray: *Journal Register, Yardley, PA*
- Rob Pryor: *Capital-Gazette, Annapolis, MD*
- Mark Quan: *Virginian-Pilot, Norfolk, VA*
- Valecia Quinn: *Enquirer, Cincinnati, OH*
- Joe Salomone: *Dow Jones, Princeton, NJ*
- Steve Urbish: *Packet, Princeton, NJ*
- Steve Wagenlander: *Post&Courier, Charleston, SC*
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# Subcommittee role

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- ❑ Meets prior to each ABC Board meeting (March, July, November)
  - ❑ Circulation directors providing “what would I do” *input* on Rule Change Requests by member newspapers, Proposals from other industry committees, and *recommendations* on items referred by the NAA/ABC Liaison Committee.
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# Forces of change in recent initiatives

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- ❑ Advertiser concerns about transparency and quality of paid circulation, esp. Other Paid.
  - ❑ Qualification & Reporting Task Force recommendations for Paid and Verified circulation qualification & reporting.
  - ❑ Easier, cheaper, faster audits – with flexibility and simplicity desired by all newspapers.
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# Example #1:

## Electronic edition reporting

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- ❑ Newspapers want to report replica electronic circulation by distribution channel.
  - ❑ ROP advertisers want circulation that reflects eyeballs exposed to their ads.
  - ❑ Preprint advertisers want circulation that contains, or could, preprint advertising.
  - ❑ Circulation Subcommittee group proposes a format that calls out replica electronic circulation within each Core Newspaper category.
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# Example #2:

## Average Price reporting

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- ❑ Will Forced Opt-Out Frequency Conversions, Universal Pricing, and "25% of Basic Price" reporting enable Bonus Days on Steroids?
  - ❑ Some advertisers request a "trust and verify" device to gauge "before and after" circ price/volume effects of the several April 2009 rule changes
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# Example #3: Registered College Student Copies

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- ❑ Under current rule changes, RCSC becomes Verified Circulation in October 2010
  - ❑ Some newspaper members request these be counted as Paid Circulation, using readership, Hotels and Group Subs as the rationale
  - ❑ How many other categories of circulation will be appealed for inclusion in Paid Circulation?
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# Conclusion

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- ❑ Advertisers agree that Paid is “Paid at any Price”. Verified has value, too.
  - ❑ Let’s stick to the plan and discipline to make Paid and Verified work.
  - ❑ It’s in our interest to keep the rules as simple as possible.
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# Questions?

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Thank You

# April 2009 Improvements

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- Flexible Pricing to qualify paid circulation
  - Flexible Paid Upgrade Conversions to subscription frequencies with Opt-Out
  - Bi-annual ABC audits for 75K> circulation newspapers, no Day-of-Wk for 50K> pprs
  - Miscellaneous rule simplifications
    - Remove reciprocity for days omitted from averages
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# October 2010 Improvements

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1. Paid for by Individual Recipients
  2. Paid Business/Traveler Circulation
    - Group business subscriptions
    - Copies delivered/available at hotels
  3. Verified Circulation is everything else
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- Simplified geographical reporting  
(Zip Code reporting remains core)
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# Verified Circulation Categories

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- Home Delivery – Requested
  - Home Delivery – Targeted
  - Other Verified Distribution
    - Classroom copies in schools
    - Employee copies at newspapers
    - Public venues for patrons
    - Hospitals, restaurants, doctors offices, personal care salons...
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# (1) Preprint Projection Center

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## □ Launched April 2008

- Allows newspapers to provide confidential distribution forecasts to help advertisers better gauge printing and production requirements for insert (FSI) advertising months in advance.
  - Circulation data is privacy-protected: advertiser members have free access to all the newspaper data; publishers are unable to open other newspaper data.
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# Preprint Projection Center guidelines for newspapers

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- Monthly projections for:
    - Home delivery and single copy by ZIP code
    - ZIP code by zone
    - ZIP code by day-of-week
  - Provide detailed explanations, as appropriate, including a contact person at the newspaper to handle follow-up questions from advertisers.
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- ❑ Pass/fail IVS at 96% eff 7/08
  - ❑ Separate basic p for e-editions, 1<sup>st</sup> pp
  - ❑ <50K biannual audit, d-o-w , 10/08
  - ❑ 50K < X < 75K, biannual 4/09, ppc
  - ❑ Forced conversions opt-out, 2006 1<sup>st</sup> pp,  
2<sup>nd</sup> pp deferred
  - ❑ Average price
  - ❑ Web site metrics
  - ❑ Pub Statement report format
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