



Joint industry body moves newspaper measurement forward: changes announced January 2009

Welcome 2009! The past year in the Canadian newspaper industry has been an interesting one indeed. In spite of the current economic climate, 2008 was one of great promise as the industry took a number of important and far-reaching steps to ensure Canadian newspapers' unique marketing position for the foreseeable future.

Concurrent with the industry moving measurement forward, membership in the **Canadian Circulation Audit Board (CCAB)** grew. CCAB's membership consists of the majority of print media in every category—daily and community newspapers, consumer magazines and business publications. A current list of CCAB newspaper members and applicants appears at the end of this correspondence.

Entering this new era whereby Canada's newspaper industry is poised to compete on equal terms with all other media platforms, it is important to report all of the positive changes made for the newspaper industry and also provide **CCAB's** vision for the industry's future.

BUSINESS

CONSUMER DATABASE

EMAIL

EVENTS

INTEGRATED

INTERACTIVE

NEWSPAPER

In 2008, a joint industry body was formed under the auspices of **CCAB**. The Canadian Newspaper Advisory Board is comprised of **10 media buying representatives from the following companies:**

- BBDO Toronto
- Bensimon Byrne
- BILD, Building Industry and Land Development Association
- Canadian Tire
- Media Experts
- Mediaedge:cia
- PHD Canada
- Sears Canada
- Shoppers Drug Mart
- TMCN, The Marketing & Communications Network

These buyers were joined by **seven media owners:**

- Black Press Group
- Metroland Newspapers
- Osprey Media
- Sun Media Corporation
- The Toronto Star
- Transcontinental Media
- Van Net Newspapers

The structure and operation of this Advisory Board continuously demonstrates **CCAB's** commitment to reflect unique Canadian perspectives on the future of the newspaper industry. This Advisory Board represents a cross-section of the Canadian newspaper industry with five constituents – paid and non-paid daily newspapers, community newspapers, advertisers, and agencies. This joint industry body's process provides Canada with flexibility and control aimed at setting a Canadian standard. A clean, simple, relative audit format is the end product which will enable buyers and sellers to make more informed decisions relative to managing their businesses. This group of buyers and owners worked cooperatively and revised the newspaper audit system to produce a better solution for the market.

Both media buyers and advertisers have noted CCAB's changes will have positive effects on the industry. "The Canadian newspaper industry is a unique marketplace," said Ross Marin, President, The Marketing and Communications Network. "We are pleased to see that CCAB has responded to the needs and concerns of the media buyers and provided real solutions. CCAB's consolidation of paid and non-paid circulation allows agencies and advertisers to make buying decisions based upon data that is accurate and relative to the market."

Mary Crozier, Canadian Tire's Lead Planner, Database Marketing & Dealer Advertising, added, "We applaud CCAB's move to break out reporting days by every daily newspaper—not just the major metros. As a national retailer that serves both large and small markets throughout Canada, we can now see every daily newspaper's circulation—no matter the size—for all days of the week rather than a weekly average that may not show us the true quality of circulation."

"Over the past year, our relationship with CCAB has developed nicely—the Canadian Newspaper Advisory Board has worked through a number of tough issues, resulting in outcomes that satisfy both publishers and buyers," explained Sandy MacLeod, Vice President, Consumer Marketing, Toronto Star. "This type of collaboration surely sets us up for success in the future."

Here are the new rules and rule amendments the industry has created:

Reporting—Daily Newspapers – The Advisory Board was of the opinion that greater comparability in reporting of the two newspaper metrics—readership and circulation—would improve the current offering and render data more useful. Therefore the board called for annual reporting based on the calendar year. It was seen as a tremendous step forward for **CCAB** to release all daily newspaper audit data each year coincidental with the release of the annual NADbank Study. Since newspaper advertising in Canada is purchased with heavy reliance on the national readership study, providing circulation statements every six months for dailies was not seen as critical to commerce. Therefore, statements will not be issued, only audit reports.

Reporting Format – Daily Newspapers:

- **Paid and Sponsored or Free**

Circulation will be reported in two primary categories: "Paid for by Individual Recipient" and "Sponsored by Third Party or Free". Combining all paid subscriptions as part of one category of paid circulation mirrors the reporting for magazines. Furthermore, research indicates there is little correlation between price paid and readership habits. Price is not reflective of a subscriber's readership and consumption of the product. The behaviour of those who receive a newspaper free of charge directly from the media owner has been found to be no different to those who receive it at no cost to themselves via a purchase by a third party.

1. AVERAGE CIRCULATION FOR THE 12 MONTH PERIOD ENDING DECEMBER 2008							
Total Average Circulation	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
I. Paid for by Individual Recipient							
- Home Delivery							
- Single Copy							
- Hotel							
- Electronic Edition							
- Other							
TOTAL							
II. Sponsored by Third Party or Free							
- Home Delivery							
- Single Copy							
- Educational							
- Electronic Edition							
- Other							
TOTAL							
TOTAL CIRCULATION							

- **Subscription purchases** in lots of five or less are to be reported as "Paid for by Individual Recipient" provided the copies are intended for on-premise reading and not as incentives or gratuity for purchases. This rule was created to account for individuals or businesses that buy a small quantity of subscriptions to be used by patrons, customers, employees, etc. on site. For example, a fast food restaurant may purchase three copies and make them available to patrons to read while dining. Sponsored subscription orders sold in lots of six or more shall be reported as "Sponsored by Third Party or Free".

- **Price Point**

In 1998, **CCAB** led the industry with the introduction of allowing newspapers to be sold at any price point—a **first in North America**. Over the last 10 years, daily newspapers have found themselves competing with non-paid dailies and the requirement of reporting paid circulation by two tiers is no longer as relevant as in the past. In addition, **CCAB** interviews with media buyers found that when considering paid circulation, price point data is not being used in the evaluation and buying process. Therefore, reporting circulation at prices of 50% and above separate from less than 50% will be eliminated for the 2010 reporting period (January–December, 2010).

- **Geographic**

The Advisory Board was of the opinion that greater comparability in reporting of the two newspaper metrics—readership and circulation—would improve the current offering and render data more useful. It was the media buyers and owners collective desire to have newspapers in sync with the geographic reporting of NADbank. Reporting by CMA would bring newspapers in line with geographical boundaries set by a third party, namely Stats Canada. Accordingly, circulation will be reported by Census Metropolitan Area (CMA) for newspapers serving markets with populations of 100,000 or more. For an interim period of time, newspapers serving markets with populations of 100,000 or more that are not prepared to report by CMA may petition for an extension.

- **Electronic Editions**

Paragraph 1 of **CCAB** reports, “Average Circulation for the 12 Month Period” will provide for electronic editions to be reported separately. If “E” editions are sold as part of a site license agreement, the number of site licenses, along with the number of “seats” (individuals), is to be reported in the explanatory paragraph. “E” editions serving educational institutions as part of an educational program are only claimed as “Sponsored by Third Party or Free” circulation. Electronic editions are not web sites; they are digitized versions of the newspaper. Subscribers/visitors to newspaper web sites are not counted as copies in the circulation reports.

1. AVERAGE CIRCULATION FOR THE 12 MONTH PERIOD ENDING DECEMBER 2008							
Total Average Circulation	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
I. Paid for by Individual Recipient							
- Home Delivery _____							
- Single Copy _____							
- Hotel _____							
- Electronic Edition _____							
- Other _____							
TOTAL _____							
II. Sponsored by Third Party or Free							
- Home Delivery _____							
- Single Copy _____							
- Educational _____							
- Electronic Edition _____							
- Other _____							
TOTAL _____							
TOTAL CIRCULATION							

- **Educational Copies**

Print copies to classroom, university, and language programs shall be reported separately in paragraph 1, “Average Circulation for the 12 Month Period”, as “**Educational**” copies under “Sponsored by Third Party or Free” circulation. These copies are typically paid for by a third party or through vacation donations with the intent of distribution via education programs.

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Total Average Circulation	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
I. Paid for by Individual Recipient							
- Home Delivery _____							
- Single Copy _____							
- Hotel _____							
- Electronic Edition _____							
- Other _____							
TOTAL _____							
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- Single Copy _____							
- Educational _____							
- Electronic Edition _____							
- Other _____							
TOTAL _____							
TOTAL CIRCULATION							

The **Omission Days** allowance has been increased from 10 days to 20 days; however, the omitted days and corresponding circulation will be reported. Omission days are intended to reduce the effect of outlier days on the average circulation. National and provincial holidays typically account for 10 days—leaving no days for acts of God, and weather, plant, or labour challenges. Increasing the omission day allowance permits media owners to report an average more representative of the full year, and allows media owners to be “greener” through a right-sizing of print runs for predetermined omission days.

Arrears are subscriptions that have expired but the media owner sends issues while waiting for the renewal. Previously, a subscription could not be served copies in arrears if the subscription was sold at less than 50% of base rate or for a period less than a year; however, daily newspapers typically sell subscriptions for shorter renewable terms. Not permitting arrears to be claimed as paid when the original subscription was less than a year was not practical. Newspaper media owners may now serve arrears on any paid subscription, regardless of term and price, but not more than three months.

Credit Subscriptions and Arrears – A ceiling of 4% “Paid-In-Advance Home Delivery” copies has been established for serving subscribers who have ordered the newspaper but not yet paid (service is on credit) and copies served on expired subscriptions while awaiting renewal (arrears). Copies in excess of 4% can not be claimed as circulation. The average copies served on credit or in arrears will be reported in the explanatory paragraph of the **CCAB** reports.

Promotional Incentive (Premiums) – The rules have been aligned with the paid circulation rules permitting copies to be sold at any price point net of all other consideration. Media owners choosing to offer promotional incentives must collect payment greater than the value of the promotional incentive. Previously, a promotional incentive could not have a value of more than 50% of the offer.

Occasional Subscriptions – It is an accepted practice for daily newspapers to consider giving bonus copies to subscribers. Therefore a provision for the delivery of bonus copies not specifically identified as part of a new or renewed subscription was added to the rules for daily newspapers. However, to be included, the copies must be provided to all eligible subscribing households within a market which were notified at least two weeks in advance that they would be receiving bonus copies. When bonus copies equals or exceeds 16 days in an annual 12-month audit period, the copies will be reported separately in the **CCAB** report.

Subscription Conversions – It is an accepted practice for daily newspapers to offer subscribers the opportunity to convert their current subscription to one of a longer term. As such, a provision for newspapers to increase the term of any subscription was added to the rules for daily newspapers. The subscriber must be notified of the conversion and must be given the opportunity to opt out. The number of subscribers converted to the new frequency and the effective date that the change took place must be disclosed in **CCAB** reports.

Partner Distribution Agreements – It is an accepted practice for newspaper “A” to enter into an agreement with newspaper “B” to distribute newspaper “B” to newspaper “A’s” subscribers on days not regularly serviced by “Newspaper A”. Therefore a provision for partner distribution agreements was added to the rules for daily newspapers. If a newspaper wishes to enter into a partner distribution agreement, service must be effective for all subscribers in a reporting market and the promotion materials must:

- State the two newspapers involved in the agreement;
- State the term and frequency of the service;
- State the price (basic price must be established for the partnered offering);
- Exclude any reference to either of the newspapers as being free, no additional cost, or bonus. Included in the **CCAB** report will be a description of the agreement, the names of the papers involved and the price(s).

Reporting – Community Newspapers – Reporting will be via semi-annual circulation statements ending March and September. All community newspapers will be audited ending March on a bi-annual basis. This change has been approved to assist **CCAB** with workflow balance.

Please see the attachment containing the rules as amended, or [click here](#) to access the full rule amendments on the BPA/CCAB website.

The Future: CCAB promises continued innovation

Newspaper web measurement – Through **CCAB’s** relationship with Nielsen Online, this past September **CCAB** announced that each newspaper can provide 24/7/365 metrics of interactivity, the cost of which is inclusive in every member’s print audit service. No additional fee. At one destination, media buyers will be able to find the information they need on all participating **CCAB** audited newspapers. Metrics are provided to a single standard through one application audited by **CCAB**. [Click here](#) to find out more about this innovative service.

Database of circulation information – In 2009, (beginning with the 2008 daily newspaper audits), **CCAB** will be offering a database tool which buyers and sellers alike can query for circulation data. The Advisory Board will be undertaking a needs assessment with the members to ascertain what functionality is required for the database to be superlative in all its aspects. This will be in addition to the free open access to the **CCAB** web site where users can currently view, download or email PDFs of individual newspaper circulation reports.

Integration of newspaper metrics – The opportunity exists for the two key metrics in newspaper media—readership and circulation—to join with online metrics to demonstrate the true reach of the newspaper brand. **CCAB** will explore with NADbank and other industry metrics providers ways in which the sum of data will be greater than the parts.

ABOUT CCAB: The tripartite membership organization was founded by the Association of Canadian Advertisers (ACA) in the fall of 1936 to offer choice to those business publications in pursuit of a more efficient circulation audit. From that point onward, **CCAB** has grown steadily, always keeping an eye on the fact that it is a members-first organization. Today, **CCAB** has the larger share of market in all print media categories in Canada including daily and community newspapers, consumer magazines and business publications making it the de-facto standard across these varied media platforms. Shortly, this will be true of web sites too. **CCAB** continues to set higher standards. We listen, innovate, co-evolve, and lead.

Mark your calendar for the March release of the 2008 daily newspaper audits to coincide with the release of the latest NADbank data.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Timothy Peel', is centered below the word 'Sincerely,'.

M. Timothy Peel
Vice President
CCAB/BPA Worldwide

CCAB NEWSPAPER MEMBERS & APPLICANTS*

DAILY PAID

Amherst Daily News*	The News, New Glasgow*
The Barrie Examiner	The Niagara Falls Review
The Beacon-Herald, Stratford*	North Bay Nugget
The Calgary Sun*	The Observer, Sarnia*
Cape Breton Post, Sydney*	The Orillia Packet & Times
The Chatham Daily News	The Ottawa Sun*
Cobourg Daily Star	The Peterborough Examiner
The Cornwall Standard Freeholder	Port Hope Evening Guide
The Daily News, Truro*	Prince Albert Daily Herald*
The Edmonton Sun*	The Recorder And Times, Brockville*
The Expositor, Brantford*	St. Catharines Standard
The Guardian, Charlottetown*	The Sault Star
The Guelph Mercury*	The Sudbury Star
The Hamilton Spectator*	The Sun Times, Owen Sound
The Intelligencer, Belleville	The Telegram, St. John's*
Journal De Montreal*	The Toronto Sun*
Journal De Quebec*	The Tribune, Welland
The Journal Pioneer, Summerside*	The Western Star, Corner Brook*
The Kingston Whig-Standard	The Winnipeg Sun*
The Kitchener Record*	Timmins Daily Press
The London Free Press*	Toronto Star*

COMMUNITY

Abbotsford Mission Times	Enterprise Bulletin, Collingwood
Abbotsford News	Etobicoke Guardian
Ajax/Pickering News Advertiser	Flamborough Review
The Annex Guardian	Forever Young
The Armstrong Advertiser	Gananoque Reporter*
The Banner Post	Georgina Advocate
Barrie Advance	In Port News
The Beach Mirror	The Independent & Free Press
The Bloor West Villager	The Innisfil Examiner
Bolton/Caledon Enterprise	Innisfil Journal
Brampton Guardian	Kamloops This Week
Burlington Post	Kelowna Capital News
Burnaby - New Westminster News Leader	Langley Advance
Burnaby Now	Langley Times
Canadian Champion	The Liberal
Central Alberta Life	The Lindsay Daily Post
Chilliwack Progress	Maple Ridge & Pitt Meadows Times
Chilliwack Times	Maple Ridge News
The City Centre Mirror (Formerly City Centre Moment)	Midland Free Press
City Parent	Mile Zero News
Colborne Chronicle	Mission Record
Coquitlam Now	Mississauga News
The Daily Observer, Pembroke*	Morning Star, Vernon
Delta Optimist	Newmarket/Aurora Era-Banner
The East York Mirror	Niagara This Week
The Echo	North Shore News
Economist & Sun	North York Mirror
Edmonton Examiner	Northern Life
	Northern News, Kirkland Lake

COMMUNITY (continued)

The Northern Pioneer
Northumberland News
Now Newspaper, Surrey/North Delta/Whiterock
Oakville Beaver
Oakville Today
Orangeville Banner
Oshawa/Whitby/Clarington/Peterborough This Week
Parkdale Villager*
Peace Arch News
Pelham News
Peterborough This Week
Prince George Free Press
Richmond News
Richmond Review
Royal City Record, New Westminster

Scarborough Mirror
South Delta Leader*
St. Thomas Times-Journal*
Stouffville Tribune
Surrey North Delta Leader
Tandem
The Tri-City News
Town Crier
Uxbridge Times Journal
Vancouver Courier
Vaughan Citizen
Vaughan Today
The York Guardian
Yukon News

NON-PAID DAILY

24 Hours, Calgary
24 Hours, Edmonton
24 Heures Montreal
24 Hours, Ottawa

24 Hours, Toronto
24 Hours, Vancouver
Metro, Montreal
Metro, Toronto

* CCAB Applicant