



December 2010

Leading the World in Auditing Media

Below, we have summarized new rule amendments passed by BPA's Board of Directors at their December 2010 meeting.

Unless otherwise specified, all changes are effective immediately.

The BPA Rule Amendments/New Rules may be accessed through the "Rules" link on the [BPA](#) home page, or by [clicking here](#). We have also posted this summary to the [BPA blog](#) if you wish to comment on any of the initiatives or rule amendments. If you prefer, please contact your [BPA Member Relations Manager](#), or any of our audit staff, with any questions.

Board Actions Applying to All BPA Members

- **Combined Brand Audit/Multimedia Report.** Last year, BPA introduced the Integrated Brand Reach audit, a new service to verify a media owner's brand reach across multiple channels of content distribution. The gross number of recipients for each channel were reported, as well as the net count of unique recipients.

The success of this process relied on an integrated database containing each channel's recipients. However, too few media publishers have initiated or completed integrating channel data files.

As a result, BPA has been asked to verify the recipients per channel without integration during a transitional period while integrated databases are built. Given the difficult economic times, the BPA Board agreed to provide an audit of a brand without initially requiring database integration or net unique recipients.

Those publishers with truly integrated databases may continue to report gross recipients of each channel, the number of "uniques" served and the overlap in channels delivered. Alternatively, publishers have the opportunity to report multiple media channels without identifying any overlap of platforms users. In those cases, each paragraph will include a disclosure that "no attempt has been made identify or eliminate duplication that may exist across media channels."

According to BPA President and CEO, Glenn Hansen, the global auditor of media has as its goal that members will report "uniques" across all platforms by 2014. A three-year transition period allowing media owners to introduce the necessary processes to properly integrate their subscriber databases is necessary, he added. Each year, the Board will reevaluate the attainability of the desired goal with the knowledge that advertisers and media buyers want media owners to provide integrated data so they can make the best marketing decisions across all channels.

Whether media owners report data through integrated channels or by separate platforms, both Aggregate and Average contacts per channel (by frequency) will be available.

Board Actions Applying to All BPA Members (cont'd)

A sample Brand Audit Report will be available shortly.

- **Non-requested digital subscribers.** As part of this process, BPA introduced a new channel for non-requested digital magazines on the Brand Audit Report. Non-requested digital subscribers will be grouped together as “Digital” circulation in the Executive Summary but broken out separately as Request/Non-Request categories within the age/source paragraph.
- **Expo/Event registrants/attendees.** Understanding that sponsors of expos/events may wish to promote to those registrants who may not attend the event, media owners will now be allowed to report the number of event attendance only; or both attendance and registration. Registration alone may not be reported. Previously, organizers were permitted to report attendance figures only. The new rule applies to reporting data for both live and virtual events.
- **Publicity.** Now that BPA has moved to measure all channels of a brand through the Brand Audit Report, media owners may be faced with disclosing various sources throughout their media kits. To ensure members’ promotional pieces are as clear as possible, the Board voted to allow a single statement per promotion, “Unless otherwise indicated, all data is publisher’s own data.” However, if publishers choose to disclose the sources for all data cited, they may do so.
- **Applicant Audit Extension/Public Notification.** BPA’s President grants all applicants a 12-month period within which to complete an initial audit. The President also has the potential to extend that period up to three months should BPA agree that sufficient progress is being made toward completing the audit. However, concerns are raised when media owners’ use of “BPA Applied for” during the application period has the potential to deceive the advertisers in the market to the detriment of other members and applicants.

In those cases when the application has been extended, the Board ruled that the extension period should be used to complete audit work, not to extend the period being audited. BPA will also add a notice of “Application Extension” to the Reports Library on the BPA website.

Board Actions Applying to Business Publications and Consumer Magazines

Unbalanced Reporting Frequency. A number of BPA members, often in seasonal situations, report multiple issues on one six-month circulation report but only a single issue on the other statement.

To help reduce cost to members, the BPA Board amended its rules to allow those reporting only one issue during a six-month period to report all issues on a single annual circulation statement instead of two six-month reports.

Posting of Membership Advisory and Subsequent Statements. BPA rules prevent a circulation statement from being issued until the previous audit has been completed and released. If a member’s statement is found to require significant revisions as a result of the annual audit, a Membership Advisory is issued outlining the changes made to the statement. The Membership Advisory is posted on the BPA Reports Library. Once the new circulation statement is issued for the subsequent reporting period and posted to the Reports Library, the Membership Advisory is moved to the “History” link. Advertisers typically utilize the current report or statement and may not be aware of recent adjustments included on the Membership Advisory.

To further promote full disclosure, BPA will create a link to Membership Advisories found on the Reports Library. The Membership Advisory link will be removed once a subsequent audit has been completed and the underlying cause of the Membership Advisory has been corrected.

Board Actions Applying to Business Publications and Consumer Magazines (cont'd)

Multi-Copy Same Addressee Disclosures. Rules relating to the disclosure of multi-copy same-addressee (MCSA) circulation were amended to provide better disclosure:

- **BUSINESS:** If any one MCSA or Sponsored MCSA sale is greater than 5% of total average paid subscriptions for the period, the sale must be fully explained in the explanatory paragraph. Reporting the actual name of the sponsor/purchaser is optional for the publisher.
- **BUSINESS:** If subscriber duplication (reported as MCSA) is equal to 25% or more of average qualified circulation, disclosure within the Definition of Recipient Qualification (DRQ) is required. If duplication (MCSA) circulation is 10% or more, but less than 25%, a comment is required in the explanatory notes section of the statement or report.
- **CONSUMER:** If MCSA circulation is equal to 25% or more of average qualified circulation, disclosure is required within the Market Served (page 1) and Method of Distribution (last page). If 10% or more, but less than 25%, a comments is required in the Method of Distribution (last page). Reporting the actual name of the sponsor/purchaser is optional for the publisher.

Board Actions Applying to Consumer Magazines Only

Minimum Price Disclosure. Additional disclosure is required for any large volume multi-copy same-addressee (MCSA) and/or sponsored subscriptions found on the qualified circulation file, regardless of when they were sold. The rules of disclosure were amended to read:

- If MCSA or sponsored subs represent 5%-9.9% of total average qualified circulation, details of those subscriptions must be reported in the explanatory paragraph (last page of report).
- If MCSA or sponsored subs represent 10% or more of total average qualified circulation, details of the subscriptions must be footnoted under paragraph 1 on the statement.

Average Annual Subscription Order Price: Single Copy Sales. Under current BPA rules, magazines with 50,000 or less average total qualified circulation and less than 5% average qualified paid circulation in paragraph 1, are not required to report average subscription order price. Magazines with more than 50,000 average qualified circulation in paragraph 1, have the same reporting option when the average qualified paid circulation is less than 2%.

Magazines with a high number of single copy sales, or sponsored circulation may exceed these paid circulation thresholds, but have a very small individual subscription base. As a result, members must calculate and report average annual subscription order price on a very small portion of their circulation.

To reduce the time and effort necessary to track and calculate this data, the Board voted to eliminate single copy sales when calculating the annual subscription order price reporting threshold.

Board Actions Applying to Canadian Community Newspapers Only

Annual Statement Filing Now an Option for Canadian Community Newspapers. Recognizing that community newspaper publishers in Canada are under continued pressure to remove costs from their operations, community newspapers will now file one annual circulation statement ended March 30. Community publishers retain the option of filing interim six-month statements; however, all community newspapers will be required to file top-level interim data (for six months ended September 30) that will be reported in an online Community Newspaper TRAC (Trend Report About Circulation). Top-line circulation data will include each publishing day's six-month average circulation for the following four categories: Total Paid Circulation; Voluntary Paid Circulation; Total Non-Paid Circulation; and Total Bulk Distribution. The Board believes community newspaper publishers may be able to eliminate printing costs by opting for the 12-month annual statement.

Daily newspapers in Canada currently report circulation data in a single report covering the calendar year. Dailies serving a daily average of 25,000 or more paid copies are audited on an annual basis; those serving fewer than 25,000 paid copies are audited bi-annually.