



June 2010

Leading the World in Auditing Media

Below, we have summarized new rule amendments passed by BPA's Board of Directors at their May 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**

In moves that will transform BPA Worldwide from a legacy print media measurer to that of reporting the consumption of the media brand across all platforms, the BPA Board of Directors took next steps in redefining what a member is by removing the requirement that each channel of the brand be a member--now the brand is the member. Included in this transition, effective July 1<sup>st</sup>, is a new fee structure for reporting rich data and measuring multi-channels of the brand.

The Board also put into effect a new "all-in" pricing structure that combines BPA fees, previously billed individually, into a single invoice. To facilitate morphing the circulation report to that of [Brand Reach<sup>sm</sup>](#), the Board approved making some circulation reporting data optional.

With each channel no longer required to be a member, rates have been substantially reduced. The fee for the Brand Reach Audit service (which reports net unique individuals across all platforms) is now an hourly rate; whereas, the Integrated Media Report (which reported on the gross number of individuals across all platforms) was predicated on each channel being a separate member of the organization, paying dues and an audit fee. BPA believes the hourly rate structure will enable media houses to add more channels to their reporting at a drastically reduced rate.

In the past, every channel was billed separately with different rates for each product. We have moved to a single rate card making it substantially more economical for media owners to include more rich data on their reports.

In addition, the Board approved a new rate structure which removes the separate charge (75% of the base audit fee) for all buying influence measurement, as well as multiple response demographic data (Supplementary Audits), portraying the number of copies to units (Unit Audits), attesting to the number of units in a market sector (Census Audits) and the reporting of the number of firms or establishments according to a published ranking (Firm/Corporate Ranking Audits). These audit services will now be charged based on the amount of actual time required to conduct the audit which makes them much more affordable. We believe the removal of the previous pricing model will

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

enable media houses to report rich data collected from their consumers across all channels at a much lower price point.

With the new rate structure, media owners can take advantage of the all-in pricing to report audience data like buying influence that, up until now, was cost prohibitive to include. This is the kind of data that can start conversations with advertisers and marketers. We envision the BPA report becoming an even more valuable tool in the marketplace.

Under the new pricing model, BPA's rates are a matrix based upon the media owners' channel with the greatest distribution (the number of copies produced, total recipients or participants) and the number of pages in the report. For this distribution amount, an allotment of hours is provided. If that allotment is consumed during the audit process, any hours expended to audit additional channels or rich data will be charged at a uniform hourly rate. Previously, different rates were applied for additional circulation audit hours, digital magazine audit hours, and Brand Reach audit hours. Now the allotment of hours for the base distribution must be consumed regardless if it is for circulation, digital media, rich data or Brand Reach reporting before any additional hours are incurred.

As BPA transforms from print channel-centric to a total brand focus, part of that change includes a new pricing model that will wrap in fees and dues previously billed separately. BPA's "all-in" pricing structure will include: application fee, annual dues, audit fee, supplementary, unit, census, firm/ranking audits, Web site traffic measurement (24/7/365), digital magazine audits, production of the report in pdf format (one for an initial audit, two for the regular membership year), posting of reports to the [BPA site](#), a link from the brand's site to BPA's, license to download reports and post to the brand's site and/or email the report to the brand's customers and prospects, posting of the brand's logo and image of each channel on the reports, and providing access to traffic reports on views to the brand's reports.

Separate invoices will be issued if a media owner: requests a supply of printed reports; prints the report in color (color can be used at no additional charge if only for a pdf); undergoes confirmation testing; wishes to change audit cycles; or is required to issue a Membership Advisory and/or Audit Report to inform of adjustments to circulation claims.

The Board also introduced a new reporting minimum by providing the option to produce a two-page BPA statement, rather than the previous standard of a four-page report. This [new two-page "baseline" report](#) is made up of required data in each table. From there, media owners may choose from a menu of options to include in the report by channel. A media owner may choose to report many or few value-added options from a menu to create a report that is custom-designed specifically for the market, competition and the transition to multi-channel reporting.

As media owners promote their brand, we wanted to provide the latitude within the report format that allows them to customize their report according to market demands. The market will decide what it is "need to have" data versus "nice to have" data—not BPA.

BPA will now require "baseline" data in each paragraph of the statement or Brand Reach report. For the full menu of required data and value-add options for business, [click here](#). For the full menu of required data and value-add options for consumer, [click here](#).

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

Additions and removals are one piece of data that were made optional to report. However, since continuous/non-continuous circulation is a baseline requirement, media owners must still track additions and removals to ensure continuous service to subscribers. Regarding the much-discussed source aging in Paragraph 3b, the Board affirmed the value and importance of one-, two- and three-year reporting and it continues as a required piece of data for non-paid circulation.

We believe this is the right time to give media owners the flexibility to customize the circulation report further to provide advertisers exactly what they need in a given market. This shift in BPA's reporting requirements will also serve as a bridge as we shift our focus from individual channels to the entire brand. We have been discussing this idea with our advisory boards and committees around the globe for the past six months and based upon the feedback we have received, this should have a very positive impact on the marketplace with both media owners and advertisers.

### **Board Actions Applying to Business Publications**

**Group/Gift Subscriptions.** BPA updated its rules/definitions for gift and sponsored copies. BPA defines group subscriptions as copies "purchased in lots of two or more, paid for by an employer for their employees and mailed by the publisher to individual addresses furnished by the employer. These subscriptions shall be reported as 'Sponsored Individually Addressed.'"

Gift subscriptions are defined as copies "purchased for persons other than the purchaser's employees."

Sponsored subscriptions are defined as "individually addressed subscriptions which promote the interests of the sponsor/donor and which otherwise conform to the definition of qualified paid circulation shall be reported as Sponsored Individually Addressed circulation. This includes sponsored, group and gift subscriptions that are not multi-copies to the same addressee."

BPA determined that copies purchased by family and friends as gifts, or copies purchased by employers for employees should not be reported as "Sponsored" since these copies are not purchased to "promote the interest of the sponsor/donor." Instead, gift subscriptions purchased by friends and family or group subscriptions purchased by employers for their employees will now be reported as "individual" not "sponsored." If the individual employee names and addresses are not provided these copies shall be reported as Multi-copy Same Addressee.

### **Board Actions Applying to Consumer Magazines**

**Consumer Trade Show Copies.** BPA's Consumer rules permit copies distributed at trade shows, consumer shows, and conventions to be reported as qualified circulation. Publishers distributing these types of copies are required to disclose the name of each show, date of each show, location of each show, and number distributed at each show in paragraph 8.

A Canadian member believed copies distributed at shows and events are no different than copies distributed as multi copies through retail stores and other public locations, and should not require disclosure of the name of the event at which copies were distributed. BPA amended the rule whereby copies distributed at shows and events will continue to be identified separately in Paragraph 4, with a footnote regarding the nature

#### **Board Actions Applying to Consumer Magazines (cont'd)**

of the show distribution in paragraph 8, but not the name of the event. However, proprietary distribution information by show will be disclosed at the publisher's option.

#### **Board Actions Applying to Canadian Newspapers Only**

**Promotional Incentives.** Canadian daily newspaper subscriptions are often sold through kiosks in retail stores, tradeshow, and other public events and venues. These subscriptions are sold through third-party contractors who often provide a promotional incentive (premium) with every purchase. Promotional incentives include merchandise or gift cards.

According to CCAB rules (a division of BPA Worldwide), promotional incentives are based on the actual cost to the publisher, the recognized retail value or the represented value, whichever is highest. In addition, the publisher must collect payment greater than the full value of the promotional incentive. In some cases in Canada, the third party contractor manages the incentives making it difficult to determine the final incentive offered to the consumer. In these cases, a footnote has been developed to provide better disclosure of these types of sales.