



C I R C U L A T I O N A U D I T  
A U D I T B U R E A U O F C I R C U L A T I O N S S I N G A P O R E P T E . L T D .

# **Handbook**

(updated on 09 June 2016)

**AUDIT BUREAU OF CIRCULATIONS SINGAPORE PTE. LTD.**

**Co. Reg. No. 198401125D**

**38A North Canal Road**

**Singapore 059294**

**Tel: 6836 0600**

**Fax: 6836 0700**

## **I. THE PURPOSE OF ABC**

Audit Bureau of Circulations Singapore Pte Ltd (ABC) was previously known as Media Circulations Services (S) Pte Ltd (MCS). The name change was approved by the regulatory authority and took effect from January 2007. The new name brings the Singapore industry body in line with the naming of similar organizations internationally and aptly describes the role as an audit bureau.

ABC is a private limited company incorporated in Singapore in accordance with the provisions of the Companies Act, Cap.50. The Company is jointly owned by Advertising Media Owners Association Singapore (AMOAS), Association of Accredited Advertising Agents Singapore (4As), and Singapore Advertisers Association (SAA) Audit Bureau of Circulations (S) Pte Ltd.

ABC's primary function is the certification and audit of circulation data by professional auditors using standard audit procedures for each category of subscriber's publication to ensure the audited figures are both authentic and comparable as well as providing an accurate base line for media evaluation. Thus ABC protects the advertiser, the advertising agency and the subscriber from false claims at the same time furnishing the subscriber with a certifying document the authenticity of which should be accepted without question by all who purchase space in member publications.

## **II. CONSTITUTION OF ABC**

ABC is managed by a Board of Directors comprising of three representatives each from AMOAS, 4As and SAA.

## **III. HOW ABC WORKS**

To ensure that circulation audits are conducted on a standard and uniform basis, ABC sends to each subscriber in advance of the particular audit period, forms for completion and held for inspection by ABC auditor. On completion of satisfactory audit, ABC issues to the publication an ABC Certificate of Audited Circulation covering the period audited and publishes the results.

## **IV. HOW TO SUBSCRIBE FOR ABC SERVICE**

To apply, each publisher must complete an application form annually for every publication and accompany this with the following:

- 1) the appropriate subscription fee as shown in the latest ABC Schedule of Annual Service Fees, and
- 2) a copy of the publication.

The application will be placed before the ABC Board for approval. The appropriate forms will be sent to the subscriber for completion. ABC will then arrange for an audit which must be completed within six months failing which the publisher must reapply for subscription.

Once the audit is completed, a Certificate of Audited Circulation will be issued to the publication.

There are three audit periods, January to June, July to December and January to December. Established publications (over one year old) on joining ABC can get early certification by nominating

the current or the previous circulation audit period for their first audit period when they complete the application form. In the case of a new publication a settling down period of six months after launch is required before the first audit period can commence. When new publications have substantial launch promotion and distribution, the auditor will have to ensure that launch returns have been properly arranged for if the returns pattern is not fully established before the first Certificate of Audited Circulation is signed.

New publications should note that there is no merit in having an over inflated first Certificate of Audited Circulation if an abnormal flow of launch returns in the second audit period coincides with a print order which is reducing according to the actual demand of readers. ABC is always pleased to advise on these problems so that advertisers and advertising agencies are not misled and the new publication does not suffer from a boom and bust situation in successive audit periods.

## **V. CIRCULATION AUDITOR**

An auditor is appointed by ABC to certify the circulation data of the publication using ABC standard audit procedures for each category of publication.

The publisher must grant the circulation auditor full access to all financial records of the company necessary to validate the circulation figures.

All subscribing publications shall be subject to circulation audit at least once a year.

## **VI. HOW THE RESULTS ARE PUBLISHED**

Advance list of certified figures are published after the completion of the various audit periods and circulated to all subscribers.

Certified figures would be published twice a year, i.e. in January and July and duly audited circulation figures should be submitted at least once a year to ABC for certification and release to the industry.

From time to time ABC will advise the industry of changes in subscribers, developments approved by ABC, general information of interest, listing of late certified figures and list of publication and data of any issues that have been specifically excluded from the audit because of shortfall in distribution due to circumstances beyond the publisher's control.

## **VII. ABC SUBSCRIPTION RULES**

The Constitution of ABC is contained in the Memorandum and Articles of Association of Audit Bureau of Circulations Singapore Pte Ltd. An up to date copy may be inspected by any subscriber on application to the Management of ABC. The operation of ABC is governed by its Memorandum and Articles of Association, and by guidelines made by the Board and by the Management and published from time to time.

### **1. Circulation Audits**

- (a) All ABC circulation audits will be governed by the audit rules published in or distributed with the Return of Average Net Circulation (hereinafter called the audit report forms) and the publisher's statement forms.

(b) Every audit report form shall be submitted and signed by the publisher.

(c) ABC may from time to time amend the audit rules.

## **2. Complaints Procedure**

(a) Any complaint made against a subscriber shall be in writing addressed to the Secretary of ABC.

(b) Before referring the complaint to the ABC Management the Secretary of ABC, shall if he considers that there may be grounds for complaint, refer the complaint to the subscriber complained of who shall have the right to make a written statement in answer within fourteen days.

(c) Upon receipt of the written statement or in default of receipt within the fourteen day period, the secretary shall in consultation with the Chairman or the Acting Chairman of ABC Board decide whether the complaint shall be laid before the ABC Board for adjudication.

(d) In so, adjudicating the ABC Board may hear witnesses.

(e) If the ABC Board finds a complaint against a subscriber well founded, it may withdraw any ABC certificate already issued. Such decision of the Board of ABC shall be notified to all members and such other parties as the ABC Board sees fit in the interest of protecting the reputation of ABC.

(f) (i) ABC may require a complainant to give an undertaking to pay the cost of administrative expenses (to be determined), such undertaking to be secured in such manner as the ABC Board may deem fit whether by way of banker's guarantee or otherwise.

(ii) If in the opinion of the Board a complaint is well founded, the offending member shall bear the cost as may be determined by the ABC Board from time to time as administrative expenses. If such administrative expenses are not paid within the time limited therefore such administrative expenses shall become a debt owed by the offending member to ABC and is recoverable forthwith by actions.

## **3. Sole Distribution and Mailing Houses**

(a) Where a publisher appoints an independent 'sole' distributor to deal with the bulk of his circulation (i.e. more than 75% of the newsstand distribution) or where the file of addresses for postal distribution of a publication is not in the control of the subscriber and is held by a specialised mailing house whether in ownership of the subscriber or not the publisher must provide a letter of confirmation from the distributor or mailing house to ABC that the records of the distributor or the manual or computer address file and any necessary records and ancillary documents of the mailing house can also be inspected by arrangement by a ABC auditor.

(b) ABC certification will be withheld if ABC is not permitted to carry out such inspection.

#### **4. Publicity Rules**

- (a) Only ABC approved circulation figures may be used by a subscriber accompanied by the ABC logo and the period of certification must be stated.
- (b) Where a comparison is made with the audited figures(s) of (an) other publication(s) the figures may only be compared with comparable figures in the identical category of a ABC Certificate of Audited Circulation and in identical audit period.
- (c) Where the audited circulation figure is made up of both paid and auditable free copies, a distinction between each category should be shown in any comparison with a like publication.
- (d) If readership figures, or any other statements are made in publicity material that includes the ABC logo, it must be presented in such a manner that it is clear which information has and which has not been audited by ABC.
- (e) A complaint may be made if a subscriber's publication which uses ABC figures or the ABC logo has been unfairly attacked or has discredited another publication directly or by implication or tends to bring the ABC or the publishing or advertising industry into disrepute, in which event the complaints procedure specified in the rules shall be followed.

#### **5. Annual Service Fees**

Annual service fees are approved by the Board of ABC and are binding on all subscribers. Subscription shall lapse unless payment is made within 60 days of the receipt of the invoice from ABC or when audit report and publisher's statement forms are not returned within the specified period.

The annual service fees payable are as shown in the schedule.

#### **6. Change of Ownership**

- (a) A change of ownership of 50% or more of the shares in a company owning a publication shall be deemed a change in ownership of the publication.
- (b) Upon change in ownership the right of the publication to further ABC audit shall lapse unless otherwise agreed prior to the change. Whether or not the new owner is already a subscriber of ABC the registration of the publication and the issue of further certificates shall be subject to the current procedure for new subscribers. The right to use the ABC logo or to hold out that subscription to the ABC shall lapse until a new ABC Certificate of Audited Circulation referring to that publication is issued.

#### **7. Change of Address**

When the office address of a subscriber changes ABC should be informed immediately.

## **8. Notices**

Every communication sent to a subscriber shall be deemed to have been given to the subscriber if made in writing and deposited by ordinary mail, postage prepaid and addressed to the subscriber concerned at his last known address and shall be deemed to be given to the subscriber on the date of such deposit in the mail.

## **VIII. EXCLUSION OF AN ISSUE(S) FROM AUDIT PERIOD**

Where an industrial dispute, a mechanical failure or any other cause beyond the publisher's control, results in a material loss of distribution of a publication, the publisher can apply to ABC for the issue(s) so affected to be excluded from the audit period.

If the case for exclusion is justified, ABC will issue by return to the publisher concerned an ABC exclusion note which must be handed to the circulation auditor when he comes in to examine the records. An ABC exclusion note is the only authority, other than a special letter approved by ABC, by which a normal published issue can be excluded from an audit period by the auditor.

All such exclusions officially approved should be detailed in the appropriate paragraph on the front of the audit form and the average adjusted accordingly. The dates so listed will be checked by ABC when the audit report and publisher's statement forms are received from the auditor to make sure that all listed issues have been approved.

## **IX. APPLICATION FOR EXCLUSION**

Publisher must detail in writing, to ABC:

- a. Name of Publication(s),
- b. Date of Issue(s),
- c. Quantity of affected issue when compared with normal or planned distribution.

Officially excluded issues are listed to all ABC subscribers. Advertisers and advertising agencies can request from ABC fuller details of the excluded issues if they have placed advertisements and wish to enter into negotiations with the publisher concerned on the shortfall.

## **X. EXPLANATORY NOTES ON ABC CIRCULATION AUDIT CATEGORIES (to be read in conjunction with Audit Notes)**

### **1. Paid Circulation**

Provision for Paid Circulation appears on all ABC audit report forms (except bulk verification) and it is the only audit category for newspapers and consumer magazines since ABC figures for these publications are based solely on net sales.

Net sales which represent the Paid Circulation are bona fide copies bought by individual readers either from the retail point or by direct subscription and represent the audited primary paid readership of a newspaper or magazine. Where the full cover price or the full subscription rate has not been paid, or discounts to wholesale or retail distributors have been increased on a temporary basis, the copies so sold must be shown separately on the audit report form.

Multiple copies sold to a single party on a “one-off” or an irregular basis shall be reported separately under ‘Multiple Copy Sales’. These include copies sold in bulk to organisers of exhibitions, concerts or similar events; or distributed free of charge to the final recipient to promote the interest of the purchaser. To qualify as multiple copies sales, the publisher must provide the following documents (signed and dated contract, invoices to purchaser and distribution evidence) to the auditor.

Trade discounts to wholesale distributors and retail newsagents are the prerogative of the publisher. ABC auditor will review these each period to see if they have remained constant. Any temporary increase in normal trade terms, particularly if coupled with an uplifting of supplies, where a limitation or ban on returned copies may apply, must be reported and fully investigated in the audit.

## **2. Special Editions for Newspapers**

To qualify for inclusion in the ABC average of the parent newspaper, special edition must carry all the display advertising booked to appear in the normal editions printed that day unless specifically excluded by the rules shown in the ‘ALL ADVERTISING’ paragraph on the audit report form.

Any display advertising booked to appear in all editions (ROP) missing from the special edition must have a letter of confirmation from the advertiser/advertising agency agreeing to its exclusion from the special edition, otherwise all display advertising must be included for the special edition to be aggregated in the ABC figure.

Each special edition should be clearly identified as being part of a parent newspaper and have the date of publication on every page.

Rules on special edition are reviewed from time to time and may be varied in accordance with tripartite agreement within the industry. ABC reserves the right to call for a copy of the special edition and a normal edition published that day for inspection.

## **3. Consumer Specialised Journals**

Whereas general consumer magazines may report average net circulation figure at half yearly intervals, journals of a more specialised nature and lesser frequency of publication have the option of reporting yearly to 31<sup>st</sup> December.

## **4. Free Circulation**

The primary rule for free distribution is that each copy must be auditable down to the individual recipient. In the main therefore only normal postal distribution can be included but where a publisher devises viable and auditable means of distribution outside the postal area, this may be acceptable provided prior consent of ABC is obtained.

For publications that are delivered in bulk to distribution points for onward free transmission to or pick up by readers, they can obtain ABC verification of bulk distribution, in which case they should submit the forms for bulk distribution.

The three main types of free circulation recognised by ABC are:

(a) Controlled Circulation

Consists solely of single copies sent free and post free to individuals who precisely fit the term of control, which must be published in each issue of the journal.

This term of control must define the industrial, commercial or professional classification covered by the journal together with the job qualification the reader must have in order to qualify for receipt of a copy of the journal.

Controlled circulation is further subdivided into

i) Individually Requested

Each copy included in this category must be backed by a signed request card dated no more than 3 years before the date on which the copy is dispatched. The recipient must receive every issue of the journal addressed to him individually by name.

ii) Company Requested

Used when the signed requested document is from a senior official of a qualifying company (or government departments, statutory board etc.), designating specific executives who are to receive the journal. Again the recipients must individually receive every issue and the request document signature must be within the three year limit.

iii) Non requested

Covers all controlled circulation copies, i.e. where no valid requesting document is on file. Recipients need not receive every issue nor is it necessary to address each copy to an individual by name. However the address must bear the job function of the recipient where the individual name is not known.

Non requested circulation also includes copies previously shown under individually requested or company requested headings but where the request card/document has gone out of date.

All the above three controlled sections' recipients and addresses must conform to the published term of control.

iv) Group Requested

Used when the following venues (Hospitals & Nursing Homes/Welfare Organisations, Restaurants, Doctor/Dentist offices, Airlines and other 'public place' locations) make a specific request for a delivery. The request should

include an acknowledgement by the requestor that the copies are intended for use by patrons.

(b) Society/Association Free Circulation

Society/Association journals sent to non members must not appear in this section of ABC returns but can be included in the Controlled or Other Unpaid sections depending on circumstances.

Proof of distribution should be verifiable by proper accounting procedures.

(c) Other Unpaid Circulation

Consist of free copies of value to an advertiser which do not fit the rules for controlled circulation. It must be particularly noted that all such copies must be capable of audit and it is of primary importance that adequate records of dispatch are set up.

**5. Copies which cannot be included in ABC Averages**

- (a) Returned, unsold or undelivered copies,
- (b) Copies sold in bulk exceeding 100 copies and then distributed free except those copies distributed to Hotels and Airline companies and those copies which qualify as multiple copies sales,  
(This does not apply to ABC Verification of Bulk Distribution – see Pg 9 Free Circulation)
- (c) Copies to advertising agencies and contributors,
- (d) Copies not carrying all advertising,
- (e) Back issues dating more than 12 months prior to date of actual distribution,
- (f) Bound volumes of back issues,
- (g) Direct subscribers in arrears over 12 months.

Full details of disallowed copies and refinements to the general rules will be found with each ABC Audit Report Form.

**6. Special Promotion**

Promotions where benefits are given to either trade or public must be disclosed separately in the audit report forms.

**7. Selling, buying or merging an ABC Registered Title(s).**

Where an ABC publication is sold the selling publisher should:

- (a) Advise ABC of the new owner,

- (b) Have the circulation of the publication audited up to the time of the changeover, if it is not a complete audit period,
- (c) Check that the ABC membership fee is not outstanding. The new publisher will be sent an ABC application, audit report and publisher's statement forms for completion and return to ABC and, if this is satisfactory, ABC will sign and seal a new ABC Annual Subscription Certificate in the buying Company's name and transfer the ABC logo for continued use.

Where the publications merge, discussions with ABC are advisable, for frequently a rearrangement for the current or next audit period is required.

Circumstances vary enormously and the advice of ABC should be sought if ABC subscribed membership is not to be interrupted.

## **XI. ADDITIONAL EXPLANATORY NOTES ON ABC CIRCULATION AUDIT CATEGORIES FOR DIGITAL EDITIONS (to be read in conjunction with Audit Notes)**

The following rule language represents additional qualification standards unique to the utilization of digital editions (platforms). Unless otherwise indicated, these rules are intended to augment, not replace, other core qualification rules governing paid and free circulation for print publications.

### **1. Digital Edition**

Digital edition is defined as a publication distributed via electronic / digital means that maintains the basic identity of the print publication by maintaining the same name / logo.

- (a) Digital editions may be eligible for inclusion as circulation copies on ABC documents if they are:
  - Consistent in character and content and editorially homogeneous with the print edition.
  - Restricted-access to subscribers or registered users (does not include public access websites).
- (b) Types of Digital Editions:

There are two types of digital editions for ABC reporting - **replica** and **non-replica**. Publications may utilize a variety of platforms to make their replica and non-replica editions accessible to readers. Such platforms may include restricted-access websites, tablets, e-readers, smartphones, etc.

- i) Digital Replica:

Digital replica editions represent publications available in digital format that are consistent in all editorial and advertising content with the print version of the publication. Editorial and advertising content that is additional to that of the print product is acceptable. Classified

advertisements and freestanding inserts in the print product are not required. Restricted access is required (public access websites are not eligible as circulation copies).

Examples of digital replica editions:

- PDF version of the newspaper/magazine viewed on a PC
- A tablet app that allows reader to flip through a digital reproduction of the newspaper/magazine

ii) Digital Non-Replica:

Digital non-replica editions represent publications available in digital format whose name is the same as the print product under which ABC membership is held. A non-replica version is required to maintain the same basic identity as the core publication but the editorial or advertising content can differ from the print version. Non-replica versions are not required to carry any advertising at all. Restricted access is required (public access websites are not eligible as circulation copies).

Examples of digital non-replica editions:

- A smartphone app that includes shortened versions of the stories in the print newspaper
- A version of the newspaper with no advertising available for an e-reader

All digital editions will be classified as a 'replica' or 'non-replica' edition and reported separately from print edition in appropriate paragraphs or reports.

Publishers must include information pertaining to the advertising content of digital editions in the explanatory paragraph of Publisher's Statements and Audit Reports.

(c) Delivery of Digital Editions:

Digital editions may be delivered in two ways – Pull and Push.

- i) **Pull method** is the most common type of digital delivery. The digital edition must have restricted access. Upon making the decision to receive the digital edition, the recipient typically needs to receive a website address, a unique user name and password from the publication. The recipient is then required to log into this secure website to access the issues of the publications made available to the recipient during their subscription period or for a single copy for the specific issue purchased. Programs structured as "pull" delivery with a static digital edition being provided (such as PDF of magazine) shall require notification of the new issue being available to be provided to subscribers of the digital edition. Such notification is most frequently achieved through e-mail to the subscriber.
- ii) **Push method** is where the subscriber receives an e-mail notice with a link for download or an e-mail with an attached file for downloading of the publication. The publication is then typically downloaded onto the recipient's computer for viewing. The publisher is responsible for communicating to the subscriber regarding how to access the issues and identify when it becomes available for downloading.

For digital editions delivered via the "push" method, the digital version of the publication must be successfully delivered to the recipient's computer. If a publication uses the "push" method, all undeliverable e-mails must be accounted for and the circulation associated with those individuals must be excluded from the circulation claimed on ABC documents.

## 2. Paid Circulation

Paid circulation include sales of single digital edition ("standalone sales") and packaged sales of print/digital editions or multiple digital editions ("package sales").

All digital offers should have a "definitive" term. Continuous service offers are acceptable (e.g., \$X per month/quarter, etc. until forbid).

Digital subscription offers without a definitive term (e.g. a mobile app costing a one-time fee of 99 cents for indefinite access) qualify as paid circulation for a stipulated period based on the publishing frequency:

- Daily publications: Qualify as paid circulation for 1 month from subscription start date (equivalent to 30 paid issues)
- Weekly to half-yearly publications: Qualify as paid circulation for 6 months from subscription start date (equivalent number of paid issues = number of issues published in the 6-month period)
- Yearly publications: Qualify as paid circulation for 1 year from subscription start date (equivalent to 1 paid issue)

Publishing Frequency	Qualifying period for Paid Circulation (from start of subscription)	Qualifying issues for Paid Circulation (from start of subscription)
Daily	1 month	30 issues
Weekly to Half-yearly	6 months	No. of issues published in 6-month period
Yearly	1 year	1 issue

### Example (Daily Publication):

Subscribe to:

XYZ Daily News Online for \$20!

- The above subscription does not have a definite term (e.g. \$20 for a year).
- For daily publication, if subscription starts on 1 April 2012, it qualifies as paid circulation for 1 month from 1 April 2012 to 30 April 2012 (equivalent to 30 paid issues).

**Example (Monthly Publication):**

Subscribe to:

DEF Monthly Digest on Mobile App for \$100!

- The above subscription does not have a definite term (e.g. \$100 for a year).
- For monthly publication, if subscription starts on 1 April 2012, it qualifies as paid circulation for 6 months from 1 April 2012 to 1 September 2012 (equivalent to 6 paid issues).

**(a) Standalone Sales**

Standalone sales include sales of single issue and single subscription of a digital edition (minimum of 2 issues).

Examples of single issue sales include:

- January 2012 issue of XYZ Monthly Digest at \$10
- 2 January 2012 issue of DEF Daily News at \$1

Examples of subscription sales include:

- 1 year subscription of XYZ Monthly Digest (12 issues) at \$120
- 1 month subscription of DEF Daily News (30 issues) at \$30

**(b) Package Sales**

Package sales are two or more subscriptions or single issues to the same publication offered in one sale. The publication may be served via different platforms (print or digital).

In all cases where the inclusion of digital editions (platforms) are tied to a print subscription, or when the offer only includes digital editions (platforms), the offer must specify that each subsequent edition (platform) is offered at an incremental price of at least five percent of the offer price for the print-only edition. If there is no print edition, the incremental price requirement must be based on the first digital edition. If all other qualification rules and policies are followed, the distribution of the digital edition may be included in paid circulation provided:

- The additional charge for digital edition (platform) service includes the option for print-only service or service of only one digital edition at a lesser price. The offer of the print-only or single digital edition must be presented in a clear and conspicuous manner.
- To verify incremental pricing, publishers must be able to reconcile back to the original offer for the life of the subscription term.

i) Print and Digital Editions Sold Together

*(a) Overview:*

Publications may choose to sell print and digital editions together in the same consumer marketing effort. To qualify both print and digital copies as paid circulation, the following requirements must be met:

- Each subscription must be paid.
- None of the subscriptions may be presented to the consumer as free, no additional cost, no extra charge or other synonymous language.

In addition, to qualify all print and digital copies as paid circulation, the publisher has to present the consumer with a print and digital package at incremental pricing.

*(b) Incremental Pricing:*

When print and digital subscriptions are sold together in the same consumer marketing effort, incremental pricing refers to the offering of each subscription independently for an additional cost.

*Print and a Digital Edition Subscription*

The incremental pricing requirement, to qualify the print and digital copies as paid circulation, requires the following to occur:

- A print-only option must be presented to the consumer.
- The price to purchase the print and digital subscription together must not infer either subscription is free and be at least five percent above the cost of the print-only option.
- All purchase options must be presented with equal prominence.

**Acceptable Incremental Pricing Example:**

Choose an option to receive XYZ News for one year:

- 7-day home delivery and 7-day online access for only \$25 a month (counted as 2 copies)
- 7-day home delivery only for \$23 a month (counted as 1 copy)

The above example is acceptable because each offer is presented equally and the print and digital package is priced at more than five percent of the print-only option.

**Unacceptable Incremental Pricing Example:**

Choose an option to receive XYZ News for one year:

- 7-day home delivery and 7-day online access for only \$25 a month (counted as 1 copy)

The above example is unacceptable because there is no offer of a print-only option.

**Unacceptable Incremental Pricing Example:**

- Yes! I want one year of Friday-Sunday print delivery and 7-day online access for only \$25 a month\* (counted as 1 copy)

\*Print-only is available for \$24 a month.

The above example is unacceptable because although the print-only option price is mentioned, the option is not offered to the subscriber. In addition, if the print edition is \$24, the total print and digital package needs to be at least \$25.20.

*Print and Multiple Digital Editions Subscriptions*

The incremental pricing requirement, to qualify all print and digital copies as paid circulation, requires the following to occur:

- A print-only option must be presented to the consumer.
- Each digital subscription must be presented to the consumer independently for no less than five percent of the print-only option.
- If a package is presented, the price must not infer any of the subscriptions is free and each additional digital edition must be offered at an incremental price of at least five percent of the price for print-only edition.
- All purchase options must be presented with equal prominence.

**Acceptable Incremental Pricing Example:**

Choose an option to receive XYZ News for one year:

- \$130 all access package: 7-day home delivery, 24/7 access to XYZ News Online and Mobile app (counted as 3 copies)
- \$100: 7-day Home delivery only (counted as 1 copy)
- \$25: 24/7 access to XYZ News Online (counted as 1 copy)
- \$15: 24/7 access to XYZ News Mobile App (counted as 1 copy)

The above example is acceptable because:

- A print-only option is presented.
- No parts of the package are described as free.
- Each digital subscription is presented separately and is at least five percent of the print-only option (i.e. at least \$5).
- The package costs at least \$110 (=\$100 + 2 \* 5% of \$100) to include five percent incremental cost above print-only for each of the two additional digital subscriptions.
- All options are equally prominent.

**\*\* For the subscription package of print and digital editions (platforms), the publisher has the option to claim only 1 print and 1 digital circulation unit each day, regardless of the number of digital platforms given within the package as well as price of the package.**

ii) Multiple Digital Editions Sold Together

*(a) Overview:*

Publications may choose to sell multiple digital editions together in the same consumer marketing effort. To qualify all digital copies as paid circulation, the following requirements must be met:

- Each subscription must be paid.
- None of the subscriptions may be presented to the consumer as free, no additional cost, no extra charge or other synonymous language.

In addition, to qualify all digital copies as paid circulation, the publisher has to present the consumer with a multiple digital editions package at incremental pricing.

*(b) Incremental Pricing:*

When multiple digital subscriptions are sold together in the same consumer marketing effort, incremental pricing refers to the offering of each digital subscription independently for an additional cost.

The incremental pricing requirement, to qualify all of the digital copies as paid circulation, requires the following to occur:

- Each digital subscription must be presented to the consumer independently.
- If a package is presented, the price must not infer any of the subscriptions is free and each additional digital edition must be offered at an incremental price of at least five percent of the price for the first digital edition (The first digital edition is designated by the publisher).
- All purchase options must be presented with equal prominence.

**Incremental Pricing Example - Acceptable:**

Choose an option to receive XYZ News for one year:

- \$124 complete digital package: 24/7 access to our online edition, our mobile app. and our tablet app (counted as 3 copies)
- \$89: 24/7 access to XYZ News Online (counted as 1 copy)
- \$25: 24/7 access to XYZ News Mobile App (counted as 1 copy)
- \$20: 24/7 access to XYZ News Tablet App (counted as 1 copy)

The above example is acceptable because:

- No parts of the package are described as free.
- Each digital subscription is presented separately and is at least five percent of the first digital edition (Publisher has designated Online as the first edition).
- The package costs at least \$97.90 (= \$89 + 2 \* 5% of \$89) to include five percent incremental cost above the first digital edition for each of the two additional digital subscriptions.
- All options are equally prominent.

(c) Prices

Publications offering digital editions may establish a separate basic price structure for single copy sales and subscriptions for the digital editions or default to the print edition's basic price.

Regardless of the pricing structure adopted, the basic price of the print edition is used as a reference base for reporting of digital edition pricing. Price bands for single issue sales of digital editions are calculated against the cover price of the print edition. Likewise, price bands for digital edition subscriptions are calculated against the basic annual print subscription rate.

Paid digital circulation copies are classified into three price bands:

- At full rate of print edition
- At less than full rate but not less than 50% of print edition
- At less than 50% of full rate of print edition

i) Paid single issues

For single issue sales, all paid digital edition copies must be claimed in the appropriate price band by comparing the price paid against the basic cover price of the print edition.

**Example:**

The cover price for a print edition is \$10 per issue. Its digital edition is marketed at \$4 per issue. For price band reporting purpose, the \$4 single issue sales of the digital edition is computed at 40% (=  $\$40/\$100$ ) of cover price for print edition. It is claimed under "At less than 50% of full rate of print edition" price band.

ii) Paid subscription

For subscription sales, all paid digital edition copies must be claimed in the appropriate price band by comparing the price paid against the basic annual subscription rate of the print edition.

**Example:**

The basic annual subscription rate for a print edition is \$200. Its digital edition is marketed for an annual subscription rate of \$160. For price band reporting purpose, the \$160 subscription to the digital edition is computed at 80% (=  $\$160/\$200$ ) of annual subscription rate for print edition. It is claimed under "At less than full rate but not less than 50% of print edition" price band.

iii) Print and Digital Package

Publishers may sell print and digital edition(s) in a package or multiple digital editions in a package. The treatment to classify the print and digital copies by price bands is as follows:

Print and a Digital Edition Package

- Both the print and digital edition copies can qualify as paid circulation copies if the incremental price of the package exceeds 5% of the print-only price.
- For ABC price band reporting purpose, the package price must be split equally between the print and the digital edition copy and compared against the basic price of print edition.

**Example:**

Choose an option to receive XYZ News for one year:

- 7-day home delivery and 7-day online access for only \$120 a year.
- 7-day home delivery only for \$100 a year.

Notes:

- *Print and Digital package is sold at incremental pricing of \$20 or 20% = \$20/\$100, hence satisfy incremental pricing requirement of at least 5% to qualify both print and digital copies as paid circulation.*
- *Print and digital edition is deemed to be sold at \$60 each (= \$120/2) or 60% (= \$60/\$100) of the price for print. Each print and digital edition copy can be claimed in the "Less than full rate but not less than 50% of print edition" price band.*

**Example:**

Choose an option to receive XYZ News for one year:

- 7-day home delivery and 7-day online access for only \$80 a year.
- 7-day home delivery only for \$100 a year.

Notes:

- *The print and digital package is lower priced than print-only price, hence only the print copy can qualify as paid circulation copy.*
- *The print edition can be claimed as sold at \$80 or 80% (= \$80/\$100) of print-only price. It is claimed under "Less than full rate but not less than 50% of print edition" price band.*

### Print and Multiple Digital Editions Package

- All the print and digital editions in the package can qualify as paid circulation copies if the package price shows that each digital edition is offered at an incremental price of at least 5% of the price for print-only edition.
- For ABC price band reporting purpose, the package price must be split equally between the print and all digital edition copies and compared against the basic price of print edition.

#### **Example**

Choose an option to receive XYZ News for one year:

- \$135: All Access Package: 7-day home delivery for XNY News, 24/7 access to XZY News online and mobile app
- \$100: 7-day Home delivery only
- \$25: 24/7 access to XYZ News Online
- \$15: 24/7 access to XYZ News Mobile app

#### Notes:

*The All Access Package is a package of a print and two digital editions. The print and two digital editions can claim as three paid circulation copies as the following criteria are satisfied:*

- *Print only option is presented.*
- *Each digital edition (Online and Mobile App) is presented independently at no less than five percent of the print-only option (= 5% of \$100 = \$5).*
- *Package is offered at incremental pricing of \$35 for the two digital editions. Total incremental price for the two digital edition needs to be at least \$10 (=5% of \$100 for Online + 5% of \$100 for Mobile App).*
- *The print and two digital editions are deemed to be sold at \$45 each (= \$135/3) or 45% (= \$45/\$100) of the price for print. Each print and digital edition is claimed under the "Less than less than 50% of print edition" price band.*

### Multiple Digital Editions Package

- All the digital editions in the package can qualify as paid circulation copies if the package price shows that each digital edition is offered at an incremental price of at least 5% of the price for first digital edition (The first digital edition is designated by the publisher).
- For ABC price band reporting purpose, the package price must be split equally between all digital edition copies and compared against the basic price of print edition.

### Example

Choose an option to receive XYZ News for one year:

- \$120 Complete Digital Package: 24/7 access to our Online edition, our Mobile App. and our Tablet App.
- \$89: 24/7 access to XYZ News Online
- \$25: 24/7 access to XYZ News Mobile App
- \$20: 24/7 access to XYZ News Tablet App
- \$100: 7-day Home delivery only

### Notes:

*The Complete Digital Package is a package of three digital editions. The publisher has designated Online edition as the first digital edition under incremental pricing requirement. These digital editions can claim as three paid circulation copies as the following criteria are satisfied:*

- *Each digital edition (Online, Mobile App and Tablet App) is presented independently at no less than five percent of the first digital edition (= 5% of \$89 for Online edition = \$4.45).*
- *The Digital package is offered at incremental pricing of \$31 for the two additional digital editions (Mobile App and Tablet App). Total incremental price for these two digital editions needs to be at least \$8.90 (= 2 \* 5% of first digital edition price of \$89).*
- *The three digital editions are deemed to be sold at \$40 each (=\$120/3) or 40% (=\$40/\$100) of the price for print. They would each be claimed in the "Less than less than 50% of print edition" price band.*

### (d) Audit

Records must be available for the Auditor to confirm the purchase of the digital editions. The Publisher must make available the following:

- i) Documentation on subscriber/purchaser information
  1. Name (Per NRIC/Passport)
  2. Residential Address (including postal code)
  3. Identification Number (NRIC/Passport)
  4. Contact Number
  5. Email

The only exception is for copies that are sold through a 3<sup>rd</sup> party vendor that does not supply subscriber information.

- ii) Proof of payment
- iii) Original subscriber order reflecting incremental pricing of print and digital package to the subscriber (direct mail piece, inbound or outbound telemarketing script, Internet order, etc.).
- iv) Email address for each digital copy claimed as paid circulation in ABC reports. The only exception is for copies that are sold through a 3<sup>rd</sup> party vendor that does not supply email addresses. For each issue in the reporting period, the publisher must be able to provide:
  - 1. A circulation list that includes all end users' email addresses (except for copies sold through 3<sup>rd</sup> party vendors that do not provide this information – see 2. below). The list must include coding to identify the type of circulation each copy is claimed as (i.e. paid single issue or subscription) and the price paid for the copy/subscription.
  - 2. For all copies sold via 3<sup>rd</sup> party vendors (that do not provide email addresses), evidence from the vendor of the number of copies by circulation type (i.e. paid single issue or subscription) and price paid.

Failure to provide the necessary audit documents may cause the circulation to be excluded from ABC documents.

### **3. Free Circulation**

Free circulation represents copies which are sent free to individual consumers who have requested to receive these publications. For digital edition, free circulation consists solely of verified subscription.

#### **(a) Verified Subscription**

Digital edition may qualify as verified subscriptions if all of the following conditions are met:

- i) The recipient must request for delivery of the digital edition
- ii) The recipient must register and activate an account, or download the application, to initiate the start of the subscription
- iii) The recipient accesses/downloads the digital edition at least X times in Y period for the following publishing frequency:
  - 1. Daily to bi-weekly publications: At least once every month
  - 2. Monthly to quarterly publications: At least once every 6 months
  - 3. Half-yearly to annual publications: At least once a year

For digital editions to qualify as verified subscriptions, the request for delivery must be renewed at least annually.

(b) Audit

Records must be available for the auditor to confirm the request for delivery, registration and activation, or download, and subsequent access. The publisher must make available the following:

- i) Documentation to verify that recipient has requested delivery of the publication. This free request documentation must also include the following recipient information:
  - 1. Name (Per NRIC/Passport)
  - 2. Residential Address (including postal code)
  - 3. Identification Number (NRIC/Passport)
  - 4. Contact Number
  - 5. Email
- ii) Access to account history showing when the recipient registered a user name and password
- iii) Access to account history showing how frequently the recipient accessed/downloaded the digital edition

Failure to provide the necessary audit documents may cause the circulation to be excluded from ABC documents.

**4. Reporting of Digital Editions**

All digital editions (replica and non-replica) are reported separately from print edition in appropriate paragraphs of ABC Publisher’s Statements and Audit Reports.

The executive summary of circulation in the ABC Certificate of Audited Circulation will report the average circulation by edition (print, digital replica and digital non-replica). Only the print and digital replica circulations are totalled and reported under the total average circulation for the publication. Digital non-replica circulation shall be reported separately and not totalled with the core circulation.

EXECUTIVE SUMMARY

Print Circulation	<input type="text"/>
Digital Replica Circulation	<input type="text"/>
<b>Total Average Circulation (Print &amp; Digital Replica)</b>	<input type="text"/>
Digital Non-Replica Circulation	<input type="text"/>

## 5. Additional Audit Requirements

- (a) The publisher must provide ABC with access to every issue of the print and digital edition for inspection. This will also allow ABC to test the availability of the digital edition and ensure that:
  - i) The correct digital edition is available on the stated publication date/period.
  - ii) The digital edition is available for viewing and/or download as required.
- (b) For digital editions delivered via the "push" method, all undeliverable e-mails must be accounted for and the circulation associated with those individuals must be excluded from the circulation claimed on ABC documents. Publishers must provide a digital circulation delivery report, which is a document identifying the number of undelivered e-mails to digital subscribers as a result of bounce back.
- (c) Only current issues can qualify as circulation copies. Publishers cannot serve back copies (or archived issues) of the digital edition to subscribers and qualify that circulation as paid or free circulation on ABC reports.
- (d) Publishers considering converting existing print subscribers to digital service or print and digital package service must provide an "opt-in" option to subscribers. Only those who respond positively to the opt-in can be converted to digital or package delivery.
- (e) ABC Auditors may contact any digital edition purchaser/subscriber/end user at any point for further verification.

## **ADDENDUM**

**A publication can claim to be a subscriber of ABC Circulation Audit if they have a current audit.**

### **What is a current audit?**

The audit year is January to December. Publishers can opt for one annual audit for the period January to December or two audits for the period January to June, and July to December. An audit ceases to be current when the next audit period is due for audit i.e. a January to June 2006 audit ceases to be current in January 2007, a July to December 2006 audit in July 2007 and a January to December 2006 audit in January 2008.

We are aware that Publishers may require time to compile their circulation data for audit after the close of each audit period. Publishers will now have to complete submission for audit within three months from the end of the intended audit period. If no audit submission is received by then the publication will cease to be an ABC audited publication and will be removed from the List of ABC Audited Publications.

This means that any publication intending to remain, continuously, as an audited publication must submit their audit returns within 90 days after the end of the period due for audit. Otherwise they cannot claim to be a subscriber of ABC Circulation Audit and can only be reinstated only on successful completion of a new audit.

These procedures, particularly the time line, are important in establishing a clear understanding of current audit status and when a publication has breached the point when it can no longer claim to be an ABC audited publication. It is also intended to instil discipline in audit compliance and facilitate action against misuse and abuse of the audited publication status.

A publication with a current ABC Circulation Audit may use the following Logo to indicate that the publication is a subscriber of ABC Circulation Audit:

