

How to Purchase Print Advertising Wisely

What Marketers Need to Know About Circulation Auditing and Circulation Audit Reports When Making Important Advertising Purchasing Decisions

By Jennifer Armor—Verified Audit Circulation (VAC)—Audit Manager

When advertising sales representatives discuss how great their service offerings are and the publication that they represent—what tools can you use to determine if the publication is a good fit for your product?

How can you quantify the statistical information about their publication such as circulation numbers, reader profiles and so on?

In other words, how can you make the most informed decision when purchasing advertising so that you reach your target audience?

The key to understanding what publication is best for your product is to be found in the Audited Report provided by the publisher.

There are two types of audited circulation, self-audited, which means that the publisher audits their own publication and third-party audited circulation. With third-party audits the circulation numbers are verified literally by an independent auditing firm that specializes in the publishing and marketing industry to ensure that the actual circulation numbers and reader information is accurate and current. The number of readers are not just claimed by the publisher, but confirmed by an outside source, which makes it difficult to misrepresent.

Why should you purchase publications that are audited over non-audited or self-audited publications?

A circulation audit is an in-depth examination of a publication's circulation claims. It involves independent, third-party verification of a publisher's printing,

distribution and financial records. Verified Audit Circulation functions as that third-party by conducting an audit and issuing an annual Audit Report (biannual, semiannual or quarterly audit report, depending upon the client) to confirm a publisher's claimed circulation.

The audit report provides information needed to make smart media buying decisions. It provides a "seal of approval" for advertisers who use print media. Each Audit Report is based on detailed information provided by the publisher and confirmed by Verified's trained auditors.

Verified's auditors gather information from a publisher's records and report their findings in an Audit Report. The audits either substantiate or adjust the information provided by the publisher.

How to Read an Audit Report

An Audit Report for consumer newspapers and magazines can be divided into four main sections:

- General Publication Information
- Circulation Data
- Geographic Analysis
- Verification of Distribution (if required)

The top portion of the first page includes publishing company information, which includes the publication name, contact information and logo. It also includes the period covered by the audit and the type of report it is: Annual or Semi-Annual or initial Audit Report of Publisher's Statement. This section contains a publication description, which is a brief explanation of a publication's content, target audience and distribution practices.

Below begins the actual circulation figures. This information is based on the average number of copies distributed during the period covered by the report (6-

12 months).

The average press run is the average number of copies printed for each issue. Print runs can increase or decrease issue by issue, but this figure represents the typical number of copies printed. Publishers may wish to increase their press run for special issues such as “Best of” issues and resource guides or they may wish to decrease it for natural disasters or holidays.

Circulation information is divided into free (non-paid) and paid circulation. Free circulation is defined as copies distributed free of charge to readers. Paid circulation is defined as copies distributed for which at least 25% of the basic price is received by the publisher. Both free and paid circulation is broken down further by the method of distribution: mail, home delivery (carrier), target (bulk), newsstand, digital, etc.

The total free and total paid circulation is then combined to determine the total qualified circulation. This sum is the total number of copies actually in the hands of readers (net). This figure is important to determine your return on investment (ROI).

Non-qualified circulation consists of all distribution that does not meet the criteria of qualified circulation. Verified’s reports include non-qualified circulation data in order to account for all copies printed. Some examples of non-qualified circulation are returns, agency copies, trade shows and sales.

The audit report’s circulation analysis by ZIP or postal code and/or the circulation area map provides a geographic analysis of circulation, providing the means to understand exactly where the publication is circulated. The analysis is conducted for a single, representative issue. This information may include demographics such as population, households, income and race.

Consumer magazine audit reports include an analysis of subscription source and rates sold. The number of copies added and removed by issue to the subscriber file is also shown.

Both consumer magazine and newspaper reports include a circulation history, which presents the publication's qualified circulation history, both paid and free, for the current audit period, as well as a period of five years or less. This provides insight into a publication's direction and success.

The final section of the audit report is an explanation of any fieldwork completed by Verified. This may be a random spot-check of distribution locations, mail surveys or phone surveys. There are details of the methodology used and the results. Including fieldwork adds an additional tier of checks and balances to the audit.

An audit report is full of valuable insights to assist in the analysis as of a publication. Advertisers can draw educated conclusions by examining this information carefully. Understanding which section contains which information makes analysis easier and more effective.

Sidebar

Glossary of audited circulation terms: (please have hyperlink in article to drive them to website www.verifiedauditi.com)

Circulation Glossary--Verified's glossary of commonly used terms.

Annual Audit Report: Standardized circulation report issued by Verified detailing its findings as the result of an audit. Issued once per year.

Audit: Examination of circulation and related financial records to verify the accuracy of submitted data. Field verification and/or research in support of above.

Audit Bureau: An independent organization that audits the claimed circulations of its publisher clients for the purposes of verifying those claims for advertisers and other interested parties. Bulk: Multiple copies (five or more) delivered to the same location, not individually addressed.

"Target" Demographics: Characteristics of a publication's readers such as sex,

age, income, home ownership, presence of children, industry, job title, etc..

Digital Edition: Electronic edition of a publication including the same content and advertising as a print issue of the same date. Newspapers in Education (NIE): Copies distributed to educational institutions for use by students. This can be single copies or subscriptions.

Publisher's Statement: The sworn circulation statistics filed by a publisher twice per year with an audit bureau and or subsequent report issues by audit bureau. These statements are audited annually.

Reader Verification Survey: Mail survey sent to a randomly selected sample of individuals on a publication's subscriber list. Applies to publications with an Association/Group/Directory or Rotated total greater than or equal to 51% of the total Qualified Circulation. Optional for consumer publications.

Receipt and Readership Survey: A telephone survey of households within a publication's specific distribution area. The survey confirms that the household receives the publication and that it's read by someone in the household. Applies to publications having free carrier delivery.

Single Copy Sales: Copies of a publication sold at retail by a third party dealer.

Jennifer Armor is the Audit Manager for Verified Audit Circulation. Prior to joining Verified Audit, she was Circulation Director for Diabetes Health magazine. For additional information about circulation auditing and Verified Audit Circulation please contact: jarmor@verifiedaudit.com or visit www.verifiedaudit.com for additional information about how to read audit reports, glossary of terms and other marketing information. You may also sign up to receive our monthly newsletter VIEWPOINT that addresses current issues and trends in marketing,

advertising and publishing.