

JICREG

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Guide to
**Circulation
Allocation**

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Guide to Circulation Allocation

These Guidelines are designed to help newspapers allocate copies to postcode sectors on the Newspaper Society's Database. Readership allocation is based on circulation allocation. If the circulation allocation is inaccurate, then the readership allocation will be inaccurate. Inaccurate readership allocation may mislead advertisers and lose revenue for the newspaper. This may also undermine the integrity of JICREG data. Advertisers want to know how many people read newspapers and where they live; they are much less interested in where copies are sold.

This Guide has been prepared to help those whose task it is to take the raw circulation or distribution data and allocate copies to postcode sectors.

This Guide cannot lay down hard and fast rules about how to allocate copies; local knowledge and experience play an important part.

Why accurate circulation allocation is important

Advertisers expect newspaper publishers to know where their customers live. So do competitive newspapers. We've had experience of complaints of incorrect allocations being taken to trading standards officers and to the courts. Getting it right is in everyone's best interests.

Who is responsible?

Appoint a single person to oversee circulation allocation - a project leader who understands the implications of getting it right and who can work with both the distribution function and the advertising function.

Too many copies in the city centre?

Turn to page 5

Unallocated copies?

Turn to page 8

Useful contacts

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Management Summary

1. Circulation should be allocated to the sectors where people live, not where they buy or receive their copies.
2. No sector can have more than 100% household cover.
3. No sector can have more than 98% readership because there will always be some people who cannot read or who are absent on any given day.
4. A new circulation allocation should be made whenever a new audited figure is released by examining the new sales or distribution data and not by simply increasing or decreasing the allocation in each sector by the same percentage as the overall change.
5. If the allocation is not accurate or not kept up-to-date, it may lead to complaints by competitors and/or advertisers and agencies.
6. Readership research for JICREG is based on the allocation of copies.
7. Inaccurate or out-of-date allocations may lead to a loss of advertising revenue.

JICREG data are released twice a year, in May and November. Both incorporate the latest ABC, VFD and other audited data. The November release incorporates new household and population data, and postcode sector changes.

Introduction In the early 1980s, a Database was created in response to the increasing number of requests from advertising agencies for more information about newspapers and in particular, for more detailed circulation information. This Database now resides at the Newspaper Society. Advertising agencies and advertisers often use aggregations of postcode sectors to define catchment areas and so it was decided that the regional press should follow suit. Postcode sector boundary lines are drawn for the convenience of the Post Office, not for the regional press which is why anomalies appear and we have to deal with them as best we can.

It is to the benefit of everyone to allocate copies as accurately as possible and the total of the sector allocation must always equal the latest total audited circulation.

Inaccurate data can lead to complaints from competitors and if the data cannot be justified, competitors may take further action which may include complaints to the Trading Standards Authority.

Allocation - the Principles Advertisers and advertising agencies are much less interested in where people buy or receive copies of newspapers than where the people who read those copies actually live. Advertisers want to know how many people read the paper within their own catchment area. Readers are assigned to sectors in proportion to the number of copies allocated to those sectors.

With most free newspapers, where people read their copies is where they are delivered - to their home - but some are distributed in town centres where they may be read by people who do not live there.

Most paid newspapers are read close to where they are bought, but some copies may be bought many miles away. An estimate needs to be made therefore, of where the people who buy or receive these copies, actually live and copies allocated accordingly.

The NS Database is designed so that copies allocated to a sector may not exceed the number of households in that sector, and on the JICREG Database, readership may not exceed 98% of the adult population in any sector. Adults are defined as those aged 15 or over.

Allocation - the Practice

Newspaper publishers usually have a fairly good idea of where copies are sold or distributed. Paid-for papers have sales figures by outlet; free papers have round lists and pick-up papers know where the 'bins' are located. However, the NS Database requires that copies are allocated to where people live who buy or receive copies and this presents a dilemma because newspapers do not always have that information.

Copies should be allocated against the latest postcode sector list on the NS Database which is updated once a year. Sometimes a newspaper may be using very recent changes to sectors which have not yet reached the NS Database. In these very rare instances, copies should be allocated to the old sectors. The number of households and the population shown against these sectors should be used to help decide the copy allocation.

Allocating Copies of Paid-for Papers

The starting point for circulation allocation must be sales (less returns). Most sales points have postcodes - newsagents, supermarkets, garages and so on. Even street sellers can be allocated a postcode sector. Copies can be aggregated into sale by sector, ideally based on an average of the six month audit period. However, as the Database requires copies to be allocated to where people live, adjustments may now need to be made. There are many sources within the newspaper that may give clues as to where the people who buy these copies live - known commuter patterns (train lines and bus routes), previous readership research, the road network, competition entries, readers' letters, reader offers, reader holidays, local knowledge and so on. At the end of the day, any adjustment is only the newspaper's best guess - but that guess is likely to be better than anyone else's guess. Here are some typical problems that often occur:

Problem 1

Circulation in the town centre is higher than the number of households.

Solution

Make the town centre household cover the average for the location and allocate excess copies to the sectors that make up the remainder of the location, in proportion to existing sale.

Example: location of Aylesbury

HP19 8 (the town centre) has a sale of 600 copies but only 100 households. As the location has 49% household cover overall, allocate 49 copies to HP19 8. This leaves 551 excess copies to be re-allocated across the remaining 1400 households (total of the other three sectors). 551 divided by 1400 multiplied by 800 equals 315 which should be added to HP19 0. Repeat this procedure for the other two sectors.

Sector	Households	Circulation (original)	Circulation (adjusted)	Household Cover % (unadjusted)	Household Cover % (adjusted)
HP19 0	2,000	800	1,115	40	56
HP19 7	1,000	400	557	40	56
HP19 8	100	600	49	600	49
HP19 9	1,000	200	279	20	28
Total	4100	2,000	2,000	49	49

Problem 2

Circulation uneven in sectors within a district

Solution

Make each sector have the same level of household cover as the total for the district

Example: M11

The household cover of M11 is 48.6% - 3,500 divided by 7,200 and multiplied by 100 as can be seen from the last line of the table. 48.6 multiplied by 2000 divided by 100 equals 972 which is the new allocation for M11 1. Repeat this for the other three sectors. This uniformity may also not represent the situation on the ground, so local knowledge may suggest that whilst the original figures are too uneven, having the same household cover is going too far the other way and perhaps figures somewhere in the middle would be nearer the mark. Once again, the best guess of the newspaper based on all the available data is what is required.

Sector	Households	Circulation (original)	Household Cover % (unadjusted)	Circulation (adjusted)	Household Cover % (adjusted)
M11 1	2,000	500	25.0	972	48.6
M11 2	1,000	800	80.0	486	48.6
M11 3	1,200	1,000	83.3	583	48.6
M11 4	3,000	1,200	40.0	1,459	48.6
Total	7,200	3,500	48.6	3,500	48.6

Problem 3

Sale through wholesaler or the use of roundsmen

Solution

Allocating copies to the postcode sector in which the wholesaler has his depot or where a roundsman lives will be misleading.

- a. Obtain information about where copies go from the wholesaler.*
- b. Allocate copies to sectors where the newspaper does not deliver which are covered by the wholesaler taking into account the size of the sector and the distance from the heartland of the paper.*
- c. Allocate copies to where a roundsman delivers not where he lives.*

Problem 4

Copies in areas a long way from the heartland and overseas copies

Solution

- a. Readers of overseas subscription copies obviously cannot be allocated to a postcode sector so these copies should be put into the 'miscellaneous' category.*
- b. If a sector has a very small number of copies which are thought to be read by the people who live in those sectors, they could be allocated there or alternatively allocated to 'miscellaneous' if the numbers are really small. Copies of an evening newspaper bought at say, Euston station, should be allocated to where those buyers live - probably in the main circulation area.*

Allocating Copies of Free Papers

The Post Office and the Census define a household differently.

Problem 1

More copies allocated to a sector than there are households.

Solution

- a. Use a map to allocate copies to adjacent sectors if it is felt that the readers of these copies might live there.*
- b. Use the system described above for paid-for papers to re-allocate copies to the sectors that make up a location.*
- c. Put the excess copies into the 'miscellaneous' category.*

Problem 2

A series of free newspapers appears as one entry on the NS Database and because some households receive more than one free paper within the series, household cover exceeds 100% in all or many of the sectors in which they are distributed.

Solution

- a. Put excess copies into the 'miscellaneous' category as it would be misleading to allocate copies in sectors where none of the papers in the series are distributed.*
- b. Split the series and have one entry for each title within it. Each entry must have an audited distribution figure to qualify for inclusion on the Database.*

Circulation and Readership

There can never be more adult readers in a sector than there are adults. In practice, a maximum figure of 98% readership is used.

Problem

A newspaper has more readers in a sector than there are adults.

Solution

Divide the number of adults by the readers-per-copy figure and allocate the resulting number of copies.

Example: BB2

The first line of the table shows the original data with more readers than adults. The second line shows the result after adjustment. 5619 divided by 2.7 equals 2081. However, 98% readership penetration is the maximum allowed, so this figure has to be reduced. 2081 multiplied by 0.98 equals 2039.

Sector	Households	Adult Population	Copies	Household Cover %	Readers per copy	Readership
BB2 7	2,695	5,619	2,428	90.1	2.7	6,556
BB2 7	2,695	5,619	2,039	75.7	2.7	5,506

If a newspaper inadvertently allocates copies in such a way as to trigger this problem, then readership is reduced; the readers are 'lost'. Copies are not re-allocated. It is recommended that this check be made for each sector.

Electronic Questionnaire

The Newspaper Society has recently launched an internet based system enabling publishers to update their database entries. Every year in August/September, the system is updated with new household and population by postcode sectors as well as the current circulation allocation.

Publishers are asked to enter updated information based on the latest audited circulation totals by the end of September in order to update the NS database entries. Six months later, in February/March, publishers are re-contacted asking them to enter new sector breakdowns etc. based on the July-December audited circulations.

The allocation of copies to sectors should ideally total the audited figure. If the totals are not the same, the Newspaper Society either makes an adjustment by increasing or decreasing the allocation in each sector by the same percentage as the overall change, or if the publishers requests, copies are classified as miscellaneous. The total of the sector allocation will therefore always equal the audited figure.

Maps Putting circulation on to a map will show if any sectors or 'holes' have been missed as well as showing 'islands', sectors cut off from the main circulation area. Newspapers can then decide if the 'holes' or 'islands' are valid or if mistakes have been made. Maps showing postcode sector boundaries can be obtained from the Intelligence Unit at the Newspaper Society or from specialist suppliers

Conclusion Every six months when new audited figures are released, it is easy to increase or decrease the allocation in each sector by the same amount as the total change in circulation or distribution. However, this may not reflect the situation on the ground. Free newspapers may pull out of some areas and go into others. The total distribution figure may be similar but the allocation of copies to sectors could be very different. Paid-for newspapers may lose a major outlet in one sector or competitive activity may reduce the sale in one part of the circulation area. Promotional activity may increase it in other areas. A proportionate increase or decrease in line with the total change may be misleading.

Sectors may disappear and new ones may be created. Simply proportioning would miss these new sectors and may leave 'holes'.

Each six months, newspapers should examine their figures afresh and allocate copies using the latest data.



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