SOME FURTHER THOUGHTS ON READERSHIP AND CIRCULATION

Jane Perry, Young & Rubicam Media in Europe

Summary

In San Francisco there was a lot of discussion about the relationship between circulation and readership figures.

When discussing this relationship in media research circles the assumption is always made that circulation is an absolute. If readership and circulation figures don't relate in a consistent manner, there must be something wrong with the readership measure. In practice, I have found that the opposite is sometimes true. Readership figures may be more consistent than circulation figures, and changes in readership may precede changes in circulation, however illogical that may seem.

One reason for this is the relationship between the publisher and both sets of figures. The publisher has much more control over his circulation figures than he has over his readership. Publishers can affect circulation in many ways, without doing anything dishonest, or even overly competitive. They can change their print run as well as their cover price. They can switch from firm sale to sale-or-return, and vice versa. They can vary the treatment of returns, discounted copies and overseas sales. In contrast, their influence over their readership figures is much less direct, and therefore much less predictable. As a result readership figures have a far higher capability of surprising publishers than circulation figures ever can. It is at least one of the reasons why publishers often get extremely upset by unexpectedly bad readership data.

If circulation figures are regarded as potentially no less fallible than readership figures, the relationship between them often becomes clearer. It may then be possible to come to some general conclusions regarding this relationship which don't depend on objective constants, such as publication frequency or means of distribution, but are linked more directly to the individual history and circumstances of particular titles or publishing groups.

This paper considers the relationship between circulation and readership in a graphical way, using specific examples to illustrate the kind of factors that may influence circulation, and the resulting effects these may have on readership.

There were a number of papers at San Francisco which were concerned with the relationship between readership and circulation, and in particular, variations in readers per copy (rpc).

This relationship is difficult to quantify. It has been an issue in the UK since at least the 1960's. In 1970 it was the subject of a Thomson gold medal paper (which was won, incidentally, by John Bermingham, among others[1]). It has attracted papers at every Worldwide Readership Symposium since the first in New Orleans in 1981. It has been the subject of serious consideration by most of the leading British press researchers, including Michael Brown, Timothy Joyce, Tom Corlett, Guy Consterdine and Colin Macdonald, as well as many others worldwide, including Wally Langschmidt. Despite these many attempts, there is no simple explanation of the relationship. Rpc varies widely between different titles, even those that are apparently similar. Circulation and readership frequently move in different directions. In his San Francisco paper[2], Guy Consterdine identified twenty separate factors which could influence rpc. He concluded that "it is impractical to build a mathematical model which predicts the rpc for a given publication with useful accuracy".

The underlying assumption of most of these papers is that circulation is the independent variable. A circulation figure is an independently audited census of sales. Readership is based on a sample, and uses a questioning technique which has been demonstrated endlessly at these symposia to produce varied results depending on all kinds of factors. The circulation measurement must, seem more valid. If readership figures don't change in the same way as circulation, and at the same time, then there must be something wrong with the readership measurement technique. In practice, I have found that the evidence is not that clear-cut. Readership figures may sometimes be more consistent, logical and helpful than circulation trends, at least as far as advertisers are concerned. Changes in readership may even precede changes in circulation, however illogical that may appear.

[1] Bermingham, John, Gage, Robin, and Mills, Pam "An examination of the relationship between readership estimates and circulation" Thomson Medals and Awards for Advertising Research, 1970. Gold Medal winning paper.
[2] Consterdine, G "What determines readers-per-copy patterns for UK magazines?" Worldwide Readership Research Symposium VI: San Francisco, 1993

The reason for this is that circulation figures are much more closely under the control of the publisher than is readership. Readership figures may therefore reflect real changes in a title's readership more impartially than circulation.

On the whole, circulation figures aren't very important to UK agencies. British publishers very rarely base their rate-cards on guaranteed circulations, except occasionally with new launches, so agencies have no incentive to carry out the regular detailed adjustments described by Bruce Goerlich[3]. What they want to know is how many people, of an appropriate definition, will have the opportunity to see their ad. They use readership research as a surrogate for this. That is its function. In my experience, they very rarely use circulation data at all, in any part of planning or buying*. When they do, it is only anecdotally, along with a host of other factors, as a negotiation tool. So for agencies, the minutiae of rpc are largely irrelevant. Rpc figures are only of interest as a possible indication of quality; high readers-per-copy may signify a long tail of pass-on readership which may be less valuable.

So agency researchers have a tendency to question both sets of numbers when the trend for circulation differs from that of readership

In this paper I have looked at some cases in which circulation figures change, and what effect this has had on readership. I have not attempted to carry out a complete mathematical study of the data. The factors involved are too numerous and complex, and the data series too brief and often incomplete, to allow a full regression analysis. Instead I have largely followed the technique employed by Ingemar Lindberg in 1981[4]. His solution to the problem was to make a graphical presentation of the data, allowing what he described as a "plausibility analysis" of the relationship between the two measures. The data I used were:

> **Circulation.** - ABC, or publishers' audited circulation, where ABC figures weren't available. Figures for newspapers are total sales, and figures for magazines are sales in the UK & Eire only.

> **Readership** - NRS average-issue-readership for adults aged 15+ in Great Britain. The NRS changed its readership technique substantially in 1984, and this is reflected in the results for many titles.

There are two major causes of circulation changes: external factors, and actions taken by the publisher himself. External factors can usually be easily identified, although sometimes only with hindsight. They are also easy to document. **Chart 1** shows what happened to the circulation of two English quality Sunday newspapers in 1979 when their main competitor was withdrawn from sale for almost one year, during a dispute with the print unions. It is interesting that in this case everyone benefitted; when the Sunday Times finally returned to the news stands, its circulation resumed at almost exactly the same level as when it was closed. However it took around two years for its two competitors to lose all the benefit that they had temporarily gained. The picture for the Times and its daily competitors is very similar. **Chart 2** shows another clear example of external influence on a publication's circulation. In 1991, the BBC and ITV lost the exclusive right to publish TV programme listings in the UK. Prior to then, most families had bought both the Radio Times (owned by the BBC), and the TV Times (ITV), each of which had only carried its own channels' listings. From 1991, each title carried programme listings for all stations, and viewers only needed to buy one title. Again, this appears to be a case where total circulations benefitted. Although circulations for both the Radio Times and TV Times fell sharply initially, they have stabilised since. This is despite the launch of three new weekly titles into the market, which now have a combined circulation of over 2.5 million. Total sales of TV guides have been rising steadily since 1991, and are now close to their levels before deregulation.

In both these instances, readership reacted immediately to the change in circulation, and to a similar degree (chart 3).

Action by the publisher to change circulation can take many forms. He can make changes to the title itself, which will include factors affecting editorial, distribution, price and promotion. These kinds of change are often intended to affect readership directly, although they may also be caused by a need to increase profitability. He can also make changes to the way in which circulation is reported or calculated. This will normally have less effect on readership.

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[3] Goerlich, Bruce "The relationship of changes in circulation to changes in total audience" Worldwide Readership Research Symposium VI: San Francisco, 1993

* With the two specific exceptions of new title launches (or re-launches), and publications, such as some specialist or regional titles, and all internationals, which have no (useful) readership data.

[4] Lindberg, Ingemar "Circulation and Readership: Trend Analysis" Readership Research Symposium I: New Orleans, 1981

Here are some examples of the effects on circulation of publishing changes. **Chart 4** shows how the circulation of a daily newspaper, Today, increased after a change of ownership in mid 1987, from the Lonrho group to Rupert Murdoch's News International. Similar changes can be seen for two women's magazines, New Woman, and Chat. These effects are quite clear, although a change of ownership doesn't always result in improved circulation, any more than a change of editor.

Substantial price cuts tend to have clear and immediate effects as well. **Chart 5** shows the effect of one such change. In September 1993, News International reduced the cover price of its quality daily newspaper, the Times, from 45p to 30p. The circulation of the Times increased sharply, and has continued to rise since, despite competitive reaction from the Daily Telegraph and the Independent. As in 1979, the other quality dailies didn't suffer over much from the Times' actions. The total circulation for all quality dailies rose. The Independent was the only title which showed any circulation loss which could be related to the Times' price cut, and even this could just as plausibly be blamed on its decision to raise its own cover price by 10p just as the Times was reducing its by one-third. In these cases also, readership figures showed similar changes to the circulation changes (**chart 6**).

A final example of the effects of price-cutting can be seen in the case of the Daily Telegraph (**chart 7**), which cut its cover price from 48p to 30p in June 1994. The Telegraph's circulation wasn't directly affected by the Times' price-cutting the previous year. If you didn't know when the Times cut its cover price, you probably wouldn't be able to identify that point from this chart. What caused the Telegraph to reduce its own price was the possibility that its 6-monthly circulation figures might fall below the one million mark.

Round numbers such as one million are very sensitive levels for publishers. **Chart 8** shows an example of another daily newspaper, the Daily Star, nearing the one million mark. The publisher clearly did everything he could for almost one year to prevent his paper slipping below the magic figure. In the end he accepted the inevitable, and allowed it to resume its downward trend.

I know of only one documented example of the degree to which a publisher may affect circulation without necessarily changing anything else. In 1982 Michael Bird[*] was appointed managing director of International Thomson's consumer magazine division. Their principle title was Family Circle, which was the highest-selling women's monthly at that time. When he arrived, he found that its resources were somewhat strained by an over-optimistic print order, and correspondingly high levels of returns. Taking advantage of his honeymoon period he reduced the print order to more sustainable levels, and set all existing unsold copies against the current circulation audit period. As a result, the reported circulation fell by around a third (**chart 9**). As this fall was largely an accounting device, closely akin to a currency devaluation, there was no corresponding change in readership, which rose slightly in that period, and continued to rise in line with circulation as his other changes to the title started to take effect (**chart 10**).

The tendency for circulation falls to lag readership is very strong. There are not many examples of a clear change in direction downwards over the last fifteen years. Over such a short period, most titles move sideways or fall steadily, with the exception of some new launches. However, in each case that I can identify, the turning point for readership came before the turning point for circulation, sometimes by as much as two years. **Charts 11-13** show some examples. In contrast, when circulation starts to rise, the turning point for readership occurs at the same time as for circulation, or slightly afterwards. This may partly explain the phenomenon of higher rpc among titles with falling circulations, and lower rpc among growing titles, which has been noted by a number of writers, including Guy Consterdine[5] and John Bermingham[6].

Another class of circulation changes which may not be reflected in readership can be identified by looking at the behaviour of titles with common ownership. There is some evidence that these are more likely to share changes in circulation than similar titles owned by other publishers. In these circumstances, changes in circulation may indicate an internal policy change of some kind, such as changes in distribution or accountancy, rather than an actual change which is relevant to the advertiser. **Charts 14-17** show a couple of examples. In 1987, there was a distinct upturn in circulation for the four major IPC women's weeklies. This was continues into 1988 for the same publisher's home interest titles. In each case, changes in readership are much more random than the circulation movements.

In 1981 Ingemar Lindberg[7] concluded that "the overall pattern of the circulation vs. readership relations is one of surprisingly strong stability". My own examination of the data leads me to the same conclusion. Where there are short-term inexplicable differences between between circulation and readership, it is often safer to trust the readership figure. Despite all the problems with readership which have been raised over the last fifteen years, I believe it is still a reliable measure for the advertiser.

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[*] who will be well-known to many symposium delegates as a pre-eminent media researcher, and author of numerous articles on the use and interpretation of media statistics.
[5] Consterdine, Guy: as above
[6] Bermingham, John: as above
[7] Lindberg, Ingemar: as above

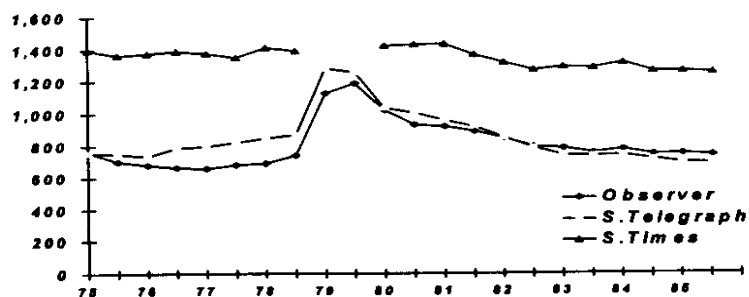## Chart 1. Effect on circulation of
S.Times strike

Chart 2. Effect of deregulation on
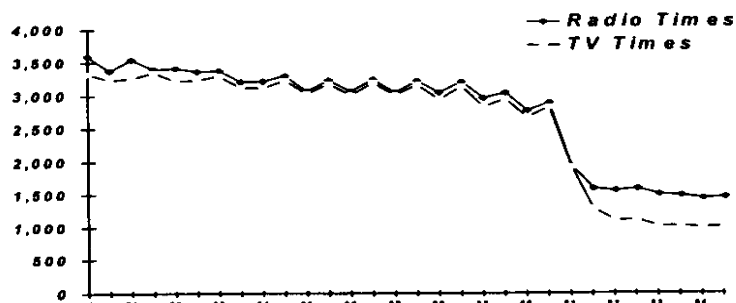## circulation of UK TV programme guides

Chart 3. Comparison of readership and
circulation changes (indexed on 1972)

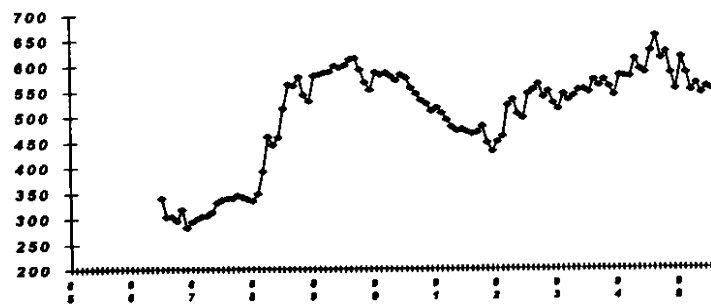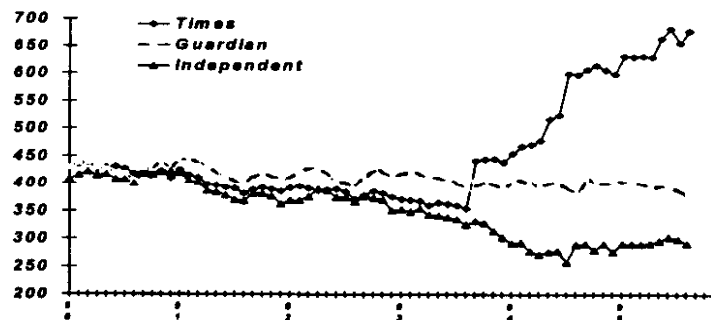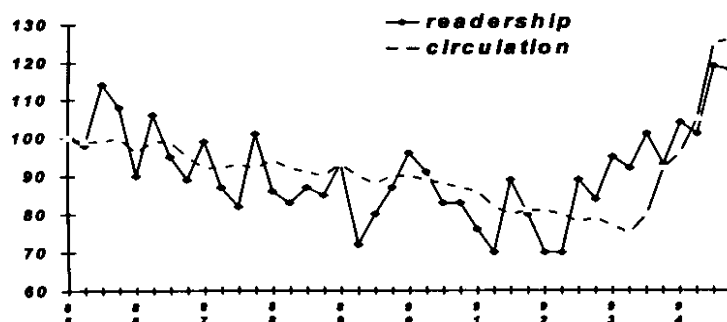## Sunday Telegraph

The Observer

Chart 4. Circulation of Today ('000)

Chart 5. Effect on circulation of the Times' price cut

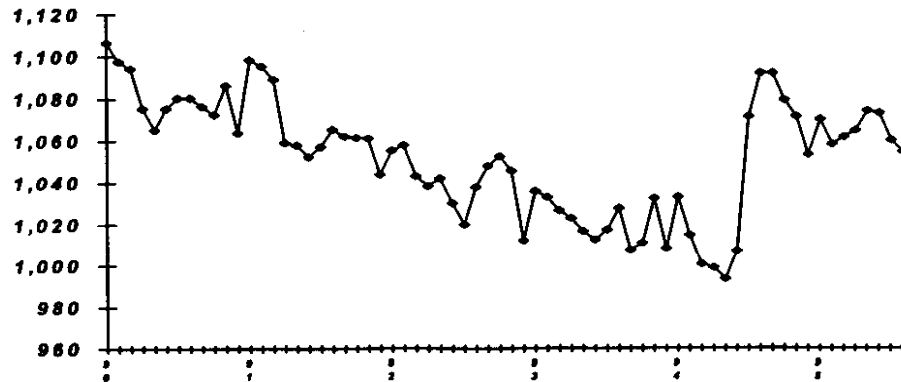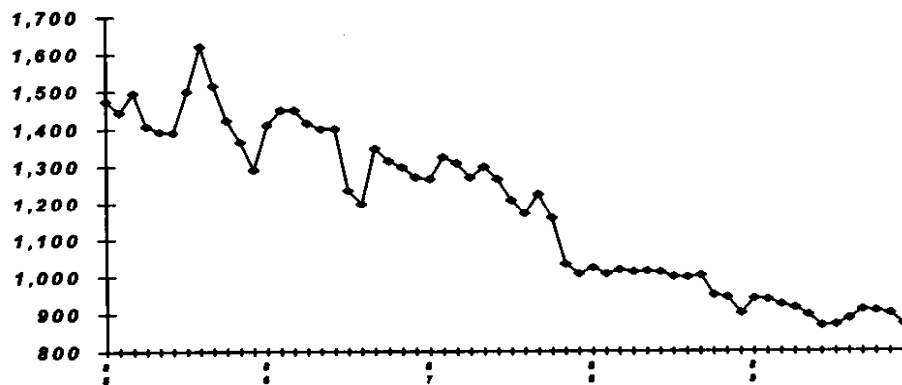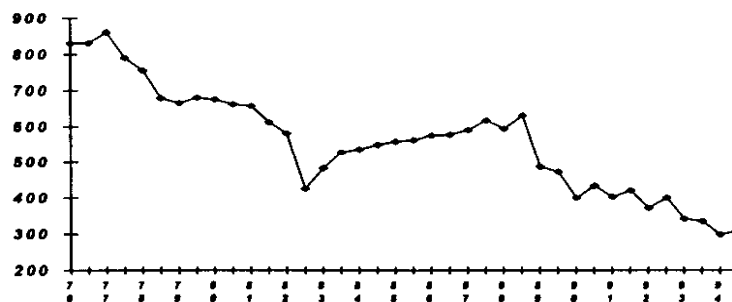## Chart 6. Comparison of readership and circulation for the Times (Indexed on Q1,1985)

Chart 7. Circulation of D.Telegraph ('000)

Chart 8. Circulation of D.Star ('000)

Chart 9. Circulation of Family Circle ('000)

Chart 10. Comparison of readership and circulation for Family Circle (Indexed on 1980)
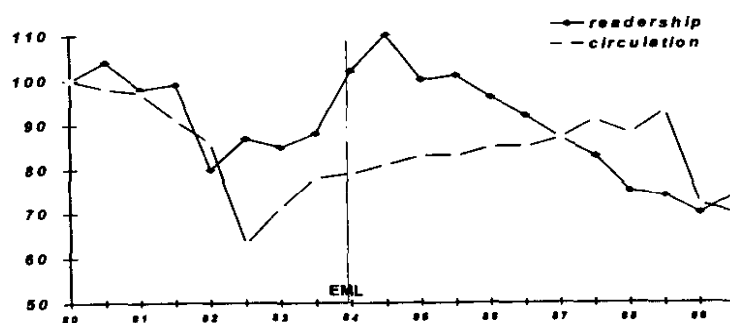
Chart 11. Comparison of readership and circulation for Mizz (Indexed on 1986)
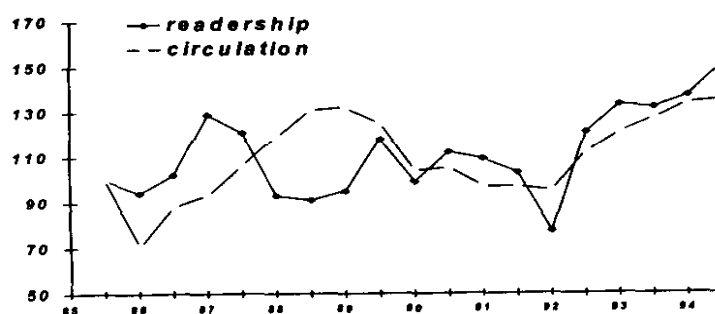
Chart 12. Comparison of readership and circulation for Just Seventeen (Indexed on 1985)
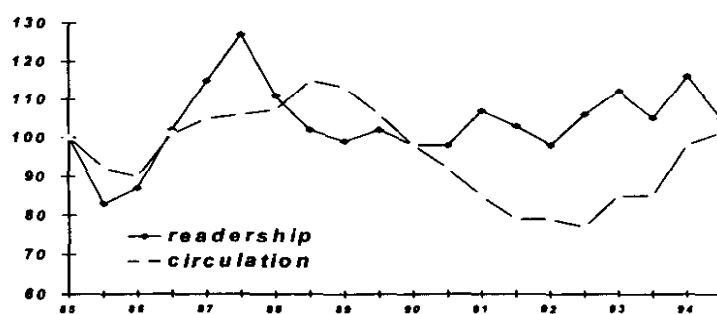
Chart 13. Comparison of readership and circulation for Smash Hits (Indexed on 1980/1982)
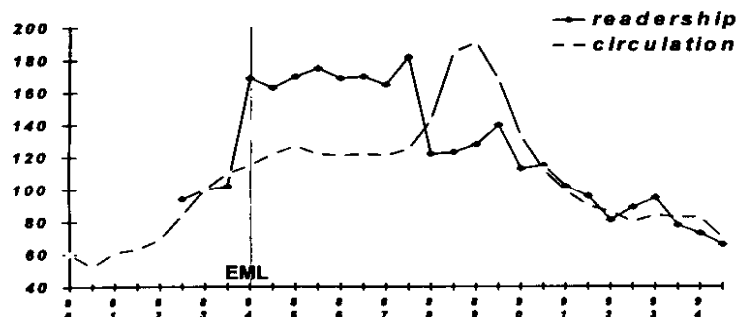
Chart 14. Circulation trends for 6 major women's weeklies (Indexed on 1980)
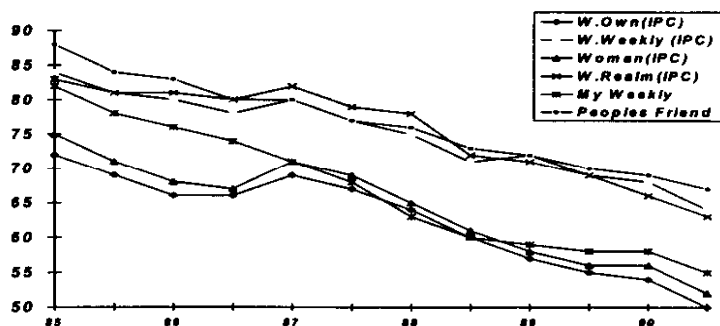

Chart 15. Readership trends for 6 major women's weeklies (Indexed on 1980)
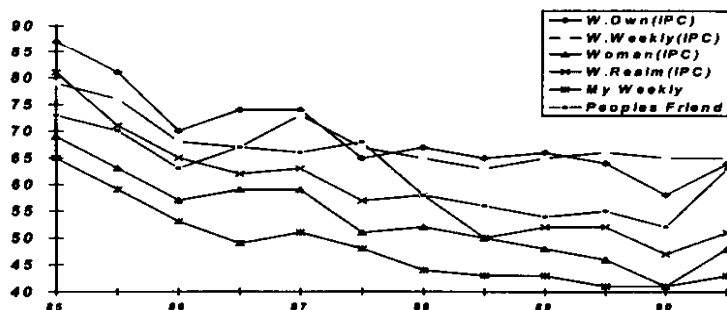
Chart 16. Circulation trends for 3 major home interest monthlies (Indexed on 1980)
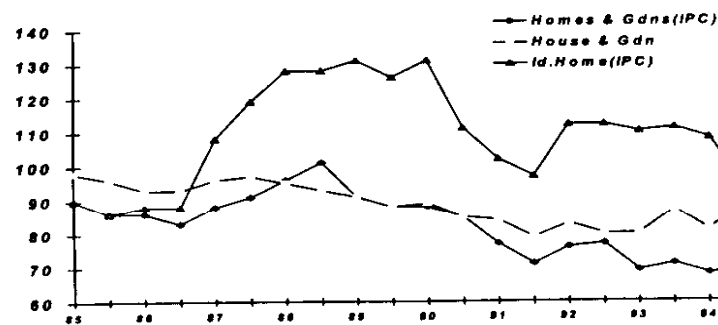

Chart 17. Readership trends for 3 major home interest monthlies (indexed on 1980)