
EMAIL DISTRIBUTION AUDITS

Rules & Guidelines For Email Distribution Publishers 2008

The following Rules and Guidelines are to be read in
conjunction with the CAB Rules, September 2008



An Initiative of the Circulations Audit Board (CAB).

1. Index

| | |
|---|----|
| 2. INTRODUCTION TO CAB’S ELECTRONIC MEDIA SERVICES..... | 3 |
| 3. WHY A CAB EMAIL DISTRIBUTION AUDIT? | 3 |
| 4. PROMOTIONAL MATERIALS | 3 |
| 5. THE REPORTS..... | 3 |
| 6. MEMBERSHIP, AUDIT PERIODS AND FEES | 4 |
| 7. OPTIONAL ADDITIONAL AUDITS..... | 4 |
| 8. DEFINITIONS | 5 |
| 9. EXCLUDED DISTRIBUTION..... | 5 |
| 10. AUDIT REQUIREMENTS AND RECORD MAINTENANCE..... | 6 |
| 11. AUDIT PROCESS | 7 |
| 12. AUDIT CERTIFICATE | 8 |
| TERMS AND CONDITIONS..... | 9 |
| APPENDIX 1 – SAMPLE REPORT..... | 11 |

2. Introduction to CAB's electronic media services

The Circulations Audit Board (CAB) is a not-for-profit industry organisation governed by advertisers, agencies and publishers. With over 51 years of auditing experience, the CAB stands as an integral part of the advertising industry offering credible and independent circulation audits for the publishing media. This experience and knowledge base has now formed the foundation of a unique range of auditing services for electronic media – email distribution audits, web site traffic audits and web advertising audits, launched at a time when publishing and advertising in electronic media is becoming a serious advertising medium. The CAB now audits email distribution publications to give electronic publishers the third-party verification needed to secure advertiser confidence. The CAB Email Distribution Audit is the global leader in this field and has adopted the latest internationally accepted guidelines for electronic measurement.

3. Why a CAB Email Distribution Audit?

The CAB Email Distribution Audit brings credibility to publishers' claims, raising advertiser confidence and thus increasing the ability to generate advertising revenue.

Gordon Towell, CEO of the CAB, stated;

"Using resources from other audit bureaux around the world, the CAB Email Distribution Audit is the only comprehensive audit of email distribution activity in the World. The methodology is such that it can accommodate the ever-changing nature of electronic media to provide a standard measure of accountability."

4. Promotional Materials

Audited email publishers have the opportunity to use CAB logos, promotional materials and reports as a powerful marketing tool to gain interest from potential advertisers.

5. The Reports

The audit reports are published in a coloured print format with the copyright of the report held jointly by the CAB and the publisher. The choice to publish the results is entirely at the discretion of the publisher. Published results, however, are available to every CAB member. This means that the electronic publisher who audits with the CAB ensures that every major agency in Australia has access to its audited figures.

The optional Requested Recipient Audit and Profile Demographic Audit enable email publishers to confirm the quality of their distribution lists with audited proof of requests and demographic data. The audit results are delivered in easy to read, sales and marketing reports for the benefit of advertisers.

6. Membership, Audit Periods And Fees

A publisher of an email newsletter/publication/item must hold a separate membership for each email newsletter/publication/item in respect of which it requires the CAB to issue an audit certificate. Separate membership and audit fees will apply.

The Email Publisher nominates the audit period but it must cover the delivery of a minimum of at least three issues.

Please refer to the full CAB Rules, September 2008 regarding the requirements of Membership.

Audit Periods

The Email Publisher nominates the audit period but it must cover the delivery of a minimum of at least three issues.

7. Optional Additional Audit

The CAB has developed the **Profile Demographic Audit**, an optional audit that can be conducted in conjunction with the standard Email distribution Audit. The Standard Email Distribution Audit enables the email publisher to prove the delivery of an email item to a distribution list over a stated period.

Profile Demographic Audit

The **Profile Demographic Audit** enables the email publisher to further extend the information supplied to advertisers by proving the demographic of the recipient of the email through audit. The audit verifies the demographic data of the recipients, collected by the email publisher, and includes job function, industry category, number of employees and purchasing authority or other more specific data. Rules and Guidelines for Profile Demographic Audit are available from the CAB.

8. Definitions

In these Rules and Guidelines, unless the context otherwise requires, the following terms have the meanings set out below:

Average Net Email Delivery

The average number of email addresses (SMTP) per issue, receiving the newsletter within the audit period. **This is a mandatory standard of measurement on the certificate.**

Delivery to Verified Email Address

Verifiable email addresses to which the email distribution has been delivered. Only distribution to addresses that have requested to receive the email distribution qualify for inclusion. Unsolicited email sends cannot be included in the Total Average Net Email Delivery.

Issues

The number of instances the email item was published and delivered to the distribution list. The statement of the number of issues audited is mandatory.

Opt-In

An opt-in recipient refers to when the individual recipient (a unique SMTP address) has personally made a request to receive the digital publication or email newsletter. Total number of email newsletter copies distributed to opt-in recipients only. This may be in the form of an email request, a web-site request or a hard copy written request.

Recipient

A unique SMTP address that has been supplied with an email and that can be verified to an individual.

SMTP

An email address determined through the Simple Mail Transfer Protocol (SMTP).

9. Excluded Distribution

Back Issue delivery

Delivery to a new recipient of an issue of an item that goes off sale or is out of date after a new issue is distributed is excluded from the total average net delivery.

Opt-Out

Where a previous recipient (unique SMTP address) has been removed from the distribution list as a result of a positive action by the address user. This action includes, but is not limited to, the address user-clicking on a subscription link or sending an email request.

Returned Email Addresses

The total number of emails in the gross distribution that generated an NDN (non-delivery notice) are to be excluded from the total average net digital distribution.

Server Interruptions

If there has been a server interruption the email publisher cannot claim higher than 25% of the estimated delivery for that issue.

Unsolicited Distribution

Distribution of any email publication or product to any email (SMTP) address that has not requested to receive (unsolicited recipients) must be excluded from the total average net delivery. Recipients/subscribers distribution must be on an opt-in basis.

10. Audit Requirements and Record Maintenance

Following are the audit and record maintenance requirements for email distribution audits. The CAB Auditor will discuss the audit process and clarify audit rules and definitions where necessary.

1. The publisher agrees to provide the following data:
 - Evidence of the existence of the item emailed of no less than three issues.
 - Evidence of email server logs recording distribution of the email item.
 - Evidence of returned/invalid addresses.
 - Evidence of the number of paid email newsletter copies distributed, including price charged, invoices and subsequent receipt and banking of proceeds.
 - Evidence of the number of free 'opt-in' email newsletter copies distributed, either by email request or hard copy request from another source.
 - Breakdown of the volume delivered for each issue, which will be displayed on the audit report.
 - Access to the subscriber database.
2. In establishing the Email Distribution volume per issue, an issue that goes off sale or is out of date after a new issue is distributed will not be included.
3. The Email Distribution publication must provide its own delivery claim to be verified through the audit. The audit will provide a Total Average Net Delivery figure.
4. The Email Distribution publication will notify CAB in advance of any modifications to the hardware/software platforms used.
5. For a Profile Demographic Audit all database records relating to the distribution must be submitted to the CAB Auditor for verification including a copy of questionnaire, registration forms etc from which demographic records were obtained. Records must contain a unique identifier e.g. email address, user name/password etc. A list of the demographic categories to be included in the report must also be provided. See separate Profile Demographic Audit Rules and Guidelines for further information.

11. The Audit Process

The CAB audit process has been developed to facilitate the audit of email distribution in the most thorough, transparent and efficient manner possible upholding the integrity and credibility associated with CAB.

1. The client registers its email service with the CAB. After initial discussion, the client commits to CAB membership and the first audit.
2. The CAB Auditor visits the client to inspect email server logs and related databases, taking away sample data if necessary. Arrangements for access to data and technical staff are confirmed and the CAB Auditor gains sufficient understanding of the email distribution's structure and delivery to design the appropriate audit procedure. The CAB Auditor will also discuss the audit process and clarify the audit rules and definitions where necessary.
3. The client then compiles the statistics for the nominated Audit period and makes them available to the CAB Auditor.
4. The CAB Auditor will:
 - a. Verify email distribution to email server logs generated by the computer, which is delivering the digital publications. A log file should exist for each instance an issue of the publication is delivered. Log files will be examined for authenticity, accuracy and evidence of duplication.
 - b. Note the international time zone configuration of the email server to determine if any adjustments to date and time stamps should be made to confirm date of distribution and on-sale period for current issues.
 - c. Verify by seeking recipient confirmation that a sample of free email addresses eg hotmail, yahoo, gmail etc, are actually "opted in" distributions, and not unsolicited deliveries on the part of the publisher.
5. The CAB Auditor will examine the email addresses for duplication, authenticity and accuracy.
6. The CAB Auditor is to be given technical assistance to access the data as requested.
7. Where a Profile Demographic Audit has been requested, the CAB Auditor observes the registration building process and samples of registered users are verified.
8. CAB produces the final report in draft for approval by the client before the formal report is issued.

12. The Audit Certificate for Email Distribution

The CAB will issue a separate audit certificate for email newsletters/distribution. The following will be reported as a mandatory minimum on all certificates:

- ◆ Email Distribution name
- ◆ Email Distribution publisher
- ◆ Email Distribution address
- ◆ Audit period covered by certificate
- ◆ Number of Email Distribution issues audited
- ◆ Number of Email Distributions issues published per year
- ◆ Total Average Net Distribution per issue served in the period
- ◆ Categorisation of Email Distribution by paid or free distribution
- ◆ Total distribution per issue in the period and breakdown of recipient addresses.
- ◆ Auditors opinion and signature
- ◆ Definitions (as above, to assist users of the certificate)

Please refer to the sample CAB Email Newsletter Audit Certificate. Further analysis by Profile Demographic Audit is optional.



EMAIL DISTRIBUTION AUDIT REPORT

TERMS AND CONDITIONS

Publisher members of the CAB agree to abide by the following:

1. Publicity

Publisher members agree not to use the logo until agreed in writing with the CAB. Any use of data certified by CAB must clearly state the period covered by the certification. Once a publisher has registered an Email Distribution with CAB, any data that has not been certified by CAB must be accompanied with a clear statement to that effect (eg Publisher's statement). If an Email Distribution ceases to be a member of CAB, publisher members will cease to mention CAB and cease to use the logo from the date the membership ceases.

CAB agrees not to publicise any data until the Email Distribution member has agreed to the publication of such data. CAB will maintain a Web Site for the purpose of publicising its activities and promoting the data it certifies.

2. Commercial and other Liability

CAB will not be responsible for any commercial damage or loss incurred whether directly or indirectly as a result of audit or refusal thereof by CAB. CAB contract to undertake the audit of delivery of an Email Distribution and other data to industry agreed standards providing that the publisher member provide CAB with the data and other materials and information requested by CAB by the date requested by CAB.

3. Confidentiality

CAB warrant that all information or material that comes into its possession for the purposes of audit of an Email Distribution will be kept confidential and will not be divulged to a third party without the express consent of the publisher member.

4. Copyright

Copyright of any data audited and certified by CAB will rest jointly in the publisher member and CAB. Such data will only be publicised by CAB in accordance with item 1 above.

5. Timing

CAB reserve the right to refuse to undertake an audit or to refuse to certify the delivery or other data if CAB has not been given at least fourteen days notice prior to the start of the period to be audited of a publisher member's intention to have that Email Distribution audited. CAB will use its best endeavours to complete an audit within the time requested by the publisher member but will not be liable if it does not meet a timetable requested by the publisher member.

6. Appeal Procedure

Where there is a difference of opinion between CAB and a publisher member on a point of judgement, the publisher member will have the right to appeal to the CAB Board of Directors for a review of the decision. That group will consist of representatives of both buyers and sellers of advertising and their decision will be binding. In cases where one member of CAB complains about the conduct of another member, in so far as the Executive Director of CAB believes the complaint falls within the remit of the CAB's certification process, that complaint

will be reviewed by the Board of Directors of the CAB. In cases of doubt the case will be referred to the CAB Board of Directors for a decision.

7. Communication

Any communication sent electronically from a publisher member will not be deemed to have been received until acknowledgement has been sent confirming receipt.

8. Access to Data and Systems

CAB reserve the right to visit any offices related to the Email Distribution member, at any time, and have access to related support staff at those offices to view and capture any data CAB need in real time to conduct its audit. Refusal of such access may result in the refusal or withdrawal of any/all certification.

9. Retention of Data

Upon completion of the audit, CAB will require the publisher member to prepare an archive copy of all raw data supporting the distribution claim. CAB will retain this archived copy in case the need arises for the data to be re-audited.

10. Misleading or False Data

If CAB finds that the publisher member has made misleading statements or has misrepresented or falsified data, whether during the audit or subsequently, then membership will be terminated and that termination communicated to all members.

Please refer to the Circulations Audit Board Rules, September 2008 for full further information.



Circulations Audit Board

Email Distribution Audit Report



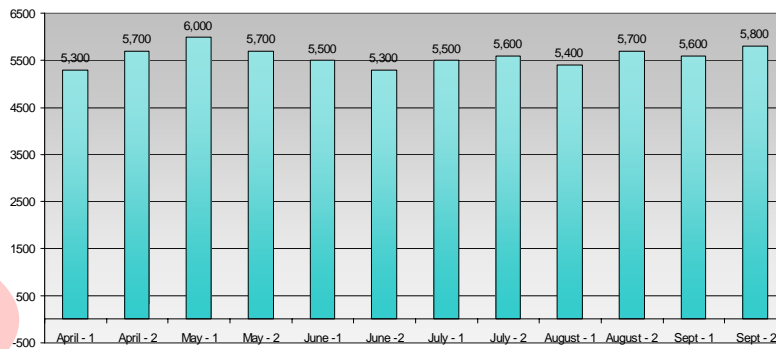
Audit of distribution of email newsletter

Member: Name of product

Audit Period: April 1, 2006 to September 30, 2006

Total Average Net Delivery : 5,570

Number of issues audited: 14 Number of issues per year: 26



| Average Distribution Breakdown | Apr 1 | Apr 2 | May 1 | May 2 | Jun 1 | Jun 2 | Jul 1 | Jul 2 | Aug 1 | Aug 2 | Sep 1 | Sep 2 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Delivery to Verified Email Addresses | 5,300 | 5,700 | 6,000 | 5,700 | 5,500 | 5,300 | 5,500 | 5,600 | 5,400 | 5,700 | 5,600 | 5,800 |

Delivery of this email newsletter is free of charge to verified 'opt-in' only email addresses.

Publisher Details

Name of Publisher: The Publisher's name
Address: the publishers address
Phone: 02 0000 0000 **Fax:** 02 0000 0000 **Web site:** www.webaddress.com.au

Definitions

Total Average Net Delivery: Total Average Net Delivery means the average of a single issue distributed within the stated audit period. Net means less excluded distribution.

Verified Email Addresses: Verifiable SMTP (email) addresses to which the distribution has been delivered. Only recipients that have 'Opted-in' can be included.

Issues: The number of instances the email item was published and delivered to the distribution list. The statement of the number of issues audited is mandatory.

CAB Auditor Opinion

We have examined the activity records and other data presented by this Email Publisher for the period covered by this audit report. Our examination was made in accordance with the Bureau's established procedures, and included such tests and other audit procedures as we considered necessary under the circumstances. In our opinion, the email delivery shown is fairly stated in this report, and the other data contained in this report are fairly stated in all respects to the material in the activity.

