



## PROPOSED ADEX-NANI LINK-UP FAQ'S

### 1. What is the Association of Free Community Papers?

The Association of Free Community Papers (AFCP) is a trade association very similar to ICMA. It has 600 member publishing companies in the U.S. which between them publish nearly 3000 free-circulation classified and photo-ad titles reaching nearly 40 million homes in the U.S. Like ICMA, the AFCP runs conferences and meetings, acts as a hub for information exchange and networking and operates an ad-exchanging service called NANI. Check out [www.afcp.org](http://www.afcp.org).

### 2. How does NANI operate?

NANI is the National Advertising Network Inc. and was set up in 1980. The principle is similar to the ADEX with some important operational differences. Advertisers buy the whole national network, they do not select individual titles. The NANI participant pays a minimum fee per ad to the AFCP, keeping any surplus as profit. The AFCP then operates a quarterly audit and a pay-to-print scheme to recompense publishers based on the circulation of participating publications. Like the ADEX, the ads exchanged are lineage ads, but the volumes are much lower at approximately 25-28 ads per week, and therefore the ads are transferred manually via email or fax rather than by an automatic system. The NANI network guarantees a minimum of 25 million readers (from a possible network of over 30 million) to all advertisers – this allows for rejections and any other failure to publish.

### 3. So how will the link-up between the ADEX and NANI work?

Using the existing FAPCOM system, ADEX participants will be able to sell ads into the huge U.S. NANI network and retain any profit over the minimum price. U.S. advertisers will be able to book ads into the ADEX and ADEX members will receive these in the normal way via FAPCOM and be compensated via the existing pay-to-print scheme as usual.

### 4. Give me an example of how I can sell an ad into the U.S.

NANI offers just one network so it's all or nothing. An international advertiser will book an ad via your publication and you can charge him whatever your particular market will bear. You then send the ad via the FAPCOM system to ICMA Head Office and transfer the minimum sum of \$3000 (approx € 2460) to ICMA Head Office. When ICMA Head Office has received this payment, the ad and \$2800 is then sent to the AFCP in the U.S. and enters the NANI system.

### 5. That seems a lot of money!

As a single sum, yes, it's more than some private advertisers are used to paying. But as a cost per million readers (remember this \$3000/€ 2460 will put the ad in front of a minimum 25 million readers), the advertiser is only paying € 98.4 per guaranteed million readers. It is worth comparing that to your own international ratecard to see what a good deal this is.

The U.S. experience is that while the customer base for advertisers using the NANI network is small, they are extremely active repeat advertisers due to the good response they receive.

**6. Where does this minimum sum of \$3000/€2460 that I have to send to ICMA come from?**

The minimum price that the AFCP charges for a network ad is \$2800 and ICMA will send this amount to them for every ad that an ADEX participant books into the NANI network. The extra \$200 will be used by ICMA to cover additional costs such as bank charges and the administration of the ad audit. ICMA will issue an invoice for each transfer.

**7. Are there any restrictions on the ads that I can send?**

As in the ADEX, local editorial policies apply but the big difference is that the NANI network cannot at this time accept personal ads of any sort - sorry! We are working to change this as we realize this is an interesting sector for current international advertisers.

**8. When will the ad be published?**

NANI participants tend to publish once a week and the terms of the NANI programme require them to publish all network ads within 3 weeks of receipt. Typically this means that 20% are published in the first week and 90% by the second week.

**9. How does proof of publication work?**

With nearly 3000 publications in the NANI network, clearly providing tearsheets for every ad is impossible. The AFCP have addressed this by conducting a quarterly audit. Four times a year, a week's worth of ads is selected at random and participants are asked to send copies of their publications to the AFCP to prove that these ads have been published as requested. Only those publications, which pass these audits, are eligible for their pay-to-print rebate and so there is a considerable incentive to print the ads!

When an ADEX participant sends an ad to the NANI network, ICMA Head Office will send back an email confirmation that the ad has been received and sent to the AFCP for publication. The AFCP will issue a quarterly audit report, stating what percentage of audited ads were printed as booked. This should be sufficient for advertisers especially as they will be receiving response as well.

**10. And for U.S. ads coming into the ADEX?**

ICMA will offer U.S. advertisers two networks - Europe and international (excluding U.S.). A U.S. advertiser will book an ad via a NANI participant in one of the ICMA networks at a fixed price (e.g. European network will cost \$872). The AFCP rebates \$200 to the selling NANI participant, and sends the ad and \$672 to ICMA Head Office. ICMA Head Office uses its FAPCOM installation to send the U.S. ad to the publications in the Europe network. The ad is then published in the normal way and is counted in the pay-to-print in January and July.

**11. What happens to the sum that the AFCP sends to ICMA for each U.S. ad?**

About \$250 of this will be used to cover pay-to-print charges, depending on whether the ad is a private or commercial ad. The remainder will be retained by ICMA to help develop and fund improved services and products for ICMA members.

## **12. How did you come up with the pricing of the ICMA networks?**

As ICMA titles are by and large paid-circulation titles and therefore often perceived to have more value than free-circulation titles, the AFCP has agreed that we should be able to use readership figures (approx. x3 of circulation). Therefore ICMA readership of each network is multiplied by the same cost per million readers that is used for the NANI network (\$112). So the Europe network will cost \$872 and the international network will cost \$ 1275.

## **13. What happens if the U.S. ad I receive does not comply with my editorial policy?**

As long as that editorial policy is being applied equally to ads booked locally and you are not discriminating against U.S. ads, you can refuse to publish the ad and reject it in the normal way via FAPCOM, remembering to give the reasons.

## **14. How many ads will come from the U.S.?**

It's hard to estimate demand, but it will probably only be single figures per week. U.S. publishers and ad brokers are naturally very enthusiastic especially as this will be a unique offering, but ADEX publications will not be deluged with U.S. ads.

## **15. Anything else I should know?**

Yes. ADEX participants must also participate in the AFCP quarterly audit of U.S. ads. This is very simple and is similar to the ADEX ad audits that you already do. Four times a year, ICMA Head Office will inform you of the ads that you need to provide tearsheets for and you will have 4 weeks to send either hard copy or scanned emailed PDFs to Head Office.

Details of the states and cities covered by NANI will be supplied to your sales team and ACP's along with sales tips and hints.

Finally, ICMA and the AFCP are launching a series of incentives plus a competition to encourage your sales reps to get behind this link-up. There will be prizes for the first ad sold, a random draw for all ads sold each month, and a trip to San Francisco (for ADEX participants) and to Barcelona (for NANI participants) for the sales rep who has sold the most ads in the period 14 October 2004 to 14 February 2005.

## **16. Why should I vote yes?**

This is an extra revenue opportunity for you at no additional cost. There's no software to install or integrate and no training required. You can strengthen your competitive position and add to your bottom line immediately.

ICMA as an organization will benefit from some additional revenues from U.S. advertisers which will help fund better services for members.