



ECA Marketing Services Program Procedure

**ECA Market Activity Report
And Analysis Program Procedures**

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Overview

This manual outlines the specific procedures, which are to be followed by the ECA Marketing Program participants, its committees, the report analysts and ECA staff. These procedures have been established in order to ensure that the published industry data maintains a high level of consistency, is statistically sound and is sensitive to ongoing changes in the marketplace, both domestic and global.

ECA will provide a copy of this manual to every program participant and potential program participant, along with a copy of the EIA Legal Guides.

Organization and Responsibilities

Purpose and Responsibility

The Electronic Components Association (ECA) Passive Component Marketing Services (PCMS) department is responsible for the development and maintenance of the statistical programs implemented by the ECA for the electronic components industry.

The purpose of the ECA Market Activity Reports and Analysis Programs is to create and publish timely reports of the sales of passive electronic components, principally capacitors, resistors and inductors. Sales statistics for North America are from voluntary reporting of ECA member companies and other companies. Sales statistics for world and other country reports include data from other sources, e.g. EPCS and JEITA. Throughout this manual “statistics” and “statistical programs” refer to the collected sales data and its analysis and dissemination. The reports are for the use of participating ECA member companies and participants that pay a participation fee in the marketing of their products.

PCMS Participants

Participants should preferably be industry representatives whose background or functional responsibility is in marketing or marketing research.

Meetings

The PCMS committee meets twice a year to conduct its business, by choice once in the winter and once in the summer. Participants in the statistical programs are encouraged to attend the two meetings and any other supporting meetings.

PCMS Chairman

From among the participants, a chairman is elected for a two-year term by majority vote of the industry representative. Voting is done during PCMS meetings. A vice-chairman may also be elected, but the position is not required.

The duties of the Chairman are as follows:

- Call and conduct PCMS meetings.
- Draft meeting agendas in coordination with ECA staff.
- Authorize publication of reports for a given period, following review with ECA staff of any unusual problems.
- Serve as ECA-US representative to World Trade Statistics Committee (WCTS) and World Resistor Trade Statistics Committee (WRTS).

Duties and Responsibilities of the PCMS Participants

- Establish report formats for improved readability, use, and enhancement of product category structure and definition.
- Establish reporting definitions and procedures.
- Assist ECA Market Services staff in validating industry data.
- Conduct investigations concerning the potential value, statistical validity and cost effectiveness of new program requests related to each specific product. This includes program suggestions submitted by PCMS participants and ECA Market Services staff.
- Periodically review the ongoing value of existing statistical programs.
- Monitor the entrance and departure of manufacturers supplying the domestic market and to notify ECA Staff as such changes occur.

Established Rules of Procedures in Decision-Making

- Elimination of existing reports and changes to report definitions require two-thirds majority vote.
- Creation of new reports requires 60% market representation in that product area, unless otherwise agreed to by participants.
- Changes to product categories require agreement amongst participants constituting 60% of the dollar value reported for that area or as otherwise agreed to by Committee members.

Duties and Responsibilities of the ECA Market Services Department and ECA Organization

ECA is responsible for providing a responsive, supporting role to member manufacturers in their efforts to maintain a position of strength in the world market. In carrying out those responsibilities, the following are the specific duties of the ECA staff:

- The ECA Market Services staff is responsible for implementing the capacitor, resistor and inductor statistical programs.
- To actively seek the participation of non-reporting companies in the statistical programs.
- To monitor the entrance and departure of manufacturers supplying the domestic market and to notify appropriate participating companies as such changes occur.
- Publish statistical program reports and revisions (through a third party firm) on a timely basis but only after determining that they are statistically sound and reasonable. Any changes in participation should be reported to the Committee chairman.
- ECA is responsible for maintaining/updating procedures. All proposed changes will be forwarded to participants for review and recommendation.

Statistical Programs

Eligibility to Participate

Any company with a United States base who manufactures capacitors, resistors or inductors for sale in the U.S., Mexico, Puerto Rico or Canada is eligible to participate in the statistical programs. ECA member companies participating in the reporting programs do not pay a participation fee. However, non-ECA member companies are required to pay a participation fee. The fee is \$1000 per company per report.

Distribution of Reports

Distribution of completed reports is done primarily via email in Excel format.

Creating/Revising Reports

It is customary for new reports, and for changes to existing reports, to be implemented at the beginning of a calendar year. When necessary, recommendations for interim changes can be submitted to the chairman for consideration by all participants.

Frequency of Reports

PCMS participants, working in conjunction with ECA, establish the frequency of report publication. A schedule change should be implemented at the beginning of a calendar year or made retroactive to a previous annual time period.

Interrelationship of Reports

The various reports, in most cases, examine the same product from different statistical views. The level of detail presented for a given component may vary among reports. However, reports can be linked to one another at some summarization level. Companies submitting data to more than one statistical program should check that their product summarization is balanced among related reports. ECA makes these checks before reports are published. If a participating company is unable to submit its actual product data at the detailed statistical levels requested, it should submit knowledgeable estimates instead.

Specific Restrictions on Publication of Data

No report will be published if individual company data can be identified either directly or indirectly. In addition, the following rules have been established to ensure the statistical validity at every level of report detail:

Rule 1

If the collective share of the reported data represents less than sixty percent (60%) of the domestic industry, the data will not be published unless the participating companies in the product category in question collectively agree to allow data publication, providing that such is in accordance with established data-security provisions of the ECA Market Services Department. However, reported product data satisfying the sixty percent (60%) rule should not be held from publication awaiting a higher participation level of an unrelated product category.

A Security Waiver permits the publication of report data in the event that a company's market share falls above the security threshold for a specific line item. The security threshold is 50% or 65% market share depending upon the report. If a company's market share falls above the security threshold for a specific line item, they may request that it be

combined with another category or may invoke a Security Waiver to allow the publication of the data.

Rule 2

If ECA is unable to obtain the necessary security waivers and the report is ready for publication, the product line in question will be combined with another related category which will eliminate the security problem or removed from the industry totals, and the report will be published.

Timeliness of Report Publication:

Participating companies are urged to comply with the input deadlines set by ECA and listed on the reporting forms.

Follow up correspondence and phone calls must be made by ECA to obtain the data or a date to expect the data. If not all participants have submitted data by the due date a chart detailing companies that have submitted and not submitted data will be emailed out the day after report data is due.

Any data not received by the 10th of the following month will be estimated for and that company will not receive that particular report until all data is submitted. Also, access to view the report on the ECA website will be disabled until all data is submitted. Quarterly reports must be submitted 10 days after the due date. The same penalties as with the monthly reports apply. The penalty does not pertain to the weekly reports unless data submission proves to be an issue and will be re-evaluated.

Estimating Sales for Non-Reporting Participants in Selected Report Programs

Non-reporting participating companies are defined as any company that has failed to report for the three most current reporting periods for monthly reports, the two most current reporting periods for quarterly reports, and the last reporting period for semi-annual and annual reports. A non-reporting company is one that usually reports on a regular basis, but is delinquent in reporting. ECA will use data submitted by these companies in previous reports to derive estimated figures, applicable to the report cells of the reports, which do not have total participation.

Estimating for Late-Reporting Companies

Once the delinquent data is received, the estimated figures are replaced by the actual figures in the next year-to-date report.

Changes in Published Reports Due to Incorrect Company Inputs or Changes in Global Projection or Report Definitions

If after publication of a report a company notifies ECA that it submitted incorrect data, and if the correction only applies to one report period the year-to-date portions of the next published report will be adjusted. A footnote will reflect the time period of the revision. If the correction covers multiple report periods, the revisions should be made to each affected period. All revisions will be indicated with (r). Each reporting company will be encouraged to check its report inputs against its information source before submitting the data to ECA. If a report is determined to have been incorrect or inconsistent after a period of time due to changes in the report base or projection factors, ECA will correct each report period of the year and re-issue each period report. In the case of changes in definition, ECA will survey report participants to determine if the report should be revised. Eighty percent (80%) of the

participant level must agree to resubmit previous year(s) data before the report(s) will be reissued.

Estimating Sales for Non-Participants

Non-participating companies do not participate in any reporting programs. PCMS participants will be surveyed annually for their estimates of the percentage of the market covered by current report participants, on a line by line basis. Aggregated estimates will be reviewed annually by ECA. New participants will be entered into the reports only at the beginning of the year, unless they consent to having their data entered prior to that. Under all other conditions factors will only be changed at the beginning of the year to reflect entrance or exit of a company.

Descriptions

North American Sales and Bookings of Capacitors (MS-401M)

Tracks unit and net dollar value of fixed capacitors sold and booked through North American sales facilities, including offshore production, private label or otherwise.

Published Weekly & Monthly

Distributor Point of Sales of Capacitors by State (MS-444Q)

Includes data provided by distributors based on their point-of-sale (POS) transactions. This data reflects the “shipped to” location, not the “billed to” location. *Published Quarterly*

World Capacitor Trade Statistics (WRTS-M)

Covers the quantity and value of shipments to and from the four major world trading regions – Europe, Japan, North America and Rest of World (ROW). *Published Monthly*

Total North American Sales and Bookings of Passive Networks (MS-424M)

Tracks the net sales and orders received from OEM’s, direct government, distributors and other divisions that manufacture end equipment. *Published Monthly*

North American Consumption of Chip Resistors, Bookings and Sales (MS-440M)

Tracks the unit and net dollar value of chip resistors sold during the month. *Published Monthly*

North American Consumption of Carbon and Metal Film Resistors (MS-470M)

Measures North American consumption of Carbon and Metal Film Resistors. Industrial, commercial and military activity is covered by this report. *Published Monthly*

World Resistor Trade Statistics (WRTS-Q)

Covers quantity and value of shipments to and from the four major world trading regions – Europe, Japan, North America and Rest of World (ROW). *Published Quarterly*

North American Factory Sales of Inductors Report (MS-418Q)

Tracks inductors sold in North America. The report captures OEM and Distributor Sales in Leaded and Surface Mount categories. *Published Quarterly*

Distributor Point of Sale of Inductors by State (MS-488Q)

Includes data provided by distributors based on their point-of-sale (POS) transactions. This data reflects the “shipped to” location, not the “billed to” location. *Published Quarterly*

North American Sales of Non-Linear Resistors (MS-477Q)

Reports the net units and net dollar value of non-linear resistors sold through North American sales facilities, including offshore production, private label or otherwise. *Published Quarterly*