

Reporting Standards

Targeted Household Distribution



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trust in media

TARGETED HOUSEHOLD DISTRIBUTION

DEFINITION

A single product distributed to a group of households with a specific propensity to meet a defined set of target demographics.

PRINCIPLES

1. **Prior notification of distribution details and any changes to ABC**
2. **Product is delivered through the letterboxes of households for which there will be effective management controls**
3. **There will be a consistent and documented process to compile targeted distribution schedules with a known propensity index**
4. **You must report a continuous series of Reporting Periods**
5. **Each claim is audited to verify it is in accordance with the applicable Reporting Standards**

REQUIREMENTS

1. **Prior notification of distribution details and any changes to ABC**
 - a) You must obtain ABC's agreement that your distribution system is capable of being compliant and verifiable to ABC standards before the distribution of the first issue for which you intend to claim free targeted distribution.
 - b) After initial agreement of the distribution system, you must, on an on-going basis, notify ABC of any significant changes to the method of distribution.
 - c) You must advise ABC, in advance, of your distribution schedule per issue.
2. **Product is delivered through the letterboxes of households for which there will be effective management controls**
 - a) Only distribution in the UK can be claimed.
 - b) Distribution must be made through a letterbox. For multi-residential units copies may be distributed through a communal letterbox if access to individual household letterboxes is not permitted.
 - c) If your systems and controls indicate any apparent failure in the scheduled distribution then the products affected must not be claimed.
 - d) You must keep records of the distribution schedule. For the last issue in the audit period you must provide a distribution schedule which details the addresses that you plan to deliver to. You should ensure that distribution records are available for each issue in the audit period.

The records must:

 - Clearly define the boundaries of the distribution area
 - Identify which postcodes/postcode sectors/TV regions are covered
 - Identify any areas within the boundaries that are not delivered to
 - Identify addresses that are multiple residential units
 - Contain instructions to identify any households within the area that are not to be delivered to
 - e) It is good practice to maintain a record of complaints of distribution failings. These can arise from a variety of sources ranging from addressees not receiving a product to discrepancies identified from your own processes. Your records should be kept in a uniform way, noting the complainant the nature of the complaint, and the actions taken, including any amendments to your claim.
 - f) You must be able to provide evidence of the number of copies of the product that have been received by the distributor, team leader or contract distributor who is engaged to deliver them to the addressees

- g) If you use a contract distributor we will require them to have effective distribution controls and reporting in place. Scrutiny of these should be available to your auditor and ABC.
- h) ABC must have the right to contact addresses and distributors for verification purposes.

3. There will be a consistent and documented process to compile targeted distribution schedules with a known propensity index

- a) Your documented process, for selecting a distribution schedule of households and calculating the propensity index against the target demographics will be reviewed by ABC to ensure that it is both operating correctly and continuously.

Note: The propensity index is a value indicating the likelihood of a group of households to meet a set of target demographics. A propensity index of 100 equates to a national average. A group of households with an index of 250 means that those households are 2.5 times more likely to match the target demographics than the average household. Conversely an index of 50 means the group of households are 0.5 as likely to match the demographics compared to the average household.

- b) The geo-demographic profiles should include the typology used and standard demographic description such as age, social grade, income, marital status, working status etc.
- c) Households and their demographics must be sourced from identified third party sources (see guidance section for recognised lists – other lists may be added subject to application to ABC).
- d) For the last issue in the period you must provide the schedule of households resulting from your process. Schedules for other issues, if different, must be available on request.

4. You must report a continuous series of Reporting Periods

- a) Once we have issued the product's first ABC Certificate for a mandatory Reporting Period we must continue to issue Certificates for subsequent consecutive mandatory Reporting Periods (i.e. so there is no gap in certification) while the product remains registered. All issues distributed in a period must be reported.

The mandatory Reporting Period will either be:

- i) 12 months, 1st January to 31st December
 - ii) 6 months: 1st January to 30th June and 6 months, 1st July to 31st December
 - iii) 1 month: whole calendar months.
- b) You can report optional shorter Reporting Periods. Optional reporting periods are whole months or any number of whole months in addition to mandatory reporting periods. Note: A month is a calendar month.
 - c) For newly registered publications only:
 - i) You can report single issues until the start of the next month.
 - ii) You can report one or more consecutive optional reporting periods (i.e. there is no gap in certification) before reporting your first mandatory reporting period.

5. Each claim is audited to verify it is in accordance with the applicable Reporting Standards

- a) The audit must be carried out by ABC Staff Auditors
- b) Requirements in relation to the auditor and audits will be covered by the ABC Byelaws, ABC Audit Programmes and contractual arrangements.
- c) If following an audit we identify material problems with the Return Form or Certificate then we will propose to revise the claim. If a Certificate has already been issued we will issue a revised Certificate with an Audit Report that identifies the changes. This replaces your original Certificate and must be used in its place. The process is as follows:

- i) We will send you a letter detailing the reason/problem giving rise to the amendment.
- ii) You will have 10 working days from the receipt of this letter to provide any further information to us, or object to the revision of the claim.
- iii) If you wish to object to the revision of the claim you must do this in writing to the Director of Audit who will investigate and provide a decision within 10 working days. If the objection is to a decision by the Director of Audit or the Chief Executive then the first level of appeal will be in accordance with the Review Procedure detailed in the ABC Byelaws.
- iv) Subsequent Certificates will not be issued until we have resolved all queries on a previous audit and issued the revised Certificate, if applicable.
- v) We publish details of Audit Reports on our website

REPORTING

You will report copies as follows, which will be broken out on the ABC certificate:

1.
 - a) The average number of products distributed, of all the issues, in the audit period.
 - b) The average propensity index of all issues (a true weighted average).
2. For each issue in the period:
 - a) The distribution date(s).
 - b) The number of products distributed.
 - c) The propensity index.
3. For the last issue in the audit period you must report;
 - a) The number of households distributed to within each geographical area. A geographical area must, as a minimum, be at TV Region level. At your option you may analyse in more detail, such as postcode or postcode sector.
4. The Targeting statement which describes the method of distribution and a summary of the target audience.
5. The Targeting Criteria statement which details the target audience.
6. Description of the Targeting process which details the methodology used to compile the targeted distribution schedule.
7. List of third party demographic data sources used.
8. Description of the product – e.g. type, format, pagination, editorial/advertising ratio.
9. Distribution methodology.
10. You will report whether you operate under the Mailing Preference Service or DMA Your Choice scheme.

GUIDANCE

G2 Product is delivered through the letterboxes of households for which there will be effective management controls.

The publisher is responsible for ensuring that the copies they claim have been delivered and undelivered copies are accounted for. This requires a publisher to have appropriate management controls and processes in place to ensure that this is happening.

For each publication the detail and extent of these controls and processes will vary as they should be appropriate to the type of distribution. These could include training of staff, spot checks, customer complaint handling, live monitoring of electronic distribution records etc.

These controls and processes are reviewed by ABC as part of the joining process and continuing audit of a publication. These help underpin the audit in that they form part of the consideration of risk and consequently the type and extent of audit work done.

If weaknesses in management controls are found during the audit work, the auditor will inform the distributor and the publisher of defined improvements to be implemented and a timescale to ensure copies are still eligible for ABC purposes.

Distributors: - A distributor is a named individual who is allocated a round or rounds and delivers the publication in person to the addresses.

You must keep:

- i) A list of the names and addresses of all distributors involved in the delivery of each issue that identifies for each distributor:
 - The rounds they have covered
 - The number of copies they have delivered
 - The amount(s) they have been paid
 - The method of payment
- ii) Financial records that support individual and total payments to each distributor (for example purchase ledger records and bank statements). In addition:
 - Cash payments must be evidenced by a signature of the person handing the payment over (e.g. Driver, Team Leader)
 - Payments for leaflet deliveries and other expenses must be shown separately

Teams: - A team is two or more people who deliver the publication under the control of a Team Leader. Teams are used to deliver to a group of rounds which have not been allocated an identifiable distributor.

You must:

- i) Verify the identity of Team Leaders
- ii) Identify for each issue those rounds delivered by teams
- iii) For each issue:
 - Keep a list of the names and addresses of team leaders and team members
 - The rounds they have covered
 - The total papers delivered
 - The amount(s) they have been paid
- iv) Have financial records (for example purchase ledger records, invoices and bank statements) that show you have paid for the team deliveries

Contract distributors: - A contract distributor is an external company that you have contracted to deliver the publication. *If you use a contract distribution company that is a subsidiary or associated company of your company (or your publishing group) then this section does not apply, instead you should refer to either distributor or teams whichever is appropriate.*

You must:

- i) Retain responsibility to report the distribution figures and make sure the required records to support the distribution claim are available (whether at your offices or those of your contractor).
- ii) Be able to provide invoices from the contract distributor and evidence that these have been paid.

G3. There will be a consistent and documented process to compile targeted distribution schedules with a known propensity index.

Recognised third party providers and their products / key geo-demographic segmentations are as follows;

Provider.	Segmentation.
Kantar Media	TGI
Experian	Mosaic
CACI	Acorn
Call Credit	Cameo
Beacon Dodsworth	People to Places
Acxiom	Personicx.



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