



## Targeted Household Distribution FAQs

### **1. What is Targeted Household Distribution?**

Targeted Household Distribution is a new measurement scheme from ABC. It will enable Media owners to both verify the distribution of their media products to households, as well as to show the propensity (likelihood) of those households to meet a set of reported demographics, produced by using third party geo-demographic segmentation such as TGI, Mosaic or Acorn.

### **2. What is a propensity index and why is it important?**

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. So 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 half as likely to match the demographics compared to the average household.

ABC will report the propensity index on a Targeted Household Distribution Certificate and it will indicate the likelihood of the audience reached by the media, to conform to the targeting criteria set by the media owner.

### **3. Why might I use this type of distribution?**

This type of distribution is useful if, as a media owner, you wish to distribute your media to a targeted audience via their letterboxes.

By doing this media owners are able to identify and reach more relevant audiences and create new opportunities for advertisers.

For example the Mosaic household profiling system synthesises over 850 million pieces of information to segment UK households into one of 15 groups and 66 detailed types. Key factors include; Age Band, Household Income, Property Type, Investments, Savings, Education, Family and Adoption of Technology.

A specific target audience can be matched to Mosaic Profiles from a number of sources such as TGI, customer databases or Experian datasets such as 'Where Britain Shops'. Criteria can be added such as likelihood to buy a particular product or service.

An example target audience could be; social demographic: AB, age range: 34-55, gender: men, purchase intentions: looking to buy a car in the next 12 months.

A required target audience could then be merged with the Experian Mosaic household profiling system to produce a UK postcode sector ranking. This provides the basis for a targeted household distribution for those Mosaic type households that have the highest propensity (index) for matching the desired target audience criteria.

This targeting can be undertaken on a national or specific geographic level.



#### **4. So what will ABC Report on a Targeted Household Distribution Certificate?**

The Certificate will include the following information:

- a. The name and description of the product registered with ABC and details of the media owner.
- b. The period of time covered by the certificate - the audit period.
- c. The distribution methodology - the number of times the product is distributed over the audit period and the average number of products distributed on each occasion.
- d. Details of the issue by issue distribution, stating both numbers and dates.
- e. The media owner's statement of the audience they are targeting
- f. The methodology used by the media owner to achieve the targeted distribution schedule.
- g. The propensity of the audience to fit the targeted statement – via a propensity index
- h. A geographical breakdown of the audience distributed to

#### **5. How does ABC audit Targeted Household distribution?**

There will be two parts to this:

- a. Verification of a consistent and documented process to compile targeted distribution schedules with a known propensity index against the target demographics. During this part of the audit we would walk through the stages of the process, check the data outputs and verify the calculations.
- b. Verification that copies are distributed according to the defined household distribution schedule.

We will look at the following types of audit evidence in order to do this:

- Print / Production records or equivalent.
- Distribution evidence; such as master distribution lists / copy allocation lists and validated delivery notes.
- Documented management controls and records of findings e.g. spot checks, GPS tracking, photos, copy reconciliations, contracts, training, complaints log.
- ABC will also conduct distribution verification checks to confirm the distribution 'on the ground' e.g. use of seeded addresses, spot checks and process walk-throughs.



## **6. How do I go about registering for this scheme?**

In the first instance you should contact your ABC Account Manager. We will need some initial details of your targeting and distribution. You will need to pay a registration fee and we will arrange for a site visit from one of our auditors. Our auditor will talk to you about your processes and controls to establish you have sufficient evidence to qualify for the scheme. We will provide a quotation for your audit, based on our assessment of the audit work needed. Assuming all is well, you would then apply to join ABC in the normal way and we will schedule initial and ongoing audits. Once the first audit has been completed we will issue you with your first ABC Certificate. As with all our schemes there is a requirement to include all issues of the product in the audit process whilst that product remains in ABC membership.

## **7. How much does it cost?**

The initial registration fee is £823 which is only payable once.

The subscription fee payable annually on joining and then every April thereafter whilst the product is in ABC membership, depends upon how often the media owner wishes to report.

- For annual reporters (one certificate a year) the cost is £550
- For six monthly reporters (two certificates a year) the cost is £1,000
- For products reporting on a monthly basis (12 certificates a year) the cost is £2,000

Each time we issue a Certificate it must be audited. So, for example, if you plan to audit two certificates in a year (six monthly reporting) you will incur two audit fees in a year.

The audit fee will vary depending on the amount of testing we have to do to ensure we can audit your certificate. This will be discussed at your initial site visit and an estimate of audit hours will be provided for your approval.

There is a minimum cost of £1,646 per audit and any additional audit hours required will be charged at £104 per hour.

## **8. What will the Consultancy Day include?**

One of our dedicated Audit team will visit your offices and establish your current methods and processes. We will need to see current distribution evidence for your media and we will want to see how you currently segment your audience. The Consultancy Day begins the audit process and assesses how ready you are for this scheme. Don't worry if you're not quite ready, we will recommend what is required to help you become a member of ABC for Targeted Household Distribution



**9. I publish a regional newspaper/ consumer magazine /national newspaper/ business magazine and report under those ABC rules can I still use this scheme?**

Yes. This ABC Scheme is a cross-sector initiative which means that you can report this type of distribution in addition to other ABC Schemes you may be part of. You will get a separate Targeted Household Distribution Certificate from ABC for your media. If you wish to pull your individual certificates together you can do this on an ABC Multi-Platform Report.

**10. I only have 2 issues in a year, can I still audit with ABC?**

Of course! If you want to maintain industry standards, show transparency to the industry and validate your claims to your advertisers then contact us ([Link to Contact Us page](#)) on how to join ABC for our Targeted Household Distribution, no matter how often you publish. All issues in an Audit Period must be claimed and each Audit Period must be chronological to the previous.

**11. What data sources can I use to provide the target criteria?**

Households and their demographics must be sourced from identified third party sources. The following table itemises the sources ABC recognises for Targeted Household Distribution.

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

**12. Can I use my own database to help refine targeting?**

Yes – this is strongly recommended; so that advertisers have more information on who their potential audience are, which can help increase the likelihood of responses to their advertisements.

**13. Once I have joined this Scheme do I have to report all issues of the media that I produce?**

Yes. As with all ABC reporting schemes, you must continuously audit all issues whilst in ABC membership.



## Glossary of Terms

### **Propensity Index**

- The propensity index is a value indicating the likelihood of a group of households to meet a set of target demographics.

### **Average distribution per issue**

- The total number of copies distributed divided by the number of issues

### **Media Owner's targeting statement**

- A statement by the media owner describing the audience it is targeting.

### **Targeting criteria**

- The targeting criteria is a statement that accurately details the demographics used to define the target audience.

### **Description of Targeting Process**

- This details the methodology used by the media owner to compile the targeted distribution schedule

### **Targeted distribution Schedule**

- This is the final list of households by postcode that are selected as a result of the targeting process that are subsequently distributed to.

### **Data sources**

- Households and their demographics must be sourced from identified third party sources the data sources which provide geo-demographic segmentation that ABC recognises are as follows:

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