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Media metrics : the current state of play

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STRATEGY NOTES

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Media metrics: the current state of play.

For many years, advertisers and marketers have been calling for a single source audience measurement approach. In Australia, Roy Morgan's Single Source Survey is the closest thing to a single source measurement approach. Yet, this valuable database only supplies industry currency for readership of consumer press.

For industry currency measurement of other main media, including radio, television and out of home, we need to turn to an array of peak industry associations – each developing their own unique measurement tools and techniques in conjunction with their preferred media research suppliers.

The emergence of new media platforms combined has triggered demands for new measurement methods. Significantly, changes to the way that audiences interact with media are also creating challenges for traditional audience measurement methods.

As media proliferates and fragments, we seem to be heading further away from any realistic hopes for a single source measurement approach. Given that each media has different roles and interacts with audiences in different ways, the search for a single source may indeed have been overly ambitious.

Reliable and independent media metrics are an essential ingredient in the pitch to sell advertising space. In the absence of reliable audience metrics, advertisers have consistently shown a reluctance to embrace any given platform. Unmeasured media have historically lagged well behind in the race to share in the total advertising pie. It is simply too difficult to justify a given medium without objective measures of audience size or quality.

Over the past six months, a number of traditional media platforms have announced

changes to the existing measurements as they attempt to roll out so-called 'next generation' metrics. Innovative metrics are also under development for new media including interactive television.

As a result media that are serious about attracting big advertising dollars have invested in developing the tools and techniques necessary to measure audiences objectively.

In light of the proliferation of new media platforms and the emergence of new metrics, the media industry is characterised by an increasing array of audience metrics and methodologies.

PRINT

A major challenge for all media is the need to look beyond simple measures of reach and frequency and to locate suitable measures that capture audience engagement and involvement. The magazine industry, both in Australia and internationally, is a rare example of a media platform that has embarked on serious research of audience involvement and engagement. Magazine involvement studies have been carried out in the UK, the US, Europe and Australia. The Magazine Publishers' Association of Australia makes the findings of its ad hoc involvement studies readily available to prospective advertisers via its dedicated online advertising resource.

Of all media platforms, print media metrics are among the most stable. Circulation and readership are regarded as the industry currency. Circulation audits have remained relatively unchanged since their inception in the 1930s.

The Audit Bureau of Circulations (ABC) has responded to periodic concerns over audit quality by increasing audit frequency. Since

July 2006 the ABC has delivered 13-week audit reports for all national and metropolitan newspapers, newspaper inserted magazines and for magazines with average issue circulation over 25,000. In addition, the proportion of issues distributed to accommodation, education, events and multiple publications has been reported separately for several years.

TELEVISION

Of all media, television continues to achieve the broadest reach. Yet, the traditional TV audience is no longer a single, homogenous group watching the box. The audience is fragmenting across a variety of formats – free to air (FTA), community (CTV), subscription (STV) and interactive TV (ITV). Each format utilises different media metrics – each with different methodologies and benefits.

A major challenge confronting TV audience measurement is the problem of time shifting, that is an audience member's ability to harness technology and postpone viewing to a time that suits their lifestyle. The current suite of ratings tools fail to capture time-shifted viewing and tend to under-report audience size.

SUBSCRIPTION TV

In March this year, Foxtel and Austar announced the new audience measuring system (AMS) for digital TV that claims to radically change the way that TV viewing is studied and reported.

The system, which is expected to be rolled out in 2009, will see substantial increases to the size of the STV panel – up to 10,000 Australian STV homes. In an attempt to capture time-shifted viewing, the new subscription television system will measure personal digital

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recorder viewing. An innovative initiative includes attempts to capture engagement with advertising by measuring responses to interactive advertising (i-Ads).

The research will provide subscription TV platforms, channels and their advertising clients with data that complements the existing currency measurements, but will not replace them.

Foxtel's CEO and managing director, Kim Williams AM, says, "Subscription television is taking a leadership role in delivering more accountable audience measurement for advertisers. The new AMS is an innovative and cutting edge audience measurement tool that will enable better understanding of audiences and will provide a win for consumers and advertisers. It will allow us to receive data from set top boxes in STV homes and more accurately understand the viewing habits and behaviours of television viewers in those homes."

Subscription TV's AMS is expected to place pressure on free to air measurement.

RADIO

Digital radio, a major industry issue, remains a long way from commercial reality. Pilot studies using digital will continue until the end of this year before launching into a second test phase. Traditional radio remains an important

advertising medium due to its cost efficiency. While radio is widely regarded as a medium that offers a highly intimate listening experience, industry debate appears to have become bogged down in the longstanding and still unresolved issue of data collection.

A major unresolved issue in radio measurement concerns the method of data collection – diaries versus meters. Although the diary method of data collection has come under increasing scrutiny, the Australian industry has no short-term plans for change.

Commercial Radio Australia, well aware of the diary method's critics, has for a variety of reasons decided to continue with it. Citing a number of obstacles including: high costs, compliance issues, technical difficulties, the lack of any credible monitoring device and lengthy parallel trial periods necessary to compare diary methods with people meters, the peak radio industry association has announced that it not currently prepared to fully fund any trials of electronic measurement systems.

ONLINE

The internet has undergone major transformations in recent years due to not only shifts in how content is published, but also how audiences interact with online sites.

Until recently, there has been no industry standard for measuring online audiences. But this is set to change. After months of deliberations, the Online Advertising Measurement Committee, representing the MFA, the IFA, IAB and AANA, announced its recommendations for a universal industry standard in late 2007.

In early 2008, suppliers with panel methodologies will be invited to participate in an audit process to achieve accreditation. Once accredited these suppliers will be given industry standard status for the provision of the following metrics:

- monthly unique users
- monthly demographic information
- monthly frequency
- monthly time-based metrics
- monthly user sessions, and
- monthly page impressions.

The committee, which represents website operators, advertisers and agencies, and industry groups including MFA, IAB and AANA, also noted that while panel-based methodologies will be the standard approach, they will continue to review site centric solutions such as page tagging, which may be more appropriate for some sites. It is expected that site centric measures, however, will only be used to report daily unique users rather than weekly or monthly unique browser measurements.

Collin Segelov, executive director of AANA comments: "With increasing cost pressure on advertising and marketing communications, it is encouraging to see the online sector moving forward on this. It's a fact of life that new media opportunities are

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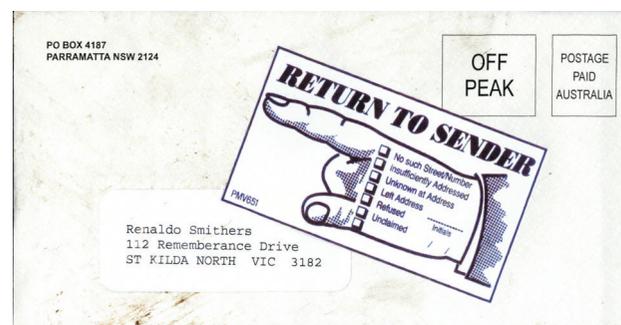
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SUMMARY OF MAIN MEDIA INDUSTRY STANDARD METRICS

MEDIA PLATFORM	INDUSTRY CURRENCY	COLLECTION AGENCY	PANELS/SAMPLE SIZE
PRINT (CONSUMER)	<ul style="list-style-type: none"> • CIRCULATION • READERSHIP 	AUDIT BUREAUX ROY MORGAN	AUDIT SURVEY (DIARY)
RADIO	SURVEYS (RAM)	NIELSEN MEDIA	PANEL (DIARY) 50,000+ DIARIES
TV - FTA	RATINGS (TAM)	AGB NIELSEN	PANEL (PEOPLE-METERS) 3035 HOMES
TV - STV	RATINGS (AMS)	AGB NIELSEN	10,000 (FROM 2009)
OUT OF HOME	MOVE	VIEW MEASUREMENT	PANEL AND WEIGHTED INDEX SIZE - TO BE ESTABLISHED
ONLINE	PANEL	ACCREDITED SUPPLIERS	PANEL SIZE - TO BE ESTABLISHED

outpacing marcoms funding at a fantastic rate, and the online survivors will be those affording quality metrics capable of proper and fair comparison with other avenues of commercial communication. Advertisers wish all speed to this initiative.”

Details of the initial measurement methodology remain sketchy, as panel composition, sizes and weightings are yet to be established in consultation with accredited suppliers.

OUT OF HOME MEDIA

Out of home media encompasses a wide range of formats – billboard, street furniture, transit and retail precinct advertising spaces. Until now, there has been no industry standard for measuring out of home media. Various attempts such as ROAM and Cody Outdoor’s Road Reader, pioneered out of home measurement, yet were not regarded as industry standard measures. The ability to provide accurate audience measurement data is pivotal to the long-term growth of the outdoor sector as advertisers increasingly require objective measures to demonstrate the return on their investment.

The Outdoor Media Association (OMA) has the first industry-wide measurement system, known as Measurement of Outdoor Visibility and Exposure (MOVE), under development. View Measurement, a consortium of local and international media research companies has been engaged to deliver the

system and expects to launch it in the second half of 2008. MOVE will provide media buyers with an innovative, web-based tool for determining the reach and frequency of advertising campaigns, allowing out of home to more effectively compete with other media.

MOVE, which uses similar methods to the US-based ‘Eyes On’ system, will offer a distinct advantage in that it will be the first outdoor measurement system globally to provide results on the visibility among each of the different outdoor formats and environments. This includes outdoor advertising on roadside and transport, within shopping centres and airports, and in pedestrian malls.

The system will produce a more accurate level of measurement data by ‘visibly adjusting’ the viewing audience to determine their ‘likelihood to see’ an outdoor advertisement. The weighted score will be applied to more than 50,000 outdoor ‘faces’ and be known as the Visibility Adjusted Contact (VAC). It will be influenced by factors such as the size of the advertising, its lighting and the level of obstruction caused by other structures.

It is clear that each media platform delivers distinctly different benefits. Accordingly, each platform faces a unique set of challenges. Given the dynamics of the media, the industry is set to become increasingly complex. It is hardly surprising then, that audience measurement is beginning to emerge as a separate discipline in universities and colleges around the globe. With

hindsight, it seems that advertisers’ aspirations for a single source audience measurement approach were overly ambitious. The trend towards an increasingly complex set of measurement tools and techniques itself poses challenges and limitations. Combining metrics collected with different methodologies and sample sizes has always presented major problems for media planners. Of course, methods for coping with such limitations, using data mining and data integration, can be found. The future of media planning, it appears, will involve greater use of data gathered from disparate sources along with increasing emphasis on methods for data integration.

HOT LINKS

AGB Nielsen – www.agbnielsen.net
 Audit Bureau – www.auditbureau.org.au
 Commercial Radio Australia – www.commercialradio.com.au
 Foxtel – www.foxtel.com.au
 Internet Advertising Bureau of Australia – www.iabaaustralia.com.au
 Magazine Publishers Association (dedicated site for advertisers) – www.magazinesgetcloser.com.au
 Media Federation of Australia – www.mediafederation.org.au
 Nielsen Media – www.nielsenmedia.com.au
 Out of Home Media Association – www.oma.org.au
 OzTAM – www.oztam.com.au **M**