Audience Measurement: Getting Personal

Arbitron’s Personal People Meter is designed to keep pace with media industry’s technological advancements

By Pierre Bouvard

Counting audiences counts more than ever before, no matter whether that audience has tuned in a terrestrial broadcast, locked onto a satellite, downloaded a program or turned on a TiVo digital video recorder. In today’s fragmented media world, ratings are increasingly important in demonstrating to advertisers that you reach their customers. Without the proof, there will be less of the pudding.

That means new advances in the way media exposure is measured are vital to the economic future of radio, broadcast television and cable television. One example: Arbitron Inc.’s Portable People Meter (PPM) technology.

Nearly 15 years ago, Arbitron realized traditional methods of measuring audiences – such as recall interviews, paper diaries and meters wired to appliances – couldn’t keep pace with technology or an increasingly mobile consumer. So the company set about developing a “future-proof” audience measurement system.

In delivering the PPM technology, Arbitron has shifted the focus of audience measurement directly to the individual. By automatically counting each media event that individuals are exposed to throughout the entire day – without any button-pushing or writing in diaries – the PPM is designed to provide new consumer insights to broadcasters and advertisers.

How it works

The PPM system does all of the memory work, keeping track of inaudible codes that are hidden in a broadcast stream, the time they were heard, and all minutes of exposure, wherever and whenever they occur. The only thing an individual has to do is to keep a small mobile-phone-sized meter with them – a task that has proven to be easy. Consumers across a range of ages and ethnic backgrounds have found it easy to remember their meters – just like their cell phones – and carry them on average more than 14 hours a day.

The PPM’s use of embedded codes has proven to be compatible with every new broadcast technology that has come to the marketplace to date, from HD Radio and high-definition television to Internet streams and podcasts.

The PPM’s ability to measure emerging technology also gives broadcasters an important tool to evaluate their capital investments and marketing programs. For instance, the PPM makes it possible to monitor audience growth for individual high-definition TV channels, Webcasts and on-demand television programs.

Arbitron has demonstrated the effectiveness of the PPM technology in laboratory and field tests in the U.S. and more than 15 countries around the world. These tests led to Canada’s decision to adopt the PPM as currency for French-language TV in 2004, Norway’s recent decision to use the PPM to measure radio audiences, and Belgium public broadcasters’ reliance on the PPM for the past three years to make marketing decisions for Flemish public radio and TV.

This article is being written at the end of January, and events are moving swiftly. Arbitron is evaluating two approaches for the commercialization of the PPM in the U.S. One is an option granted to Nielsen Media Research to join Arbitron in the commercial deployment of the PPM. If Nielsen exercises this option, Arbitron will form a joint venture to commercially operate the PPM system and provide audience data in local markets for broadcast and cable television as well as for radio. If Nielsen chooses not to form a joint venture, Arbitron will offer a PPM service to the radio industry.

Arbitron is committed to delivering electronic measurement to radio. An independent study conducted last spring by Forrester Research concluded that the move to PPM measurement is essential for radio’s financial future. Forrester surveyed nearly 500 advertising decision makers who made it clear that rating methods have a direct impact on their advertising choices. The study found that if PPM ratings were available, advertisers would increase their spending levels with radio, but if radio continues to rely on listening diaries, spending levels would be reduced.
It’s a simple equation. The more credible the research, the more confidence agencies and advertisers will have in the ratings, and the more dollars will come radio’s way. As has already been seen by the shift of dollars to online media, agencies are steadily moving from traditional media into media perceived to be more accountable. By delivering more timely radio data and more granular data, the PPM can provide that accountability for radio.

**Radio’s real reach**

Even before it is deployed in the U.S., the PPM has revitalized advertiser and agency interest in radio. The audience data delivered by the PPM in field tests in Philadelphia and Houston have already changed long-held misconceptions about radio and its ability to reach consumers. By capturing all radio listening, including short-term listening, infrequently tuned radio stations diary-keepers forget or find too bothersome to report, and the actual time spent listening (as opposed to the largely rounded estimates of diary-keepers), the PPM reports:

- higher average daily cumulative audiences
- higher listening in evenings, overnights and weekends
- more listening by young adults
- more tuning to more stations
- more tuning to listeners’ second- and third-favorite stations

The big news that goes straight to the bottom line is the PPM revelation that radio is a reach medium. The PPM captures twice as many stations and listening occasions per person. This essentially doubles the weekly reach for the average station. The weekly reach of most station group clusters also doubles.

Analysis of the PPM data by such advertising luminaries as Erwin Ephron makes clear that radio’s new position as a reach medium will increase its appeal to advertisers and put it in a stronger competitive position.

A recent analysis of radio media buys using the PPM data by Harmelin Media – one of the top 10 independent media firms in the country – showed “conclusively” that the increase in reach for individual radio stations also translates into greater reach for a wide range of commercial schedules.

Researchers at Harmelin concluded that radio can be used in more types of advertising campaigns, and purchased using different scheduling approaches. The PPM shows that radio has a lot more to sell than drive time inventory.

**Television’s role**

The PPM’s passive measurement of individuals also produces new audience insights for broadcast and cable television. In national and international field tests, and in commercial panels, the PPM consistently reports higher average quarter-hour ratings for TV across all demographics and all channel types.

The largest increases in TV ratings are for:

- morning drive, daytime and weekend time periods
- Spanish language stations
- smaller cable channels
- newer broadcast networks
- black, Hispanic, and other demographics
- outlets appealing to younger audiences

This increase in TV viewing reported by the PPM was the subject of considerable research by BBM, the Canadian industry consortium for audience ratings. After running parallel audience panels for 18 months, BBM found the major source of the difference in ratings reported by a traditional set-based TV meter panel and a PPM panel was lack of compliance with pushing buttons on the meter system. BBM found that in larger households, while one family member was likely to push a button on the meter, the second, third and fourth family members were less likely to do so.
With the PPM, measurement of broadcast and cable television audiences is more complete. With today’s highly fractionalized audiences, household ratings for the smaller broadcast networks and many cable channels are just too small to be reliably picked up in local set-top meter panels. The PPM captures the missed viewing and fills in the zero cells. It’s a lot easier to sell your inventory when advertisers can see your viewers.

One of the more recent enhancements to the PPM system is the ability to separately identify in-home from out-of-home TV viewing by the use of a low-power RF signal installed in the panelists’ homes.

While still considered preliminary because of the relatively brief time they have been available, the out-of-home audience estimates for television are significant. The PPM is reporting an increase in Average Quarter-Hour viewing between 13 and 15 percent.

This newfound audience for television includes both men and women and all dayparts. The results are consistent with substantial “at-work” viewing, which could make midday programs in particular more attractive to advertisers.

The PPM is also providing the very first look at one of TV’s hottest topics: how people are using digital video recorders and the percentage of viewing that is time-shifted. Because the PPM codes stay embedded in the audio even when a program is recorded, the PPM can capture and identify station exposure no matter what methods of recording and playback are used.

In looking at data from the Houston trial, Arbitron found reassuring news for advertisers. Less than 10 percent of PPM households have a DVR, and in those households, only about 7 percent of viewing was time shifted, and nearly 80 percent of the time-shifted programs are viewed either later the same day as the original broadcast or the next day.

The ability to track individual consumers’ media choices will only become more important as broadcast schedules become a part of the past. New approaches to audience measurement like the PPM will assure that even as media technologies advance, media outlets and advertisers will be able to know with more accuracy than ever who’s tuning in.

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