The reference centre for television and radio advertising in Europe

Audience measurement:

What television advertising sales houses want…

Results of a consultation among egta members - April 2007

All actors of the advertising industry will agree that there have been massive changes in the advertising industry over the past 30 to 40 years, hence the "raging" debate on the changes that need to be made to the present measurement of media consumption! This document aims to sum up the stakes of the debate and presents the point of view of egta member sales houses!

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Introduction

egta is the Brussels-based trade association of 86 television and radio advertising sales houses. Together, its members, established across 33 different countries (mainly in Europe), collect close to 70% of all advertising investments made in television.

Please note that this paper primarily reflects the point of view of **TV** sales houses - **television** being the most measured media of all. egta is of course aware that radio audience measurement is well on its way to matching the standards set for television. Most comments hereunder could therefore be understood as applying to both media.

Putting the debate into perspective…

To understand the arguments put forward by television sales houses, it may be wise to understand the overall context as well as the general ideas that are behind some of the initiatives recently taken by advertisers; hence the following section.

The arguments listed below reflect the advertisers' point of view **only**.

What advertisers say…

Advertisers[1] base their claims on the following premise:

It is no longer possible for advertisers to access wide audiences with just a few 30" commercials. With the emergence of new technologies and the resulting changes in media consumption, brand communication is no longer restricted to traditional advertising media: everything communicates - even the store itself is now a medium! Furthermore, due to "clutter", the daily potential exposure to commercials has almost doubled (although less so in Europe than in the US). Consumers are not only developing the habit of consuming multiple media at the same time but are also paying less attention to brand messages and developing shielding behaviours to avoid advertising. Additionally, advertisers are facing increased pressure from the retail trade and private label. The pressures exerted on brand shares and profit margins also put their brand communication budgets under attack.

Because advertisers pay - ultimately - for the advertising and the research, they want media research that focuses on their needs! Advertisers must justify how they spend their communication budget and thus demand proof of a fair return on their investment. The initiatives taken by advertisers (WFA Blue Print, Apollo Project (US) and IPA Touchpoints (UK)) all seem to show that advertisers are working towards the following:

- a consumer-centred rather than a medium centred approach
- unified rather than a segmented information
- a holistic rather than a silo-based approach (a system that takes on board the synergies between media)
- a measurement of "engagement – relevance – emotions" rather than of simple exposure and "opportunities to see"
- a system that encompasses psychographic elements rather than demographically-defined eyeballs only
- a system that explains the "who-what-how-when-where" of media consumption rather than the present "who-what"
- a system based on large sample size, speed and flexibility
- a "single source" set of data that both accommodates multi-media measurement and relates media consumption to purchasing behaviours
- data that allows for predictive modelling

[1] It is to be noted that most of the debate and initiatives come from the United States where JICs (Joint Industry Committees) do not exist, where the « upfront/scatter» market still strongly influences the advertising industry and where very little information is available when it comes down to measuring television.

What television sales houses think and want...

What sales houses say...

egta members base their reasoning on the following premise:

Television is and will remain the most efficient form of communication with masses (TV viewing is still on the increase almost all over the world) but also with smaller target groups through niche and thematic channels and through IPTV. It is the most measured medium and as the use of peoplemeters is almost universal for TV, it not only offers the most accurate data but also allows for some comparison across countries. Putting all media on an equal footing therefore not only puts TV at a major disadvantage but also means mixing entirely different currencies and data that can simply not be compared.

Here is a list of arguments that television advertising sales houses would like to put forward:

- **Exposure,** and in particular exposure to advertising, is the key asset and major strength of television and must remain at the core of any audience measurement system. egta members thus call for a **viewer-centric** (rather than a consumer-centric) approach. Advertisers rely on consumers, while a media's consumer is the viewer.
- The traditional different **silo-based approaches** to measuring media offer the benefit that the research technique is tailored to each specific medium and is thus the most suitable research technique for each of them. However, these different approaches should aim to reach the same quality and reliability standards that **television audience measurement has set as a benchmark**, TV being the best and most measured medium.
- Sales houses are "audience gatherers" hence their claim that **all eye balls** (including those of foreigners in a country) be measured and that a special focus be put not only on all "live" or "TV-assimilated" viewing but also on out-of-home viewing, public viewing, guest viewing, hotel viewing, windowed viewing and time-shifted viewing. "Televisions" are no longer broadcasters but **content providers**. Viewers who watch TV programmes on other platforms such as a mobile phone or on the Internet are thus exposed to TV commercials and must also be accounted for with differentiated results additional to traditional home TV viewing. In short, **the minute a signal is aired, it must be measured**.
- **All forms of advertising** should be measured - including split screens, windowed screens, interactive ads, etc.
- More precisely defined **target groups** (for instance, young people 15-24 living in urban areas) are needed and they too must reflect the "new" reality. Some form of cross-country and cross media **harmonization** is welcome if only in terms of basic elements such as age, gender and social class.
- Although advertisers ask for a system that encompasses more than **demographically-defined eyeballs**, the psychographic elements and target groups set up by advertisers are too numerous and too varied, with no standardised categorisation and can therefore not be integrated into the measurement systems. If these **psychographic elements** can be standardised and agreed upon first by advertisers and then by sales houses, audience measurement gatherers could attempt to harmonise these on a pan-European basis.
- Similarly, the **setting up of panels** ought to be improved and, in so far as possible, harmonised. Panels should include more people who better reflect all parts of the population and lifestyles (what to do with people who refuse to sit on panels or comply?). Greater comparability between panels is the way forward.
- While quality-related data should be collected and made available to advertisers, traditional metrics should not be changed. Instead, single source research should come as an **addition to existing** quantitative demographic data. However, measuring qualitative values such as "engagement", "ad receptivity" or the impact of creativity on memorization, etc., requires careful planning and definition first.
- Too many figures and too much information is not necessarily useful in order to sell advertising especially as the cost of collecting it is huge: however the way it can be processed to meet the needs both of the **advertisers** (and their agency) and of the **broadcasters** (and their sales house) should be improved and defined carefully.
- Combining data from a single source database with **purchasing behaviours** may lead to the simplistic conclusion that nothing but advertising influences the consumers' decision to purchase something when in reality, this is certainly not the case. Other influences on consumer decision-making also include notions such as availability, accessibility, cost, loyalty, quality, opportunity, immediacy, etc.

Some basic messages to the advertising industry

- In today's media world, there is more information, choice, individual control, and customization while there is less time and loyalty. People have gone from passively "viewing, listening, reading, passing by"- in short, absorbing information - to using, trialling, experiencing and playing - thus, actively engaging with it!

  Audience measurement systems and data must thus be adapted to today's reality! This requires a joint effort of all stakeholders in the advertising process: advertisers, agencies, research providers, media owners and their sales houses.

- The existing research does an exceptionally good job in providing a currency for buyers and sellers. This currency has been present for many years and has generated a degree of trust amongst all stakeholders in the brand.

  There is therefore no need to destroy or replace the existing research but simply to add to it and to refine it, especially in terms of "qualitative" data. It is egta's intention to draw a list of all existing research already carried out in this field by its members and external sources. "Qualitative" data relate to notions such as efficiency, engagement, psychographics, ad-receptivity, etc.

- A preference ought to be given to passive audience measurement and to systems that require little action from panel members to improve accuracy and increase compliance.

  Ultimately however, what matters is what is technically feasible, panel members' willingness to comply and the cost factor.

- The industry needs research that is flexible and adaptive both at the time of its collection and use or processing by the various actors of the industry whose individual needs must be met. Research indeed serves a myriad of purposes and is therefore the responsibility of affected actors in the industry[1]

  So, whereas it does indeed make sense for advertisers and broadcasters (or their sales houses) alike to co-participate and to co-finance some research projects which aim at showing the efficiency of television advertising messages, these two types of actors also have different businesses and thus data requirements that are linked but not identical. This therefore means there are research needs that one or the other will have to take the lead on providing.

- Who will cover the cost of additional research and what are advertisers willing to pay for their very sophisticated consumer-centric holistic measurement system? Bearing in mind that broadcasters already carry most of the cost related to television viewing measurement, it must be clear that they are not willing to finance any of the cost related to an improvement (let alone a levelling up) in the measurement of *other* media.

  egta thus believes that all interested parties should take part in the financing of such research.

- Whereas egta members see the validity of and support single source and multimedia audience measurement systems, they insist that these can only be of value if the adopted benchmark for all media is as readily available, precise and reliable as the standard set by television audience measures (i.e., for TV, minute per minute individual data that can be checked against very precise "time logs"). Furthermore, such single source measurement should not be biased due to the fact that it is limited mainly to FMCG advertisers and not sufficiently representative of the whole market.

  egta and its members favour an "open" model within which advertisers, agencies, broadcasters and sales houses could add additional qualitative data to enrich the existing more traditional information. Creativity and market intelligence are key.

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[1] Examples of types of research and whose responsibility they come under…

a. A tool to help understand the medium - to be undertaken by the media themselves

b. A tool to help channels in their development and to help define the programme - the media

c. A trading currency for selling and buying (second by second TV data) - JIC -Joint Industry Committee

d. A strategic tool (single source multimedia research such as time budget surveys) - JIC

e. A tool to help understand a campaign's impact (single source measurement) - to be undertaken by advertisers

f. A tool to help understand people's behaviours (multitasking) - small scale research to be undertaken by universities, the scientific world or by actors of the industry

g. …