



# egta insight

**RADIO AUDIENCE MEASUREMENT**

May 2015

**egta.**

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# EXECUTIVE SUMMARY

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This report offers an overview of the methodologies used to measure radio across Europe. egta's objective is to give readers a better understanding of the range of techniques and technologies in use, and insights into the effects of introducing electronic measurement.

Radio Audience Measurement is carried out either by declarative means (day-after recall (DAR) or diaries) or through the use of electronic (passive) technology. The current state of play in Europe can be found in Figure 01. This report also contains an analysis of the benefits and limitations of each methodology.

The document includes a more in-depth look at several markets that have introduced or that have run trials of electronic measurement. The US uses the Nielsen trademarked Personal People Meter (PPM) for radio in a number of the country's largest designated market areas (DMAs), with diaries for the remaining DMAs. Electronic measurement has been introduced for the radio advertising currency in a number of European countries, including Switzerland, Denmark, Norway and Sweden, and tests have been carried out in several other markets.

Representatives from the Netherlands, Sweden and Italy – all countries that have recently introduced or trialled new methodologies – provided interviews for this document, which also draws on multiple reports, forecasts and estimates, data from egta members and a telephone survey of audience measurement institutes in order to compile the necessary data.

## // An overview of existing RAM methodologies for currency in Europe

Radio Audience Measurement (RAM), in one form or another, is carried out in almost every European country, and has long provided the independent and audited data on which radio advertising has been traded. Unlike other electronic media, such as television and online, the methodologies used to measure radio differ quite widely between countries.

Radio is a highly mobile medium, and an individual listener's pattern of consumption typically takes place in the home, in the car or on public transport, at work and elsewhere. It may take place through an FM, AM or DAB+ (terrestrial) signal, or the audio may be delivered via a connected IP device. Whilst TV viewing is now extending beyond the living room screen, a large proportion of television is still watched on one or more devices in the home. Radio faces different challenges that in turn account for the methodologies that have been developed to measure it.

This report focuses on the measurement of terrestrially delivered radio, whether by analogue or digital transmission. egta will publish a subsequent report in the coming months that gives an overview of measurement techniques – currently in their infancy – that are being developed to deliver standardised metrics for online audio within some of the most developed European markets. This report will also include strategies that are being developed to combine data from all forms of radio listening.

## // Main methodologies in place

Radio is measured by two primary means: firstly, asking people to actively remember or record their listening behaviour over a period of time (declarative); and secondly, by the use of tech-

nology that passively detects any audio in the vicinity of the individual being measured (electronic/passive). Figure 01 gives an overview of the primary methods in place in Europe.

The former set of methodologies are by far the most commonly employed throughout Europe, accounting for about four-fifths of countries, and these can be broadly classified as Day-After Recall (DAR) and Diaries. A variety of recall data collection methods are used, the predominant one being Computer Aided Telephone Interviews (CATI). Computer Assisted Web Interviewing (CAWI), in which the data is collected online, Paper And Pencil Interviewing (PAPI) and face-to-face interviews are used in a few cases. Diaries have traditionally been paper formats, filled in by panellists, and more recently some markets have moved to introduce online diaries, for example in the UK and the Netherlands – where 88% of participants use an online diary (2014 data). The Netherlands is also trialling mobile diaries.

Electronic measurement was first developed in Switzerland with the 2001 introduction of the GfK Telecontrol Mediawatch. This was followed by Arbitron's Portable People Meter (PPM), which was tested in the UK in the late 1990s and introduced to larger markets in the US in 2007. The PPM methodology has proven to be the most widely adopted electronic radio audience measurement platform, and it is currently in use for the trading currency in Canada, Denmark, Iceland, Kazakhstan, Norway, Singapore, Sweden and the US. The French research organisation Médiamétrie has developed a similar meter, called RateOnAir, and GfK Eurisko deployed its Eurisko Media Monitor device in Italy until 2013. A third type of passive measurement technology has emerged in recent years, using smartphone software applications (apps). Ipsos lead the way in this field, developing the MediaCell, and this has been used in a hybrid solution on the Italian market. The Czech research company MEDIAN has also developed a similar technology, un-

der the name adMeter, and this is being trialled as a single source measurement device for radio, TV and Internet.

## // Audio-matching and watermarking

Electronic audio measurement meters use two primary technologies to register the content that they are exposed to: audio-matching and watermarking.

Devices that use audio-matching record and compress samples of the ambient sound several times each minute, and effectively create digital fingerprints that can then be matched against stored recordings of the original radio broadcasts. This solution does not require radio broadcasters to have any additional studio equipment to insert a signal into the audio stream. However, if two or more radio stations are playing the same content at the same time, for instance a syndicated chart show or simulcast news bulletin, audio-matching meters cannot identify which station is responsible for the broadcast. Likewise, they are unable to identify the radio platform being used, for instance FM, DAB+, digital terrestrial television, etc. The GfK Telecontrol Mediawatch and Eurisko Media Monitor both use audio-matching technology.

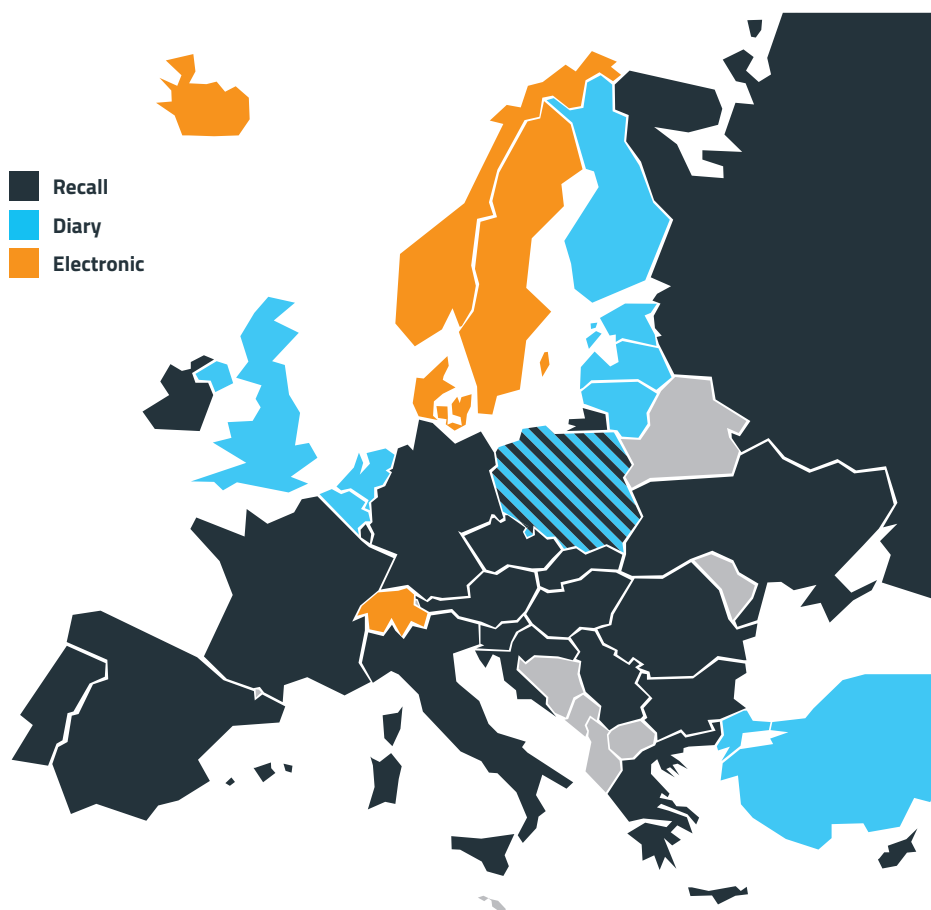
Meters that use watermarking, or encoding, pick up inaudible signals that have been inserted into radio broadcasts. The information is collected by the device, which reports back the station identification and the date and tune in/out times of listening to the measurement company. Watermarking also allows different broadcast platforms to be identified, as alternate signals can be inserted into the FM, DAB+ streams, etc. For all its advantages, watermarking requires all measured radio stations to insert the watermarking signal into the broadcast, which entails additional costs. Watermarking is used in the Nielsen (formerly Arbitron) PPM, and there has been criticism of the effectiveness of the

## FIGURE 01: RADIO MEASUREMENT METHODOLOGIES IN EUROPE

Country	Main methodology	Institute/Supplier	Number of results publications per year
<b>Austria</b>	DAR (CATI)	GfK Austria	2
<b>Belgium</b>	Diary	GfK	3
<b>Bulgaria</b>	DAR (face-to-face interviews)	Nielsen Admosphere Bulgaria/Ipsos	12
<b>Croatia</b>	DAR (CATI)	Ipsos Puls	12
<b>Cyprus</b>	DAR (CATI)	Symmetron MRCI, IMR & University of Nicosia	12
<b>Czech Republic</b>	DAR (CATI)	MEDIAN / STEM/MARK	4
<b>Denmark</b>	Passive (PPM)	TNS Gallup	Daily
<b>Estonia</b>	Diary	TNS Emore	4
<b>Finland</b>	Diary	Finnpanel/TNS	12
<b>France</b>	DAR (CATI)	Médiamétrie	4
<b>Germany</b>	DAR (CATI)	agma/Several suppliers	2
<b>Greece</b>	DAR (CATI)	FocusBari	12
<b>Hungary</b>	DAR (CATI + CAWI)	Ipsos and GfK	12
<b>Iceland</b>	Passive (PPM)	Capacent Iceland	Daily
<b>Ireland</b>	DAR (face-to-face interviews)	JNLR/Ipsos MRBI	4
<b>Italy</b>	DAR (CATI)	GfK Eurisko	4
<b>Latvia</b>	Diary	TNS	4
<b>Lithuania</b>	Diary	TNS	2
<b>Luxembourg</b>	DAR (CATI & online)	TNS-ILReS	1
<b>Netherlands</b>	Diary	NLO/GfK	12
<b>Norway</b>	Passive (PPM)	TNS Gallup	Daily
<b>Poland</b>	DAR (CATI) & Diary	KBR/Millward Brown	4
<b>Portugal</b>	DAR (CATI)	Grupo Marktest	5
<b>Russia</b>	DAR (CATI and CAWI)	TNS Gallup	National = 4 Moscow & St. Petersburg = 12
<b>Serbia</b>	DAR (CATI)	Ipsos	12
<b>Slovakia</b>	DAR (PAPI)	MEDIAN SK	12

► Continued from page 04

<b>Slovenia</b>	DAR (CATI)	Media Pool & Mediana	4 for Media Pool / 12 for Mediana
<b>Spain</b>	DAR (CATI)	AIMC	3
<b>Sweden</b>	Passive (PPM)	TNS Sifo	Daily
<b>Switzerland</b>	Passive (Mediawatch)	Mediapulse/GfK	2
<b>Turkey</b>	Diary	RIAK/Ipsos KMG	12
<b>UK</b>	Diary	RAJAR/Ipsos	4
<b>Ukraine</b>	DAR (CATI)	GfK	4



Source: egta resources

encoding and decoding technology, with suggestions that the system fails to accurately detect all legitimate listening, leading to under reporting<sup>1</sup>.

## // The emergence of hybrid methodologies

Several markets use a number of different measurement methodologies in parallel, and in recent years a few have tested hybrid systems that combine electronic systems with other methods. However, neither the Netherlands nor Italy, the two markets that pioneered this approach, continue to use a hybrid currency methodology today.

## // The Netherlands: Diary & Mediawatch

In 2012–2013, the Dutch radio measurement organisation, NLO, trialled a hybrid methodology using the existing diary alongside the Mediawatch, with samples of approximately 7,500 and 300 individuals for each respectively. The currency continued to be based on the diary data, with minute-by-minute variations from the Mediawatch overlaid in the form of an index. This offered additional granularity whilst retaining the advantages of the robust diary data.

The trial indicated that personal recruitment is very important with electronic measurement, and telephone interviews therefore replaced the online recruitment process that was used initially. Furthermore, active management and overnight delivery of data is essential to maintain high levels of panellist compliance. A significant challenge is posed by listening through headphones, which accounts for a significant amount of Time Spent Listening (TSL) for younger people, as this was not registered by the watch. Comparing the data from the Mediawatch and the diary, the watch records higher listening levels early in the morning and lower levels during the mid morning. The watch also records higher levels than the diary during

the early evening. The NLO concluded that diary respondents tend to overestimate their morning listening somewhat. The NLO also found that average listening to advertising minutes was higher than for programming, which is accounted for by the placement of advertising around high listening moments such as news bulletins.

Following an evaluation of the trial, the NLO decided that this hybrid methodology would not be adopted, as it did not meet its criteria for introducing an innovation on the market. Instead, the ambition is to press ahead with full electronic measurement in the Netherlands, and tests of app-based solutions from a number of suppliers are currently taking place with a view to implementing a new currency measurement in 2017.

For further insights on the Dutch experience, please see an interview with Nicole Engels, Managing Director of NLO, on page 14.

## // Italy: CATI & MediaCell

Following a two-year period during which there was no measurement regime in the country, Italy launched its new RadioMonitor study in 2012, combining CATI and an electronic meter. However, the use of the meter stopped in late 2014, and CATI is now the sole methodology in use. For further explanation, see an overview of these developments in a contribution from Giorgio Licastro, Head of Product Radio at GfK Eurisko, on page 17.

## // The advantages and disadvantages of declarative and electronic RAM methodologies

Each measurement system has its own characteristics, strengths and weaknesses, and RAM by its nature requires a compromise to find the solution that best matches a particular market. Declarative methodologies are cheaper to implement and maintain than electronic systems, they allow large samples sizes and they are able to deliver robust

data on fragmented markets that feature large numbers of smaller radio stations. Despite their lower levels of granularity and (at least perceived) accuracy, declarative methodologies are generally accepted by buyers, and they perform their role as a basis for radio advertising trading very effectively.

Electronic measurement offers clear advantages over methodologies that require respondents to remember or actively record what they have listened to: they can deliver highly accurate, minute-by-minute data with very little delay after the time of broadcast, and they deliver metrics in a similar form to television and online.

However, they are not without their limitations. The high cost of electronic meters compared to diaries or telephone interviews mean that sample sizes tend to be relatively small, and this presents challenges for smaller and local radio stations which can suffer from zero ratings, in which advertising breaks may not be recorded at all by the panel. For this reason, countries such as Sweden and the US maintain DAR and diary measurement to measure

local stations and smaller designated market areas (DMAs) respectively. As mentioned above, there are limitations to both audio-matching and watermarking technologies, and there has been persistent criticism of PPM in the US in particular. The introduction of electronic measurement has been successful to date in smaller European countries that have firstly been able to find common agreement within the radio industry and secondly translate the advantages of accurate, granular data into higher prices per contact and gain acceptance of a new pricing structure by radio buyers.

Figures 03 and 04 give a breakdown of the pros and cons of declarative and passive measurement methodologies.

// The experience of switching to electronic measurement on different markets

An analysis of comparative figures for electronic and declarative measurement shows a very consistent pattern: reach for individual stations tends

**FIGURE 02:**  
AN OVERVIEW OF RADIO AUDIENCE MEASUREMENT (RAM) METHODOLOGIES

Methodology	Data collection technique
Day-After Recall (DAR)	CATI – Computer Assisted Telephone Interviewing CAPI – Computer Assisted Personal Interviewing CAWI – Computer Assisted Web Interviewing PAPI – Paper And Pencil Interviewing Face-to-face interviewing
Diary	Paper, online, mobile or a combination of these
Electronic (passive)	Portable People Meter, Mediawatch, MediaCell, etc.

## FIGURE 03:

# A COMPARISON OF THE PROS AND CONS OF DIARY AND DAY-AFTER RECALL METHODOLOGIES



- Data collecting from same person during the week, providing more reliable picture of radio consumption from day to day
- Opportunity to correctly calculate cumulative weekly reach, frequency of listening and Time Spent Listening (TSL) from day to day
- More detailed picture of individual listener behaviour (zapping, first choice etc)

## DIARY



- Reliability and granularity of the data – people tend to over-report their ‘top of mind’ stations and are less precise about the stations they listen to less frequently
- Lack of control over respondents – more reliant on their discipline and reliability
- More expensive than Recall studies
- Requires higher investments in operations and interviewers
- Difficult to reach specific target audiences (e.g. people with high income, young people, etc)



## DAY-AFTER RECALL: CATI/CAWI



- Higher control over standards and consistency of data collection compared to *self-filling* diary – the question is always about yesterday
  - Less expensive than diary
  - Better accessibility (compared to diary) for specific and narrow target groups
  - Usually delivers higher general reach figures compared to diary
  - Bigger sample size possible, offers greater frequency of reporting
  - Data collected for different days of the week
  - Less work for the respondent
- Relative error caused by fact that different people provide data for different days of the week. As a result there may be modelling errors with the estimation of weekly reach
  - Less granularity of the data as a result of *memory errors*
  - A limited number of stations can be encoded due to the restricted CATI interview time frame (not the case for CAWI)
  - Usually delivers smaller reach for Average Quarter Hour (AQH) compared to the diary

## FIGURE 04:

# A COMPARISON OF THE PROS AND CONS OF DECLARATIVE AND PASSIVE METHODOLOGIES



### DIARY/DAY-AFTER RECALL



- Traditional and established method: stability of the advertising sales market
- Lower cost
- Large sample
- Potential for more user-friendly format (online diary, smartphone applications), leads to higher respondent commitment
- Generally delivers higher TSL figures than electronic measurement
- Lack of common radio and TV currency
- Lower accountability and granularity: delivering listening rate per quarter/half an hour, and infrequent reporting
- Lower accuracy: inability of people to recall and identify every listening occasion after time (short listening occurrences tend to be forgotten, listening to favourite stations is amplified)
- Higher burden on the respondent
- Longer delay between data collection and reporting



### ELECTRONIC: PASSIVE MEASUREMENT



- Bringing common currency to TV and radio buys
- Higher accountability and granularity: minute-by-minute audience data
- Continuous listening and all listening occasions measured
- Low dropout expected due to lower respondent burden
- Better optimisation of radio programme and campaign planning due to overnight reporting
- Very short delay between data collection and reporting, bringing radio into closer alignment with TV and online
- More reliable differentiation between broadcast platforms (with watermarking technology)
- Reluctance towards adoption: lack of consensus and unified support among the industry actors
- Measuring presence in proximity to radio signal, different definition of listening and different basis for brand recall research
- Small sample efficiency
- Higher cost
- Audio-matching devices may not differentiate between stations broadcasting the same content at the same time
- Watermarking devices do not capture 100% of listening occasions, and may perform poorly in high background noise situations
- Generally delivers lower TSL than traditional methodologies, requiring the buying market to accept changes to advertising pricing
- Headphone listening can only be captured if respondent links to the meter's output jack
- Difficult and expensive to build a robust sample for a fragmented market.

to be higher under electronic measurement whilst TSL is generally lower when compared to figures returned by DAR or diaries. This results in a drop in ratings for which a pricing correction needs to be applied in order to maintain at least an equivalent level of advertising investments when switching to electronic measurement. This pattern can be largely explained by the fact that respondents tend to overestimate the time they spend listening to their favourite stations and may not report listening to alternate stations or those they hear on public transport, when in other people's cars, etc. Conversely, passive technology picks up all of these audience contacts, which translates into higher reach for stations.

## // The US

PPM was introduced as a replacement to diary data in some parts of the country from 2007. As of spring 2015, 48 out of 273 designated market areas (DMAs) are measured using PPM<sup>2</sup>, whilst the remaining areas continue to be measured using diaries. The national radio ratings, known as RADAR, combine passive and declarative methodologies, and the reporting is a traditional AQH figure delivered four times each year. This relatively low granularity helps to avoid potential instabilities in electronic measurement whilst offering greater accountability to the market, and it ensures that the trading practices are consistent across national radio advertising.

The research company responsible for radio ratings, Arbitron, was acquired by Nielsen in 2013.

Comparisons between diary and PPM data made at the time PPM was introduced show that smaller stations increased their share of overall listening at the expense of larger stations, while less popular day parts increased in importance versus peak time slots. From the beginning, Arbitron faced controversy and legal challenges regarding PPM data, particularly from ethnic minority-owned broad-

casters. The owners of these stations cite significant under-reporting, in part due to panel selection problems and compliance in wearing the meter on the part of panellists. Arbitron itself contested the audience share declines under the PPM methodology, claiming that the lowered ratings initially experienced have rebounded and that there have been no systemic decreases in revenues.

Radio programme directors have long sought to find ways to give their PPM ratings a boost, for instance by ensuring spoken content contains background music and using dense production values and high levels of audio processing to increase the chances of their encoded stations being recorded<sup>3</sup>. A fresh debate sprang up in early 2015 with the appearance on the market of a device going by the name of Voltair. This piece of equipment continuously analyses how effectively the watermark encoding is taking place, giving insights into the likelihood of the station's signal being recognised by PPM devices in the field in different settings, such as in home or in a car. As well as providing tools to optimise radio programming, the manufacturer claims that Voltair's audio processing capabilities enhance the detectability of the watermark codes, and programmers using it say it has a direct impact on ratings, especially news, talk and sports stations<sup>4</sup>. At the time this report went to press, the response from Nielsen has been limited to a statement that the company is evaluating the Voltair box and that it does not recommend its clients use the device until testing and validation is complete.

## // The Nordic region

First Norway in 2006, then Denmark in 2007 and Sweden in 2013 have all introduced PPM measurement for radio. In all three countries, comparative data from the time of the transition show consistent increases for reach and decreases for TSL.

In **Norway**, the switch to PPM resulted in a 30% reduction in inventory value compared to CATI. The

93,700 listeners per quarter hour (AQH) registered under the CATI methodology translated to 65,600 listeners per minute (GRP) under PPM, which underlines the importance of redefining the contact value of radio for the new currency to reflect different listening definitions and measurement systems. In order to counter this loss of inventory, the leading commercial radio network MTG carried out this process, increasing the CPM for radio from approximately €10 to €15. The broadcaster successfully communicated the additional value of a PPM-measured listener over a CATI-measured listener, and revenues have grown strongly since the measurement was introduced. Radio's advertising market share increased from 5.2% in 2006 to 7.9% in 2013 (Nielsen, gross figures). In addition to more reliable data, radio and television are now bought by the same media buyers using the same currency as TV, reducing complexity and increasing the number of radio buyers dramatically.

The **Danish** PPM panel began in 2007. A year after the introduction, an overall rise in weekly reach for all stations across different target groups was reported, with the biggest rise in young target groups. In terms of listening time, a drop was observed across all target groups, but this varied by age group. Other characteristics of the switch included: highest reach increase among commercial and smaller stations, drops in reach for intellectual talk radio with classical music radio remaining flat, as well as bigger drops in listening time among commercial than among public stations. Small commercial stations saw their listening times fall the most<sup>5</sup>.

**Sweden** is the most recent European country to implement PPM. As a benchmark for other markets considering the switch and evaluating the reasonable investment, the PPM panel costs approximately 3% of the Swedish radio market net value. Comparison of CATI and PPM results shows higher cume reach of total radio, shorter listening time overall but higher listening in the afternoon, lower

AQH and TSL for individual stations, as can be seen in figure X. As a result, an average campaign gains higher net reach and lower frequency, leading to a decrease in gross reach. Another outcome of the switch was that the volume of advertising inventory decreased correspondingly to a decrease in ad break ratings, while CPT prices went up around 30% to balance this decline in ratings. The minute-by-minute granularity and relatively small panel size means that the market has suffered from zero ratings for smaller channels in certain dayparts, but overall the implementation can be said to have benefited the Swedish radio market, which has seen significant gains in ad spend. Further information and advice from MTG Radio's Martin Ottosson can be found on page 15.

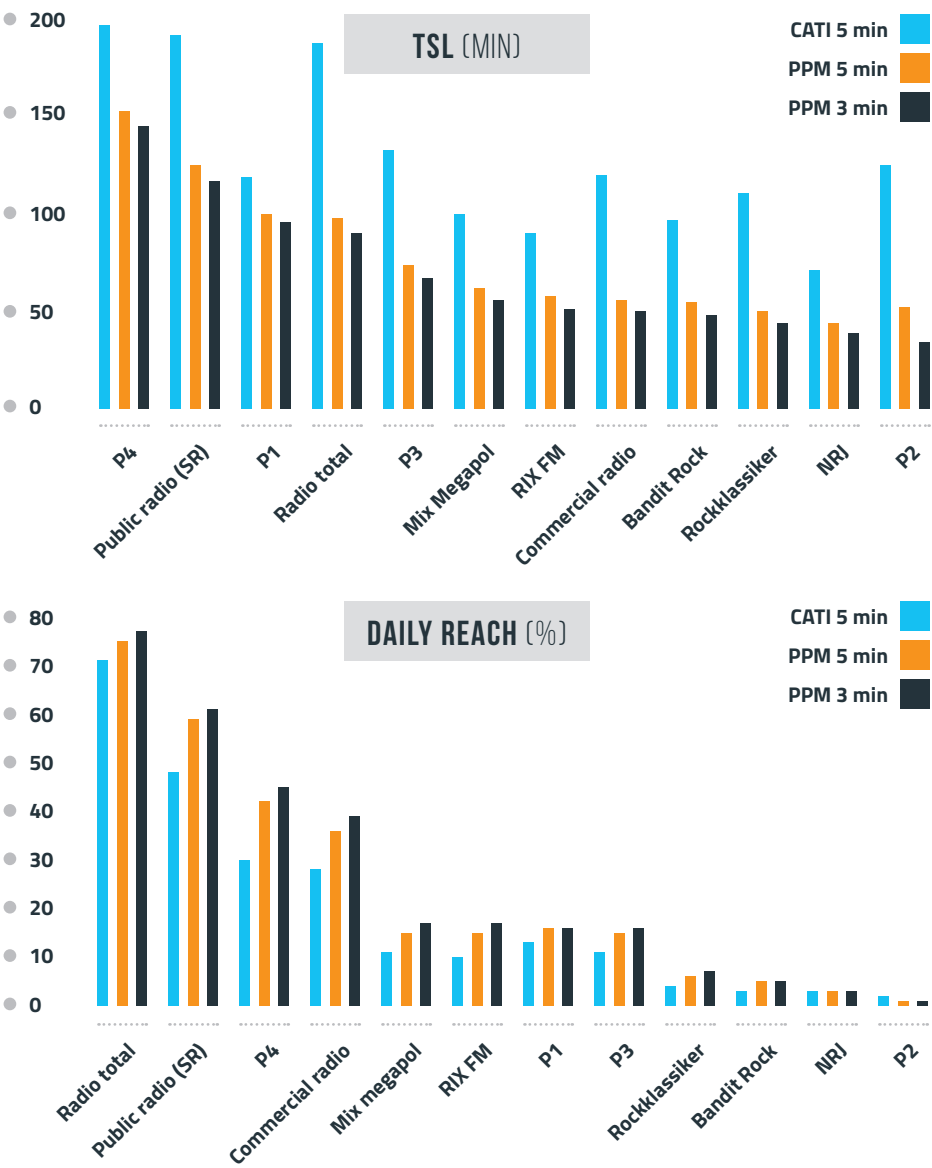
## // Other markets testing electronic radio measurement

Médiamétrie has tested electronic portable radio measurement in **France**, using 750 panellists over a six week period in late 2013. 18 radio and 4 TV stations were measured during the trial, which was designed to test Médiamétrie's RateOnAir meter technology, better understand panellist behaviour and analyse ratings data. Panellists reported that it is much easier to carry the device than it is to complete diaries.

Comparison with the CATI (currency) figures in France shows respondents tend to overestimate their evening prime-time listening, and the curve for morning listening also lags behind the declarative figures somewhat, probably because panellists do not activate their meters early enough to pick up bedside table radio listening. However, the listening curve is better matched to Médiamétrie's secondary diary panel research (conducted in two waves per year), suggesting that electronic measurement may replace this in due course.

In October 2015, Médiamétrie will conduct tests of its second generation meter, which is smaller

**FIGURE 05:**  
COMPARATIVE DATA UNDER CATI & PPM IN SWEDEN



Source: PPM 120820-121014, CIATI IV-2012

and uses Bluetooth-enabled beacons (rather than GPS) to establish the location in which the panel-list is listening, for instance in the car, at work or at home.

The **Czech** audience measurement company MEDIAN has carried out tests of its adMeter single source meter technology, measuring radio, TV, Internet, mobile and desktop. The methodology uses a smartphone app and desktop computer software. Broadcast content is measured by audio matching, which provides good granularity and second-by-second data, and Internet behaviour by URL access detection. The trials are designed to deliver data on media consumption in order to allow the optimisation of advertising and cross-media planning.

Future plans for MEDIAN include increasing the panel size, measuring smartphone app usage, piloting print measurement via barcode scanning and increasing the detail of online advertising measurement.

In 2003, **Belgium** became one of the first countries to introduce a PPM panel, with TNS Media under licence from Arbitron. PPM has not been used on a commercial basis in the country, and it was used – primarily internally – until May 2015 to deliver insights into programming and other issues. A new radio audience measurement regime is expected to be introduced in Belgium following a tender process.

## // Conclusions

Radio audience measurement continues to be an area of testing, evaluating and innovating. There are no imminently planned major changes to currency RAM that the authors of this report are aware of; the next phase for measurement evolution is likely to take place in the online audio space audio, including the combination of radio and online audio data, in the coming years. This, along with the current discussion taking place in egta's Online Audio

Taskforce around audio trading across digital and terrestrial platforms, will be the subject of an egta report in the coming months.

To date, electronic radio measurement has been tested widely but implemented in only a handful of countries around the world. Whilst debate – often quite fierce in the US – continues to take place about the effectiveness of using meters to measure radio and audio, there are to date no instances of electronic measurement being replaced by declarative methodologies, suggesting that their performance is at least adequate.

One can conclude that neither declarative nor passive measurement methodologies are perfect and that different markets have different characteristics, meaning that there is no one-size-fits-all solution. The careful and thorough testing and evaluation carried out both in markets that have implemented electronic measurement and those that have not done so to date, such as France, the UK and the Netherlands in particular, demonstrate the importance of ensuring that the conditions and technologies adopted are fit for purpose. These and other markets also provide a wealth of benchmarking information that may be of value to any radio broadcasters considering a change to their methodology.

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## EGTA ASKED FOR AN UPDATE ON THE TRIALS OF HYBRID RADIO AUDIENCE MEASUREMENT IN THE NETHERLANDS FROM **NICOLE ENGELS** (MANAGING DIRECTOR AT **NLO**)

**egta:** *What was your experience of trialling a hybrid currency measurement using diaries and the passive MediaWatch?*

**Nicole Engels (NE):** First of all, we wanted to gain experience of using electronic measurement for radio. We chose to trial the MediaWatch, but we could equally have used an alternative device. We needed research to investigate whether it would be possible to use a hybrid model, and having carried out an analysis of all the data, we concluded that it is certainly possible to implement a hybrid methodology, but also that it does not

deliver significant added value.

Our approach was to integrate the minute-by-minute data from the MediaWatch into the quarter hour figure from the diary, and we discovered that there is actually not a very big difference within a given quarter of an hour. We found that the advertising breaks indexed at 103 on average within the quarter hour, there was not much difference between channels and timeslots, so we did not feel that it offered real added value in that form.

However, we are enthusiastic about the minute-by-minute data generated by electronic measurement, so the board of the NLO decided to go further and investigate whether we could fully measure with an electronic methodology.

**egta:** *What do you see as the limitations of using the existing diary?*

**NE:** We see that the response for the diary is declining year-over-year, especially in target groups such as young people and those living in urban areas, and we hope this issue will be improved by using electronic devices for measurement. We believe that using passive measurement is a more accurate methodology than memory based techniques for research and relying on people to remember what they have been listening to.

Electronic measurement is much more similar to the methodologies and reporting for television and Internet advertising. Buying agencies are looking for radio listening data to be published closer to the time a campaign has been aired, rather than with a couple of weeks' delay as is often the case under the current diary reporting. This would allow them to carry out their campaign evaluations more quickly.

**egta:** *Although tests are still ongoing, what have you learned about the different app-based measurement technologies on the market (e.g. GfK, Ipsos, etc.)?*

**NE:** The full results of our tests have not been

published yet, but I can tell you that to get a good panel you have to use an app that is suitable for both Android and iOS (Apple), and it is also necessary to bring people into the panel who do not have a smartphone in order to be fully representative. We carried out some research on the data collected so far, and we discovered that the listening behaviour of Android and iOS users is quite different, even when we corrected for demographics. To build a representative panel, you need to find a solution for those three groups

**egta:** *What do you expect the new Dutch RAM to look like when you arrive at the planned launch in 2017?*

**NE:** These are my personal thoughts, of course, but I do not expect it will be a hybrid methodology. The new measurement needs to be affordable for the market, and it must be better than the system that we currently have in place. We need to continue to have a large enough sample to deliver robust figures to the market across a number of different target groups, for example 20-34 years old, men 20-34, etc., and this of course has implications for the cost of the RAM methodology.



## MARTIN OTTOSSON (SENIOR RESEARCH ANALYST AT MTG RADIO) EXPLAINED TO EGTA HOW THE SWEDISH MARKET HAS ADAPTED TO PPM MEASUREMENT

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**egta:** *Since you introduced PPM as the currency at the start of 2013, would you evaluate the switch from the previous CATI methodology as a success for Swedish commercial radio overall.*

**Martin Ottosson (MO):** After a challenging first year with PPM, we managed to raise our revenues considerably in 2014, when radio had one of the highest growth rates of all media with an increase of 16%. Investments from media agencies have increased even more for us than that, far outnumbering the cost of the PPM system, and we now have a great tool to evaluate our programs.

I would evaluate the switch as a success by now.

**egta:** *In which ways did radio gain advantages from PPM, and in which areas have you experienced challenges?*

**MO:** Both public and commercial radio have better tools for content research, and it is now possible to evaluate programs and even music much faster and with more accuracy. PPM has become a great complement to other content based research, but carefulness is needed when it comes to analysis of single days or other very short time periods. It is also a great system for media agencies, as they can plan radio in much the same way as TV, with precise optimisation and then daily updates on their campaigns, everything with full transparency.

However, this system also has some challenges. Primarily since inventory management becomes more complicated and we need to constantly estimate the future ratings in order to know how many GRPs we can sell. On a daily basis we do experience volatility and zero ratings, which mean free spots for the advertiser. It is also more complicated now to compare regional and national campaigns, since we still use CATI for local radio and the two systems measure reach and listening time differently.

**egta:** *How did the change in measurement affect your sales operation, in terms of pricing, sales activities, etc.?*

**MO:** Now we sell an exact amount of GRPs 12-79 (and TRPs 25-59 for that matter). Every spot is counted and compared to the exact minute-by-minute rating. We talk more about Cost-Per-Point (CPP) than Cost-Per-Thousand (CPT) nowadays, and we have been able to raise price levels significantly. First we converted the price levels according to the drop in gross contacts in a neutral way (with no increase in the campaign cost), and then we have managed to raise price levels as demand has increased for national radio. We use a seasonal index in order to find a better balance

with demand and we let investment volume be an important part of discount levels in negotiations.

**egta:** *What advice would you give to any markets considering a switch to electronic measurement?*

**MO:** Don't be too afraid of the expected drop in gross contacts: a higher contact cost will compensate for this, but be prepared to make the argument for it. Make sure you have a well-balanced panel of sufficient size and then be sure to have a long enough test period and prepare the market and your sales staff well before the switch. Electronic measurement is normally more expensive, but it will attract more professional buyers and radio will retain more attention from broadcast buyers.

It is worth to pay for more accuracy.



## EGTA SPOKE TO **GIORGIO LICASTRO** (HEAD OF PRODUCT RADIO AT **GfK EURISKO**) ABOUT THE EVOLUTION OF RADIO AUDIENCE MEASUREMENT IN ITALY

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**egta:** *Can you give an overview of RAM in Italy over the past few years?*

**Giorgio Licastro (GL):** Radio audience measurement in Italy has followed a complex path in recent years. The previous Audiradio regime collapsed and left the market without a currency measurement in 2009-2010. GfK Eurisko, which at the time was testing its own electronic meter in Italy, launched a new study in 2012, combining data from Day After Recall (CATI) with the electronic Eurisko Media Monitor (EMM).

CATI was used for the main radio advertising met-

ric – AQH – whilst the meter provided weekly reach figures. In 2013-2014, the radio industry chose to adopt the smartphone-based Ipsos MediaCell technology as a replacement for the EMM. However, in December 2014, the use of the MediaCell was brought to an end, leaving CATI as the sole remaining methodology.

**egta:** *What were the reasons behind the decision to drop the electronic part of the measurement?*

**GL:** The reasons are basically two-fold. Firstly, the higher cost of operating two methodologies in a hybrid survey; and secondly, the big difference between data coming from the CATI survey and the meter. Whilst the CATI and electronic measurements both give similar reach figures, the time spent listening (TSL) figures are much lower for the meter. The meters themselves are very accurate, but the recall methodology is based on memory and it reports higher volumes of listening.

We saw a similar situation with a drop in viewing figures when electronic measurement was first introduced for television in Italy.

There is also the question of the purpose for which the meter is used. Under the methodology in Italy, its use for weekly reach alone was not particularly valuable for the market, and the data were therefore not embraced by the national association of advertisers.

**egta:** *Based on your experience, what conditions are necessary for the successful implementation of electronic RAM?*

**GL:** It is crucial to bring all of the stakeholders, from the radio and advertising industries, together in a forum where they look for common solutions rather than return to debates over the price of media.

Countries that have public service radio broadcasters with a high proportion of listening may also find it easier to implement electronic measurement.

An alternative approach to traditional radio measurement could be to look towards a cross-media solution, which would offer the benefit of lower survey costs.

**egta:** *How do you expect the measurement regime to look for the coming few years?*

**GL:** The future directions are rather difficult to predict; for one thing, the Italian communications authority – AGCOM – has yet to take a definitive position on this issue. It is my own personal view, but I expect the traditional methodology to remain in place. Perhaps not on its own, if the market finds an acceptable way to combine traditional measurement with meters.





## MORE ON THIS TOPIC

### Editorial committee:

**Matthew Carver**

*Radio Coordinator*

E: [matthew.carver@egta.com](mailto:matthew.carver@egta.com)

**Yuri Loburets**

*Radio Director*

E: [yuri.loburets@egta.com](mailto:yuri.loburets@egta.com)

Further technical information  
about radio audience  
measurement in Europe is  
available for egta members  
on request.

Please contact  
[info@egta.com](mailto:info@egta.com) to request  
this data.

## MORE ON EGTA

**egta**

22, Rue des Comédiens, boîte 4

1000 Brussels

Belgium

T: + 32 2 290 31 31

T: + 32 2 290 31 39

[www.egta.com](http://www.egta.com)

[@egtaconnect](https://twitter.com/egtaconnect)