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MEDIA Matters

NEW RESEARCH ON RADIO COMM'L AUDIENCES

Arbitron and Coleman Insights have updated their 2006 study of radio's commercial audiences in Houston, Texas, with a new report based on a full year's findings for 866 stations in 48 major peoplemeter markets. This was accompanied by a study of 362 ad agency and 1,178 radio industry executives, asking them to estimate what percentage of the radio audience just prior to a commercial break actually listens to the ads. The agency estimate was only 68%, while the radio people went a bit higher (78%). In line with its previous analysis, the Arbitron-Coleman study found that "radio holds more than 93% of its lead-in audience during commercial breaks." In other words, if one uses the average minute audience immediately before the average break as a base, and compares it to audience levels for an average minute during a commercial break, only 7% of the lead-in audience is lost.

To accept this, you have to agree with the PPM audience definition, which is that any PPM wearing (or carrying) person who is within the PPM's electronic earshot of a radio station signal is "listening," which, of course, is not the case by a long shot. The weight of evidence clearly demonstrates that many people counted as "listening" for both program content and commercials are probably not attentive and this, of course, is most true of commercials. A full review of radio's commercial exposure capabilities, including many listener attentiveness studies, commercial recall data, etc., is available in our recently released research annual, **Radio Dimensions 2012**.

To be fair, we should point out that we have exactly the same reservations about TV audience measurements. According to peoplemeter findings, a typical viewer "watches" 93-94% of all primetime commercials, and the percentage is even higher for some other dayparts. The problem is that the peoplemeter's core assumption is dubious. It holds that once a person claims to be "watching" a TV show, s/he continues to do so for every second the set remains tuned to the same channel, unless the person indicates otherwise on the peoplemeter. Since very few peoplemeter panelists can be expected to notify the system every time they leave the room, become distracted or stop paying attention, the resulting "commercial viewing" estimates are significantly inflated. They are primarily a reflection of dial switching avoidance, which is only one manifestation of audience loss. Similarly, Arbitron's PPMs are probably telling us that about 7% of radio's "audience" is lost due to dial switching when a commercial airs, and that's about all.

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What interests us about the October 2010-September 2011 Arbitron-Coleman analysis is variations in radio commercial exposure levels by station format. Here a significant difference was evident, with talk formats performing much better than music-oriented stations, as shown in the accompanying table.

AVERAGE AUDIENCE RETENTION RATE PER COMMERCIAL MINUTE BY STATION FORMAT

Spoken Word Stations	99%
Music Formats	
Country	88
Rock	86
CHR	83

Source: *What Happens When the Spots Come On? 2011 Edition*, Arbitron/Coleman Insights.

This distinction between talk and music formats in commercial audience retention comes as no surprise to us. Our own evaluation of attentiveness and commercial recall research in **Radio Dimensions 2012** confirms the fact that talk format audiences are more engaged and therefore more inclined to stick with the stations when spots appear. Clearly, this is an area of prime concern to advertisers, and they and their agencies should start paying more attention to it. **Radio Dimensions 2012** can help in this regard, as it presents our own estimates of commercial exposure rates for this medium by daypart, demos and station format. In the latter case, our analysis closely parallels Arbitron-Coleman findings.❑

TV PRODUCT PLACEMENTS PREDOMINATE IN REALITY FORMATS

The top 10 primetime shows for product placement activity on broadcast TV networks were all in the reality genre, according to Nielsen. Measuring 11 months in 2011, Nielsen found that Fox's *American Idol* led the list with 577 "occurrences," followed closely by NBC's *The Biggest Loser* with 533. Clearly, reality show producers are more amenable to product placements, compared to their counterparts making serious dramas, sitcoms or newsmagazines. It would be interesting to see a similar analysis for cable programs.❑

TOP 10 PRIMETIME SHOWS BY PRODUCT PLACEMENT ACTIVITY

	Total Placements
1. American Idol (Fox)	577
2. The Biggest Loser (NBC)	533
3. The Celebrity Apprentice (NBC)	391
4. Dancing w/ the Stars (ABC)	390
5. The X Factor (Fox)	312
6. Extreme Makeover: Home Edition (ABC)	224
7. America's Got Talent (NBC)	220
8. Friday Night Lights (NBC)	201
9. America's Next Top Model (CW)	178
10. Amazing Race: Unfinished Business (CBS)	161

Note: This table includes only first-run episodes on broadcast network shows.

Source: Nielsen.

MEASURING SALES RESULTS FOR MAGAZINES IS A POSITIVE STEP

The efforts by Time, Inc. and Meredith to build ROI measurements and related guarantees into their magazine buying systems are definitely worth watching. As we understand it, under the auspices of Nielsen, both publishers have set up UPC-based research panels of subscribers, with control groups of non-subscribers, to evaluate the impact of ads in their magazines. This is done by comparing UPC scanner sales for both samples, following the appearance of ads, with the idea that sales or share-of-market (SOM) increases—if higher among subscribers relative to the control, or non-exposed panelists—are due to the persuasiveness of the ads.

The methodology is not new. In the early-1990s, City Corp's POS scanner panel facility was used by **Family Circle** to demonstrate the results of its ads in much the same manner. Typically, the "exposed" group (single copy store buyers) responded significantly better than its control counterpart. Assuming that Time, Inc. and Meredith have done sufficient analyses to know the average sales or SOM lift ads in their publications generate, their guaranteed sales results will probably not be far off for most of their deals with advertisers and make-goods or other forms of payback will not be a major problem.

Obviously, it is virtually impossible to isolate exposed and not exposed consumers in such studies. As a result, positively slanted differences in sales between the exposed and non-exposed panels actually understate the effect of the ads. If a true control group could be defined, the ensuing sales/SOM lifts would be even higher for those who are assumed to see the ads.

In addition, there are numerous technical issues to be dealt with in the study design, such as cut-off times for determining sales lifts (how long do you wait after the ad appears before you draw conclusions?) and the maintenance of the panels (how do you account for panel turnover?). We assume that the agencies are asking such questions and getting valid answers.

We are hopeful that the two publisher groups will use their new sales tracking facilities to educate agencies and advertisers about the power of magazine ads, hopefully in more detail than we have seen previously. For example:

1. How rapidly do ads generate sales responses?
2. Which kinds of readers are most likely to respond?
3. How important are ad positioning and editorial compatibility in generating sales?
4. What kinds of ad executions work best?
5. What are the benefits of repeating ads, and frequency in general?
6. What about ad wearout?

Even more interesting would be the addition of an MRI-style questionnaire that would ask panel members what magazines they read and what national TV shows they watch. If such a study were attempted once a year, without negatively affecting panel cooperation rates (perhaps a sub-sample could be used, rather than the entire panel), we might learn more about the impact of magazine ads upon heavy or light viewers and readers of various TV-plus-magazine media mix combinations.

Other major publishers may eventually emulate Time, Inc. and Meredith, if for no other reason than to remain competitive. That's probably a good thing. Still, one can only wonder when the agencies will start to pressure the TV networks and cable channels to provide similar measurements. In that event, some really interesting data, including many surprises, might be discovered.❑