

Future Of Radio SPECIAL

RESEARCH: From futuristic tools that pinpoint what triggers tune-out to hybrid sampling techniques, here's where the radio research industry is heading

Audience Surveillance

By Paul Heine

In the 1970s, Dwight Douglas fantasized about a whimsical research tool that would show instant audience reaction to his every programming move: a massive map of the local market covered with thousands of miniature lights, each representing a listener. When one lit up, it meant someone was tuned to his station. Sitting in his office, he imagined the lights flickering on and off in direct response to station programming, helping him determine which songs, personalities, bits, commercials and contests were hits or misses.

Now VP of marketing at RCS-Media Monitors, Douglas may soon see his dream come true. Working with Arbitron, Media Monitors is testing a revolutionary new Web-based product with the working name of Audience Response. By combining real-time airplay data from Media Monitors with corresponding minute-by-minute audience information from Arbitron's Portable People Meter (PPM), programmers can view an electronic graph of their audience flow. Clicking on listening spikes or dips in the graph triggers playback of the audio that aired at that precise time, offering insights into how specific programming elements affect actual audience behavior—sort of like the illuminated audience map Douglas imagined 30 years ago.

Though it beats waiting for months-old ratings based on listener recall, futuristic research tools like Audience Response offer as much potential for misuse as they do for enlightened programming. To make reasoned decisions, broadcasters would need to aggregate audience reactions to specific programming elements over time and consider other factors that influence tune-in and tune-out.

"Lifestyle and daily routine play huge roles in radio listening," says John Stevens, president/COO of radio for Paragon Media Strategies, which claims to be the first company to overlay PPM results with

Media Monitors data. "Tune-out may not have been the result of a bad song."

Throwing water on the notion that it will replace such conventional research techniques as callout and auditorium tests, Mercury Research president Mark Ramsey cautions that the PPM measures behavior, not preference. "Behavior means I turn the radio on or off because of who's in the car with me or because I'm getting out of the car," he says. "It muddies the waters of preference and is therefore an imperfect substitute for it. You can either play songs listeners like or play songs that happen to fall when they're not getting out of their cars."

Douglas says the faux pas in any new research product is the tendency to be microscopic. "You have to pull the camera back and look at all the times a song was played and how it was presented," he says. For example, initial test results show consumers listen longer to a brand-new song when the jock properly presells it.

Coleman Insights VP Warren Kurtzman fears that minute-by-minute audience data could blind programmers from seeing the bigger picture. "There are things your radio station can do that, in the short term, will cause your audience to go down, but may be outstanding for you in building your brand," he says. "And there are things that may generate a tremendous amount of listening in PPM but may be detrimental to your brand or your competitive position."

Ramsey worries that a pinpoint approach to programming "will effectively push us into minute-by-minute analysis of our stations, which will invariably trim out everything that makes listeners come back—besides music. And that makes us incredibly vulnerable in a million-station Internet audio universe."

Still, such advanced tools as Audience Response could help radio catch up with other industries in understanding how consumers use their products.

"Wal-Mart can quickly analyze what's selling and what's not, and break it out regionally and by store and adjust its marketing accordingly," Douglas says. Radio could soon have access to similar audience intelligence.

And so could advertisers. Kurtzman says commercial-level ratings, beginning to gain acceptance in the TV industry, could be five to seven years away for radio. "As advertisers continue to demand more accountability, we're going to have to increase the precision of the measurement system even further," he says. "Eventually, we're going to get to the point where buyers want to know exactly who they're reaching when they run advertising."

Biting The Research Bullet

Researchers queried agree that the PPM or some other form of passive audience measurement is inevitable. "Electronic measurement is the future," says veteran research executive Charlotte Lawyer, who last February formed a consultancy specializing in PPM data interpretation after holding corporate research positions at Cumulus (for eight months) and Susquehanna (for 24 years). Lawyer sees measurement devices getting "smaller and more personalized" as the batteries that power them shrink.

Mark Schreiber, a 20-year research industry executive who worked at Tapscan before forming Cornerstone Research seven years ago, adds, "Radio has to bite the bullet and understand that the data will be somewhat different." Electronic ratings "will rewrite the programming handbook. It will be fascinating to see what strategies develop."

Arbitron chief research officer/senior VP Bob Patchen says the PPM brings broadcasters a pair of game-changers. First is the transition from perceptual data (how consumers recall their listening) to behavioral information (how they actually react to the product). The second paradigm shift is the timeliness of the data: weekly reports and monthly currency reports.

Despite her optimism, Lawyer, who chairs the radio committee for the Media Ratings Council (MRC), sees significant hurdles ahead for all researchers. Declining response rates top the list: "It's tougher and tougher to get proper representation."

Paragon's Stevens echoes that view. "Finding

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—Charlotte Lawyer

willing and qualified respondents at a reasonable price will continue to be the research industry's greatest challenge," he says, citing a litany of such deterrents as voicemail, answering machines, do-not-call lists, cell phone-only households, spam protection and the proliferation of junk mail. "Representative quality samples are the key to successful research."

A Moving Target

Current federal law bans the use of automatic dialers when calling cell phones, making it cost-prohibitive for Arbitron and other researchers to include them in survey samples. Yet preliminary results from the January-June 2007 National Health Interview Survey indicate that more than one out of eight American homes (13.6%) had only wireless phones during the first half of 2007. The younger the demo, the higher the percentage: 27.9% of adults ages 18-24 and 31% of adults ages 25-29 rely exclusively on cell phones.

After nearly five years of studying the issue, Patchen says, "It's obvious that the percentage of households we can't reach has grown dramatically to a proportion that is unacceptable. What's less obvious is, is this causing a bias to certain stations?"

Some researchers are experimenting with including cell phone-only households in sampling frames. According to Stevens, Paragon has incorporated them in the past two years. Yet despite the tendency of cell phone-only respondents to be younger and more ethnically diverse, Stevens says their inclusion hasn't swayed research results. "So far, we have not found significant differences in the results of the cell phone sample vs. the landline phone sample."

Arbitron is lobbying to change the law. Kurtzman predicts the ban will ultimately be lifted for researchers "because it's not good for American business." However, Lawyer believes the time has come to move from phone-based sampling to one that is address-based. Arbitron employs such a sample for its metered service in Houston, the only PPM market to receive MRC accreditation. (The ratings provider includes "cell phone-onlies" in all PPM panels.)

"Random-digit-dialing surveys will become a thing of the past," Lawyer predicts. "It's critical that we get [cell phone-only listeners] into the ratings pool. We don't know whether they have different radio listening habits than people with landlines." As a result, research is less representative now, particularly among younger demos, Lawyer says.

Patchen believes that Arbitron will "most likely" convert to a hybrid sample involving phone- and address-based recruitment by next year. Radio researchers are likely to follow. Stevens envisions more hybrid samples—part random, part database—"as broadcasters look for quicker and more cost-effective methods to obtain information. The challenge with these methods is to achieve representative samples that will yield accurate information. As is the case when relying only on database or online research, you can't always just talk to the choir to evaluate the preaching. You still need to go out of the fan base to get a true picture of reality."



Connecting Feedback And Product

One of the biggest challenges facing researchers in every industry is simply getting consumers to come to the party. In Arbitron's spring 2007 survey, the average metro survey area response rate was 29.2%. And Jacobs Media president Fred Jacobs says response rates outside radio are even lower, hovering in the 20% range. "It's a problem for all researchers, whether you're trying to determine what type of music to play or you're conducting research on political races," he says.

One solution is helping consumers realize that participating in surveys improves what they hear on the radio. It's critical that listeners make a "connection between their feedback and the product," Patchen says. Otherwise, response rates will keep plummeting.

With station research budgets slashed, all signs point to even greater reliance on less expensive options, such as Web-based surveys and listener database research. "Online will continue to play an increasing role due to its convenience," Lawyer says. Listeners can participate at their leisure, and Internet accessibility is increasing.

Cornerstone's Schreiber agrees. "That's where it's going. It's harder and more expensive to get [listeners] to participate in auditorium tests," he says. "You may not be able to validate who your participants are as easily as you can with conventional research, but you can get a large volume of data."

While fewer stations have research departments, the torrent of data unleashed by the transition to electronic measurement could reverse that trend. In Philadelphia, Greater Media employs a full-time research director for its five-station cluster. "PPM is a huge investment, and stations need to know how to use the data correctly," says Lawyer, who consults Jerry Lee's top-rated AC WBEB (B101)/

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—Mark Schreiber

Philadelphia. "When we see a ratings fluctuation, we need to take everything into account: our station, the competition, the entire marketplace."

Unfortunately, Arbitron's current software for crunching the numbers is often criticized as inadequate by its customers. And that has opened a market for vendors with software that quickly digests the data for radio clients and for consultants that specialize in analyzing it.

"All the granularity of the data places an importance on tools to process it," Schreiber says. "Software tools to mine and understand all the data will become more important than ever."

The PPM's arrival has caused heightened scrutiny of sample sizes and proportionality, longtime challenges for Arbitron and other researchers. Thin-as-a-rail audience targets have exacerbated the problem. "In the '60s, it was 12+, then 18-34 and 25-54, then men 18-34 and women 25-54," Patchen says. "Today, it's Hispanic, Spanish-dominant women 18-34 in a specific portion of the metro."

As targets narrow, it becomes increasingly difficult for Arbitron to supply sample sizes that stand up to ultra-thin data slicing and dicing. And with panelists remaining in the sample for up to a year (as opposed to one week with the diary), "a couple of panelists may sway [a station's] ratings," Lawyer says. One of Arbitron's rules of the PPM road, according to Patchen, is a minimum in-tab of 30 panelists on an average daily basis to run a custom demo report. "We are working with the [Arbitron Radio] Advisory Council to study the question of how much below 30 you can go and still maintain statistical reliability," he says.

Learning To Fly

Fourteen years after Arbitron began work on the PPM, the industry is just beginning to learn how to use the transformative methodology. "It really shattered our view that radio is a long time-spent-listening medium," Lawyer says. "There's still a lot to learn. It's a very exciting but challenging time to be in the radio audience measurement world."

Kurtzman says it will be years before the PPM programming handbook is written. "The more we analyze the data, the more we realize that the things we have always believed are important for attracting audience have not changed just because the measurement system has. Position and brand will actually be more important, because the only way you're going to get credit for listening is if people actually use your radio station. And they will only use it if they have a strong perception of what it offers and that perception is positive."

Jacobs says the PPM "will fill in a lot of the blanks between what PDs are seeing in perceptual studies and what ends up happening in the ratings. We're not even in the top of the first inning in terms of the ratings telling important stories about programming."

Patchen believes passive measurement will lead to better radio. "It has the potential to revolutionize programming and improve the experience for listeners," he says.

According to Douglas, the PPM is "only the tip of the iceberg. More audience surveillance is coming."