

ALBRIGHT & O'MALLEY (Members of the McVay Media Advisors Alliance)

Quick Notes from Wednesday and Thursday's Arbitron Winter '07 Consultant's Fly-In, 12/12 and 13/07

by Michael O'Malley

If any of these rough notes raise any questions, contact either Mike (732 937-5757) or Jaye (206 498-6261)

SEAN HANNITY COMMENTS (PARAPHRASED)

- This is a service, listeners are our customers, and we should give them as much of what they want as we can.
- Healthy fear of failure is a good thing – bad ratings are a gut check, a wake-up call
- Talent - don't worry about whether ARB is perfect; worry about what you can control
- This will be biggest year in news talk history – especially for political talk stations and talent
- Music radio's challenge comes in 2009 when cars will come with IPOD connections vs. personality radio where it's one person, one time on one station

PIERRE BOUVARD, PRES SALES AND MARKETING

- No one specific issues led to PPM 'pause'
- One of biggest issues is 18-34. Arbitron has "been on 18-24 jihad in Philly;" now 18-24 DDI's are in the high 70s to low 80s
- African Americans approaching 80
- Increased sampling for alternates, enhanced premiums will be implemented in February for 25-34s

Advisory council recommendations:

- 18-54 guarantee
- Key sample target benchmarks, particularly 18-34s – release in mid January
- 12+ recalibration – instead of 6+ - under review
- Diary czar recommended
- Pursue accreditation but don't wait

Research into cell phone only households is accelerated

Low proportionality means low confidence in the data

JOHN SNYDER, VP PPM IMPLEMENTATION

Maintaining Confidence In PPM Data

- Address issues and misperceptions in the press more aggressively – particularly with agency clients
- Help industry constituencies develop better understanding of why PPM is so different from diaries
- Better understanding of PPM sample and what impact they have on audience estimates
- DDI – designated deliver index
- Installed sample vs. compliance sample - necessary to over-install the sample because about 25% don't respond daily
- To improve the sample – improve the compliance (more cost effective and less chance for bias); or over-install the demo to get more different people participating
- Daily Compliance: blacks' compliance levels are a bit lower
- Low compliance (1-10 days) vs. very high compliance (24-28 days per month)

- Low compliance doesn't necessarily mean low radio listeners – only means low compliance
- Missing the target: margin of error around the demo gets larger; instead of 'flawed,' data has margin of error that's larger
- ESB – effective sample base – with PPM's, 18-24 equivalent or higher than diary
- In-tab vs. ratings – increasing intabs have no impact on overall ratings

Stability of Estimates

- Increased sampling rate hasn't had significant impact on stability (not much change in the level of bounce)...
- But PPM vs. diary numbers are more stable by about 50%
- Differences between diary and PPM are difference between recall-based to electronic capture
- Comparing diary vs. PPM
 - Average of listening episodes per week – diary 16.6, PPM 28.5
 - Number of stations listened to – diary 3.1, PPM 6.3
 - Average length of listening episodes: Diary 5.5 PPM 2.4
 - How respondents report home listening
- Removing heaviest users in both services makes diary and PPM numbers very similar
- Don't assume increasing DDI and change in sample size will make estimates similar to diaries. Improving the sample may make improve users' confidence, but it won't change the results

Upcoming HDH change – now, to qualify as a HDH zip, the Hispanic population threshold will rise from 25% (instituted in the 1970s) to 40%. No change is predicted for HDB zips, which is at 30%.

JAYE ALBRIGHT

A full copy of Jaye's article on this presentation was included in last night's Wake Up Call. Either Jaye or Mike would love to present it – including audio clips of both stations - next time we visit your station, just for the asking!

September 10, 2007 in Houston at KILT (share leader) and KKBQ (cume leader) featured Kenny on air and his music. Here's an analysis of minute-by-minute data making it more qualitative rather than quantitative.

How Chesney fared vs normal hours

- Above for both stations; when event was over, numbers returned to normal (don't announce the end of events or commercial clusters)
- Even when it's Kenny Chesney talking, his music scores higher than his talk
- KILT integrated the event into the programming better (didn't telegraphic breaks as much) and maintained audience better than KKBQ
- About 2-2 ½ minutes seems to be the max length you can keep audience attention in an interview function

Is it better to have Kenny first

- Very high exclusive audience for both interview segments 92% of the minute by minute cume was unduplicated (197,000 persons)
- Didn't seem to matter who had him first; at-work TSL may have helped KILT

Stations could charge premium for spots

What to do Better; these resulted in audience drops

- Don't announce end of events
- Don't 'push back' parts of event once event is underway
- Don't telegraph breaks; think audience maintenance

The station that played more commercials had better TSL

Keep giving reasons to keep listening. What you say WILL drive usage, so it needs to resonate/have high relevance. And don't promote things that cause tune-outs.

COLEMAN – THE IMPACT ON FEATURES ON A MUSIC STATION (information on forthcoming January presentation)

Minute-by-minute for tune-in/out, P1 vs. cume, spoken word vs. music features, feature length, content-flow/placement – compare this PPM data with telephone-based perceptual study.

What features should stations do to enhance their brand, even if it causes some temporary audience loss? Do the features fit the station? What behavior results from the airing of these features – tune-in/retention/tune-out?

REAL TIME RADIO AND RATINGS – PUBLIC & COMMERCIAL RADIO COMPARISONS IN PHILADELPHIA, HOUSTON AND NY

Mike Henry/John Sutton

- Most public stations appear to be off in AQH (as much as 50%) with cume off in about half.
- Most public stations have 20+ rankings 12+ and 25-54 (no improvement in 12+ to 25-54 ranking)
- College grads are a critical demo for public radio. Among listeners with college/college+ education – all rank top 10 and 3 in top 5 in AQH but not as much in cume.
- Public radio has strength in morning drive – 12+ WNYC (10), WHYY (9) and KUHF (11); 25-54: 15, 9, 4; college: 1, 1, 2
- Not much cross-cume between morning public radio and commercial news-talk stations. While public radio is strong in morning drive, it is not at the expense of all news stations.
- P1 composition percent – mostly in the mid-30s cume and around 70% AQH
- Public radio still looks like a niche media.
- "All the money, half the time fundraising" – raise this much money by noon and we'll quit may minimize disruption and prevents damage; "recovery time" is relative short though
- While cume and AQH figures are different from diaries, many listening patterns appear to be same

AC THROUGH THE EYES OF PPM

Mike McVay

- Even though cume may increase significantly, P1s composition still important. Very few QHRs from P2s and P3s.
- Only the meter has changes, not the audience.
- Be careful about blowing up weekends for specialty programs. Specialty programming should be in the same format genre. There's more PPM listening on nights and weekends than in diaries.
- AC stations have more men than previously believed (perhaps 50% more). Make station as all-inclusive (keep pick-a-purse/shoes-day Tuesday); have men winners
- Men listen to more radio than women. Employed people listen more than unemployed. Upper income people listen more than lower.
- Afternoon drive on AC is out-performing mornings.
- Morning drive listening erodes. Morning TV may be hurting AC radio more than others as they are doing more spoken word and fewer videos and graphics. Consider doing less news like on Today – they do less news than radio.

- Drives just became more important with strong spikes at 8:30-9, lunchtime, 3pm and around 5pm
- Connectivity is key: “communicators and companions” builds repeat tune in
- Branding is still important. Reinforce who we are, what we do and where we are on the dial (Coke still counts sales with a Scantron, they still advertise, market and have end caps)
- Listening is episodic. In diaries 12 consistent listening, PPM 24 varied occasions. 1:20 vs. 34 minutes each occasion
- TSL is horizontal not vertical (tune in more days per week at times they are already listening rather than ‘next quarter hour.’) Explore ways to extend listening into other dayparts where tune is lighter
- AC/Hot AC has strong 6-12 year old spikes
- Details important – strong teases held audiences better than weak/no teases. Similarly, examine programming elements for effectiveness.
- Stations have very specific footprints- 75% of PPM AQH comes from 25% of market’s zips

SEDUCING PPM – 7 HABITS OF HIGHLY SUCCESSFUL RATINGS

Mark Ramsey

How do you increase actual listening, PPM or diary?

Tactical Marketing (you may not use it more than once; about how to raise ratings right now)

- Directing listeners to do specific thing at a specific time on a specific reason
- Results may be temporary but measurable and investment accountable

Strategic Marketing (build brand and sustain ratings over long haul)

- Reinforces recall, brand benefit, who we are and what we do, rarely has a call to action, cutting might lose listeners, most Outdoor and TV is strategic
- Results may be on going including years from now, tougher to measure, may not be accountable (hard to measure) in the short run

You Need Both

#1 Recall does matter

4 things listeners can do – turn radio on, turn the radio off, (can’t control) whether listeners to your station turn away from your station (can control)

Listeners TURN AWAY from A – because of what it’s doing so tune to B but NOT because of what it’s doing right now but what it stands for (built by strategic marketing) or because of a tactic or chance or habit (habit is function of strategic marketing)

Station A’s strategy is to keep listeners (Retention – patch the ‘leaky bucket’)

Listening vs. Hearing

- Listening active, emotional go deep, seek out programming, market is brand building, I care about station, for fans about passion
- Hearing – passive, passionless, glossy exterior, switch to avoid something marketing is tactical, I care about me, listen for basics/simplicity, for aisle browsers, about comfort, target music hearers
- STATION B – gaining listeners involves strategic and tactical marketing; can’t control habit of chance

#2 Ride the High Tide

- Direct listeners to where they want to go. Build from strength – don't try to build weak dayparts. Direct people to strong dayparts

#3 The One Rule

- In any week in a diary world, you can impact 1/12 of the panel. Can impact 100% of PPM panel.
- So move as many people as possible to ONE place at One time on One day for One reason

#4 When Direct mail drops the game is on

- Direct mail makes a bigger impact during the week the listener gets the mail rather than later on
- Thus the impact and recency of the mailing trump the message
- Consider re-engineering direct mail to create a better outcome
- Send mail that pops
- Game is on as soon as piece received
- Instructions may be perceived as blah-blah-blah
- You want them to listen and listen now: if your going to be tactical, don't pussy foot around; impact is ephemeral/temporary, when piece is out of sight contest is out of mind

#5 Tactical is the New Black

- Strategic TV - No correlation between ratings this, next or the month after that.
- Why strategic "didn't work" – expected long term results to fast, wrong message, wrong buy, spend too low, wrong creative, maybe did work because ratings didn't go down
- Tactical TV - drive to tomorrow's show.
- Next day AQH + 32%, cume + 4% (drove more listeners to increase usage)
- Tactical is measureable – so expect more spending to shift tactical (odesn't mean strategic isn't good, just that tactical is quicker)

#6 Events drive ratings up and down

- Events vs. anti-events
 - Critical to know which will drive up or down (interviews with non-superstar artists drive listeners down, telethons – every day it continues, ratings get worse – even cume)

#7 Fulfill Expectations

- When you're known for music, what happens when you're not playing any music
- Music vs non-music minutes
 - Tendency to tune away when mic is open ("Mic Flight")
 - Varies by station – KKBQ more than 3x, KILT 2.5x
 - More music intensive station is, more likely will fly
 - Open mic is a privilege not a right
- Not 'shut up and play the hits' – but quality content

BONUS HABIT - Monday is the New Thursday

- Starting things on Monday allows for 5-days of momentum; Thursday only has one day of building before losing usage momeutun
- -F 26% higher than weekends

One approach:

- Tactical TV on numerous Sunday nights during book
- Directed listeners to Monday and specifically middays (or wherever your high tide is)
- On Monday implement on air strategies to bring listeners back the rest of the week

ALL THINGS DIARY

Dr. Ed Cohen, VP-Domestic Research

Household Enumeration – all markets in Winter 2008

- Replaces young male questions because it clarifies how many young men there really are
- Reduce premiums to 55+ to lower response from high return hh to improve proportionality

Second Chance diary in Spring to all continuous diary markets

- Response rates and proportionally especially among minorities and young males
- Get returned to the sample pool 6 weeks later even if it's the next survey (that's why it won't be in non-continuous markets)

Promised Incentives Pay For Play (new incentives for young males in) – when you send diary back, you receive \$10

- Will be added in 50 worst performing M18-34 non continuous markets in spring 08

Change in HDHA Definition

- Need to have 40% Hispanic in zips rather than 25% to be classified as HDHA
- No change in HDBA (still 35%)

E-Diary

- Want to bring it back as soon as possible in some form, perhaps M25-34 in spring or summer 08
- Continue working on why return rates go down (too many options can result in no action being taken)

Cell Phones (see data from CDC)

- 3.6% of households only have cell phones; 12.6 persons 18+ now cell phone only
- 28% of renters don't have landlines (vs. less than 7% of home owners)
- 55% of adults living with roommates don't have landlines
- 30.6% of 25-29 are wireless only

Cell phone sample only is in PPM markets; diary will not have cell only in 2008 because law says have to dial cell phones individually not via auto dial (12-15 x more expensive)

Address Frame Test

- Match phone number with landlines
- Remaining phone numbers are mailed with questions about cell phones
- Then pool these numbers for separate sample (we can call because they established a business relationship with ARB)
- Initial tests under way; more testing in first half of 2008
- Aiming for 09 implementation

Second Chance to Consent (2C2C) initial testing

- Off-line test in Aug and September encouraging
- Full field test in 08

Social Networking - huge

- Bedroom Project
- Next step – Arbitron foothold in social networking in 08 to get name in front of people (will have heard something positive about Arbitron)