

# THE POLITICS AND ECONOMICS OF READERSHIP RESEARCH - A Media Planner's Perspective

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## Introduction

As time goes on, technologies are constantly evolving, improving the way we live and work. For 30 years computer processing power has doubled every four years, as the machines themselves have got smaller and smaller. Digital technology has allowed up to ten television channels to occupy the bandwidth previously used by a single analogue channel - with perfect picture and sound quality. And the internet has revolutionised our ability to search for information.

As with engineering, but perhaps to a less dramatic degree, media research methodologies have developed and improved. Since the earliest readership surveys in the 1930s and television audience measurement surveys in the 1950s there is no doubt that techniques have been refined and in some cases revolutionised.

Progress - whether technological or, in the research context, methodological - is driven by brains and money, and usually perfected through continuous experimentation and testing of ideas.

The art and science of readership research was benchmarked at the first Worldwide Readership Symposium in 1981 where Harry Henry, never a man to give praise where it is not due, called it "as complete a compendium of the present state of the art throughout the world as could be looked for...". Since then the brains here and there present have continued to experiment and to improve our knowledge of how to better develop trustworthy measures for planning and buying some US\$133 billion worth of print advertising expenditure (1) This has also been true in other media.

Television audiences in more than forty countries are now measured using peplemeters which, with all their problems, are considered vastly more accurate than their write-in diary predecessors. This technique was only introduced in the early 1980s.

Readership measurement has embraced many rather more subtle changes over the years, although there is less consensus on which of these changes have been for the better. For example, the continuing debate between thru-the-book and recent reading measures has remained unresolved in theory, but has been far and away won in practice by the latter technique.

Filtering readers via various forms of screening has been experimented with. Many surveys now adopt a standard twelve month screener across all titles surveyed, generally allowing more titles to be asked about without overly disadvantaging any individual publication types.

Vast numbers of other experiments on question order, respondent stimuli, question wording and so on have all improved our knowledge on how different approaches to survey design can dramatically affect the answers given to survey questions. Even if agreement has yet to be reached on a "perfect" measurement, at least we know more than we ever did about how *not* to do it and what the impact of adopting certain approaches will be.

There have also been developments in the execution, as well as in the design of surveys.

For example, one problem that has worsened as time has gone on is that of response rates. This is particularly true of face-to-face interviewing, which has become more and more difficult as people have barricaded themselves into "gated" communities from California to Manila or placed security guards in the reception areas of apartment complexes in Hong Kong, Singapore and New York. People are also more wary of strangers knocking on their front doors.

In a recent pilot for an upscale media survey in Hong Kong and Taipei, for example, interviewers were either faced with the problem of not being able to get past the front gate or, if they did, were usually rudely turned away by people who answered the door. The net results were response rates of 4% in Hong Kong and 1% in Taipei.

The solution in this case was that the research company involved recommended that face-to-face interviewing simply couldn't be used and that the telephone was preferable for reaching the type of upscale respondents the survey was designed to measure.

Another research company carrying out a survey aimed at upscale respondents piloted a whole host of different techniques for improving response rates without actually dropping their preferred face-to-face methodology. These involved such measures as extending the period allowed for call-backs and increasing the number of times a respondent was called on (around half of "non response" is simply due to the respondent being out at the time of interview).

Every time there has been a significant - or sometimes even a minor - change in the design of a particular survey, results have, of course, been affected.

As Harry Henry pointed out in his introduction to one of the sets of papers to these symposia: "relatively minor differences in the research data can have major effects on the management decisions which follow from the use of such data...A deviation (of two or three percentage points) in readership research, however, can totally change the shape of press advertising schedules, and affect not only the profitability but even the viability of individual titles. Thus publishers may well say to researchers, as the frogs did to the boys in *Aesop's fable*, 'what is sport to you is death to us'."(2)

It is the contention of this paper that methodological changes have been driven far more by the economics and politics of the advertising business than they have been by advances in our knowledge of how to better seek the "truth" from our research. By economics I mean simple commercial imperatives. By politics I refer to the primacy of national or primary sponsor interests over the pursuit of the "truth" or methodological development. There is a remarkable correlation between the satisfactoriness of the results as far as individual media owners are concerned and the thrust of their "methodological" comment.

While much of this is obvious and well-known, it is rarely addressed publicly or clearly due to these very forces.

The two key players in media research are the research companies - who earn their living from carrying out surveys - and the media owners, who both largely fund them, and earn *their* living from the results of the surveys. In the end, however, it is advertisers who are paying the bills and it is they and their partners, the media planners and buyers, who have the purest objectives for the research that is used. We want the truth.

The following case studies show examples of four ways in which these economic and political forces have influenced methodological change around the world - in both television and print audience measurement:

- In *delaying* the introduction of improved techniques;
- In trying to *thwart* the roll-out of new methods that have already been introduced in a market through financial pressure;
- In *encouraging* new research advances to be implemented;
- In *denigrating* existing research techniques publicly.

We then look at the case of regional readership research in Asia as an example, not only of these last two points, but as an example of how a substantial research budget was raised from disparate sources and could have been spent very well on moving the whole art and science of pan-regional media measurement forward; in fact, on "communicating research data to enhance the value of print - and other regional - media" - to quote the conference theme. But instead, due to the economic and political forces described, we have lost an important opportunity once again to move our art forward.

## Case Studies: Methodological Changes

**1978 (Hong Kong): Television reach & frequency calculation.** In the late 1970s television audiences in Hong Kong were tracked using a household diary by AGB. The dominant channel at the time, TVB, had for many years blocked attempts by the research company to introduce a reach & frequency model. They felt that such a model would allow their competitor, ATV, to make a far better case to media planners by selling on reach. Traditionally, channel selection had been made on simple market share or cost per GRP-type arguments, giving TVB a substantial lead in the market.

Thus methodological progress was for many years blocked by the economic imperatives of the research company's lead sponsor.

**1993 (Taiwan and Malaysia): Peoplemeters.** In 1993/94 local research company SRG introduced peoplemeter measurement services into Taiwan (1993) and Malaysia (1994). In both cases the systems replaced long-established diary measurement systems.

As is common with such a changeover, measured audiences in prime time, especially for the largest channels, showed a significant decline on the results the diary had previously been indicating. This is because the meter requires no recall of past viewing, unlike the diary. People tend to remember only their more regular viewing habits, which has the effect of boosting reported audiences to larger channels and prime time periods while under-reporting less regular viewing to smaller channels and at other times of day.

The net effect was not at all pleasing to the main television channels in either market, who responded by refusing to pay for the new services. To this day, despite a demonstrably better methodology, both services are running at a loss versus the investment put in by the research company, putting into doubt their long-term viability.

There are many other issues involved in both these markets; however the overall observation can be made that those whose vested interests are at odds with methodological progress will block it if they can.

**1984 (UK): The Extended Media List.** Both buyers and sellers of print needed to measure more titles than had previously been thought practical. Publications not included on the National Readership Survey (which contained details on just 120 titles) found that media planners would often not even consider their inclusion on a candidate media list. It was much simpler when there was a "number" for each title and far too complicated to estimate readership for other titles or to justify their inclusion to clients.

The introduction of the EMS methodology enabled interviewers to ask about large numbers of titles (200 or so) by grouping similar publications onto cards and rejecting/accepting large numbers of them quickly.

The new methodology, essentially driven by this economic imperative, also allowed other problem areas to be addressed such as title confusion - the classic example at the time was of two similar sounding monthly magazines, *Homes and Gardens* and *House & Garden* which, when shown separately as mastheads to respondents, were easily confused. Differences in circulation between the two titles were not in any way mirrored in the readership results until the grouped titles technique was introduced.

Another innovation was the introduction of a common twelve month screener for all titles, reducing another element of probable confusion to the respondent.

This was one of the best-managed radical changes in readership measurement methodology that we know of and has been well described elsewhere (3). A key reason for this success was the way in which media research surveys are managed in the UK, something we will come onto later.

*1997 (Hong Kong): The Media Index.* In the April 1997 release of Hong Kong's national readership survey, the Media Index, first launched in 1971, it was reported that the average issue readership of one of the territory's leading daily Chinese-language newspapers, the *Oriental Daily News*, had hit 1.68 million adults. This was close to the figures reported for the newspaper over the previous two years.

The difference this time was that a new title, *Apple Daily*, which had launched at the end of 1995, had now caught up. From a first reported readership total of 1.3 million readers in January 1996, *Apple Daily's* penetration had risen to 1.65 million.

Being but one of many agency and publisher subscribers to the survey, ODN could not simply withdraw their financial support in the way television stations in Taiwan and Malaysia have been able to, and thus threaten the economic viability of the study. Instead the newspaper chose to vilify SRG and its management publically through its own columns. Naturally, much of the criticism was couched in methodological terms.

In an Open Letter published on 27th June 1997 the newspaper said (italics added):

"SRG Research Services ("SRG"), the only research company in Hong Kong specialising in the conduct of regular readership surveys covering most local newspapers and magazines, has been conducting such surveys *without the authorisation of some of its target publications* and, in the view of Oriental Press Group, these have been *lacking in transparency and independent scrutiny*. It further allows its subscribers to publish such controversial survey results *without the consent of non-subscribers* and also deprives them of their legitimate right to challenge the same. Such publicity not only adversely affects the non-subscribers concerned, but also hinders the public from access to accurate information concerning readership. This also creates doubt as to the quality of such survey results.

In view of SRG's dominant position in conducting readership surveys and in order to pursue fair, open and unbiased surveying methods, and to make these results more accountable to advertisers and readers, Oriental Press Group hereby propose to SRG that an independent audit institution acceptable to both Oriental Press Group and SRG be appointed to examine the methods adopted and the quality of the surveys undertaken by SRG.

Oriental Press Group will fully respect and raise no objection to the findings of such an independent audit institution.

Oriental Press Group believes that SRG, being a reputable and professional research company, will be pleased to accept our request which will no doubt be in the public interest and prove conducive to freedom of information."

A little over a week previously, the newspaper had published a detailed methodological critique of the Media Index in its own inimitable style. As a background, the study uses personal interviewing of 8,000+ adults (9+), adopts the recent reading approach covering 80 titles. It achieved a net adult response rate of 40% in its most recent survey.

Amongst the highlights of the critique (which could technically be applied to any of the many surveys using this technique worldwide):

"...SRG Media Index...still adheres to its own imperfect ways, adopting a stubborn and closed attitude and operates with a method full of deficiencies. It is effectively insulting the intelligence of the public."

"...(one is) forced to become a reader as soon as (one) 'peeps' (at a newspaper)"

"'That is wrong. That is not the number of readers; it is a survey of the number of peepers,' said Dr Leung Kun-Kwok (*Assistant Professor of Applied Social Sciences at Hong Kong City Polytechnic University*) SRG cannot turn from its responsibility of misleading the public by exaggerating the number of readers with the peepers."

"Apart from the laughable idea of measuring peepers, the SRG sampling method and sample size itself are questionable. These two elements determine the accuracy of the survey...if we divide the whole year sample size of 9,000 by 12 months, we are left with around 700 interviews per month. 700 is a bit unconvincing if we are talking about the whole of Hong Kong," said Dr Leung Kun-Kwok."

## Asian Profiles

Between 1976 and 1994 seven surveys have been conducted under the *Asian Profiles* (AP) banner designed to measure "the media exposure, use of key products and services, and socio-economic character of the upper-class inhabitants residing in seven principal cities of Asia through in-depth, personal interviews." The survey has evolved over the last twenty years in many ways. But each time a new set of results is released one common theme has been the variety of "methodological" criticism that has been levelled at the survey.

The survey is funded in the main by a small group of international publishers who act as sponsors, underwriting the survey. *Time*, *Newsweek International* and the *Readers Digest* have all sponsored the survey since AP2 in 1979. Others, such as the *Far East Economic Review* (AP3-AP5) and the *Economist* (AP7) have been occasional sponsors but have always purchased the survey. Up until AP7, agencies could only access the survey via one of the sponsors.

The first survey in 1976 which was conducted on behalf of *Newsweek International* was a pioneer in its field and was politely, though critically received by other publishers in the region. Notable was Charles Stolbach, general business director of the *Asian Wall Street Journal* (not covered in the survey) who commented that "Asian Profiles is a well done and well established survey...Asian Profiles is a benchmark in advanced research techniques in Asia and Newsweek should be commended for their efforts." (4)

Focusing on these key publishers (who also publish *Asiaweek*, *Fortune* and the *Wall Street Journal*) and excluding changes introduced between AP1 and AP2 when the study was launched on a syndicated basis, the story has been mostly good for all of them. As Asia has grown in economic importance and maturity so too have the circulations and readership of all these titles.

AP's weakness, as far as many publishers are concerned is that it is measuring a universe broad enough to please all the sponsors; thus it doesn't always please individual titles whose strength and emphasis may be different.

A good example was AP3, released in 1982. All the key regional titles showed good growth. The *Far East Economic Review*, however, felt that it should have performed better. The mere 45% growth in total readership across seven of the eight cities (which out-performed other international titles) would have been even higher had the survey focused on a more upscale, high income group (where the magazine's penetration was much higher).

The publisher of FEER, one Charles Stolbach, launched a blistering attack on the survey's shortcomings at a London seminar convened in November 1982. He felt that the management filters were wrongly defined, that the upscale part of the sample was too low in several cities and that not enough product data was collected. "Error upon error," he said, "was perpetuated from study to study."

As a late sponsor, FEER had not been able to directly influence the design of the survey - which was largely the same as its predecessor. He summed up as one would expect: "I, as a publisher in that part of the world, owe it to people like you to ensure that the best type of research is available."

Another sponsor, the *Readers' Digest* begged to differ: "He is behaving like a disgruntled publisher whose book did not come up as good as it could." *Newsweek International's* Mary Chiu commented later that "I've seen from the millions of runs we've done that you can trust AP3 as a reliable source." (5) The story went on and on but needs no further elaboration here. (6)

When AP4 was released, a number of less elite sub-groups of the population were excluded from the sample. The net effect was that around the top 9% of men in the region were represented rather than the top 11% as for AP2 and AP3. Boosters were also employed for the senior management group where required. Basic design and questionnaire were unchanged.

Everybody's readership numbers again grew and all - including the FEER - were happy again. Most observers would agree that the methodological advances of AP4 were good ones. But perhaps the reason they were introduced was Mr Stolbach's comment that "there is no way in the world that FEER will participate in AP4 if it is conducted along the same lines (as AP3)."

The AP3 arguments were echoed when AP7 was released in 1994. Particularly vocal was a regional monthly title, *Asia Inc* as well as, once again, the FEER. FEER was the only one of the key seven international titles to show a decline in readership that year versus AP6. The publisher stated that "the only thing worse than no survey is a flawed survey." The publisher of *Asia Inc* demanded that SRG "rectify" their error in under-reporting their readership (by 50% according to their own estimate). The *Economist*, rather more quietly, concurred with these criticisms.

The history of Asian Profiles seems to suggest that, if progress is to be made, it is better that important publications suffer readership declines. Otherwise, why would they speak out? There was in fact much to commend in AP7 including a much improved response rate across most cities. The net effect might have been very substantial progress towards building a research

product that fitted very nicely with the needs of advertisers and media planners and buyers - ultimately, if not directly, the paymasters for all media research and the key users.

## The Ideal Media Survey

It is easy to define what we would all like to see as planners and buyers of media space in Asia. Much of the infrastructure already exists and little in the way of new money not already earmarked for research in the region would be needed.

- Better geographical coverage. AP covers just seven capital cities
- Multi-media questions - eg. "yesterday" and "past week" exposure to key television and radio channels. This is, of course, not something that publisher-sponsors are keen on
- Better coverage of the elite, with due regard to the problem of "sedimentation" of the top echelons (ie. only reaching the bottom part of the top segment)
- Over-sampling of cable/satellite households to obtain sufficient sample to analyse regional television
- Access to raw data for agency software applications

Is any of this realistic? Today in Asia a number of surveys are being published, are in the field or are on the drawing board. For example:

- The Media Index. This multi-media survey is carried out by AC Nielsen SRG covering the adult population in 12 countries with a total sample of 94,000 people. Other companies carry out similar surveys in Australia, India, Japan and Sri Lanka. All are via personal interview except in Japan.
- ATMS (Asia Target Market Study). Also carried out by AC Nielsen SRG, ATMS is designed to cover the top 10% of economically active people in the seven AP cities. This is carried out by personal interview.
- PAX (Pan Asia Cross Media Survey). Carried out by AMI, this is a telephone survey of upscale households in seven cities covering exposure to all media.
- MAPS (Multi-media Asia Pacific Survey), also being carried out by AMI, will focus on Greater China and then roll out to other countries. It aims to cover all media against an all adult base with boosters for cable households.
- ABRS (Asian Businessmen Readership Survey). A mail survey of upscale business decision-makers in eight cities sponsored by publishers and therefore not asking about other media

Around US\$7 million is spent on the national Media Index surveys by publishers and agencies and an estimated US\$5 million is being committed to the four pan-regional studies. Almost all the elements defined for the "perfect" survey will be contained in one or other of these studies. And the customers will be largely the same companies. If the Media Index surveys could harmonise their questionnaires better (methodologies are virtually identical), an expanded ATMS (with similar questionnaire coverage) could be bolted on to boost the top-end of the universe and the top 1% could be "validated" or in some way merged despite different data collection methods, we would have a gold mine in our hands.

Money is clearly not the issue here. US\$12 million would do nicely. What makes it impractical are national and media owner politics and economics. We would also, of course, be giving AC Nielsen SRG a ticket to financial heaven. But this need not be so.

The way the UK managed the EML introduction onto the NRS was a model of how to do it. The industry controls the survey even if one particular part of it is stronger than others. Not a research company and not the publishers. Publication of the results was carefully prepared and closely managed. In Asia no country except perhaps Australia and New Zealand have managed to engineer proper industry control of media research and there is certainly no regional body with any authority or even influence.

Television research is closely controlled and manipulated by stations in Hong Kong and Singapore who, as noted above, are also trying to gain control in Taiwan and Malaysia. The industry bodies in India and the Philippines have proved ineffectual in taking ownership of the process in their markets. In other countries AC Nielsen (in China Sofres) own and control the data. Print is entirely in the hands of the research companies.

## Concluding Remarks

It's easy to say that everything we have said is obvious. It's always been like that. What's new in talking about it. But it really is a problem. Not only this, but there is a definite trend towards it getting worse, certainly in the Asia region and possibly elsewhere too.

Today in Asia there are a host of examples of how research is being distorted to enhance the value of survey sponsors rather than being used to enhance the value of a particular medium.

In television, apart from the attempt to sabotage independently launched peplemeter services in Taiwan and Malaysia, the Hong Kong system has sunk into further disrepute as its prime sponsors (the two terrestrial television stations in the territory) first suppressed any audience data attributed to competing cable and satellite stations from the results and, earlier this year, then refused to publish ratings for the two English-language channels.

The latter was on rather spurious statistical accuracy grounds; the former was openly anti-competitive. We now get results from two out of the forty or so channels broadcasting in Hong Kong. Yet all are technically measured. It is not a money issue; the two stations won't accept money from their competitors to enhance the service.

In the print medium what would be regarded by the authors as clear methodological progress and, moreover, as a significant move in the direction of harmonisation on the twelve *Media Index* surveys carried out by AC Nielsen SRG, is effectively being blocked by a fear of "upsetting" publisher sponsors of the survey in more than one country. In fact, we all know that many methodological improvements are piloted confidentially within research companies and then need to be assessed against the politics of their introduction.

The logical result of such a trend is that symposia such as this become side shows which discuss methodological improvements that can be picked and chosen from depending on the effect they have on the business results of survey sponsors. The theme of this year's conference is one I am in agreement with; on the other hand it is already using words like "enhancing the value of the print media" when most publishers are understandably more focused on their particular titles rather than the medium as a whole. Yes, research is a sales tool and we mustn't get too purist for our own good. But perhaps the nightmare scenario is that we will soon have to re-define our objectives for the next symposium something along the following lines:

"How to maximise the readership levels of our primary sponsors while making it look like progress."

In many other countries change in favour of agreed best practice is resisted for the same reasons, whether actually piloted in the field or otherwise. This is what prevents closer harmonisation and methodological improvements, not the sorts of oft-quoted excuses such as "this market has unique local characteristics".

## References

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