

DATA FUSION FROM THE MEDIA SELLERS PERSPECTIVE

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Data fusion became the hot media topic of 2001. In a three month span the escalation in the discourse was remarkable. A December 2000 conference asked, “*Will Fusion come to America?*” By March 2001 conferences were devoted to evaluating the merits of the various techniques.

What was driving this urgency? As in most cases, economics were a major impetus, and the same may now also be the major impediment. Prior to the recent downturn, strong advertiser demand inflated television CPM’s and increased clutter. The fractionalization of audiences across many new options only added to the problem. Advertisers demanded that agencies fine tune the television buying process, improve vehicle and program selection and manage costs.

This situation led in part to the introduction of TV optimizers. Their utilization was an attempt to put all TV entities on a level playing field and, at least in theory, result in a broadcast neutral selection process. The less costly cable fare and the more expensive broadcast TV would ideally be perceived as equals in the eyes of the optimizer programs. The impact of optimizers is difficult to assess and is open to a variety of interpretations, depending on whom you speak to. Some media buyers use TV optimizers as a new innovation when talking to potential new business prospects, but have not embraced them for all clients since they are still perceived as one-dimensional (reach) and in some cases impractical to implement.

Still the desire remains for a better way to market products to consumers to plan and analyze the best mix of media. Multi-media planning and buying is even more separate and unequal than television alone. Can the playing field be further leveled? Can planning be media neutral? Absent an elusive single source database, how can this be done?

Into the fray came fusion...an idea playing at the fringes of the U.S. media world for at least a decade. Talked about by many, it was embraced by none. Single source measurement was the only true aim-- and without the tools to achieve that, fusion remained a U.S. outcast. Until now.

In the past ten months we have learned that fusions can be done numerous ways by many different constituents, with various databases. We have watched this process unfold and as interested observers, pondered our role. We work for the largest magazine company in the U.S., which in turn is part of the biggest media company. Our corporation creates integrated media packages for advertisers. We understand the need to be able to value and evaluate these deals. We have a responsibility to understand how fusion is derived and applied.

Over the past few years more agencies and buying services have developed unique algorithms that are applied to the estimates produced by the ratings companies. This has changed the dynamic between the buyer and the seller of media. Frequently there is no shared knowledge base and we are often not privy to how these custom estimates are derived. More often than not, the “new” estimates lower the audience and are viewed by sellers as another negotiating tactic to lessen the media cost. Fusion could be yet another step in this direction, distancing the media even further from the evaluation of the viewers or readers they deliver. Currently, most proprietary systems we have encountered work with adjustments to a basic estimate. The logic of the adjustment can easily be shared between the buying and selling parties and often times is.

Fusion, with its mixing of media and measurements, introduces an entirely new level of complexity. This will certainly impact the dialog between buyer and seller. Discussion with parties involved in the TV optimizer process recount a similar result. Customized optimization programs became the norm as media buyers looked for ways to distinguish themselves from their competitors and incorporate proprietary knowledge into their systems. In turn, this made it more difficult for media sellers to participate in the usual negotiation rituals.

With this in mind we set out to learn as much as we could about the mindset of the market relative to fusion. Our goal was to learn how media professionals see it being applied in a broad sense.

- Is there market consensus or disagreement in the need and utility for these things?
- Would individual measurement currencies prevail or would this leave us with something else entirely?

What we did not want to do was debate the merits of a particular fusion or which methodology would be best. Others are more qualified to do that.

The questions we put to respondents then, were pretty straight forward:

- Is fusion inherently good or bad for magazines?
- What role can the media play in fusion development?
- If advertisers and agencies develop custom fusions does this signal the end of a standard print currency?

Methodology

Henry Laura Media Services worked with us to identify more than a dozen professionals among advertisers, agencies, media and research suppliers. Mr. Laura conducted one-on-one interviews over a six-week period. The results of these interviews as well as our own discussions with other AOL Time Warner divisions and our counterparts in the UK have enabled us to construct a picture of the current status of fusion in the US.

Findings

Revisiting the questions we set out to answer, and based on the hours of discussions with top media professionals, it became quite evident that perhaps they were not the right questions to ask.

Our first finding was that fusion is neither inherently good nor bad...the outcome cannot be divorced from the specific application. The interviews showed a great deal of consensus among practitioners as to the utility and not necessarily the strengths and weaknesses of a fused database.

Several interviewees allowed as to how...“in a field leveled by data fusion, the winner could be magazines.” Faced with data showing product categories where consumers are light TV viewers, the reasoning stands that buyers will be required to find a national medium that reaches this consumer and magazines could benefit. Perhaps. For smaller publications, it could work in reverse.

Second, in the minds of many, fusion really isn't about fusing media...it's about getting better television data. An important end result of the process for the buying communities is securing detailed descriptors of the television audience. Fusion allows them to do that without making substantive changes to the ratings measurement system and without incurring excessive costs.

Third, while individual media measurements are expected to persist, everyone expects there to be a multiplicity of fusions. This could, or not, place the media seller at an even greater remove from the planning process depending on how forthcoming the planning arm chooses to be. Respondents commented as to how this is not too dissimilar to the situation that exists currently. However, it does appear to require a level of technical understanding that may be beyond the skill set of easy communication between buyer and seller.

Finally, fusion is seen as a media allocation and planning tool and not the birth of a new media currency. While Nielsen and MRI are the companies buyers and sellers love to hate in the war of the fusions, everyone is concerned about preserving them. Respondents expressed concern in regard to the rigor applied to the creation of the fusion and the distortion that could be introduced. With no transparency to these systems, especially non-syndicated varieties, it would put the data suppliers at a distinct disadvantage.

While we spoke to only a handful of individuals, we did note some consistent difference in the opinions of clients, ad agency and media respondents. For the most part, advertisers and media sellers are much more cautious about embracing fusion, while agencies and buying services find the concept to be quite enticing as a tool to better plan and buy television.

Observations

Having been participants and observers of the media research scene in the U.S. for many years, it is difficult not to be cynical and question whether fusion represents yet the latest false idol. Yes, we can fuse databases, but as one respondent so aptly put it, does fusion simply provide “the illusion of accountability?” And is accountability what we're looking for? What is really driving this movement?

- ...The need to buy television better?
- ...Improve the TV ratings system?
- ...Find a cheaper alternative to TV?
- ...The rise of multi-media ad packages?

While all of these are desired outcomes, the real need seems to be to turn our old paradigms on their ear. To go from a media-centric planning model to a consumer-centric approach. Consumers evaluate all the information they receive about a product. Often, exactly where they encountered the message, becomes disengaged from the message itself. Unfortunately for us media researchers, they can't often say with any accuracy “from TV I learned X and from print I learned Y”.

The mantra we hear nowadays calls for a total communication strategy. One which utilizes all the media consumers receive to deliver the right message, at the most appropriate time, in the most opportune way. Integration is the goal not the buy product. If fusion can lead us to achieving that goal it will, and should, be embraced. Clearly, there are reservations on the media side as to how we factor into the process. We'll have to sharpen our technical skills and work more closely with our advertising clients to develop programs that meet the needs of the new order.

Candidly, we see a chasm between not only single title vs. multiple-title publishers, but also single medium vs. multi-media companies. Theoretically, the latter should be able to deliver integrated, multi-product, advertiser focused packages—a challenge for a single medium. Additionally, non-multimedia companies are further tested in their ability to secure all the data that a multi-media world requires. Pricing for broadcast data places it out of the realm for most publishing companies. If fusion is to be accessible to all parties this inequity needs to be addressed.

We are reminded of the last readership symposium in 1999 where we debated what kind of impact the Internet would have on print audiences. Some forecasted doom and gloom for readership scores...others saw the time spent on the Internet as competition to television viewing. It has been two years and readership scores have not declined, nor has time spent with television diminished. New magazines continue to be launched, while television is developing into different formats. Based on our conversations, fusion will not lead to any revolutionary changes in the way that media is bought or sold. The media industry continues to strive to improve how it does business and fusion will be an option, not the answer.

