

THE VIRTUAL CURRENCY

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The challenge

In August 2007, the combined websites of the Dutch daily newspapers had 4.5 million unique visitors. Newspaper publishers in the Netherlands are claiming that online reach should be combined with circulation figures and average issue readership in order to give “a full picture of the total reach of newspapers” (Cebuco, 2007). Sanoma used to be the largest magazine publisher in the Netherlands, but nowadays is apparently in the business of selling ‘multi-media brands’. (Sanoma) Publishers are investing in online publications to service their existing readers, to attract new readers (and viewers!), to protect existing streams of advertising revenues and to create new sources of income. Many of the early online publications by print media were conceived as more or less facsimiles of the existing newspaper or magazine. One could read the newspaper online and search the archives for older issues. Both the editorial content and the advertisements were copy/pasted to the online environment. Nowadays, newspaper and magazine websites bear little resemblance to the original printed product. They are aspiring to form communities of readers. That is, if they still *are* readers. Some newspapers are providing more video content online than the average television station. Print journalists learned how to use the webcam faster than they ever learned to write. Readers themselves are supplying newspaper and magazine websites with user-generated content, not only in writing, but, more and more, in video form too.

Web advertising itself is also in transition. The static ‘print-ad-like’ banner formats are being replaced by animated ‘rich media’ advertising and ‘video advertising’. Research shows that these new web ‘advertising formats’ are more effective. [IAB onderzoek effectiviteit vormen online advertising, JHF] [IAB research into effectiveness of forms of online advertising, JHF]

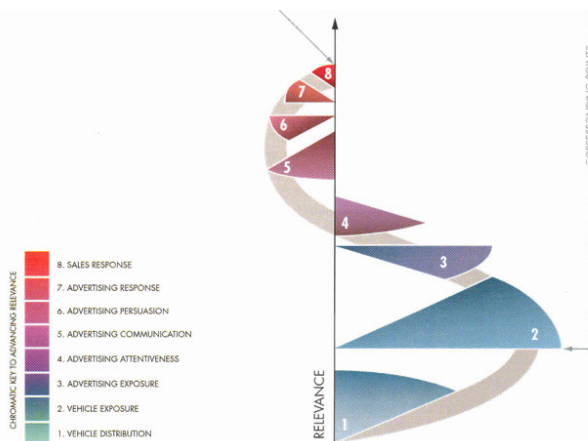
While the original print titles still serve as the media brand names for the corresponding websites, the difference in content and functionality grows. Newspaper and magazine websites attract visitors other than their core readers. On the website, readers are looking for content different from that in the paper or magazine. As circulation and reach figures for many print titles fall, publishers come under pressure to sell their combined print and online audiences to advertisers. Media buyers and advertisers are asking for independent cross-media research capable of demonstrating the effectiveness of the combination.

The challenge for us researchers is to establish a validated measurement system, not only for the combined reach and frequency of print ‘media brands’ both offline and online, but also for their effectiveness. The question is: are we still involved in print research, or does print research as a discipline no longer exist?

The ARF model

The new ARF model, published in 2003, is a good starting point for a systematic analysis of the measurement problems we are facing today. The model shows a spiral staircase with ‘vehicle distribution’, ‘vehicle exposure’ and ‘advertising exposure’ as the bottom three steps. These are followed by ‘advertising attentiveness’, ‘advertising communication’ and ‘advertising persuasion’. The spiral concludes with ‘advertising response’ and ‘sales response’. As one moves up the staircase from ‘vehicle exposure’ onwards, the steps get smaller. This in order to indicate that, in general, the size of the target audience that sees the advertising, gets the message, and, finally, buys the product, will get smaller in the process.

Figure 1. ARF model



Print research has traditionally focused on measuring ‘vehicle exposure’ and all its intricacies. A global inspection of the Complete Symposia Papers from New Orleans 1981 to Prague 2005 shows that the lion’s share of the work is devoted to the second step of the ARF model. Only an occasional paper goes back as far as the basics of circulation or ‘vehicle distribution’. In recent symposia, a larger share of papers has been devoted to aiming higher, to ‘advertising exposure’ or beyond, but these are still more the exception than the rule. The section ‘Advertising Effects’ occupies a relatively modest share.

But, as stated in the ARF brochure which accompanied the introduction of the model: the significance of the metrics for advertisers increases as one moves up the staircase. An advertiser is more interested in sales than in circulation, Average Issue Readership or even ‘open eyes in front of advertising space’. Also, print nowadays is only one of many media in most communication plans. Advertisers and media buyers are looking for synergy amongst media types, for cross-media effects. They want to know what the combined effects are of TV, radio, print, outdoor, the internet, etc. But also, they are looking to calculate the contribution of all separate media to their communication objectives. When it comes to measuring the contribution of print to ‘advertising communication’ and ‘advertising persuasion’, print researchers realized that print should not be regarded in isolation, but as part of the overall media plan. The ‘Inter Media Comparison’ section in the ‘Complete Symposia Papers’ overview contains several classic examples.

The combination of print and online on the levels of vehicle distribution and exposure

In the Berlin symposium, Scott McDonald first addressed the issue: “At least in theory, publishers who offer their magazine pages on the World Wide Web are offering their subscribers an alternative, electronic way of getting access to their editorial content (...) For now no one really knows the extent to which this largesse adds incremental readers per copy (...)” (McDonald, 1995).

Visitors to websites associated with print titles are not just readers anymore. They are also listeners, viewers and editors. Interestingly enough, print publishers still seem to look on the Internet as part of the reading domain. In their opinion, visitors to their websites are still readers of their publications and should be counted as such. In the Netherlands, Cebuco, the Research and Marketing organization for the Dutch daily newspapers, is working with PointLogic to model the combined reach of newspapers and their websites, based on the one hand on the NOM National Readership Survey, and on the other the STIR, which is the national currency measurement of website reach.

The STIR figures for the audience sizes of websites are collected from a panel. In 2006, panel members were asked about their reading behaviour as regards newspapers.

Figure 2. Visits to newspaper websites by newspaper readers

01 June 2006... 30 June 2006	All 13+			Readers De Telegraaf			Readers Algemeen Dagblad			Readers NRC			Readers Volkskrant		
	Reach %	Reach numbers	ACF	Reach %	Reach numbers	ACF	Reach %	Reach numbers	ACF	Reach %	Reach numbers	ACF	Reach %	Reach numbers	ACF
PCME:De Volkskrant	6.5	890,000	25.4	8.6	245,000	18.1	11.0	266,000	28.4	24.9	189,000	44.6	27.3	326,000	45.0
PCME:NRC Handelsblad	2.9	393,000	16.2	3.5	100,000	15.2	5.6	136,000	27.2	20.8	158,000	30.1	9.3	112,000	23.7
PCM/Wegener:AD	8.7	1,181,000	24.7	12.4	356,000	27.1	20.2	486,000	41.7	18.0	137,000	30.1	14.8	177,000	31.2
Telegraaf:News and information:	14.0	1,899,000	42.3	29.8	854,000	57.1	21.4	516,000	44.6	22.0	167,000	35.1	20.1	240,000	38.1

Source: STIR

In June 2006, the website of De Volkskrant was visited by 890,000 unique visitors of 13 years and older. 326,000 visitors, or 37%, were readers of the printed version of De Volkskrant. The ‘own’ readers visited the website on average 45 times, whereas the 13+ group did so 25.4 times. Unfortunately, the readership question the STIR panel members answered was not comparable to the NOM standard readership questions.

According to WARC, “The Newspaper Association of America, in partnership with the United States Audit Bureau of Circulation and Scarborough Research, is planning to roll-out readership figures that add website traffic data to print circulation numbers” (WARC, 2007a). According to the website www.accessabc.com “In July, the ABC board of directors agreed to work with Scarborough Research and NAA to incorporate newspaper audience ratings in ABC media reports. Audience-FAX will integrate newspaper readership and online audience estimates, from Scarborough Research and other research vendors, into ABC circulation reports. Monthly Web site unique visitors also will be reported from sources such as Nielsen//NetRatings, comScore, Inc. or server-based analytics tools (i.e., Omniture, Hitbox/WebSide Story/Visual Sciences, etc.)” (ABC)

During my holiday in France this summer, the local newspaper ‘La Dépêche du Midi’ thanked its loyal readers – “Merci à nos fidèles lecteurs” – because it was one of the few newspapers which saw its readership figures grow in the last study by TNS Sofres. “The regional daily press has accumulated more than 17.4 million readers, way ahead of the national dailies with 7.6 million readers. Taking into account the audience for the internet sites, the regional daily press even succeeds in accumulating 31 million readers per day” (My translation).

All these attempts to combine newspaper readership and newspaper website traffic have a few things in common (the same goes for magazines, by the way). Website visitors seem to be totally regarded as 'readers'. But what kind of readers are they? How can we imagine such a reader? Is he (or she) reading the first part of the morning newspaper while having breakfast at home, saving the special interest sections to read on his or her office computer during lunch? Or is he or she maybe not really 'reading' during office hours but just checking the traffic jams or the weather before returning home? In the evening, this reader might be contributing to the local section a piece on his neighbours' wedding anniversary. One might argue that these are all speculative, qualitative, frivolities with which we should not bother too much. To be sure: even for old-fashioned printed titles the only thing we are really interested in is whether someone looked at or read the latest issue, aren't we?

For the time being, although the methodological issues are not well documented, everybody seems to be quite happy adding apples and oranges, combining circulation and/or readership figures with 'unique visitors' whatever they may do, or whoever they may be. In their attempt to overcome falling circulation rates and audience figures, publishers all over the world seem to have opted for the 'flight forward' strategy, without too much concern for methodological rigour. And we are talking 'vehicle distribution' and 'vehicle exposure' here! Certainly for print, these are the best researched and documented steps of the ARF model! In their eagerness to present higher figures to the market, people are completely neglecting the learning from 26 years of readership research.

Even in 1995, Scott McDonald had his reservations about considering the web visitor of TIME Magazine as an 'issue reader'. In those days most magazine websites were more or less copy/pasted from the printed title. Looking at the current developments in design and content of newspaper and magazine related websites, my opinion is that it will be very hard, if not impossible, to establish a common currency (i.e. one which allows us to add the figures), for print and Internet at the level of 'vehicle distribution' and 'vehicle exposure'.

The combination of print and online at the level of advertising exposure

The third level in the ARF model is 'advertising exposure': open eyes in front of advertising space. Theoretically, 'open eyes' is a very elegant concept, easy to grasp and to understand, but the operationalization of 'open eyes' in a print surrounding turned out to be a hell of a job. We have tried measuring it with indicators such as total reading time, average time spent per page, number of pages opened, spread opened, etc. None of these, nor any of the other attempts, were perfectly satisfactory. Now, with the Internet, the claim is that one can measure 'everything', and certainly something as straightforward as 'advertising exposure'. Internet ad-serving techniques can in theory even control frequency and timing of exposure. In practice, serving ads on the Internet is not as straightforward as some in the industry would like us to believe. Ads are being served to computers or IP addresses. Some, if not most, computers at home are being used by more than one person. People also surf the net on computers at work. Who is sitting in front of the screen at the moment your ad is being served? He or she is probably watching the screen, but how about your ad? Still, even with these limitations, the measurement of 'open eyes in front of advertising space' on the Internet today probably comes a lot closer than any other media measurement system can boast – be it print, television, radio or outdoor.

In consumer targeting, the Internet is way ahead. Targeting can already be based on the interests and desires you demonstrate while you are searching, visiting, reading, listening, watching or buying online. And there is just a (privacy-sensitive) thin line between your online behaviour and your profiles on MSN, Facebook, MySpace, Second Life or Youtube.

But for now let us return to the combination of print and Internet which publishers are so eager to establish. If we can deliver 'open eyes' for an ad in a newspaper and on the newspaper website, does it have to be the same ad? If you just want to be able to count impressions, the answer would have to be: yes. But on the other hand we know that static banner ads, or skyscrapers or rectangle – into which your print ad would likely translate one-on-one – on the Internet are far less effective than 'rich media' or 'video ads'. Therefore, if we could properly count advertising exposures both in print and on the Internet, it would be counting exposures to different advertisements for the same brand, product or service.

The calculation of advertising exposure for print and online

It has been shown that the calculation of individual contact probabilities for a print campaign based on the combination of specific issue recognition or frequency of reading, on the one hand, with the insertions according to the media plan on the other hand, gives a useful approximation of the number of times readers have seen the ad, or 'open eyes in front of print advertising' (Faasse and Van Meerem, 2003, Den Boon and Faasse, 2005, Cardarelli, Havlena and Campbell, 2005). Frequency-of-reading questions or questions regarding specific issue recognition of the magazines or newspapers in the campaign are easily inserted in online tracking research. Because the calculation of individual contact probabilities for the print campaign is established independently of the respondent's memory of the campaign itself, we have obtained an unbiased estimate of the number of advertising contacts with the print campaign.

Up and until a few years ago we could use the same technique for establishing contacts with an online campaign. In the Netherlands, the selection of websites for many online campaigns used to be limited to a relatively small number of sites which by themselves guaranteed a large audience reach figure. By asking the respondents in the tracking survey how often they visited those sites, we could calculate contact probabilities for online campaigns in a similar fashion as for print. However, online planning has evolved. Targeting and the capability of controlling both reach and frequency are nowadays much more precise, which has in practice resulted in the use of many different and relatively small websites for reaching the desired target group in a controlled fashion. Unfortunately, this means we can no longer ask respondents a question like: "How often did you visit the

following websites during the past week?" It would be nothing exceptional to have to present them with a list of a hundred or maybe two hundred different websites. To tackle this problem, Kobalt, the largest media-buying agency in the Netherlands, together with the research agency MeMo2, developed a technique capable of counting the number of contacts for an individual during an online campaign, in tracking research which does not burden the respondent. We take care that all advertisements served during the campaign will leave cookies on the receiving computer. These cookies contain information on the time of delivery, the creative format or version of the ad, etc. For reasons of privacy, we ask respondents who participate in the regular online campaign tracking if they have no objection to us reading out their cookie files regarding the specific product category. If they agree, a small piece of software is activated on the online questionnaire, which registers the number of contacts with the online campaign, and also the time of delivery. This gives us a perfect measurement of the number of contacts with the online campaign. There may be a practical problem with this methodology: this lies in the interplay of the weekly tracking sample size and the size of the online campaign. As Rex Briggs has pointed out on several occasions, online still suffers from the "small investment problem". (Briggs, 2004, Briggs and Stuart, 2006). If the reach of the online campaign amongst the survey tracking population is not large enough, we are left with perfectly measured, but insignificantly few, observations. The same "small investment problem" threatens the measurement of the efficacy for print campaigns, as Erwin Ephron has demonstrated very eloquently in the past.

But if both the print and the online campaign are being given a fair chance, the system gives us two independently-measured sets of contact probabilities, both for print and for online, which we can then relate to communication effects.

The combination of print and online at the level of advertising communication and persuasion

The next step in our analysis is to relate the contact probabilities for print and online (and, if necessary, other media present in the campaign schedule), to the effect variables which have been measured in the tracking research. These are usually a combination of measures at the campaign level (advertising recognition, advertising recall, likeability), measures at brand communication level (brand awareness, brand image) and measures at the brand persuasion and sales level (purchase intent, recent purchase). To separate the effects of, for example, print and online, and to establish the added value of one media type over another, we divide the sample into different contact probability classes. In an ideal situation, one would have sufficiently large groups with print contacts and no online contacts and vice versa. The necessary condition for being able to attribute the extra effect either to print or online is that there is no relationship between the media behaviour and buying behaviour. The classical example being the relationship between the amount of television watching and the eating of potato chips. Being the 'couch potatoes' they are, people who eat lots of potato chips are also the ones who have seen most of the television advertising for the product. Therefore, even the worst TV campaign for potato chips will by definition be successful. The company Marketing Evolution claims that this problem may only be solved by using a classical experimental design. But in practice, this approach seems to be used only in the case of online advertising. For magazine advertising, they adopt the same approach as we propose (Briggs and Stuart, 2006, p. 248). The Marketing Evolution study for the Magazine Publishers of America, *Measuring Media Effectiveness*, also looks as if it is based on the contact probability method, rather than on the experimental design (WARC, 2007a).

The other problem which remains unsolved is that the comparison of the effectiveness of print and online will in most cases be based on different creative executions. Even if an online advertisement is based upon an existing print example, it is very likely that 'rich media' elements, like movement and sound, will be added to it.

Conclusion

On the level of the measurement of 'vehicle distribution' and 'vehicle exposure', it is very unlikely that there will ever be a common currency for print and online. On the level of 'advertising exposure' for both print and online, it is possible to calculate individual contact probabilities, though we must admit the methodology for doing so is intrinsically different. For print, we still rely on the respondent's memory for establishing reading frequency or recognition of specific issues. As reach figures for newspapers and magazines tend to decline, the need for passive measurement to determine reach and frequency of print campaigns, not unlike the one we have designed for online, grows stronger (Deniz and Lynch, 1999). To determine the contribution of print and online to the communication objectives of the campaign, dividing the sample into different contact probability groups – while at the same time controlling for purchase behaviour – seems to be the most elegant and affordable solution.

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