CHAPTER 5

DEVELOPMENTS IN AUDIENCE MEASUREMENT AND RESEARCH

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Most forms of advertiser-supported media depend on an independent third party to verify the size and composition of their audiences. Those estimates become the “currency” used to value media buys. As media around the world become increasingly dependent on advertising revenues, so does this form of audience measurement. At the same time, though, fundamental changes in the media environment and audience behavior are challenging traditional measurement and advertising practices. This chapter highlights the changes that have had the greatest impact on established methods of research, describes the newest developments in audience measurement, and assesses a range of technological, economic, and political factors that will shape audience research in the future.

CHANGING WORLD OF MEDIA AND MEASUREMENT

Audience measurement practices have evolved largely in response to advertisers. The Audit Bureau of Circulations was created in 1914 to verify the, otherwise inflated, circulation claims of publishers. By the late 1920s, it became apparent that American radio, too, would be an advertiser-supported medium. Unlike print, though, radio left no traces of how many people were in the audience. Radio listeners seemed as immaterial as the airwaves. Without reliable measures of radio’s audience, advertisers and broadcasters had nothing to buy and sell.

In 1930, the industry solved the problem by creating the Cooperative Analysis of Broadcasting (CAB). CAB used telephones to ask a sample of listeners...
what broadcasts they had heard during the day (Beville 1988). Over the years, the techniques for capturing information on media use have changed. In the 1940s, Arthur Nielsen launched a service based on a meter that recorded radio set usage. Not long afterward, written logs called “diaries” were introduced to provide demographic data. Newer versions of both methods are still in use. But the basic model for audience measurement has largely remained unchanged—a third party, independent of the sales transaction, draws a sample of the population to estimate audiences. Those numbers are then published in syndicated ratings reports used by multiple subscribers.

By the beginning of the twenty-first century, though, newer media systems and the demands of advertisers presented audience measurement companies with serious challenges. Three changes in the media environment have been particularly troublesome. First, audiences have been fragmented by the sheer number of media outlets that are available. Second, people have greater control over when media are delivered. Third, people also have greater control over where they use media. Each of these developments and the difficulties they pose for audience measurement set the stage for any discussion of where the entire enterprise is headed.

The problem longest in the making is the sheer proliferation of media outlets. Nowhere has its effect been more evident than in the declining fortunes of broadcast TV networks. Figure 5.1 documents the steady erosion of broadcast audiences in the face of ever-increasing competition. The dark bars show the combined primetime shares of ABC, CBS, and NBC (the Big 3) over a 20-year period beginning with the 1985–1986 TV season. In that year, the Big 3 accounted for almost 70 percent of all the time American households spent watching TV. By the 2004–2005 season, their combined market share had dropped below 30 percent. Over the same span of years, the number of TV channels available to the average household, as indicated by the ascending line, increased fivefold. Recently, Nielsen Media Research announced that the average household had over 100 from which to choose (Nielsen 2007). Filling up those channels were new broadcast networks, superstations, and an avalanche of cable networks, each one claiming a little piece of the pie.

The net result has been audience fragmentation. Notwithstanding occasional hits like American Idol, audiences are becoming smaller. Even moderately successful TV programs have audience ratings in the single digits. Cable network ratings are often on the other side of the decimal point. Unless sample sizes keep pace, estimates of such tiny audiences can be swamped by sampling error. And the problem is not unique to TV. The audiences for most web sites are microscopic in comparison.
The second problem is of more recent vintage. Historically, radio and TV have been linear delivery systems, with broadcasters controlling what appeared when. For both the media and advertisers, this mode of delivery was a boon for managing people's exposure to media. Increasingly, though, nonlinear media like video-on-demand (VOD), DVRs, and the World Wide Web allow consumers to control when content is delivered. The shifting balance of power presents still more challenges for audience measurement. To begin with, it exacerbates the problem for fragmentation. The “500 channel universe” that John Malone used to talk about seems almost quaint when people have thousands, if not millions, of choices at their fingertips. Without fixed schedules to rely on, it can be difficult to know exactly what programs and/or commercials are actually being delivered. Finally, time-shifting programs and avoiding commercials in the process complicate what used to be a straightforward metric. If exposure is the currency used to transact business, what kind of exposure should we be talking about?

The third problem is related to the second. As media content moves across different technological platforms, consumers control not only when, but where media use occurs. Stories from print media appear online to be read from a workplace computer or a handheld device. Music and radio broadcasts can be downloaded to iPods. Television can be seen on the living room set, over various web sites (with or without ads), on monitors in public places, or viewed on iPods and mobile phones as “mobisodes.” All of these points of contact might be occasions for marketers to build a relationship with fans of a particular genre. Unfortunately, most forms of audience measurement have been wedded to a particular medium and its traditional, place-based mode of consumption.

If all these factors weren’t enough to strain the existing measurement systems, advertisers, themselves, have introduced new demands. Over the past 20 years, media buyers have insisted on evermore finely grained information about who, exactly, is in the audience. When TV was dominated by the Big 3 networks, Nielsen’s household meters provided estimates of how many homes were watching. These were eventually reconciled with diary data to provide broad, if not particularly timely, demographic ratings. By the late 1980s, as cable networks with more targeted appeals began to emerge, advertisers insisted on a faster and more accurate system for estimating the demographic composition of network audiences. In 1987, with Audits of Great Britain threatening to enter the U.S. market, Nielsen installed “people meters” as its standard for national audience measurement (Webster, Phalen, and Lichy 2006).

While people meters can capture and report viewer demographics quickly, the availability of precise, person-specific information pressures the system from a different direction. If, for example, the advertiser is only interested in reaching males eighteen to twenty-four years old, that effectively pares the total ratings sample down to a small subsample. If the advertiser then wants to know how many within that subsample were watching a low-rated cable network or, worse yet, how that audience flowed from one cable network to another, the actual number of people in the sample that fits the bill can become extremely small. Once again, sampling error can overwhelm audience estimates.

In light of all these issues, the features of an ideal measurement system, while difficult to achieve, aren’t hard to imagine. It would have two principle characteristics. First, the methods used to capture information on exposure would allow us to track individuals across time and space, noting all media they came in contact with on a second-by-second basis without any effort on their part—even better if those methods unobtrusively measured things like people’s levels of engagement or product purchases. Second, such methods would be applied to very large samples or, perhaps, to the entire population. Of course, no measurement systems, not even those on the drawing boards, do all that. And even if some company developed an undeniably “better mousetrap,” there is no guarantee the affected industries would adopt it. The following sections review the latest developments in audience measurement, and discuss the economic and political realities that will ultimately shape deployment and adoption.

NEW DEVELOPMENTS IN AUDIENCE MEASUREMENT

There are three major fronts in the battle to keep track of audiences. The first deals with developing more powerful and flexible meters to monitor media consumption. The second entails harnessing newer technologies that can produce records of their use. The third involves a host of initiatives to quantify exposure to less commonly measured aspects of the media environment.

Meters

People meters are the preferred method of TV audience measurement (TAM) in the United States and much of the world (Webster et al. 2006). In their most elemental form, they record when household sets are on and the channels that are being viewed. Each person in the home is expected to press a button on a set-top box or hand-held device to signal they are watching the set. All that
information is retrieved via telephone lines and combined with other data to produce ratings reports as quickly as the following day. Though it's been in use for over 20 years, people meter technology is constantly evolving. The biggest challenges are: (1) knowing what's on the set and (2) who's watching.

Television sets are becoming display devices for a variety of media. Not only do they show linear TV programming, they're used to view DVRs, VOD, DVDs, and play video games. The first thing a meter must do is determine the source of what is being displayed. If it's TV programming, the meter needs to identify what's on the screen from one moment to the next. There are two basic strategies to do that. One approach takes advantage of an identifying electronic code deliberately embedded in the programming. This is sometimes called a watermark and is an active method of identification. Not all programming, however, has embedded codes. So an alternative is to have the meter capture a snippet of the programming, often a portion of the audio signal, and match that signature to a library of material. This is called a passive method. Most state-of-the-art people meters do both. Meter designers are also working on ways to minimize the amount of hard-wiring that's needed for installation, thus reducing costs and making households more likely to cooperate. In fact, Nielsen Media Research is developing a people meter that could be mailed to cooperating households.

The second challenge is more difficult. Typical people meters depend on the active cooperation of household members for as long as two years. Respondents may suffer from button-pushing fatigue. There are two ways to address the problem. One is to simply remind people that they should be signing in. Set-top units can have built-in displays or, perhaps, even speakers. If the meter knows a set is on or the channel has changed but no one has pressed a button, the unit can send a message in the appropriate language to encourage compliance. Some display units also have motion detectors that can trigger a message. All of these, though, are obtrusive measures that still depend on people's active compliance. An alternative would be to use a technology that alerted the meter to a person's presence without requiring any action from the respondent. Some companies have experimented with electronic tags and digital image recognition systems that can identify people's faces, but no such technologies have actually been deployed.

Even if we assume that people meters can accurately measure what is on and who is watching it, the technology still has drawbacks. First, it is wedded to a particular place. These meters can't follow people around to all the locations where they might encounter TV, not to mention other media. Second, building and deploying the technology are not inexpensive processes. Although Nielsen's mailable people meter might reduce costs, there is almost certainly a point where the market in question will be too small to justify the expense.

Another approach to metering is to make it portable. At this writing, Arbitron, the company responsible for radio measurement in the United States, is beginning to deploy in major markets what they call portable people meters (PPM)—small cell-phone-sized devices that people in the sample wear or carry with them during the day. The PPM "listens" for the sound of a radio broadcast that carries identifying codes inaudible to the human ear. If the person is within earshot of a radio, the meter will attribute them to the station's audience. At the end of the day, the respondent places the PPM in a docking station that recharges the device and sends stored information over the telephone. PPMs have built-in motion detectors that alert Arbitron if the meters are not being carried. Figure 5.2 pictures the PPM and its base station.

PPMs have a number of potential advantages. They obviously address the problem of following people around wherever they go. They are also capable of measuring exposure to both radio and TV as long as media within the market embed the necessary codes. In fact, initial testing of the PPM was done

![Figure 5.2](image_url)

**Arbitron Portable People Meter™ and Base Station**

Photo courtesy of Arbitron, Inc.
across those media in cooperation with Nielsen. While Nielsen Media Research has, thus far, declined to move forward with PPM measurement for TV ratings, its sister company ACR Nielsen, is pursuing a joint venture. The so-called Apollo project has 11,000 members of Nielsen’s Homescan panel carry PPMs, thus tracking their exposure to advertising as well as shopping and purchasing behaviors. In the future, PPMs might be able to track exposure to print media by seeding them with radio frequency identification (RFID) chips, or outdoor advertising by using GPS technology.

Despite their advantages, PPMs have limitations. They obviously depend on people in the sample to carry them, so they are not a perfectly passive form of measurement. And while they may cost less than traditional people meters to deploy, they are not inexpensive. At present, Arbitron plans to use them in only the top 50 radio markets. The remaining 200-plus local radio markets in the United States will still be measured using paper diaries.

An alternative to PPMs that might increase compliance and reduce costs is to use cell phones to measure media use. This could take advantage of devices that many people already carry. Advanced cell phones can be programmed to take audio “snapshots” at 30-second intervals, capturing either an embedded code or an audio signature, to identify which media a phone user has encountered. The cell phone can also transmit that information to a data collection center where it is processed and turned into a ratings product. The Media Audit, a potential competitor to Arbitron, is developing this technology with a European company named Ipsos. Nielsen Media Research is also working with a company called Integrated Media Measurement Inc. to use cell phones for measuring out-of-home TV viewing.

The Internet is obviously a medium occupying more of people’s time and claiming more advertising revenues in the process. One approach to tracking Internet use is to apply the traditional model of drawing a random sample of users, measuring their behavior, and generalizing what you find to the larger population. This strategy is sometimes called a user-centric approach. Here, measurement is accomplished by turning the user’s own computer into a kind of meter. In fact comScore Media Metrix helped popularize the term PC Meter. Companies like comScore and Nielsen//NetRatings have a panel of computer users install software on their machines that ascertains who is using the computer, tracks the various URLs they visit, how long they stay on each page, and so on. Because the cost of metering is relatively low, these companies can recruit very large panels—up to as many as 50,000 people in the United States alone. That’s necessary because Internet usage can be extremely fragmented. And even at that, this approach to Internet measurement might estimate the audience for only a few thousand web sites.

Because the Internet is fast becoming an important platform for delivering TV, Nielsen Media Research is planning to integrate Internet measurement into at least some of its national people-meter panel. That would allow the company to track viewers across platforms and develop more precise measures of the reach or repeated use of specific programs. Unfortunately, a good deal of Internet use, especially for online news, occurs in places of business. While companies that measure Web use try to maintain work or college-based panels, it’s not always possible to secure the cooperation of the institutions that control those machines.

**Trace-Leaving Technologies**

Unlike over-the-air broadcasting, many of the technologies that deliver media today do leave traces of their use. Two, in particular, present interesting possibilities for audience measurement—digital set-top boxes and Internet servers. Both offer relatively unobtrusive ways to track behavior that can be extended to very large samples or entire populations of users. The latter advantage, in particular, would go a long way toward addressing the problems caused by audience fragmentation.

More and more TV is coming into homes over broadband digital networks. Television sets receiving those signals are typically managed via set-top boxes. The boxes are capable of monitoring any state change, such as when the box goes on or off, or when the channel is changed, and sending that information back “up-stream” to the cable company’s central hub. Other related technologies like VOD or DVRs can offer the same kind of intelligence. TiVo, TNS, and Nielsen are all trying to develop the measurement potential of set-top boxes. Conceptually, these devices are rather like the household meters that have been in use since the 1940s (Webster et al. 2006). In theory, they can keep a precise, second-by-second record of set activity. But by themselves, they offer no way of knowing what’s on or who is watching. The first problem can be addressed with scheduling information, though it can be hard to account for last-minute schedule changes or what commercial airs when. The second problem is thornier. Associating household-level demographics with set-top data can violate privacy laws. In an effort to create a privacy compliance system, a company called ErinMedia has tried to estimate audience composition by combining the demographic data from zip codes with the set-top box data within those areas. To date, there has been no independent verification of the accuracy of those estimates.

Even if one managed to secure the cooperation of all the services providing TV via set-top boxes, a fair amount of viewing behavior would go
unmeasured. Not all households subscribe to digital cable or satellite service and, even in those that do, not all sets are hooked up to digital boxes. In fact, as more broadcast TV goes digital, there’s evidence that some people will save themselves the cost of cable subscription and go back to watching HDTV over-the-air (Mohl 2007). Furthermore, set-top boxes are, by their very nature, wedded to TV viewing that happens on fixed TV sets. As we’ve already noted, TV is moving to different platforms, some of which are mobile. The question will be, can you safely infer all of this off-the-record viewing with set-top data? Probably not with the kind of precision advertisers seem to want as their currency in the national marketplace. It is more likely that this approach to measurement will gain traction where other state-of-the-art approaches aren’t viable. For example, it could be useful in smaller TV markets or in quantifying the audience for local cable advertising.

Estimating the traffic on web sites by using servers raises some of the same issues. The Internet is, essentially, a network of computer networks. Any visit to a web page triggers a record of the event on the affected servers. Monitoring server traffic, an approach sometimes dubbed “server-centric” measurement, provides a census of web site use. While knowing what is served is not a problem, knowing who’s being served is. In their unadulterated form the “hits” a server gets can be difficult to decipher. Placing identifying bits of code, called “cookies,” on a visitor’s machine can mark repeat customers or facilitate tracking individuals across web sites. If visitors have static IP addresses, it may be possible to infer repeat customers and, perhaps, something about where they are physically located. Of course, if visitors are willing to divulge information about themselves, or if server-side data can be married to a matched panel of respondents, then more precise estimates of audience composition are possible.

Both set-top boxes and the Internet provide technologies that can address commercial messages to specific households or machines. Google has made enormous amounts of money with targeted, search-driven advertising. Recently they announced a deal with satellite-TV operator EchoStar to sell TV spots through an online auction system. As it’s described in the press, Google will “. . . tell advertisers how many TV set-top boxes were tuned in to each commercial they ran, and charge based on the number of set-top boxes where the commercial played” (Delany 2007). Clearly, this moves Google in the direction of audience measurement, though just how they will gather demographic information, or what intelligence might be used to address the advertising remains unclear. Nielsen has certainly taken note. Their CFO is quoted as saying “People want to get into this space because it’s big. Television advertising is about $70 billion—many times bigger than Internet. So you can understand, at least, Google’s motivation in this case” (Mandese 2007). Whether this plays out as a competition or an occasion for collaboration remains to be seen.

Nontraditional Media and Measurement

While more money is spent on TV than any other medium, the growing power of viewers to skip ads altogether has encouraged advertisers to look for alternatives. To oversimplify a bit, there are two strategies. One breathes new life into old media, the other harnesses new media. In either event, advertisers need audience measurement to evaluate media performance. A few of these many initiatives are briefly mentioned here.

Some efforts simply apply conventional telephone survey research to established media in order to provide new, more precise metrics. In 2005, Knowledge Networks/SRI launched a service to generate ratings-like data for the yellow pages. Cinema goers are an increasingly attractive target for advertisers, especially in the United States, so Arbitron and Nielsen have offered sample-based reports on those audiences. Placing products in movies is a long established practice. But with more TV viewers skipping ads, it’s becoming common in TV as well. IAG and Nielsen offer syndicated services that quantify the value of those placements. The latter can also produce audience ratings for the minutes when a particular brand or sports sponsorship appears. Other efforts apply more innovative forms of measurement to old media. Nielsen Outdoor has members of a random sample carry GPS tracking devices called Npods that determine when and where they encounter outdoor ads on billboards or public transportation. This allows Nielsen to generate statistics like reach and frequency across various demographic categories.

In addition to the Web, the new media that have generated the most interest among advertisers are video games. They occupy an increasing share of time spent with media, especially for the elusive young male demographic. Games can carry the equivalent of product placements. For those that are played offline, the insertion of the ad is a one-shot proposition. More games, though, are now being played online. This allows companies like Massive, Inc. to serve different ads into different games, or target the ads to specific times or geographic locations. Like any advertising medium, though, the system needs independent third party measurement to authenticate exposure. Recall that state-of-the-art people meters must first determine the source of what’s being displayed on the TV screen. If a console game is in use, the meter can identify the audio signature of the game, which provides a basis for audience
measurement. Nielsen recently launched such a service called “GamePlay Metrics” that simply exploits its national people-meter sample.

It sometimes seems that major audience measurement companies and/or newcomers to the business are introducing new techniques and services all the time. To date, though, no one has created that ideal system that does it all. In 2006, Nielsen Media Research did announce an “Anytime Anywhere Media Measurement” (A2/M2) initiative to “follow the video” wherever consumption occurred (Nielsen 2006). To do that, it is using its people-meter sample as a springboard to collect information across other platforms like video games or the Internet. However, there’s a limit to how much you can expect members of any given sample to do. So you are typically left with multiple independent samples providing only pieces of the puzzle. This problem is exacerbated when you want information on other media like print or outdoor, or other behaviors like product purchases. One solution is to graft data from one sample onto another sample by exploiting variables common to both, creating a unified database. This is called “data fusion” (e.g., Gilula, McCulloch, and Rossi 2006). While it offers a useful expedient, it is never as precise as affirmatively measuring the same individuals on all variables of interest.

**Political Economy of Audience Measurement**

The foregoing discussion might make it seem that settling on a system of measurement was simply a matter of applying objective criteria and picking the best one. Unfortunately, building a better mousetrap isn’t enough. While the quality of audience metrics is certainly a concern, that’s not the only factor that comes into play. First, audience measurement companies are profit-making enterprises, so the systems that are developed and the ways in which they are deployed are powerfully affected by the economics of business. Second, many decisions about audience measurement have no objectively right or wrong answer. Rather, they reflect a consensus among those who are using measurement services. Third, with millions of dollars hanging in the balance, the users of audience measurement might well engage in political maneuvering to advance their own interests. It is no small matter to tinker with the industry’s currency.

**Economics of Measurement**

Syndicated audience ratings reports are, like many forms of information, characterized by high “first copy” costs, and very low marginal costs. The machinery needed for state-of-the-art audience measurement is expensive. And those costs must be sunk before even one report is produced. Once the ratings have been generated, however, they can be widely distributed without diminishing the supply. They are what economists call a “public good.” These characteristics give syndicators a good deal of flexibility in pricing to attract new business. Charging customers for customized reports or privileged access to the database can have high profit margins. Ultimately, the prices that are charged may have more to do with a customer’s ability and/or willingness to pay than the actual costs of supplying the product. The economics of measurement also make it difficult for competitors to enter the market. They must incur the first copy costs with uncertain prospects for dislodging the incumbent. This is compounded by the fact that the data provided by the incumbent is often deeply engrained in the buying and selling systems of the industry. So the customers themselves might resist the costs of switching to a new regime of measurement.

The traditional method of estimating audiences from samples also presents an economic puzzle. In the increasingly fragmented media environment, relative sampling error can easily swamp estimates based on small samples. The solution is to increase sample sizes. But doing so comes at a price. All other things being equal, cutting sampling error in half requires quadrupling sample size. Since each additional respondent generally costs the same, you rapidly reach a point of diminishing returns. One way to improve the economics is to have your samples do double duty. In 2004, Nielsen began introducing people meters in larger local markets, replacing the older combination of household meters and diaries. While local people meters (LPM) are widely regarded as a “better” form of measurement, Nielsen’s motivation wasn’t just delivering more timely demographics to local stations. Before introducing LPMs, Nielsen had estimated national TV audiences with a sample of roughly 5,000 households. By using the same people meter technology in the top 60 U.S. markets, Nielsen can fold those markets into the national sample and eventually bring it up to 17,000 households (Bachman 2007). Even with this strategy, though, the remaining 150 local market areas, which represent less than 30 percent of all U.S. TV households, are simply too small to justify the expense. While Nielsen has promised to make all local measurement electronic by 2011, it remains to be seen how that will be accomplished.

Another way to improve the economics is to have the measurement technology itself do double duty. If you can design a people meter to measure not only TV viewing but also video game use, you create another revenue stream that might justify larger samples. Similarly, one of the appeals of PPMs is that they can measure multiple media. If one technology can capture both radio
and TV usage, it could be introduced into smaller markets more profitably than would be the case if it measured just one or the other.

Objective versus Subjective Decisions

One of the virtues of discussing sampling error is that there are, at least, objective standards to decide what results in better measurement. Bigger samples have less sampling error, and less sampling error is a good thing. Not all questions of audience measurement are so cut and dry. Many practices within the affected industries are the result of a consensus about how business is to be conducted, but they are not self-evidently better than the alternatives.

Such subjective decisions can have profound consequences. At this writing, the most noteworthy example is deciding what constitutes exposure to TV and, in turn, the nature of the industry’s currency. In the United States, the “upfront” market, which occurs in late spring, is the occasion for national advertisers to buy time in the upcoming TV season that begins in the fall. The networks typically guarantee what audiences will be delivered to advertisers. For years, the agreed-on measure of what constituted a delivered audience was a TV program’s ratings. But the rapid penetration of DVRs, which allow people to defer viewing and/or skip commercials, along with the ability of people meters to measure audiences on a second-by-second basis, has dissolved that consensus. Advertisers have always been less interested in who sees a given program than who sees their commercials. As a result, for the 2007 upfront negotiations, Nielsen released “commercial ratings” based on the average commercial minute in the program. Many advertisers, though, would like them to go further and provide ratings for specific commercials and brands. Moreover, there is a question about when that viewing must occur in order to be counted against the guarantee. There is no one right answer, so Nielsen actually released six different streams of data. These included one for “live” viewing only, one for live plus same day, live plus one day, and so on for a week. It’s for the buyers and sellers to come to an agreement on which metrics will be used.

Politics of Measurement

By one recent estimate, a single prime-time ratings point on one of the Big 3 U.S. networks was worth $400 million a year (Mandese 2006). Any change in how ratings are estimated, then, can add or detract from the bottom line. The realization that ratings are the life’s blood of electronic media is not new. In the 1960s, the U.S. Congress held hearings on the accuracy of ratings, which resulted in the creation of the Broadcast Rating Council to promote industry self-regulation (Beville 1988). The Media Rating Council (MRC), its successor, still audits and accredits ratings services in the United States. Its seal of approval is an important, though not legally mandated, prerequisite for launching a new rating service.

With so much riding on ratings data, the affected parties are not above playing politics with the process. In 2004, as Nielsen began introducing LPMs into major markets, a political firestorm erupted. A public interest group, called “Don’t Count Us Out,” (DCUO) charged that the people meters severely undercounted minority viewers and would, therefore, jeopardize programming aimed at those audiences. While Nielsen did uncover problems with the “fault rates” in minority households (i.e., temporary meter outages), it became apparent that one of Nielsen’s own clients was vigorously stoking the flames. News Corporation, the owner of Fox TV stations, believed that LPMs would leave their stations with lower ratings than those produced under the old system. To slow or stop the introduction of LPMs, they spent nearly $2 million bankrolling DCUO, organizing news conferences, running inflammatory ads, and operating telephone banks (Hernandez and Elliot 2004). Hillary Clinton and Al Sharpton weighed in, prompting the U.S. Congress to once again hold hearings and even propose legislation that would have required MRC accreditation.

While that legislation eventually failed, the story of LPMs offers a cautionary tale. Introducing people meters into local measurement was hardly revolutionary. They had been the standard in national measurement for nearly two decades. They were widely regarded as superior to the older system that relied on diaries, and whatever biases they did have were well understood by media researchers. Yet, even this measured change caused Nielsen considerable grief (Barnes 2004). One can hardly imagine the kind of reaction more radical changes might provoke. The future of audience measurement, then, isn’t determined just by technical innovation, it also depends on whether powerful clients with diverse interests will adopt those methods.

References

You may remember seeing the advertisement that shows a gorilla stomping on a suitcase and throwing it around in the backstairs as the hotel guest takes the front elevator down to the lobby. But when the elevator door opens and the hotel guest steps out, he is met by the ever-polite and smartly dressed porter with the same piece of luggage, unscratched. This advertisement uses humor to capture consumers’ attention and to illustrate how strong the suitcase is. Many who saw the advertisement agreed that the advertisement offered compelling evidence for Samsonite’s durability—all to the dismay of American Tourister, the sponsor of the advertisement. This example clearly illustrates that there is more to understanding advertising effectiveness than meets the eye. Consumers may remember the advertisement and be persuaded, but the campaign could hardly be considered successful if it benefits the competitor. How then should advertisers think about creating effective campaigns?

To understand how consumers will react to advertising, two types of consumer insight are needed. One type of insight pertains to message content: What knowledge do consumers have about a brand and its category, and what are their beliefs about each? This insight is brand and category specific. Another type of insight pertains to how consumers make decisions when they are exposed to advertising. Such insight is applicable across products and