

MEDIA RESEARCH CLUB OF CHICAGO

M R C C
REVIEW

The newsletter for all media professionals

The Smart Phone as a Simple, Common Sense Solution for Media Measurement Today... and Tomorrow

Bob Jordan
International Demographics, Inc.
Publishers of The Media Audit

Radio measurements have remained the same over the past 25 to 40 years, yet at the same time, the media industry has changed dramatically in terms of media fragmentation. Take a look at the radio industry. Radio today is a massive corporate enterprise with 40 to 50 plus stations in each

of the top 50 markets with satellite radio availability in all markets. Today there are eight commercial television networks plus PBS and satellite, all competing for the viewer's attention and the advertiser's dollars. Add digital broadcasting and the

additional channels that will be open to all radio and television stations in addition to the websites that are already part of the media mix and you have a massive number of media outlets in all local markets across the country that already overpower the capabilities of a diary methodology. In recent years the reliability and accuracy of the diary measurement has been called into question based on declining response rates for diary measurement - particularly in the younger demos, growing ethnic groups and young adults with active lifestyles. In addition, the cable industry with over 100 cable networks, prime movie channels plus pay per view channels taxes the ability of the current system to measure television audiences accurately. It is no wonder that the radio, television and cable TV industry is looking for a passive measurement system that will measure these media more accurately and reliably.

A Partnership to Build a New Ratings System

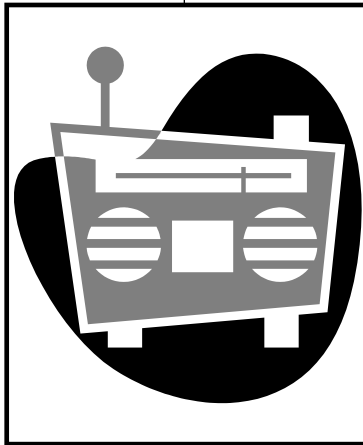
This lack of confidence in the diary coupled with the emerging audio monitoring technology has caused the radio industry to examine new, more appropriate ways to survey the medium. Clear Channel Radio, the largest of the radio operators in the U.S., is spearheading a committee of 11 major radio broadcasters and agency/advertisers to evaluate proposals for an alternative ratings service. On December 15, The Media Audit, together with IPSOS, the fifth largest media and marketing research firm in the world, submitted a

proposal for an electronic, single-source multi-media ratings service that will radically improve today's ratings services, while meeting the expressed needs of the advertising industry including the need for a holistic measurement solution. On March 9, the committee selected The Media Audit and Ipsos as one of three finalists.

At the heart of the proposal, we outlined the benefits of using a Smart Cell Phone as the metering device. The Smart Phone was selected because cell phones have become an integral part of peoples lives and therefore a device that people will more readily carry as opposed to a pager type of device because their cell phone provides a utility to the individual beyond media measurement.

The Smart Cell Phone will measure radio, broadcast TV, cable, radio listening and TV viewing via digital music players and iPod, satellite radio and TV, and Internet streaming of radio and TV. The integration of a GPS technology into the smart phone will be used to measure outdoor audiences and a periodic self completed questionnaire booklet will be used to measure newspaper readership plus detailed demographic, lifestyle and consumer retail shopping information.

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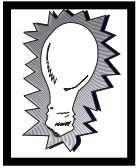
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PRESIDENT'S NOTES

by Brent G. Lightfoot
SRDS

Symposium Planning Continues

As you read this we are underway in planning the October symposium. If you were unable to make our March 31st meeting and want to help (yes we need you!) e-mail to me (bligh@srds.com) or Judy Bahary (judy.bahary@gmplanworks.com). We now need folks to help with the hundreds of large and small things that make for a great and productive day. I was very proud of the work the board did for the 2004 symposium and look to build on those experiences. I realize it's hard to volunteer without really knowing how much you will be asked to do or how to fit it into your already busy schedule. All I can say is that I found the process and event worthwhile and it was a learning experience that will benefit me for years to come. For the last event I helped with things like location scouting and contract work. I found it to be both fun and challenging to be on the other side of the desk for a change. As for the size of things that we need done, you could simply help with setting up the projectors on the day of the event, or you might want to take on the invitation list. Think about it and let us know!

We are...in need of hosting companies for the... summer internship program.

I'll mention again that we are still in need of hosting companies for the MRCC summer internship program. If your company can host an intern please let me know. Remember, the MRCC is paying the intern a \$1,000 stipend all you need to do is provide office space and guidance.

Our April 4th lunch meeting topic focuses on radio, we will have an update from Arbitron on PPM and the latest in the ongoing Project Apollo - looking at how advertising influences can be tied to product purchases. You may have noticed a lot of press on electronic measurement of radio in the trades recently, and these next couple of years could finally be the beginning of true electronic measurement of radio. We are very excited that **Roberta McConochie** of **Arbitron** will be our special guest presenter. Please join us at Maggiano's for this entertaining and informative lunch. **MRCC**

RSVP by Credit Card

Note: The MRCC has made arrangements to accept credit cards via PayPal (Visa, MC, Amex, Discover). This must be done when registering online. Credit cards cannot be accepted at the door. Please be aware that there will be an additional 4% processing fee when paying by credit card.

April Meeting Notice

PLEASE RSVP!

Topic	Radio
Speaker	Roberta McConochie, Arbitron
Date	Tuesday, April 4th
Place	Maggiano's Banquets 111 W. Grand Avenue The Amarone Room
Time	Noon to 2 p.m.
Price	\$35 member \$45 non-member \$5 additional charge for Walk-Ins
Menu	Buffet-style lunch
RSVP	FAX your reservation to 312-329-0443 or RSVP at www.mrcc-online.com by noon THURSDAY, March 30th. Cancellations must be received by this date.

NOTE: Be sure to RSVP to guarantee yourself a seat. We can only handle a small number of walk-ins.

UPCOMING EVENTS

April 4 — MRCC Luncheon on Print Media



The software, developed by a British software solutions company I-Quest, will be integrated into the Smart Cell Phone and will measure broadcast audiences via two proven methods – Watermarking (encoding) and Audio Matching. Watermarking involves encoding radio and television signals with an inaudible watermark code. The watermark code, which is inserted into the broadcast transmission at the station, and is detected by the Smart Phone meter that provides a measurement of each station that the respondent is listening to and/or viewing. For TV and cable viewing, the Smart Phone will have the capability of detecting which platform the viewing is coming from – over-the-air, cable, satellite, or internet. This is done through assigning different codes to transmissions on different platforms. The software will also have audio matching capabilities for those stations that do not encode their signals. Audio Matching is a system whereby the Smart Cell Phone will take sound bites of the broadcast that are matched against the recording of the broadcast stations' transmissions to determine what station is being listened to or viewed by the respondent.

RAJAR, the United Kingdom's joint industry organization responsible for contracting radio measurements, has conducted rigorous tests of the Smart Phone's ability to pick up radio signals in an ambient noise environment. It concluded that the test results met the same thresholds as did other meters they have tested.

The Smart Cell Phone identifies the signals, time dates and stamps them and transmits them back to the data center on a near real-time basis. It can transmit data every half hour or every few days. The Smart Phone offers significant advantages over other proposed measurement devices, because there is no need for the participant to actively transmit data to a central computer through a docking station or returning the unit for the research company to extract the data. The process is completely transparent to the participant. Because of this, we believe the Smart Cell Phone will result in less "churn" of the panel members.

Cell Phones a Part of our Culture

The President of a major ad agency, when comparing the smart phone to a pager-type metering device, noted that a cell phone is a "want to carry, versus a have to carry" device. This is an important distinction that will become even more important as more uses are made available to the consumer via Smart Cell Phones vs. the cell phones that they are currently carrying.

The cell phone has become such an integral part of people's lifestyles that it makes sense to piggy back a passive media measurement capability into a device that has become a part of our daily life. Today, consumers with smart phones have the ability to view and send e-mails, browse the web, play games, send

instant messages, download and play music, video, conduct e-commerce, and more on their cell phones. The continuing multi-functional evolution of cell phones is making the device as important to the consumer as their wallet.

Sound media and marketing research is founded on high cooperation rates and high actual participation (compliance). Because of the unprecedented growth of cell phones (penetration now exceeds 70% in the U.S.), and the increase in functionality, we believe the use of smart phones as a measurement device is a more attractive solution and will integrate data collection into the respondents' lifestyle seamlessly. This will further aid in gathering a more representative sample, especially with hard to reach segments such as minorities and young (tech savvy) males.

The Need for a Single-Source Multi-Media Currency

The growth in the sheer number of media in local markets over the past few years has increased the burden on the part of media directors, planners and buyers to determine the true reach of a media mix across different media platforms. Separate media surveys deliver ratings from separate respondent bases. Therefore media planners and buyers have to use models to estimate the net reach of different media groupings. This has stimulated a growing interest in a single source ratings survey that covers radio, television and

possibly other media. The Media Audit/Ipsos ratings product will enable buyers to test the deliverability of individual media within the different platforms that are specified in a media plan to produce the best overall net reach and frequencies of the media. The benefit to media is the ability to demonstrate to advertisers their role in the media mix and to illustrate how a single medium adds reach to an existing media schedule or how a single medium can add frequency to an existing media schedule.

Larger Sample Sizes

Media fragmentation necessitates larger sample sizes. While The Media Audit/Ipsos plan will incorporate larger sample sizes in its plan (5,500 person panels in New York, Los Angeles and Chicago and 2,500 in each of the rest of the top 10 markets). The Media Audit's investment in Smart Phones will decline as their penetration increases. As this occurs, The Media Audit/Ipsos investment in Smart Cell Phone hardware will decrease. The savings will be reinvested in larger samples thus leading the way to greater accuracy.

The Media Audit/Ipsos Smart Cell Phone measurement system is a simple common sense solution for a media measurement program...for today and tomorrow. **MRCC**

Bob Jordan is President and Co-Founder at International Demographics, Inc.



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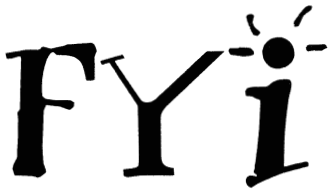
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NSI brings back DMA Test Market Profiles online and NSI will have LPM service in Atlanta June 29, 2006 Find out more about how **Simmons** and **Experian** can solve your media, marketing and direct mail needs. Call Jill Partner at 224-698-8158 or by e-mail at jillp@smrb.com

..... **Telmar** announces Channel Planning Suite, a media neutral approach to strategic planning. It is used to analyze qualitative elements to estimate potential impact of new media. Contact Nancy@telmar.com or 312-840-8563..... **MRI** has added a Spring 06 Omnibus re-contact study to compliment the Fall Omnibus re-contact that has been conducted the past 4 years. Re-contacts help create proprietary client segmentations on the MRI database. Call MRI at 800-245-1551 **Scarborough** has added a number of new measurements to the 2006 consumer survey. Highlights include: number of DVDs you or other HH members bought new and/or used in past 12 months, features of the wireless/cellular handset you use and number of times you bought a scratch off lottery ticket or other lottery ticket in past 30 days.

FAX YOUR MRCC RESERVATION!

FAX TO: JENNIFER RHODES

If you would like to fax us your lunch reservation, please fill out the information below and fax it to the MRCC reservation line at 312-278-6066 by March 30th.

Name _____

Company _____

Phone # _____

Member (\$35) Non-Member (\$45)

No shows will be billed — cancellations must be received 24 hours prior to meeting.

The *MRCC Review* is published 9 times a year.

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