

What came first the Meter or the People?

By Joe Pilotta

The buzz in media advertising is that agencies are tooting the horn of Portable People Meter (PPM). The promise more objective ratings will clearly raise the value of radio advertising and some even say stem the flow of ad dollars going to new media. This essay will probably raise more questions than answers, but as a college professor, I have been infused with the Socratic method in which the question is the condition to securing knowledge on ones own.

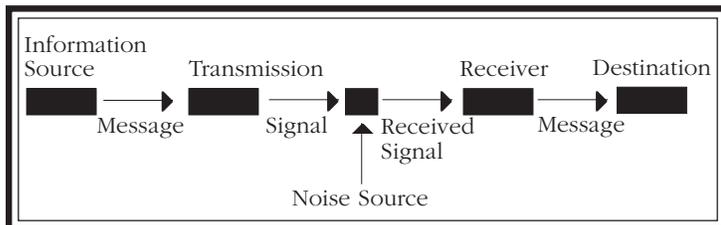
The objective of PPM is to measure the listening audience of radio programs quantitatively and with neutrality through the use of encrypted signal coding to be decoded by a receiver suspended from a human body. The problem: From a communication research point of view, how should we view PPM in light of the marketers thirst for consumer knowledge, ROI insight, and media fragmentation answers.

Consumer knowledge – where is it?

Let's start with a very basic premise of all communication; there are distinctions between seeing and watching, speaking to and speaking with, and listening versus hearing. All are quite distinct processes and effects and are at the heart and soul of a communication enterprise. We can easily demonstrate these distinctions by example; seeing TV vs. watching TV, speak to – monologue/speaking with dialogue, listening to/hearing it. With these distinctions in mind let's look at the PPM. PPM is technology, a technology designed for a purpose.

At a very basic level the purpose of the PPM is to discriminate sound (let's call it radio program or station) from "noise."

The PPM Model has its genesis in Shannon and Weaver's model set forth in 1949 in the Mathematical Theory of Communication. The model itself was designed for purposes of electronic engineering. It is essentially a linear, left-to-right, one-way model of communication. It led to technical improvements in message transmission. The transmission communication model looks like the following:



While this model had a relatively long career in the 70's, it was finally put to rest in the 80's. But it does appear again as PPM and contemporary surveillance technologies

Arbitron defines hearing/listening: "The definition of listening both in the diary and with PPM according to Arbitron is the ability to hear a station, not the conscious choice to listen. Their stance is that the PPM goal of capturing audible listening is consistent with this and therefore the issue of unintended listening is not a major issue." (See Industry

Commercialization Viability Analysis of Personal People Meter, Interim Report, July 2005, RAB Task Force and RAB Board of Directors.)

The PPM picks up unintended sound and interprets all data as listening. However, all hearing is not listening as listening refers to something one attends to which may be radio as foreground or background. Yet PPM can not discriminate the difference. The sound could be all listening, part "noise" or all "noise," to the individual in the household.

Return on Investment - How?

ROI is a hot topic. It presumes one can trace the effect of ad spend directly to purchase decisions by category. While marketers are seeking insights into the impact of media which fragment the audiences, (blogging, IM, Satellite, I-PODS, Picture Phone, etc.) into even smaller audiences, PPM appears only to be able to deliver a gross audience estimate of radio listening or should I say hearing. HD Radio will only exacerbate the fragmentation. HD radio will add thousands of new stations and dozens of large markets. How does PPM propose to deal with this fragmentation, when PPM is proposing smaller samples to measure listening (hearing)? How will PPM measure fragmentation where markets may grow by a factor of 2 or 3? It seems it would be impossible to fill age, sex, geographic cell, etc. with 30 bodies– a minimal representation at best. (Pardon the term bodies but these are body counts rather than respondents or active participants.)

Most recently Fitch Ratings issued a warning to the US media industry; digital media is transforming the media business landscape: "Given the rapid evolution of the media landscape, ad agencies will remain under pressure in 2006 to maintain their relevance by adapting their offerings in favor of the new media alternatives that are gaining acceptance. Advertisers will increasingly expect agencies to demonstrate return on investment to justify expenditures. Also, the agencies could be negatively affected by consolidation activity among the advertiser base and remains exposed to the threat of a cyclical downturn."

We cannot beg the question any longer: Are ratings as information necessary or relevant in the new digital world? Who listens; the consumer is missing? What can 30 or less "heard" bodies tell us?

Conclusion

Even with the technical perfectibility of the PPM or the best sampling technique imaginable, it is impossible for PPM to discriminate listening from noise, because that requires a human differentiation. Therefore at present the PPM as an objective rating tool is an impossibility.

While media buyers may think PPM answers their needs for buying radio more efficiently does it really answer the needs of marketers who are moving to a consumer centric model in order to increase ROI? Will this technology readily stem the flow of radio dollars that are going to new media? Are ratings necessary anymore? Nevermore, nevermore...

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