



The Coleman Insights PPM Series:
Mapping the DNA of PPM

What Happens When Features Come On?

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MUSIC. TRENDS. BRANDING.

INTRODUCTION

“What Happens When Features Come On?” is the first study in Coleman Insights’ “Mapping the DNA of PPM” series. This series is driven by our keen interest in learning as much as possible from Arbitron’s measurement of radio audiences via its Portable People Meter (PPM) service. We want to understand as much as possible about how PPM measures listening and what it can teach us about how consumers use radio.

As the radio industry has prepared for the rollout of PPM measurement, many have made pronouncements about how to program and market stations under this new system. Some of these pronouncements have been made based on scant evidence or—in some cases—erroneous evidence about how consumers use radio.

The “Mapping the DNA of PPM” series is Coleman Insights’ effort to address this situation. Only through sound empirical analysis of PPM data will we learn the strategies and tactics that will be most successful in a PPM world.

One of the topics many of our clients ask us about as they prepare for the introduction of PPM measurement is the role of features. With PPM measuring listening on a minute-by-minute basis, the feeling is that radio stations need to constantly give listeners reasons to stay tuned and not rely solely on the strength of their brands. Some have gone as far as to claim that branding works in a world with diary-based audience measurement, but does not under PPM measurement.

Thus, do features provide listeners with a reason to stay tuned to a station? Do they create appointments in listeners’ minds that cause them to go out of their way to tune into a station airing a feature? We also want to get an understanding of the branding implications of airing features beyond the behavioral impact they have on radio listening.

ACKNOWLEDGEMENTS

We want to thank Arbitron and Media Monitors for their assistance with this study. As we will describe in greater detail in the Methodology section later in this report, Arbitron provided us with listening data from the PPM service. Media Monitors’ assistance was invaluable as well, as they provided access to their audio archives of radio station content, allowing us to listen to the features we analyzed, which in turn allowed us to code and precisely time each feature.

INTERPRETING THE LOWER AUDIENCE LEVELS OF NONMUSICAL CONTENT

Well before a tool like PPM was available, many believed that audience levels for music radio stations usually declined when those stations stopped playing music. Analysis of PPM data that we have conducted confirms that this is usually the case.

This puts a brighter spotlight on the question of what content is “good” content. Is the answer for building ratings simply to minimize the amount of interruptions of the music? If so, are features exempt from this thinking because they are directed content of unique or exceptional quality? If stopping the music often reduces audience levels, how besides playing a lot of music do stations build audience in the first place?

What we have learned from this study and from previous analyses we have completed is that PPM data can teach us some things about audience building, but not everything. PPM is an excellent tool for measuring behavior, but it does not tell us much about brand building.

We know this because of the polarizing nature of nonmusical content and other interruptions to a station’s music flow. In PPM, it is easy to see the minute-by-minute negative impact of stopping music and offering other content. Seeing that, however, can incorrectly tempt some to only focus on the negative impact of these interruptions without understanding how the very same content can help a station build audience.

To fully explain this point, we offer the analogy of an amusement park filled with rides and attractions. On almost any ride in the park, you can find patrons that would like to get off that ride immediately. If those patrons had an eject button that would immediately end the ride, a percentage of them would push it. For the bumper car ride, this percentage would likely be low; over at the roller coaster, however, the percentage of riders looking to get off the ride at any given moment would be much higher.

What if the owners of the amusement park determined what rides to offer based only on the percentage of patrons looking to get off of each ride? Doing so would likely mean that they would overlook the more important point of which ride caused more people to come to the park in the first place and generate excitement around the park. This is why amusement parks will rarely promote that they have bumper cars; their advertising usually features their thrilling and exciting roller coasters instead.

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Promoting the thrill and excitement of their roller coasters is the right move for the amusement park owners because brands are about more than the minute-by-minute experience. A brand is built based on an entire environment, not just a given moment in time. Even if you do not like roller coasters, their presence and the promotion of them tells you about the totality of the amusement park experience. It contributes to your perception of the amusement park's brand, even if you do not like roller coasters.

We use this analogy because it provides a framework for interpreting the results of this study. Understanding the value of a feature should be based on more than just its impact on audience levels on a minute-by-minute basis; a feature's worth must also be calculated by taking into account its impact on a station's brand.

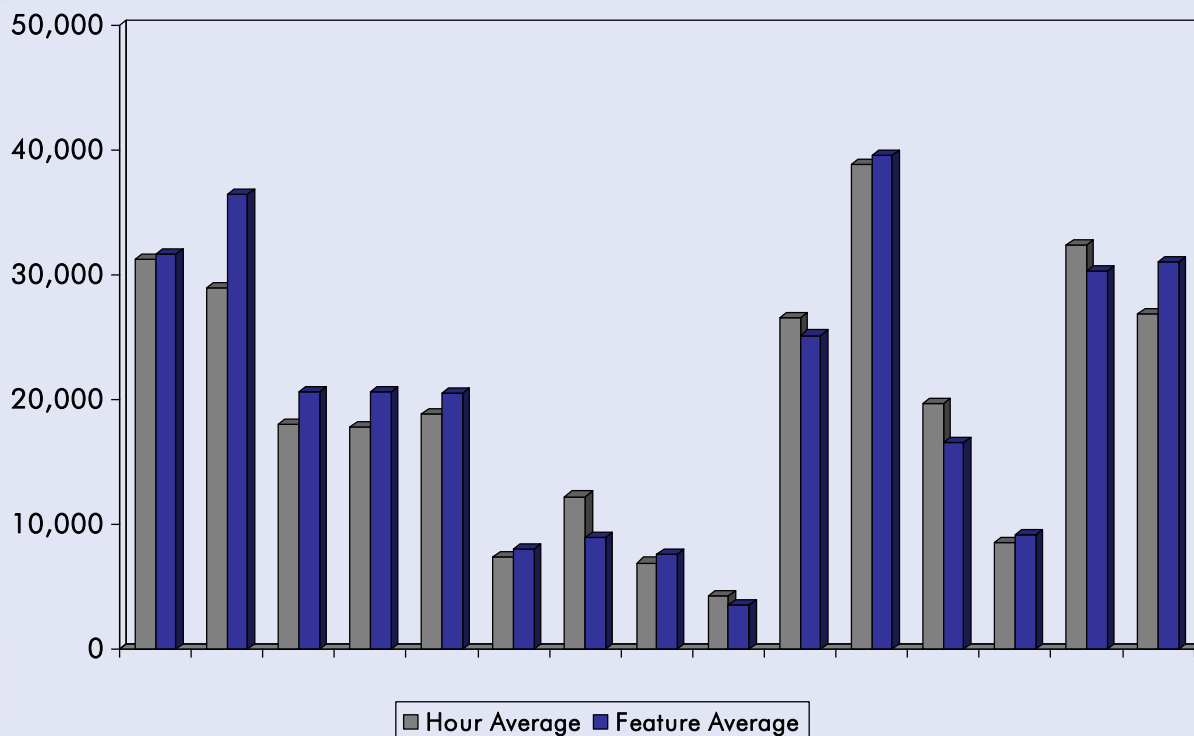


KEY FINDINGS

The major findings of our analysis of features are as follows:

1. **Features on music stations have a wide range of impact on immediate audience levels.** When we compare the average audience levels for the 15 features measured to their stations' average audience levels in the hours in which they ran, we find that some features significantly overperform and others perform relatively poorly. The strongest feature generates an average audience that is 126% of its station's audience over the 30 minutes immediately before and after the start of the feature; for the weakest feature, this same figure is 73%.

Features have a wide range of impact on immediate audience levels

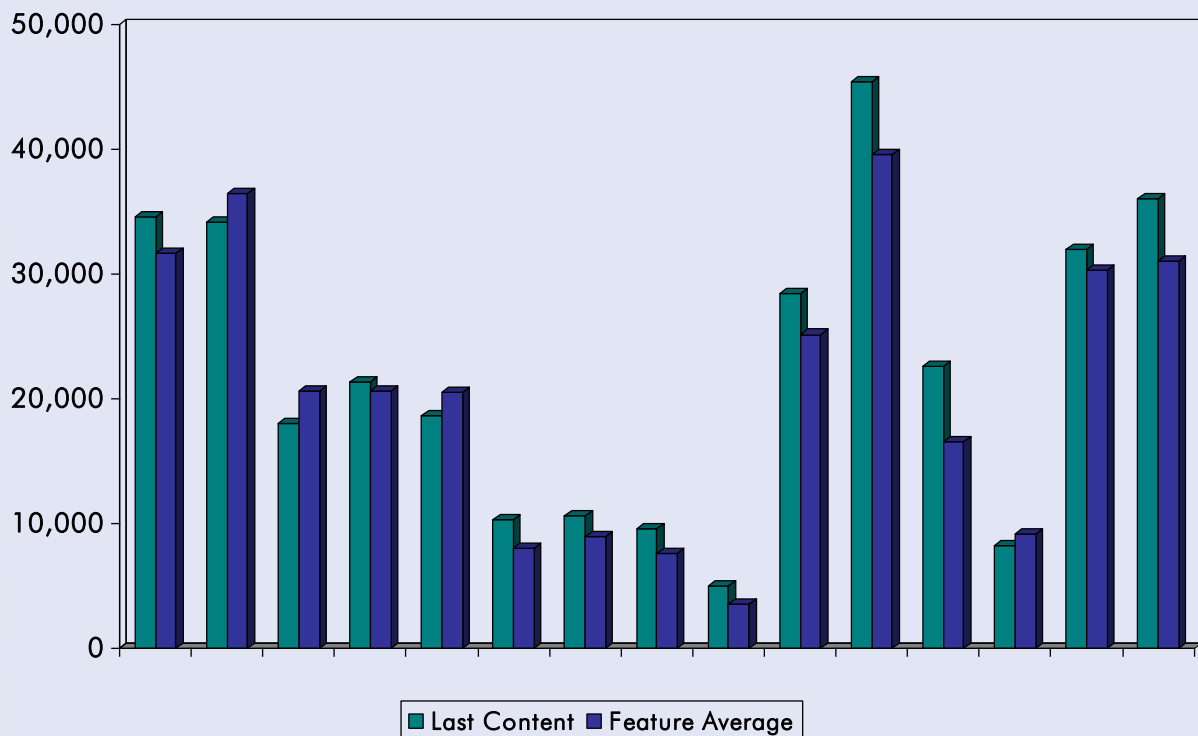


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2. Average audience levels for many features are often lower than those during previous non-feature content. Only four of the 15 features analyzed achieve average audience levels that are higher than the non-commercial content that immediately precede their airing. The average audience level for these features is 21,443, as compared to the average audience level of 23,058 during the previous content.

Average audience levels during features are often lower than during previous content

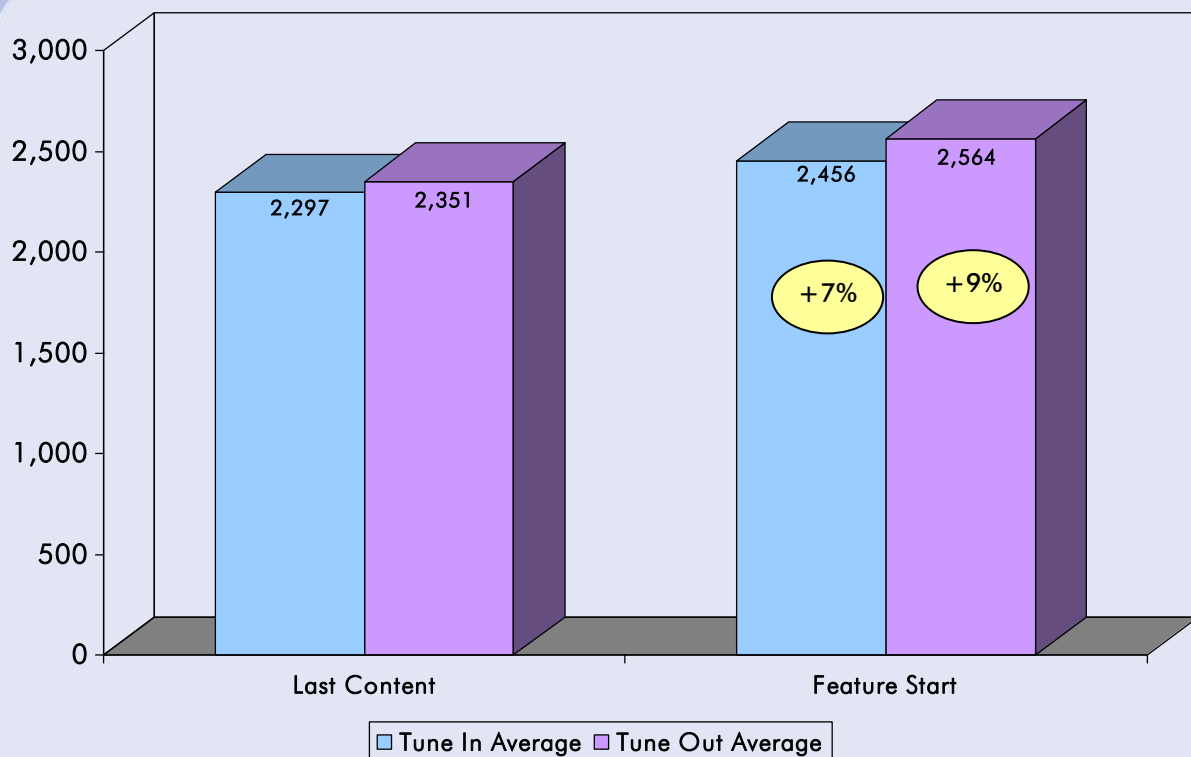


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- Features cause minimal “extraordinary tune-in” compared to normal content. An average of 2,456 listeners tune in to stations in the first minute of a feature, which is 7% higher than the tune-in level we see during other non-commercial content. However, tune-out is 9% higher than during typical content in the first minute of a feature.

Features cause minimal “extraordinary tune-in” compared to normal content

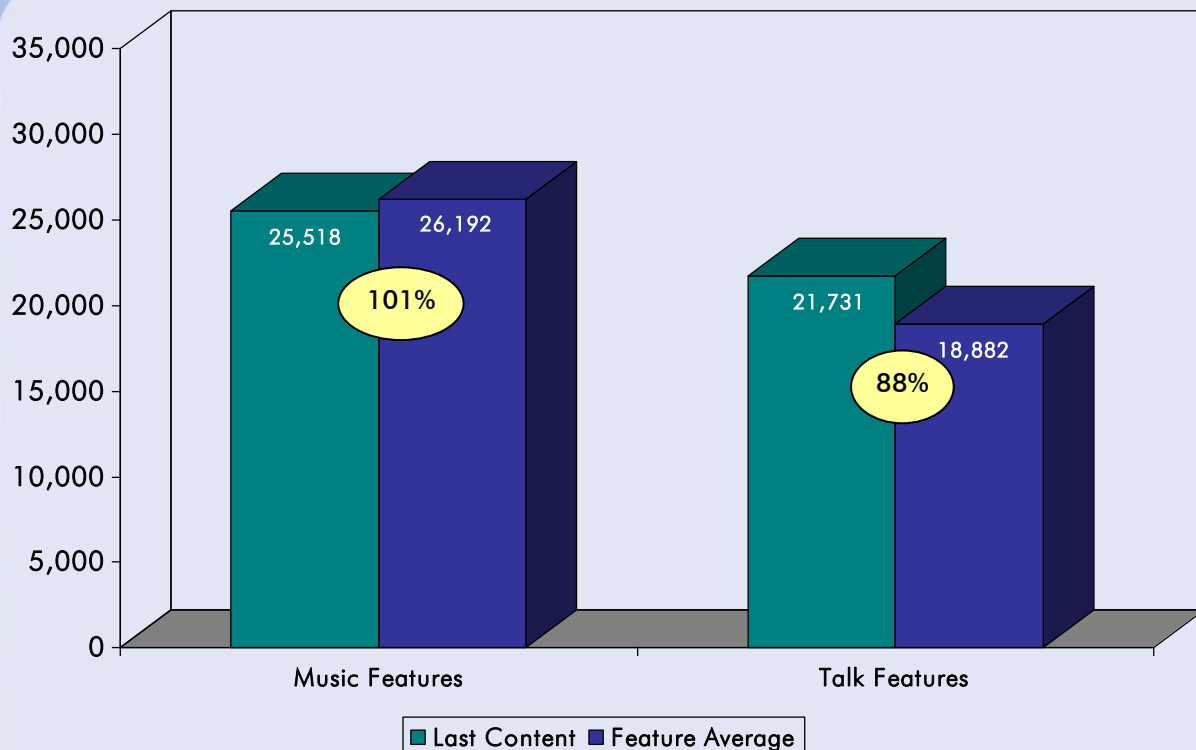


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4. **Music features tend to perform better than talk features on music stations.** Features consisting of music content generate average audiences that are 101% of their stations' audiences during the previous non-commercial content. This figure is 88% for talk-based features. That said, we do observe talk-based features that perform very well and music-based features that deliver lower average audiences than the non-commercial content that precede their airing.

Music features tend to perform better than talk features

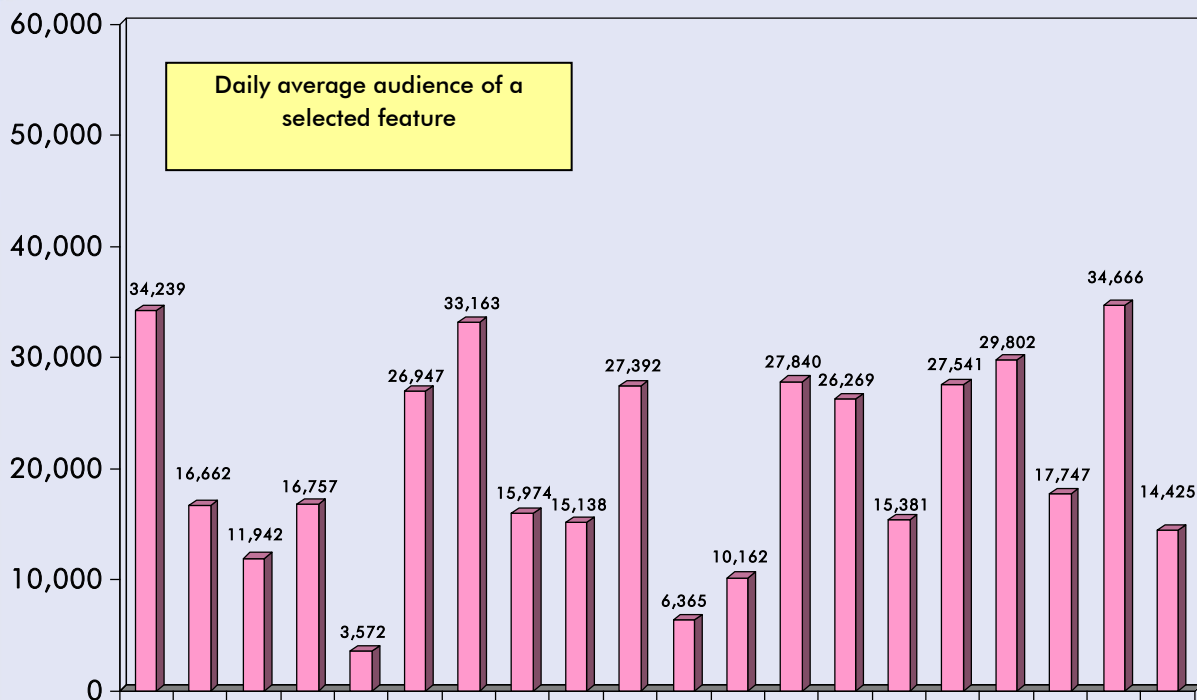


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- Individual feature performance varies widely by day. For both weak and strong features, performance is highly variable. For example, one feature examined attracted nearly ten times as many listeners on one day as it did on another day.

Individual feature performance varies widely day by day

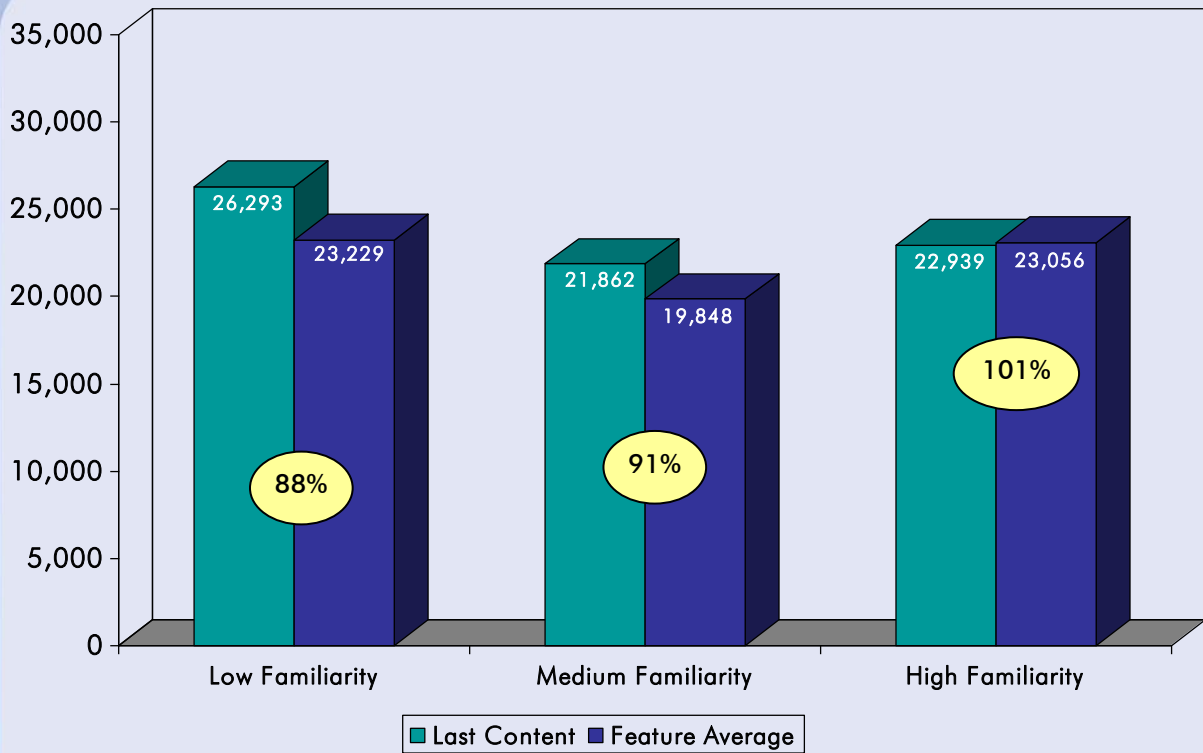


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- 6. **Well-known features perform better than features with lower Familiarity.** Features that achieve the highest Familiarity levels in perceptual research have average audience levels that are 101% of their stations' levels during the programming content that precede them. The least familiar features achieve 88% of their stations' preceding programming content audience levels.

Well-known features perform better than features with lower familiarity

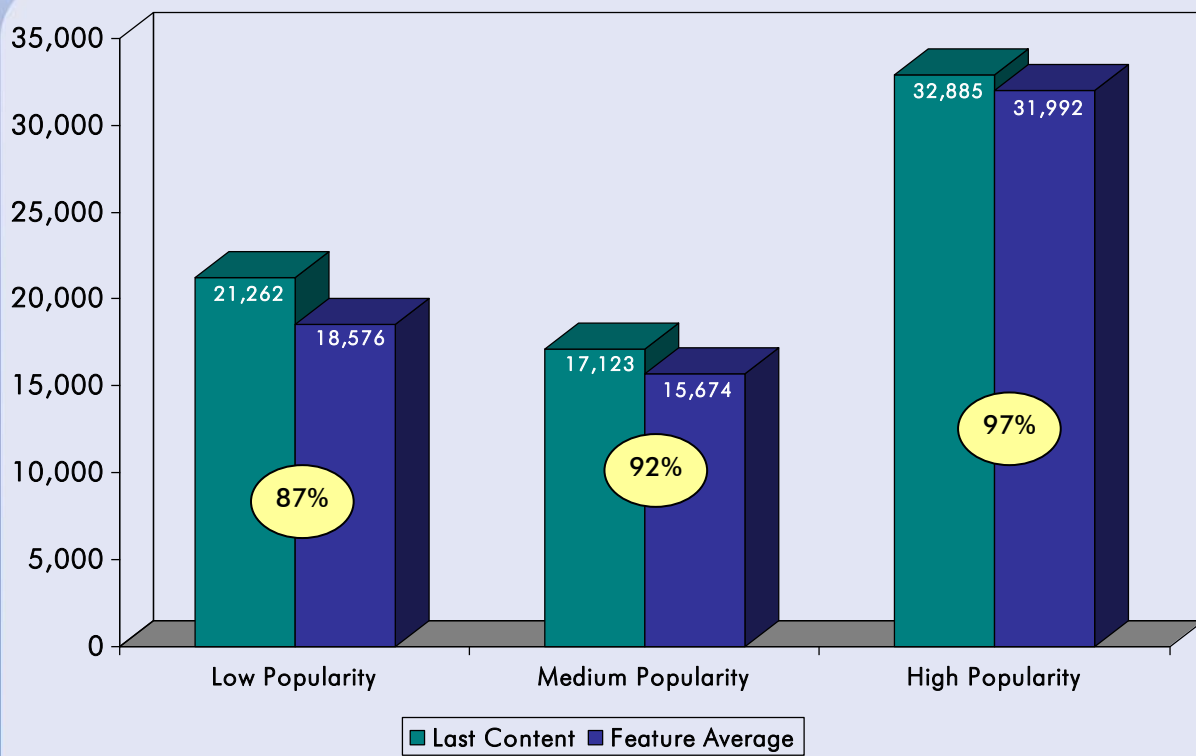


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- Highly-evaluated features perform better than those with lower popularity scores. The features most likely to be rated as “excellent” by their stations’ Cumé listeners achieve average audience levels that are 97% of their stations’ averages during the programming content that precede them. For poorly evaluated features, this figure is 87%.

Highly-evaluated features perform better than those with lower popularity scores

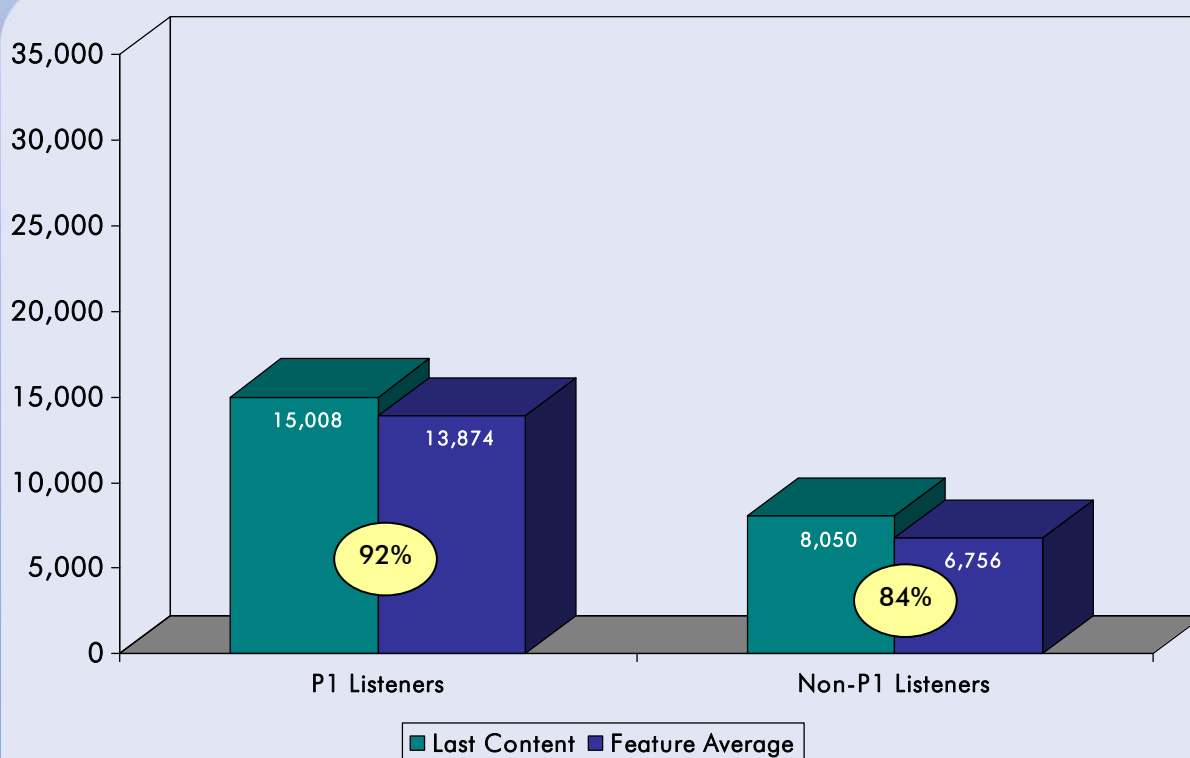


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8. Stations retain P1 listeners when they air features at a higher rate than they retain non-P1 listeners. Among P1 listeners, stations achieve audience levels during features that are 92% of the average audience during the programming content that precede them. This figure drops to 84% among a station's non-P1 listeners.

Stations more likely to retain P1 than non-P1 listeners when they air features

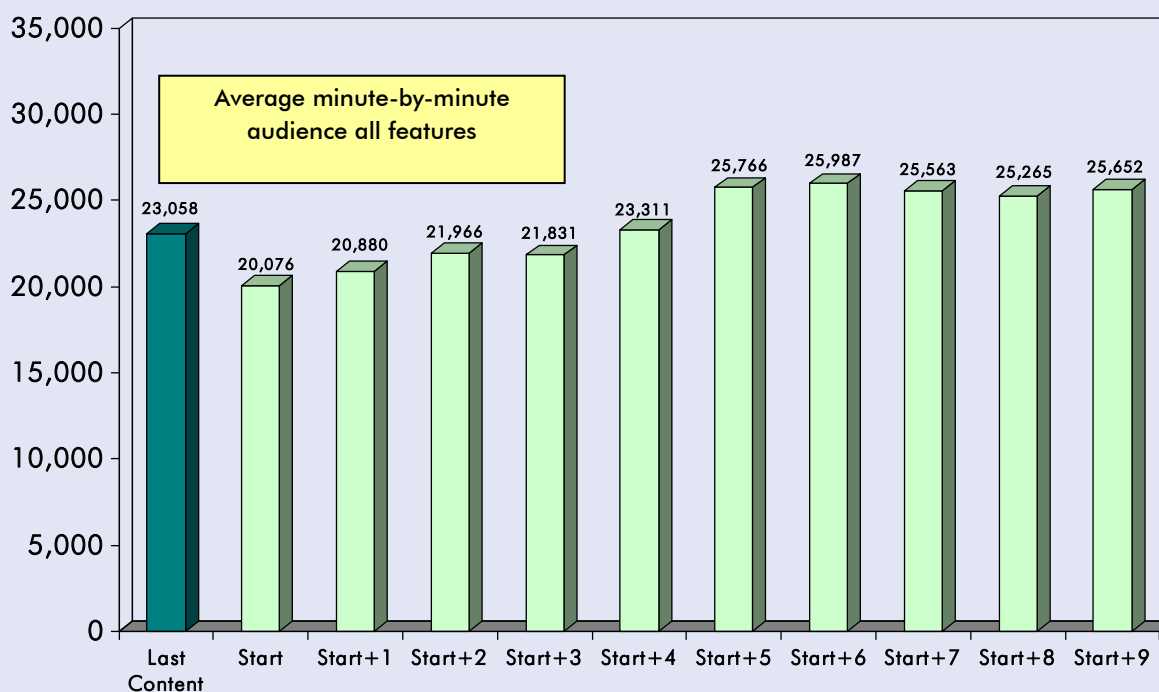


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- Audience levels at the beginning of features are lower than in the immediately preceding programming. The greater tune-out than tune-in observed in the first minutes of features causes audience levels to drop universally, even for features that achieve high average listening levels overall.

Features generally start with lower audience levels from the immediately preceding content

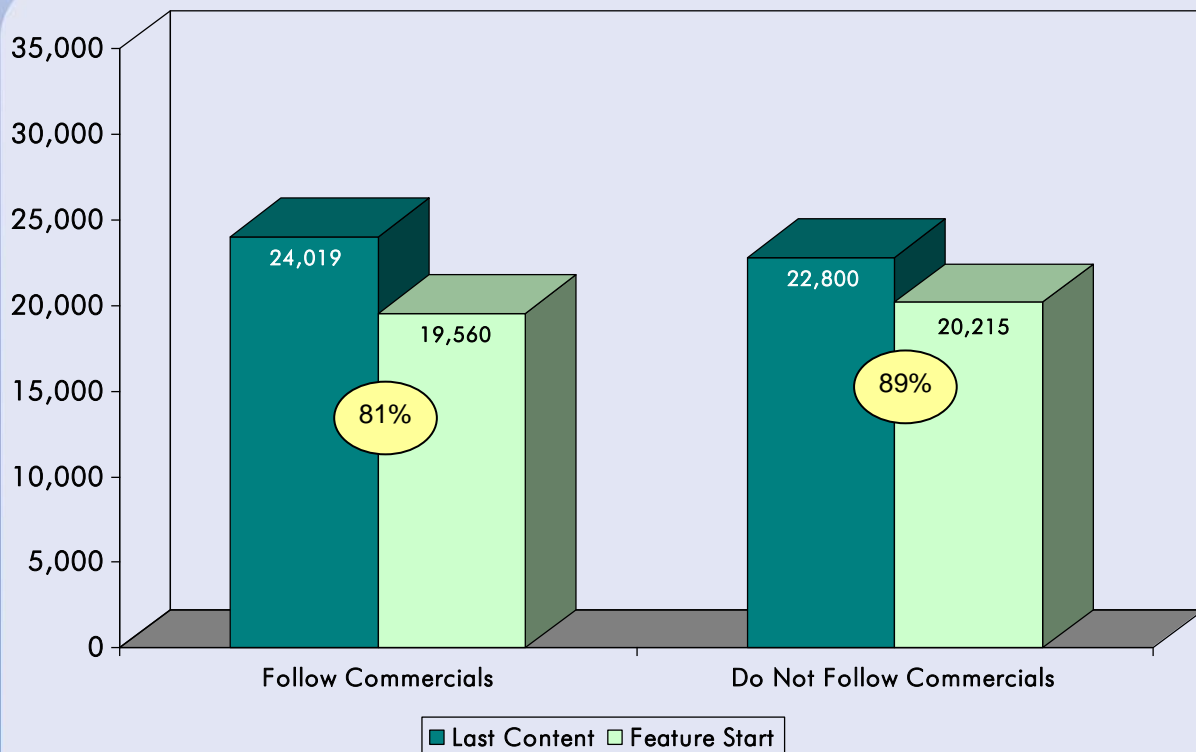


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10. **Features that immediately follow commercial breaks start worse than those that do not follow breaks.** In their first minute, features that air immediately following commercial breaks achieve only 81% of their station's audience levels during the content that preceded the commercial break. By comparison, features that do not follow commercial breaks start with audience levels that are 89% of the station's in-content audience levels.

Features immediately following commercial breaks start worse than those that do not



IMPLICATIONS OF OUR FINDINGS

Coleman Insights believes these findings have important implications for the use of features on music stations. Furthermore, we believe these implications apply to all music stations, regardless of whether they are in markets measured via PPM or not.

After reviewing the findings in the previous section, a reader may conclude that features are problematic since most of the features analyzed in this study have average audience levels that are slightly lower than their stations' audience levels during the content they aired preceding the feature. How can a feature that does not build audience in the moment—or even causes audience levels to decline slightly—be good for a brand?

Part of this is because of the negative impact of almost all programming transitions, which by definition always occur when features air. Transitions put stations in “holes” that are hard to get out of. We have learned that few features generate enough audience tune-in to immediately compensate for the tune-out that occurs when stations make programming transitions.

This is because programming transitions do not fit with how people use radio. Listeners do not make “appointments” to listen to specific features or other programming elements in large numbers. Thus, it is impossible for an individual feature to “overperform” and generate tremendous tune-in.

Coleman Insights sees this parallel frequently when we examine highly successful morning shows. Even with top performing shows, we rarely see spikes in audience levels when these shows offer great content. We do, however, see abrupt declines with some regularity when these shows offer unappealing content or make major transitions. Thus, it is impossible to rely on PPM data to tell us what works and does not work. It is very good for teaching us about the latter, but it does tell us why people listen to a feature or a morning show or a station in the first place. To return to our amusement park analogy cited in an earlier section, analysis of PPM data can tell you how many people want to get off of a ride, but it can not tell you if that ride is a bumper car or a roller coaster.

Brand building versus instantaneous audience building

Features that are well known and popular can help with brand building because they represent the kind of content that makes listeners loyal to a station and tune in day after day, albeit not necessarily at the moment a feature begins. We believe that all good content—not just features—has a measurable value on a minute-by-minute basis. However, even though you may not see big audience increases or may even see audience declines, that content can help build your station’s audience over weeks and months.

Danger of setting too many appointments

The fact that we see little evidence of listeners setting appointments to listen to features raises questions about the appointment-setting concept to begin with. We believe, however, that there is real danger in trying to set an excessive number of appointments. Doing so may increase the likelihood that potentially successful features will get lost among all of the appointment setting and never achieve the familiarity and popularity levels necessary to help your station strengthen its brand and grow its audience over the long run.

The danger is not limited to missing opportunities, however, as excessive appointment setting can undermine your audience levels in the short run as well. This is because of the heightened level of tune-out we observe in the first minute of most features, as compared the typical minute-by-minute levels of tune-out that exists during other content.

Evaluate talk features using different standards than music features

Spoken word-based features are trickier for music stations than music-based features because they represent more significant transitions from these stations’ regular programming. Thus, assessing their value relative to music-based features is making an “apples-to-oranges” comparison.

In general, talk-based features perform worse than their music-based counterparts in this study. This does not mean that music stations should accept lower standards for their talk-based features—in fact, there are selected features in our study that perform well for music stations—but that they should understand that they serve a different role when evaluating them.

Keep feature set-up time to a minimum

Given that audience levels are almost universally lower in the opening minutes of features than in comparison to the programming content that precede them, stations should avoid exacerbating the impact of a transition to the feature. One way to do this is to minimize the amount of non-feature-related talk that leads into a feature; in other words, get into the feature as quickly as possible so that your station can generate the audience growth that we observe as features “get going” as soon as possible.

Avoid airing features out of spot breaks

Features that air immediately following commercials do not start at as high of an audience level as features that do not follow spot breaks. Thus, they start in an even deeper “hole” than the average feature. This not only limits their ability to generate audience in the short run, but it also likely limits their overall exposure level and potentially impedes their ability to build a station’s brand value.

METHODOLOGY

To complete this study, Coleman Insights analyzed 20 occurrences each of 15 programming features that aired on nine Philadelphia music radio stations in July and August 2007. Each feature represented a named departure from its station's regular programming and had to run every weekday at a relatively consistent time. In addition, because PPM reports audience levels on the minute-by-minute level, we only selected features that were more than one minute long.

The features we analyzed are from a relatively wide range of stations in terms of the age groups, genders and ethnic groups they target. We included spoken word- and music-based features in our analysis. The Appendix to this report includes a complete list of the features covered by this study.

Coleman Insights staff members listened to archived audio from Media Monitors for all of the 300 airings of features we analyzed (20 occurrences each of the 15 features). We logged the exact start and end time of each airing and also listened to and timed the content that preceded the feature, including the last music played, the airing of any commercials and the airing of any other non-feature content.

We then matched this minute-by-minute information of the airing of each feature and the flow of programming that preceded each airing with minute-by-minute audience data from Arbitron's PPM measurement of radio listening in the Philadelphia MSA among all listeners 6+. Through this process, we developed the following measures, which are cited throughout the Findings section of our report:

Hour Average: A station's average audience level over the 30 minutes before and after the start of a feature.

Last Content: A station's audience level during the most recent non-commercial content that precedes a feature. To ensure that this measure reflected listening during non-commercial programming content, we took this measure two minutes before the end of the content.

Feature Start: A station's audience level at the start of a feature. We calculated this by averaging a station's audience level in the actual minute a featured started with the minute that immediately preceded that start and the minute that immediately followed.

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Feature Average: A station's average audience level over all of the minutes that make up a feature.

In addition to the PPM data collected and analyzed for this study, Coleman Insights tested the Familiarity and appeal of each of the 15 features in a 600-person, telephone-based perceptual study fielded in September 2007. To qualify for inclusions in this study, listeners had to be residents of the Philadelphia MSA between the ages of 15 and 54 and had to report listening of at least one hour per week to at least one of the nine stations represented by features analyzed in this study.

Based on the results of the perceptual study, Coleman Insights divided the features into tertiles (low, medium and high) in terms of their performances among their respective station's Weekly Cume audiences. We created one set of tertiles based on each feature's Familiarity level; we based a second set of tertiles labeled Popularity in this report on the "excellent" score each feature achieved when listeners evaluated them on an "excellent/good/fair/poor" basis.



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APPENDIX: Feature Listing

The results of this study are based on the features listed below. For each feature, we have included the station it aired on and its typical daily air time.

<u>Feature</u>	<u>Station</u>	<u>Air Time</u>
Around the World in 98 Seconds	WOGL	8:30 AM
Bizarre Files	WMMR	8:30 AM
The Buzz	WPHI	8:45 AM
Daily Beatles Break	WMGK	4:15 PM
Dummy of the Day	WPHI	4:45 PM
Fab Four at Four	WOGL	4:00 PM
Get the Led Out	WMGK	7:00 PM
Hip Hop Jeopardy	WPHI	7:45 AM
Hollywood Dirt	WIOQ	8:15 AM
The Midday 411	WDAS	2:30 PM
My Three Songs	WXTU	9:15 AM
Showbiz Buzz	WOGL	2:15 PM
Two 45s at 2:45	WBEN	2:45 PM
Vinyl Cut	WMMR	2:15 PM
You Can't Win	WRDW	8:15 AM

