



The Coleman Insights PPM Series:
Mapping the DNA of PPM

Real PPM Panelists Tell All

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COLEMAN INSIGHTS
P.O. Box 13829
Research Triangle Park, North Carolina 27709
(919) 571-0000
www.ColemanInsights.com

For more information, contact ColemanInformation@ColemanInsights.com.

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INTRODUCTION

“Real PPM Panelists Tell All” is the third 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—and the type of qualitative information gathered in this study—will we learn the strategies and tactics that will be most successful in a PPM world.

As they prepare for the introduction of PPM measurement, many of our clients have raised important questions based on the data they have examined thus far. One of the most common questions pertains to how most radio stations achieve significantly higher Cume levels and lower TSL levels in PPM measurement than they did in diary measurement. Should this finding affect the way we program and market our stations? Does this mean that the way to win in PPM is to expand the Cume potential of a station as much as possible? What does this mean for the long-held philosophy of catering to a station’s P1 listeners? Addressing these and other related questions will help radio managers establish the most effective strategies for succeeding under PPM measurement.

ACKNOWLEDGEMENTS

We want to thank Arbitron 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 exclusive access to former members of their PPM panels in New York, Philadelphia and Houston.

In addition, we acknowledge the guidance we received from industry leaders and Coleman Insights clients on the subject matter covered in our panelist interviews. We specifically thank **Kevin Weatherly** of CBS Radio, **David Gleason** of Univision, **Barry Mayo** of Radio One, **Jimmy Steal** of Emmis and **Steve Goldstein** of Saga Communications for their assistance.

This report is the result of contributions made by members of the Coleman Insights professional staff, specifically Chairman/Chief Executive Officer **Jon Coleman**, President/Chief Operating Officer **Warren Kurtzman**, Vice President **Chris Ackerman**, Vice President **John Boyne**, Senior Research Analyst **Matt Bailey**, Field Director **Jeff Leffelman**, Marketing Assistant **Melanie Svinis** and Field Assistant **Kim Walch**.

TWO MAJOR THRUSTS OF THE RESEARCH

When we conceptualized this project at Coleman Insights, we were most excited about the opportunity to gain insights that would have programming and marketing implications for our clients operating stations in markets that already have or will have PPM measurement in the near future. However, in discussions with industry leaders and clients, we were struck by how much demand there also was for more information about Arbitron's management of the PPM panels themselves. While Arbitron has been diligent about sharing information about its procedures with the industry, radio managers clearly saw the chance to hear directly from panelists on their experiences as a rare opportunity.

Thus, this report is divided roughly equally between two areas—one addressing our findings about the PPM panelists' experiences themselves and one covering insights about the differences between "perceived" and "metered" listening. In this second area, we will discuss the extent of this gap and when and why it exists.



THE PANELIST EXPERIENCE

Overall, this study provides a very positive “report card” for Arbitron. While we will discuss some areas of concern our interviews uncovered below, our positive findings about the experiences of the panelists we interviewed easily outnumbered the negative findings, perhaps by a ratio of as much as four to one. As a firm whose business is founded on enhancing the performances of our clients in Arbitron’s ratings, we found the feedback on the panelist experience to be highly encouraging.

The findings about Arbitron’s PPM service itself include the following:

1. **Panelists welcome the opportunity to have their opinions heard.** A very common theme heard from panelists was that they relished the chance to let their opinions about radio and television be known. Many of them were aware of the ratings system, and while few know the details of the specific impact ratings data have, they believe that letting it be known that they consume specific programming will improve the chances that the content they like continues to be available. As a result, many panelists felt that their inclusion made them “special” and influential.
2. **Money is a strong motivator for participating in the panel.** While most panelists acknowledged that the compensation they received for participating in the panel amounted to little more than “spending money,” there is no question that being paid for simply carrying around a meter while otherwise making no changes to what they had to listen to and watch had a significantly positive impact on the willingness of the panelists to participate. We also observed many cases where parents felt that the ability to earn and save money would provide a valuable lesson for their children.
3. **Panelists demonstrate a strong commitment to following Arbitron’s procedures.** There was a clear sense of obligation on the part of the panelists we interviewed, with most stating that they were reluctant to go

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back on the commitment they made to Arbitron when they were recruited to participate. In fact, many found little difficulty with making this commitment, citing how carrying their meters and docking them at the appropriate times eventually became such a habit that they rarely had to think about it. We also saw clear evidence that panelists were generally diligent about wearing their meters from very shortly after rising in the morning to immediately before they went to bed at night.

4. **Arbitron is diligent and effective at ensuring compliance.** We were impressed with the efforts panelists cited of Arbitron making sure they carried their meters as instructed. Of specific note was the points system Arbitron employs, through which panelists earn points redeemable for additional compensation and prizes based on how frequently they carry their meters. Many panelists mentioned this incentive without prompting and said they would not have been as motivated to carry their meters without such a system. Furthermore, panelists commented on the frequent phone contact they received from Arbitron, especially when they were not as diligent about carrying their meters as they should have been.
5. **Panelists have positive impressions of the PPM equipment and of dealing with Arbitron.** While outright enthusiasm for the meters themselves is limited, panelists generally felt comfortable wearing them—mostly because of their resemblance to beepers and other paging devices—and said that their design rarely hindered their ability or willingness to wear them. They also found the other equipment that is part of the PPM system (docking stations, etc.) to be easy to use and very easy to set up. Panelists' most positive comments, however, were for the client service representatives they dealt with at Arbitron, who were cited for their friendliness, responsiveness and professionalism almost universally.
6. **Not everything about the panelist experience is perfect.** Despite the overwhelmingly positive findings listed above, our interviews did reveal



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some isolated problems. These included evidence that panelists sometimes forget to carry their meters, sometimes wear another member of their household's meters, cannot or will not wear their meters in certain situations, tire of the process, dislike the design of the meter (with many expressing a wish that it was smaller), have privacy concerns about what information the meters collect, have more difficulty complying on the weekends and are not always as diligent about carrying their meters in their homes as they are when they are away from their homes. All of these problems, however, were far less pervasive than the positive findings cited previously.



DIFFERENCES BETWEEN “PERCEIVED” AND “METERED” LISTENING

The degree to which panelists’ perceptions of what they listen to and the listening the PPM device captures is often striking. In many cases, radio stations that panelists are heavily exposed to make little or no perceptual impact on them, while we frequently observed listeners overstating their listening to other stations.

One reason why this occurs is misidentification of stations, which is most prevalent with stations panelists spend very little time with. An interesting finding was how frequently panelists mentioned station brands that no longer exist—such as “WHN” in New York or “WCAU” in Philadelphia—or how often they were unaware of frequency or format changes. This leads us to conclude that a benefit of PPM is its ability to correct for this, ensuring that stations that panelists are exposed to do receive listening credit even if panelists are unable to correctly identify them.

We were also struck by how “perceptually dependent” listeners are on pre-sets, which we believe is the result of the disproportionate amount of listening they believe they do in cars.¹ When asked on an unaided basis to discuss the stations they listen to and how they go about choosing those stations, virtually every panelist we interviewed discussed pushing the pre-set buttons on his or her car.

In a similar vein, listeners also are highly likely to recall their habituated listening at work or in their homes. That is because in these environments they tend to leave their radios set on the same station.

These phenomena contribute to another finding we reached about the very limited amount of “new station discovery” these panelists reported. Panelists frequently cited how they return to the same stations over and over again and how in many cases these are stations they have known and listened to for years. When we did encounter examples of stations listeners said

¹ This is related to a finding of “The Impact of Commercials on the Radio Audience” study Coleman Insights released in 2006. That study demonstrated how radio professionals, media placement professionals and advertisers believed that in-car usage accounted for a dramatically larger proportion of all radio listening than Arbitron data reported. Coleman Insights has repeatedly observed similar phenomena in hundreds of focus group studies conducted over the past three decades.

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they began regularly listening to more recently, it was almost always as a result of being exposed to external marketing that introduced the station to them or because a frequency that carried a format they previously listened to changed to a new format that they found appealing.

In other words, we did not observe numerous examples of panelists scanning through the dial, discovering something they found appealing and then becoming regular listeners to such stations after developing clear perceptions of what those stations offered. Instead, in the few instances where panelists mentioned that they sometimes scan through the dial, they almost universally mentioned how they would do so to find a song or other content that sounded appealing when their “regular” stations were not offering something they liked, but that they would inevitably return to the stations they regularly use and that are programmed as pre-sets on their radios.

As a result of these behaviors, panelists tended to overstate the amount of listening they did to their pre-set stations and/or the stations that they developed their deepest brand connections with. In some cases, panelists did not even mention listening to some of the stations the meter reported they listened to the most. In addition, virtually every panelist we interviewed recalled listening to a significantly smaller number of stations than their meters captured listening to.



THE THREE “I”S

The findings discussed in the previous section lead us to conclude that radio stations have three levels of Cume listening—Invisible, Incidental and Intentional. This is perhaps the most significant conclusion of our study and has direct implications for how stations in PPM markets program and market themselves.

Invisible listening refers to station exposure the meter detects, but for which panelists can offer no explanation. Virtually every panelist we interviewed listened—according to PPM data—to stations that they did not mention when prompted to name stations that they listened to or were aware of on an unaided basis. Furthermore, when we shared individual PPM data with many of them, they could not explain how some of the stations the meter reported them listening to were listed.

We also observed a significant amount of Incidental listening, where panelists are aware of the stations listened to, but generally did not listen to these stations by choice. In most cases, this listening occurred by forces outside of panelists’ control (i.e., stations played by co-workers or in a retail environment) or at least by factors that they elected not to control (i.e., listening to what their kids insisted on playing in the car). In most cases, panelists did not recall this listening on an unaided basis, and were only able to account for it when confronted with their individual metered listening as collected via PPM.

In fact, we conclude that most of the increase in Cume reported in PPM measurement relative to diary measurement is due to Invisible and Incidental Cume. These two levels of exposure to radio stations are likely rarely reported in diary measurement because such listening rarely makes a perceptual imprint on the listeners. This was vividly demonstrated in our interviews, as panelists were usually unable to tell us about the stations they listen to on Invisible or Incidental bases in any depth.

We encountered a very different situation, however, when panelists discussed the stations they listened to on an Intentional basis. Beyond telling us what kind of station each station they intentionally listened to was, they were able to describe these brands in detail, including how listening to these stations made them feel, why they listened to them and the secondary programming attributes (i.e., on-air personalities, features, etc.) these stations offered. For

most panelists, there were clear explanations for the two or three stations they intentionally listened to.

Using each panelists' individual PPM data and these classifications of listening—Invisible, Incidental and Intentional—we were able to calculate that half of Cume listening of the roughly 30 panelists we interviewed was Invisible or Incidental in nature.² Thus, only 50% of the Cume listening of our panelists was to stations they intended to listen to. We attributed another 19% to Incidental listening and the remaining 31% to Invisible listening.

Before one concludes that Incidental and—especially—Invisible listening are strategically relevant, we must also report that such listening accounts for a very small portion of the minutes of listening our sample of panelists did. Invisible listening, for example, accounted for only 5% of listening minutes, despite making up nearly a third of the Cume listening collected. Conversely, Intentional listening—which accounted for half of our panelists' Cume behavior—was responsible for 77% of all minutes of listening.

We should add, however, that our conclusion that Incidental and Invisible listening have little relevance to programming and marketing strategy should not be taken to mean that such listening has no value from an advertising standpoint. Those who listen to stations on an Incidental or Invisible basis may not affiliate with these stations, but they are exposed to their content and therefore will be impacted by such content. This is especially true with Incidental listening in an at-work environment; listeners may not choose and therefore may not affiliate with the stations they hear at work, but they hear the commercials played on them.

² The figures reported here should be regarded as directional only. They are based on small sample sizes, and are from a sample that was not designed to represent the population of the markets covered in this study.

RECOMMENDATIONS

The findings covered in the second half of this document have profound implications for programming and marketing in PPM-measured markets. This section outlines our recommendations based on these findings.

Recognize the Vital Role of Intentional Listening

It is abundantly clear that while it makes up only half of the Cume audience of most stations, Intentional listening holds the key to their success in PPM measurement. Again, with the admittedly non-projectable sample employed in this study, Intentional listening accounted for only 50% of Cume behavior, but an overwhelming 77% of minute-by-minute listening.

Intentional listening is the only kind of listening in which stations can make a strong perceptual imprint on their audience, and as a result, can truly impact listening behavior. By getting as many listeners as possible to know what their stations are all about and intentionally listen to them, stations can thrive under PPM measurement.

Chasing Incidental Listening Can Do More Harm Than Good

While Incidental listening helps bolster the performance of many stations in PPM—and did account for a significant 19% of the Cume behavior and 18% of the minute-by-minute listening of our sample of panelists—getting caught up in increasing the frequency with which it occurs can lead stations astray. This is because many people who listen to stations on an Incidental basis do not affiliate with the stations when they do so, often because their tastes differ from those who use the same stations intentionally. Therefore, trying to generate more Incidental listening by broadening the Cume appeal of a radio station can backfire, as such moves may make the station less attractive to its more important base of Intentional listeners.

Proactively Define and Develop Your Brand to Facilitate Intentional Listening

Coleman Insights believes that the way to get people to intentionally listen to a radio station is to make sure they are aware of it, have a clear perception of what it offers, have brand attributes that they want to affiliate with and have other attributes beyond its base music or

spoken word position that listeners find appealing (such as personalities, promotional activities, news and information, etc.). Stations that are well-known and perceived as offering such depth stand a much greater chance of generating Intentional listening and, as a result, strong PPM performances.

External Marketing Should Have a Major Role for Stations in PPM Markets

Broadcasters should not be fooled into thinking that external marketing is not important for stations in PPM markets since PPM measures actual behavior, as opposed to the recall of behavior upon which the diary measurement system is based. While PPM panelists do not have to recall what stations they listened to as diarykeepers must do, they clearly give the overwhelming majority of their listening to—in most cases—the two or three stations they know well and affiliate with. This happens because of the images these stations possess in the minds of the panelists, which in turn drive the Intentional listening that we have identified as so important in this study.

This recommendation is also important because of our findings about how panelists use radio. They rarely “stumble upon” stations and become regular listeners to them; instead, they limit most of their listening to the pre-sets they have programmed into their radios. The most effective way for growing the number of listeners who tune in to a station on an Intentional basis—and getting listeners to make that station one of their pre-sets—is to develop strong images of what the station stands for in listeners’ minds through external marketing messages.



METHODOLOGY

To complete this study, Coleman Insights completed interviews with roughly 30 ex-members of Arbitron's PPM panels in New York, Philadelphia and Houston. Most of these interviews were conducted in-person by senior members of Coleman Insights' management team, with additional supplemental interviews conducted via telephone. The average interview lasted approximately 45 minutes.

Arbitron provided Coleman Insights with contact information for panelists as they left their respective panels, after securing permission from these individuals to do so. Coleman Insights then independently recruited the panelists for the in-person or telephone interviews, which were conducted within weeks of the end of their panel participation. The panelists received a cash incentive for completing the interviews.

In addition, Arbitron provided Coleman Insights with minute-by-minute listenership data from each interviewee's final month in the PPM panel. Coleman Insights tabulated and analyzed these data in order to assess the actual listening behavior recorded by the PPM and to compare it to the interviewees' perceptions of when they listened to the radio and what they listened to.

