



## PPM – What Does It Mean for Programmers

Dave Lange – VP Rock McVay Media



Over the next few years we will see the People Meter completely replace the diary in the major (top 10) markets. Arbitron now has accreditation on the system from the MRC (Media Relations Council) after the trials in Wilmington, Philadelphia, and Houston so we are off and running finally with a data collection system that promises a lot more accuracy in collecting the data than the old fashioned diary.

To roll the new system out Arbitron has designed a number of training sessions on their web site with a conference call and web presentation so you can sit in your office and learn the low down in under an hour. The sessions are very well done and cover a number of topics – you should take the time and join at least the Intro to PPM no matter what market you are in. PPM will clearly change many of the programming strategies and tactics we use every day. It will affect you in Flagstaff even though you may never have PPM in your market. Let's take a look at the potential impact of the People Meter on programming:

**Cume Rules – TSL Dives:** The first fact that really stands out is the importance of CUME when the People Meter is used instead of the Diary. It's not hard to imagine that the electronic People Meter would capture a lot more listening to stations beyond the P1 or P2 audience but it's nearly double! Look at the figures comparing the average number of stations recorded in an average week from diary and PPM samples:

Market	Avg. Stations in Diary	Avg. Stations in PPM
Houston	2.6	4.4
Philadelphia	3.6	6.6

That's a 70% growth in Houston and over 80% in Philly. We all knew there was phantom cume, but did we imagine it was this big? It shows that the diary does a pretty poor job of capturing what is really happening with the audience.

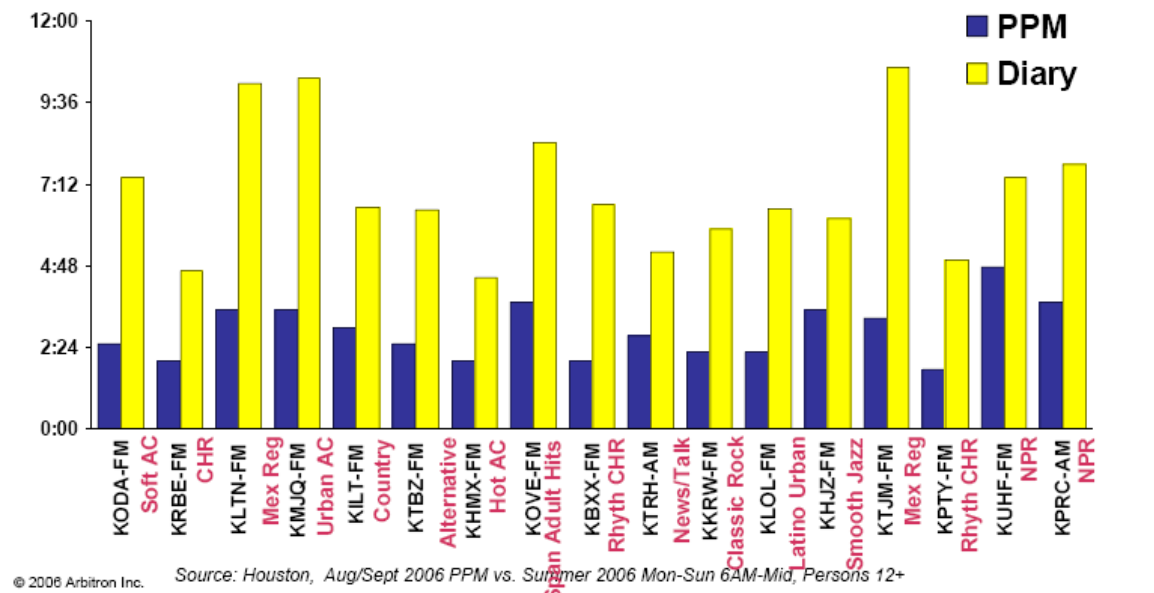
On the other side TSL takes a big dive. On Average the diary keepers spend 7 hours with a station while in the PPM sample they spend only 2:50 with a station in the top 20 within the market. TSL falls off nearly 60%.

The key point here is that for most formats we have built most of our programming strategies and tactics on EXTENDING TSL. From where we place our breaks, the style of the imaging, contesting, appointment listening, music sweeps, music rotations, announcer content and many other tactics are designed with TSL in mind. Do they suddenly become obsolete?

Remember here that we are looking at AVERAGES. As the PPM records more stations being listened to that will automatically lower the time spent with each station. You still will have P1s that record a lot of TSL to your station, but with more stations dividing up that time and the difference between recalling their behavior in a diary and having it electronically measured with no bias results in the lower numbers.

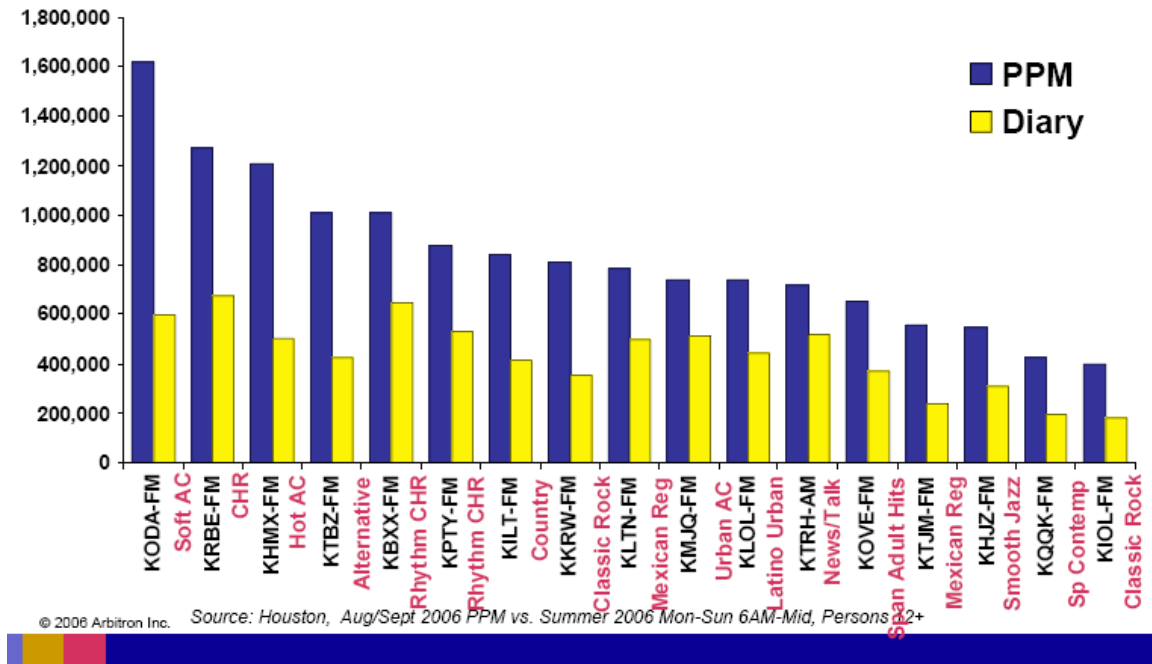
What we do see here is that PUR (persons using radio) is off around 25-30% from the Philly and Houston data so far. Where the drop hits is in the super core diaries that we often see with over 100 quarter hours in them. In the PPM world we don't see those distortions of people just drawing a line from 8a to 8p and racking up tons of quarter hours to just 1 station. While there are still people that use radio more than others and listen to 1 station a lot, in the PPM data its not as exaggerated as we see in the diary.

**Ethnic and TSL Driven Formats:** Look at the comparisons in TSL from Houston for Diary and PPM measurement:



The biggest drops come from the Hispanic stations and the Urban/Rhythmic stations. These stations usually have very high TSL that drives their shares, some of the advantages wear off with electronic measurement.

In contrast look at the differences in Cume in Houston:



Look at the cume levels over 1 million for Buzz/Alternative and a 1.2 million for the Mix/Hot AC. These are much higher cume levels than we see in the diary more than double for many stations.

**Imaging and Recall:** We spend a lot of effort and time in programming tactics trying to get people to remember the call letters or station name. Almost everyone has sweepers between every song, the jocks start every break with the calls/slogan (and use it over and over throughout the break) and some even slide reminders in between the spots. Face it we pound it to the point of annoyance and we often see in research and audience comments that we over hype it.

With the PPM automatically recording the listening (as long as the transponder is on) do we really need all this repetition? Would we be better off with seqs coming back into the clocks and do we need to beat the drum so hard? Should the content of the breaks be more on entertainment and less on call letter/positioning? Or do we still need that level of branding to insure we retain the listening?

**Sample:** PPM keeps participants in the sample for 2 years if possible (providing they don't drop out). This brings a number of advantages to the consistency of the data as you have pretty much the same number of people in the sample every week. You also have the ability to get the sample as balanced as possible and keep it that way. With the diaries going out weekly you never really know what the return rate will be every month.

But, using the PPM costs a lot more money than a few phone calls and sending out a diary. Looking at the Philly samples they may look a little smaller in PPM than they do in diaries with a 12 week rating book – 4,456 diaries vs. 2,040 in the PPM sample. But, consider that you always have 2,040 people in the sample so if you look at a month where they only had 1,300 diaries or a week where they only had 400 diaries you can see a lot more sample as you narrow down the data.

The problem here is this sample doesn't include a lot of different people over a long time and any 'bias' in the sample will be there for years potentially. For example – if the sample is weak in a college area or younger zip code you might see weak returns for an alternative or active rock station. Or what if the PPM sample isn't real strong in the more rural zip codes and we see Country get short changed? In the diary system the bias could go away next week or even out over the 12 week period. In PPM land you could be stuck for years with that bias. We've all see bad months for any format and while sometimes it's the music or market events, sometimes it's also the sample causing the down trend. Here the sample flu won't go away next week or next month it could stick around for 2 years or more. Hopefully the samples will be big enough and balanced across demo, ethnic groups and geographic areas with the market.

Although we will not have a lot of access to zip code information here and we will have to cluster zips together as we had been working with a lot more diaries over a 12 week period. In PPM we really have more data more often from a smaller sample making it harder to track it down to the zip code level.

**Events:** PPM does a much better job gathering listening to special events, programs and promotions. You can see the spikes from sporting events, special contests, and even some well promoted special programs (like 2 for Tuesday) in the data. We will see more big events and well promoted programming features.

**Dayparts:** Mornings does show more listening in PPM than the other dayparts, but it's not as much of a gap as we see in the diaries. Evenings and Afternoons do show more listening.

**Clocks:** In the diary we always saw more tuning in the first 20-25 minutes of the hour so most of us put our music sweeps or best content in that slot. PPM shows nearly equal distribution throughout the hour.

**Research:** The recent example where Coleman research measured the impact of new songs on country stations in Houston by using people meter data shows the potential to actually research music in some from using the data from PPM. Since you can see in real time who tuned out and who stayed you could see if a song (old or new) was an asset or a problem. Could this be the future of music testing? It might be a bit time consuming to pull up a Mediabase log and line it up with the minute by minute data from the PPM sample, but it could be done. You could also see if a special feature, jock break or even how long your audience will tolerate longer commercial breaks. We have a lot more data here to crunch and we can look at it down to the minute, hour, daypart, week, month, season, year and years.

**Roll Out:** So when is it coming to your town? Here's the current plan

Rank	Market	Panel Size	Demo Data	Currency Survey	Last Diary
6	Philadelphia	2,040	Jan/Feb 2007	Mar 2007	FA 2006
7	Houston - Galveston	2,000	Apr/May 2007	Jun 2007	WI 2007
1	New York	3,720	Oct/Nov 2007	Dec 2007	SU 2007
18	Nassau - Suffolk	1,440	Oct/Nov 2007	Dec 2007	SU 2007
37	Middlesex Somerset Union	925	Oct/Nov 2007	Dec 2007	SU 2007
2	Los Angeles	3,275	Jan/Feb 2008	Mar 2008	FA 2007
25	Riverside - San Bernadino	1,065	Jan/Feb 2008	Mar 2008	FA 2007
3	Chicago	2,595	Jan/Feb 2008	Mar 2008	FA 2007
4	San Francisco	2,245	Apr/May 2008	Jun 2008	WI 2008
33	San Jose	1,155	Apr/May 2008	Jun 2008	WI 2008
5	Dallas-Fort Worth	1,815	Jul/Aug 2008	Sep 2008	SP 2008
8	Washington, DC	1,775	Oct/Nov 2008	Dec 2008	SU 2008
9	Detroit	1,920	Oct/Nov 2008	Dec 2008	SU 2008
10	Atlanta	1,645	Oct/Nov 2008	Dec 2008	SU 2008

The top 10 Markets (plus embedded markets like San Jose, Riverside, Nassau/Middlesex) will all be 100% PPM for the Fall 2008 period. By December 2008 all top 10 markets will be looking at their data with only PPM data in the results. When will the other markets get PPM? Arbitron doesn't have a timeline now, but given the costs you can probably bet that seeing PPM beyond market 30 won't happen unless the technology becomes a lot less expensive.

Note that the software will also be different than the Arbitrends and Maximizer data we use now and will still be using in the rest of the markets that are not on PPM. While you can break down the data by the week or even the day it's anticipated that the monthly report will be the new standard. It takes about 3 weeks to crank out the data so the results you would see in the middle of March would be through Valentines Day.

### Conclusions – Things to Think About?

Much of strategies, tactics and 'rules' we have followed in programming have been about building recall and extending TSL. Suddenly many of these practices are no longer going to be effective when you are using PPM. In the top 10 markets programmers will have to live in completely different world than the rest of the markets still using diaries. It will be almost as if the larger markets are speaking a different language than those out of the top 10 or 20 markets.

Programmers will have to deal in a completely different programming environment. For years we often watched the tactics in larger markets or vice versa, where the larger markets watched music or ideas percolate up from the smaller 'test' markets. Exchanging these ideas or tactics will require a lot of caution now. Cutting back on all the imaging/sweepers that aid diary recall might be a wise move in the top 10 over the next year, but in the markets out of the top 10 it could be a huge mistake. The top 10 may switch their spins and clocks to be more attractive in cume and gain shares, while a similar move in a diary market could show the opposite effect.

A lot of the 'wheel' will need to be re-invented in the major markets. While we can do some research, we also have to take a careful look at everything we do and seek out the relevance in it for PPM and Diaries. We will also have to experiment and walk the wire without a net to invent

and create new tactics and strategies in the top markets. Meanwhile we still have to make sure to not blow it in the non PPM markets by using some of the tactics and strategies from the top 10.

By the way if you are in Canada the BBM is rolling out PPM style meters this Fall in Toronto and Vancouver, then moving on to the top 10 markets in Canada.

Take the Arbitron classes yourself on-line. It's well worth the hour whether you're going to be using PPM or diaries in your market down the road. No doubt we'll need everyone's brain trust to build new strategies and tactics to win on the new playing field.

**-- Dave Lange, Vice President/ Rock, McVay Media**

*Dave Lange is VP/Rock for McVay Media. He is recognized across the country as a leading expert in all forms of radio programming. While Dave's worked successfully with all formats from News Talk to Active Rock he specializes in the Rock formats including Classic Rock, Classic Hits, Active Rock, Mainstream Rock and Alternative.*