

Alignment of Cross-Media Metrics

**Betsy Frank Insights
Horowitz Research**

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Background

To say that media usage is changing rapidly is an understatement. Television is no longer the only source of Video entertainment, as it had been only a few years ago, and the entities that are taking its place are generally newer, smaller, and more targeted. Most critically, consumers no longer consume in silos, accessing one medium at a time, but mix and match media in combinations driven by content and desired experiences and outcomes.

In other words, simultaneous media usage is “the new normal,” and that behavior has changed the way we must think about media exposure and effectiveness.

At the same time, audience measurement has fallen well behind in tracking audience behavior, and the gap gets wider every day. There is general agreement that in the rush to follow the consumer, media are planned and dollars are spent on some media entities, alone and in combination, without an understanding of how those entities are contributing to the plan, as well as a common belief that rigor is lacking in the measurement of many new platforms.

It is not surprising, then, that the media industry is unanimous in its assessment of the importance of understanding these evolving behaviors and of creating a new, standardized metric of cross-platform activity, to allow buyers to plan and activate based on how consumers are actually using and engaging with media, and sellers to monetize all of their inventory.

But beneath the surface of that unanimous sense of importance, the marketplace across industry segments is fragmented and divided as a result of legacy organizational silos; a multitude of “trial balloons” launched by research companies, buyers and sellers; incumbent research providers facing the challenge of new and often non-validated platforms; the ascendancy of true ROI over intermediate metrics as the indicator of success; and the business realities of vested interests and maintaining advantages in an increasingly crowded and competitive marketplace.

In order to fully understand the issues and challenges related to Cross-Media Metrics, Horowitz Research and Betsy Frank Insights interviewed 57 industry executives during the summer and fall of 2014; this white paper will summarize the perceptions of those leaders and the implications for moving forward.

Key Findings

- 1. Nothing Is More Important Than Cross-Platform Measurement, but...:**

The importance of cross-platform measurement is high across all segments of the industry, although **there is a strong sense that we first, or simultaneously, need to improve the component currencies, or the results will be unusable.** Everyone sees the challenges and the struggles to find commonality and comparability. Marketers are the most focused on it as a priority, since they are at the front line in recognizing the weaknesses of Market Mix Modeling; they see firsthand the need to use more media to reach consumers, and they are challenged by the need not simply to deliver short-term sales goals but to build Brands long-term. At the other end of the spectrum, non-TV media sellers have more urgent needs in first getting their individual media reassessed by the industry, and the acceptance of set-top box data is offered as an important measurement issue for several of the Multichannel Video Programming Distributors (MVPDs). Agencies (to improve planning), broadcasters (to monetize all inventory), and research companies (to make sure they are part of the measurement future) all see commonality and comparability as critical business needs, and Industry Associations see an opportunity to bring together a divided marketplace.
- 2. Media Fragmentation Is Nothing New:** Many of our respondents pointed to the fact that this issue has always been with us, but when television enjoyed such a massive share of usage and spending, and when media consumption was primarily in silos, the need to measure and value new entities was less critical than it is today. With so many dollars being spent in less well-measured and even unmeasured platforms, and on a multitude of devices, this need has taken on a greater importance.
- 3. There Are Definitional Differences:** Many executives expressed frustration at the lack of standard definitions for the same metrics across platforms. Equally critically, different sectors, besides having different priorities as noted, often have different definitions of “cross-platform,” generally aligning with their own business interests. As a result, while broadcasters define it as Video across all platforms and devices, whenever and however the programming is viewed, marketers, agencies, and Industry Associations believe that we cannot leave Print, Radio, and Out-Of-Home behind. There was, though, an overall acknowledgement that because Video represents the lion’s share of ad spending, we must begin there.
- 4. “To GRP or Not to GRP”:** There is a stated importance in having a standardized measure of exposure and reach that is comparable across

platforms, but the GRP is not universally loved. Many consider it too “old-school” and TV-centric for this new, holistic cross-media initiative.

The use of engagement as a standard metric is polarizing as well. While marketers and agencies acknowledge its value in Brand building, most feel that given the multitude of definitions, focusing on engagement as a metric would be a distraction and a complication in moving the issue of a common cross-platform currency forward at this early stage.

5. **“The Best of Times and the Worst of Times”:** One of our industry Thought Leaders described today’s multitude of cross-platform offerings in the marketplace with that Dickensian paraphrase. Although potential solutions are coming from research and media companies, none of these has proven to be scalable or has gained traction across the industry. Some executives praised these efforts (“At least people are working on it”), while others fear that it is draining dollars and attention away from any chance for potential collaboration. Of all of the existing offerings, the development of Blueprint stands out as an example of cross-industry partnership, although comScore is now the sole vendor.
6. **Advertising Agencies Are Not Standing Still:** Adding to marketplace activity and complexity, advertising agencies are investing millions of dollars to build their own sophisticated, data-driven systems for planning and activation. As one agency executive put it, “When clout became a commodity, how we use data became our competitive advantage.” Although these endeavors are vital to the agencies, some executives feel that the development of these unique and proprietary systems simply adds to the challenge of creating industry standards through partnership and collaboration.
7. **The Reality of the Methodology:** Single Source versus Data Integration is not now and likely will not be an “either/or” choice. Most executives consider Single Source to be the “gold standard”—the ideal—but recognize its economic and logistical limitations, especially given the “long tail” of today’s media landscape. If Data Integration becomes the de facto choice, the process must be validated and transparent, and care must be taken to select the right modeler.
8. **The Stumbling Blocks Will Be Formidable:** Ultimately, the most challenging issues to overcome may not be economic or methodological, but instead, the highly polarizing business issues—parochial interests, the impact of a new metric on an individual business, and maintaining competitive advantages in negotiations and attracting new business. It will be incumbent upon the leadership of the Industry Associations—the Association of National

Advertisers (ANA), American Association of Advertising Agencies (AAAA), Advertising Research Foundation (ARF), Interactive Advertising Bureau (IAB), and Media Rating Council (MRC)—to take these issues on, bring their members together, and “solve for the majority.”

Despite the challenges, the industry wants action. A number of high-priority issues and pivotal questions emerged from the interviews, and a complete list of these issues and questions is included in Appendix A.

The Assignment

In order to fully understand the issues and challenges facing Cross-Media Metrics, the Media Consumption and Engagement (MCE) Committee within the Council for Research Excellence (CRE) issued a request for proposal (RFP) during the spring of 2014. Members of the MCE Committee are listed in Appendix D. Part One of that RFP was to provide an overview of the current state of cross-platform metrics alignment, including an analysis of existing measurement methodologies; a matrix summarizing the results of that analysis will be posted to the CRE website in February 2015. Part Two was to conduct 30 interviews across the industry and to create a white paper based on these interviews.

The RFP was awarded to Horowitz Research, and was later expanded to include Betsy Frank Insights LLC, in order to broaden the scope of industry interviews and increase the number to 57. Further details on the interview target selection and the interview process are included in Appendix B, and the full list of target sectors represented and executives interviewed is provided in Appendix C.

Question areas that were covered included the Theoretical and the Pragmatic, as well as considerations for the industry in Moving Ahead. **Theoretical** topics included definitions and perceptions of the importance of cross-platform measurement, and issues including who will pay for new metrics. **Pragmatic** topics focused on today's reality of buying and selling across platforms, opinions on standardized metrics, perceptions of the existing cross-platform solutions in the marketplace, and potential methodologies for measurement. Questions relating to **Moving Ahead** focused on the challenges of introducing new industry metrics into the marketplace and on near-term research priorities.

Detailed Findings

Theoretical

- As important as developing a new cross-platform metric is, we need to improve measurement from the bottom up while we look to create a holistic, top-down solution; that is, whether the industry ultimately supports a Single Source solution or a Data Integration solution, **we cannot ignore problems with existing individual currencies, online fraud, and limited or erroneous competitive data.** We need to simultaneously address these gaps, or whatever is created across platforms will be unusable. In addition, there is still no trading currency for Mobile, multiple currencies for Digital Display and Video, and differences of opinion on how to value Social (“Is it a standalone medium, or an amplification of existing media?” asked one agency executive).
- While we may use terms like “impressions” or “ratings” for different media, one of the biggest issues our executives see is the **lack of common definitions**: Are all impressions equal, or is a TV impression defined and valued differently from a Digital one? Why do data from Nielsen not “match” data from comScore? This need for comparable definitions must be addressed before standards can be set.
- **Agencies** are looking for the most reliable and granular data to fuel their in-house planning and activation systems, and are anxious for more information about the consumer, including **purchase behavior, demographics beyond age and gender, and a deeper understanding of Hispanics and non-adults.** Research companies are similarly focused on meeting the need for more granular data for targeting and planning.
- While an understanding of incremental reach across platforms is a consistent need, developing the capacity to **identify and target individuals as they navigate across media and devices** is also a high priority. The challenges of this issue were addressed in a recent eMarketer report (*Cross-Device Targeting*, December 2014).
- There was some question from marketers as to why we are still focused on so-called “intermediate metrics,” when the industry is moving quickly to the demand for **direct sales results and true ROI**; several executives raised the need for an attribution model, to understand the influence of individual and combined platforms on sales results.
- There was considerable discussion regarding the **TV/Digital Divide**. Some executives view TV measurement as the “gold standard” and Digital measurement as fragmented, inconsistent, and less trustworthy—the “Wild West.” Others, however, believe that the greater granularity of Digital

measurement will win out, as buyers demand from television more of what Digital offers.

- That Divide creates additional potential issues for the largest incumbent measurement suppliers. While both **Nielsen** and **comScore** are broadening what they are measuring, each has built its reputation within its own client base, and it **may be a challenge to develop that same level of trust, credibility, and perceived objectivity with non-clients.**
- Finally, **would the industry pay for new cross-platform metrics?** Most say “Yes,” but with caveats: only IF the new metric helps improve results, IF the data fit into existing planning systems, IF we can trade out some existing metrics and costs for these new ones, and IF we call it something else—one Industry Association head suggested “Marketing Analytics” rather than audience measurement. There is a sense, however, that the media companies should and ultimately will pay the lion’s share.

Pragmatic

- **Buying and selling cross-platform programs** today create significant challenges and “pain points,” but the one most cited by executives is the continued existence of organizational **silos** at the media companies and within the agencies, which add complexity to negotiations and prevent both sides from bringing combined leverage to negotiations.
- Without common, or at least comparable, definitions and metrics across platforms, sellers cannot communicate the value of their inventory and buyers cannot understand what each element of a program should cost, how it contributes to the overall plan, how to optimize creative execution, and how to align the platforms. As a result, **some newer media platforms may be bought without the same rigor and standards as traditional media.**
- The **most challenging platforms to transact**, on their own or as part of a cross-platform buy, are **Mobile, Social, Custom Content, and On-Site Experiential**. Among broadcasters and cable organizations, however, the biggest immediate challenge is understanding and measuring viewing across **all viewing occasions**, including “encore” telecasts, VOD, DVR, and streaming, and across all Digital and Mobile devices.
- Could a **common metric like a GRP** be used across all media platforms? The majority of respondents felt that a standardized cross-platform measure of exposure would be a good start—“**Useful, necessary, and possible,**” in the words of an advertising executive. We are already partway there and we have the component pieces for most media. Industry progress in this one area would go a long way toward an overall sense of accomplishment.

But the feeling was not unanimous. Those who believed a cross-platform GRP should not be pursued felt it was too limiting, **too simplistic, too TV-centric**, and too far removed from effectiveness and sales results. Some executives suggested instead that perhaps **time spent**, without the burden of existing bias toward TV, or even advertising recall, might represent a better starting point in developing a cross-platform equivalency.

The industry is also divided on whether **engagement** should have a role in cross-platform measurement *at this point*. In 2005, the ARF, collaborating with the AAAA and the ANA, embarked on an initiative called Measurement Initiative: Advertisers, Agencies, Media and Researchers (MI4) to create an engagement metric to complement existing consumer measures of exposure, and in 2006, released a working definition. Early in 2014, the IAB issued a white paper, *Defining and Measuring Digital Ad Engagement in a Cross-Platform World*. Today, most executives continue to see the importance of engagement in differentiating the value of unique platforms, in building long-term Brand effects, and in growing the upper funnel. However, the most cited reasons for *not* including it today were the lack of consistent definitions across

companies and media; its dependence on creative execution; the **likelihood of it becoming a distraction in seeking industry agreement and standards**; and the belief that each entity should be free to adjust or weight the common currency as desired. As one media company executive said, “It’s the icing on the cake; let’s get the basics right first.”

- A number of entities have introduced **cross-platform measurement systems or solutions** into the marketplace, but according to our interviewees, **none is considered scalable or has gained industry traction**. While most interviewees believe that all this activity is “better than nothing,” they expressed concerns that most of these available systems feel very TV-centric and “old school,” that none have been audited or validated, that they are more useful for post-analysis than for planning or buying, and that they are further fragmenting an already fragmented marketplace, in terms of time, resources, and industry attention. The use of set-top box data, once they are validated and expanded, is a promising opportunity that a number of our executives mentioned.
- The methodology for any new cross-media measurement system would need to be either **Single Source or Data Integration, or some hybrid of the two**. Virtually every executive we spoke with loved the idea of Single Source, which provides the ability to measure everything from the same sample, to follow individuals as they move across media, and to track actual sales impact. But **logistically, the cost, the size of the panel, and the demand placed on respondents would make Single Source extremely difficult to implement**. Several executives, however, raised the possibility that Mobile devices or apps, such as those used by TouchPoints and Symphony Advanced Media (SymphonyAM), Nielsen Audio’s Portable People Meter (PPM), or even potential wearables, might be deployed to meet this challenge.
- **Data Integration**, including matching and modeling, is a more realistic approach to measurement, but with several **critical requirements: high-quality samples, transparency in the matching, and the smartest, most credible and experienced modelers**. The risks include the challenges of matching on-line and off-line data, especially given issues of cookie deletion and “Do Not Track.” Nielsen/Catalina was mentioned as an entity that gets it right, and according to one Thought Leader, “Nielsen could own the bottom of the funnel.”

Moving Ahead

Cross-platform measurement is clearly an industry priority, although for many executives, resolving the measurement issues with individual platforms is of equal or greater importance.

Based upon interviews conducted by Horowitz Research and Betsy Frank Insights, the following issues need to be explored in order to facilitate standardized cross-platform measurement: We need to improve measurement of individual platforms, specifically Mobile and Digital; we need not just a measure of incremental reach, but an understanding of how individuals are exposed across platforms, in order to de-duplicate; and we need an understanding of the effectiveness of media platforms, individually and in combination, taking into account the importance of context in the reception of content, and consumer life-stage in media choice and behavior.

If the industry is in general agreement that we need a standard—a trusted, commonly defined trading currency, a Euro, as it were—what are likely to be the biggest challenges in getting industry support behind its introduction and use?

Disagreements over money (“Who will pay?”) and methodology (“Who will do it and how?”) are thought to be easier to overcome than some of the other business issues frequently mentioned; vested interests (“How will this new metric affect MY business?”) and maintaining competitive advantage (“We have the secret sauce”) may in fact prove more challenging.

Ideally, the industry will come together and “solve for the majority”; and several Industry Association leaders are already working together to encourage that collaboration. Unfortunately, a number of realities are complicating those efforts:

- As cross-platform spending is growing, large media companies have been successfully selling some of their newer properties with limited or even no metrics, and may therefore have little incentive to support new ones.
- Agencies have spent millions on systems they consider “better” than any current or potential industry solution, so “Until the competitive advantage flattens out, they will not welcome an industry solution,” according to an advertising agency executive.
- The risk to a large research supplier, in terms of cost and disruption to its current business and products, would be enormous, yet those large companies are the only ones with the credibility to make the leap. Furthermore, multi-year contracts with the largest media companies may limit incentive to change or innovate.

Given these factors, it may well be up to the marketers, because they have the most to gain by moving ahead—as well as the most to lose by inertia—to spur collaboration and progress, since improved measurement will enable better targeting, planning, and activation, all of which will produce both better long-term Brand building and better short-term sales results.



Next Steps

It is clear that the clock is ticking.

Is the way forward to start from scratch, or to piece together existing currencies and methodologies? The longer the industry delays in coming up with a standard cross-platform trading currency, or at least a common evaluation metric, the more consumer media usage will have moved ahead. At the same time, the marketplace will further fragment, and other, more data-focused but less methodologically rigorous entities may well define tomorrow's audience measurement market. As several executives made clear, if we wait until we have a perfect solution, we will never move ahead. In the words of one Thought Leader, "Don't let the promise of the future get in the way of the present."

While it is no surprise that there is industry consensus regarding the importance of cross-platform measurement, the more intriguing findings suggest that the way forward may well require a "Stage One"/"Stage Two" effort.

For **Stage One**, reflecting the more urgent needs (including the need to demonstrate progress), the industry would focus on **Video platforms only**, concentrate on a standard or at least consistent measure of **exposure**, and work with providers on the most valid ways of **integrating existing data**.

Stage Two would incorporate **all media forms**, including Print, Radio, and Out-Of-Home; provide a measure of **engagement** relative to each platform; and identify a true **Single Source** solution, likely incorporating new technologies to overcome current methodological challenges.

Given the mission of the Council for Research Excellence, the Media Consumption and Engagement Committee developed a goal statement to guide follow-up efforts:

"To develop a valid, reliable, consistent, practical, and affordable set of metrics to allow comparison of content and advertising across platforms."

To that end, the Committee is in the process of creating a near-term research agenda, currently including, but not limited to:

- a thorough review of the **state of existing individual and cross-platform methodologies**, defining the benefits and limitations of each;
- an exploration of **best practices for Data Integration**, including the recommended criteria for validation; and
- a new study on the **consumer benefits (incorporating sales impact) of advertising** on all existing platforms.

The Committee will prepare internal analyses or issue RFPs on each of these initiatives by March 2015.



Appendix A: Industry Research Priorities

As a final topic, the executives we interviewed were asked for their opinions as to the most important measurement issues and questions for the industry to address in the near term.

- Individual Platforms:
 - Improving the measurement of Mobile and other Digital devices.
 - Increasing measurement transparency and set-top box data validation.
- Cross-Platform:
 - Measuring Hispanic audiences: How do existing methodologies need to change?
 - Measuring individuals rather than households.
 - Understanding unique users across platforms.
 - Understanding unduplicated reach of a piece of content or advertising across platforms.
 - Differentiating between exposure to content and exposure to advertising for an individual.
 - Measuring the viewing behavior of non-adults.
 - Collecting richer consumer information beyond demographics, and tying purchase behavior to cross-platform metrics.
- Behavior:
 - How are the viewing habits of children, teens, and millennials evolving? How are these groups interacting with Video content in a cross-platform environment?
 - How are consumers moving from TV-based viewing to desktop viewing to Mobile device viewing?
 - How will companies like Netflix and Amazon, and now HBO and CBS, change the way people access, purchase, and view Video content? How will these services change measurement?
- Device “Value”:
 - Can the industry develop a method of “equalizing” units of TV, Digital, and Mobile exposure through some measure of engagement—e.g., recall, purchase behavior, or time spent?
 - What is the impact of content, context, location, and device on advertising?
 - How do we determine and adjust for error in cross-platform measurement, beyond what we already know about individual platforms?
 - Do different types of advertising work better on different platforms?

Appendix B: Target Selection and Interview Process

Interview Targets:

The MCE Committee identified key target sectors within the media industry. Horowitz Research developed a broad priority list of approximately 150 names. The Committee then added to this list, including identifying “must have” interviewees, and pared the list down to 50 names, distributed across the sectors. After attempts to recruit those 50 executives, new candidates were added to the list as needed, with the approval of the Committee.

Questionnaire Development:

Based on the overview created in Part One of the RFP, Horowitz Research developed a first draft of the questionnaire, which was then refined in collaboration with the Committee. The result was a 45-minute discussion guide, with all interviews conducted either in person or by phone.

It is important to keep in mind that the findings reflect the **perceptions** of our 57 executives; there may, however, be a gap between those perceptions and **reality**, which will be addressed in any follow-up.

Appendix C: Target Sectors and Executives Interviewed

MARKETERS

Joseph Bihlmier
Fernando Arriola
Rex Conklin
Aaron Fetters
Jeffrey Holecko
Stevie Benjamin
Tim Sullivan

American Express
ConAgra Foods
Home Depot
Kellogg Company
Kimberly-Clark
MillerCoors
The Wendy's Company

INDUSTRY ASSOCIATIONS

Gayle Fugitt
Bill Tucker
Bob Liodice
Jane Clarke
Sherrill Mane
George Ivie

The Advertising Research Foundation
American Association of Advertising Agencies
Association of National Advertisers
Center for Innovative Media Measurement
Interactive Advertising Bureau
Media Rating Council

TECHNOLOGY COMPANIES

Jim Norton
Sanaz Ahari
Doron Wesly

AOL
Google
Tremor Video

MVPDs

Jim Heneghan
Paul Hockenbury
2 Anonymous

Charter Communications
Comcast

ADVERTISING AGENCIES

Adam Gitlin
Catherine Warburton
Gloria Constanza
John Montgomery
David Handelman

Annalect
Assembly
d expósito & Partners
Group M
Havas Media Group

Kris Magel
Melvin Wilson
Kate Sirkin
Huw Griffiths

Initiative
IPG Media Lab
Starcom MediaVest Group
Universal McCann

RESEARCH COMPANIES

Josh Chasin
Jeff Boehme
Michael Link
Bruce Goerlich
Charles Buchwalter

comScore
(formerly) Kantar
The Nielsen Company
Rentrak
SymphonyAM

BROADCASTERS AND CABLE NETWORKS

Geri Wang/Adam Gerber
John O'Hara/Michael Orgera
Kevin Conroy/Mehul Nagrani
Colleen Fahey Rush
Donna Speciale/Dan Aversano
Michael Greco/Scott Felenstein
Michael Teicher/Whitey Chapin
2 Anonymous

ABC Networks
Warner Bros. Syndication
Univision
Viacom
Turner Broadcasting
Discovery Communications
20th Television

NON-BROADCAST MEDIA COMPANIES

Scott McDonald
Tim Spengler/Radha Subramanyam

Condé Nast
iHeartMedia

OTHER THOUGHT LEADERS

Tom Evans
Jim Figura
Jack Wakshlag
Jim Spaeth
Dave Morgan

DTE Research
Independent
Independent
Sequent Partners
Simulmedia

Appendix D: Media Consumption and Engagement (MCE) Committee

Joseph Abruzzo, Chair
Redjeb Shah, Vice-Chair

Jasper Snyder

Michele Buslik

Bill Duggan

Betsy Frank

Artie Bulgrin

Joanne Burns

Judy Vogel

Tim Brooks

Laura Cowan

Janice Finkel-Greene

Candace Whyte

Janet Gallent

Diahanna Post

Natalie Davis

Greg Iocco

Hadassa Gerber

Susie Thomas

Ceril Shagrin

Richard Zackon, Facilitator

Havas Media Group

Univision

The Advertising Research Foundation

(formerly) Assembly

Association of National Advertisers

Betsy Frank Insights, LLC

ESPN

Fox Corporation

Gannett

Independent

(formerly) LIN Media

Magna Global

Maxus Global

NBC Universal

The Nielsen Company

Raycom Media

Scripps Networks

Television Bureau of Advertising

Universal McCann

Univision