

Monday Memo

A radio ratings commentary from Thomas Birch, Birch Radio Inc., Coral Springs, Fla.

Expanding the limits of radio ratings through microcomputers

In this Orwellian milestone year of 1984, many broadcasters and researchers have been reflecting on the major changes that are ahead in radio audience measurement. Questions are being asked about the impact of the microcomputer. Will the future of radio be locked up in machines? Will books become obsolete? Will the buyers and sellers of radio be replaced by computers? What about the measurement technologies? Are there any breakthroughs on the horizon that can increase accuracy and speed of reporting? Can microcomputer technologies be applied to the measurement of radio? How will the movement toward continuous measurement of radio audiences affect the sales environment? And how will audience reporting techniques adjust to ever-increasing fragmentation?

Weighty issues, indeed. But for those of us in the field of audience measurement, the next five years are clearly in focus, and I'd like to share some of my observations.

The microcomputer is one of the most important innovations in the history of media research, and its usage will proliferate. Already the radio rating services are actively committed to applying microcomputer technology to the delivery and analysis of radio rating information. While the systems now on the market differ in their scope and capabilities, users can look forward to exciting new offerings in the months and years ahead. The technology is here. Innovations will continue to be added.

Microcomputers provide users capabilities previously unavailable through mainframe hookups when the "clock is running" throughout the access period. With a micro, users can "fish" for information—spending as much time as necessary to find the solutions to problems—(or the keys to opportunities)—without needlessly running up the bill.

The removal of cost inhibitions to the analysis and utilization of rating data will allow programmers to sharpen their understanding of the audience and give sales people tools for planning truly effective client presentations.

To be without a micro in 1984 will be a severe limitation, particularly in the medium and major markets. Stations with micros will get information more quickly, prepare more effective sales presentations and be the first on the street with them.

While computers won't replace books in the near-term, look for increasing reliance on data via micro in the future. It's all there: speed, power, cost-efficiency and convenience. You'll be able to down-load information instantly, rather than waiting days for the mailman to show up with the books. And



Thomas C. Birch is president of Birch Radio Inc., the media audience research firm headquartered in Coral Springs, Fla., that he founded in 1978. Prior to that, he held programming positions with a number of radio groups including Storz, McLendon, Hefel and LIN.

once the information is in the machine, you can print it all out or select what you need and leave the rest on file.

The microcomputer may also affect measurement techniques. We are now evaluating the utilization of microcomputer-based stations for field interviewers. Using micros, the interviewers could be guided through the interview with the computer software controlling just about everything except the speech of the interviewer.

What would these capabilities mean to you, the user? It would help improve accuracy and reliability of the estimates by imposing even greater controls on the process than those now possible manually. It would improve call-letter crediting by assisting interviewers in probing for more detailed slogan and facility information, while reducing or eliminating the need for remote-point editing. It would virtually eliminate the time lapse between completion of field interviewing and delivery of the finished estimates.

The information having been entered, edited and partially processed at the point of the interview, several time-consuming and error-prone steps in the production process are eliminated. This means overnight ratings could be transmitted to users who have communications capabilities on their micros. You could call up information current through the previous night and analyze the results. Sports broadcasters could gauge the impact of a major game. Programmers could see how well a special program or promotion fared. New stations or formats could be tracked on an almost daily basis.

More frequent measurement and rapid dissemination of rating data may affect the sales environment as well. Birch Radio Monthly Trend Reports are becoming increasingly important to local and national

advertisers, and Arbitron's new Arbitrend service is likely to further increase agency awareness of the need for more frequent reporting.

We believe that monthly numbers are valuable tools for agencies to use as complements to the regularly scheduled quarterly reports. We do not believe, however, that two- or three-month rolling averages should be used for basic planning and buying except in markets where major format changes have occurred. Monthly estimates are most valuable to station programmers for adjustments in day-to-day operational tactics and to agency buyers for "tilting and tweaking" purposes in the station selection process. Used in this manner, monthly estimates properly contribute to better programing and more accurate spot placement.

If broadcasters position monthly or rolling-average rating data as background or supporting information while continuing reliance on the standard, published quarterly reports for rate determination, it is unlikely that agencies will alter their current approach to buying radio. If broadcasters emphasize the monthly numbers, agencies will follow suit—and a spate of major changes will then become more probable. Flights could shorten. Negotiations would be more likely to focus on the latest shifts in audience size. Sadly, radio might become even more difficult for agencies to buy. Broadcasters hold the key to the future of the buyer/seller relationship with agencies in markets under continuous measurement.

Radio provides advertisers with a smorgasbord of targeting opportunities, and qualitative descriptors of the audience help emphasize the differences in station audiences. In many major markets, more than a dozen stations are within decimal points of one another in the all-important 25-54 demographic. How can a buyer decide which stations to choose, when rates and quantitative demographic data are all equal?

The answer lies in revaluing the audience deliveries based either on available qualitative or product usage data. We have suggested to our broadcast clients that audience purchasing power can be estimated through simple extrapolations based on audience estimates in the printed quarterly summary reports. For example, a station reaching 25% of the heavy beer drinkers (those consuming eight or more glasses, cans or bottles) might be reaching an audience with aggregate weekly expenditures of \$20,000,000 or more on beer. Another station in the same market with the same quantitative audience profile may actually be delivering half as many heavy beer drinkers.

This will go down as the year of the microcomputer. More stations will purchase micros in the first half of 1984 than in all previous years combined. Rating technology will continue to improve, and increased computerization will play a vital role. ■