

CANADIAN READERSHIP METHODOLOGY CHANGE A CASE STUDY OF AN INDUSTRY GROUP IN ACTION

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Background

Four and a half years ago at the 1988 International Readership Symposium in Barcelona, a special seminar was held featuring a select few of the top readership research experts in the world. It was held at the invitation of the Canadian delegation to discuss the then proposed readership methodology change: from Through-the-Book to Recent Reading for Canada's PMB study. Our goal was to learn as much as we could from those experts who had so many years of accumulated experience. This is the report of what happened subsequent to that seminar. Looking back now at the report on that seminar (1), it is fascinating to observe how well the participants predicted the key factors that were to play an important part in the process of implementing PMB's proposed change.

We Canadians brought mostly technical issues to the discussion: which RR to methodology to use, (direct vs indirect, order of presentation etc) and how to treat irregularly published magazines. We got useful input on all these points from the seminar participants. For example, on the subject of measuring irregularly published magazines, it was suggested we investigate the M.R.I. method used in the U.S.A., of using the most common publishing interval as the qualifying period, but if that wouldn't work, to use the frequency method. However, the major commentary, voiced by many of the participants, was the warning about the political and commercial risks that would flow from this change in methodology. We were asked, how confident were we that the industry really understands the potential impact of the change? We recognised at the time that these were very important questions, and indeed those issues of political and commercial risk became paramount; so much so that the final outcome of this proposal was taken to a formal vote of the membership at a Special General Meeting called for the purpose, with secret voting, ballot boxes, even an attorney hired to scrutinize the voting. The result was very close, 51%/49% (out of over 150 members present).

This paper explores how this almost even vote was arrived at, and the actions PMB has taken to resolve what would otherwise have been a very serious split in the organization.

For PMB's Research Committee the seminar in Barcelona marked an important step in what was a long process of methodology investigation lasting many years. Committee members were sceptical of the status in Canada of the Through-the-Book methodology as the "Gold Standard" which had been the official PMB position since the 1979 Pilot Study (2) and before. The committee was convinced that if PMB were to start afresh, taking into account the technical and cost considerations, then Recent Reading would be the technique of choice. (Slide), These were the four main advantages of recent reading as documented in the Committee's proposal (3). Some believed that RR gave more accurate readership results (avoiding TTB understatement), and even those who didn't subscribe to that view or strongly debated it, accepted the technique as an internationally recognised, legitimate measure. Second, it had undisputed advantages in terms of ease of administration. The absence of skeletonising led to substantial cost savings (order of magnitude between 10-15%). Finally, there would be the advantage of having readership figures that could be considered comparable to other countries' audience results.

Technical Committee Rationale for Recent Reading

- Accuracy considerations : - International acceptance
- Easier to conduct
- Cost advantages
- Consistency with other countries' results

Stage I: Research Issues (1989)

Although extensive research work was undertaken on several key issues, we will not dwell on this. Those topics are fully explored in this and previous seminars. See for example Hans Vorster's paper at the Hong Kong International Readership Symposium (4), and two papers at this conference. What followed, after the Barcelona symposium was a two stage process, the first stage was to tidy up those outstanding research and technical issues, the second was the political process of generating consensus for the change. These two processes were consecutive, research issues being addressed mostly in 1989, and the political factors addressed after that in 1990 & 1991.

The research program addressed three outstanding issues:

Recent Reading Research Issues Addressed

- (i) How to handle irregularly published magazines?
- (ii) Which specific RR procedure to adopt out of the wide range of international RR practices?
- (iii) Could we refine the proposal prompt card to reduce the potential of title confusion?

Each of these projects was undertaken by a highly qualified research company. Dick Lysaker, president of Audit and Surveys addressed the question of the measurement of irregularly published magazines; Canadian Facts did the study that evaluated the different options, and Peter Hume of Abraxus Research investigated the possibility of reducing title confusion caused by the prompt card.

Comparability Studies

It was decided not to do any comparability studies. There were three strong reasons for this:

- (i) A comparability study would focus attention on which publications would win vs. which would lose. Any publication with lower readership score (absolutely or relatively) would likely be against the proposal. A consensus for change would be impossible
- (ii) The very high cost of a truly comparable study of RR vs TTB.
- (iii) Sufficient information on the direction and approximate magnitude of the anticipated changes already existed. PMB's own 1979 Pilot Study (2) had compared RR vs TTB directly. In the USA, MRI and SMRB results provided ongoing comparisons for over 100 publications going back over 5 years.

The Research Committee designed the research program therefore to be forward looking and to eschew comparisons with the past technique. The philosophy, technically, was to put TTB behind us and acknowledge there would be a new playing field. For this reason, none of the research permits of any but general comparisons with the TTB method we used. This philosophy was a logical one but not always easy to keep to. In both the confusion study and the methodology evaluation there were always some parties saying, that's all very well, but how does it compare to the existing data? In fact the selection of the RR methodology eventually was based on preserving the existing TTB relationships (5). This was a wise selection given the choices available, but it can also be seen as a kind of early warning signal of the strength of the force for preserving the status quo.

Stage II The Political Dimension

The research program was largely completed by the end of 1989. The political task of gaining consensus for the change from the many PMB interest groups and to determine how the change should be put in place was the role of a specially formed committee "The Recent Reading Implementation Working Group". Nominated to that group were the chair persons of each of the standing PMB committees and the industry "elder statesmen" - that is the previous Chairmen of PMB, to add authority and stature to the proposal.

A Strong Case

From a marketing perspective, adding up the strengths and weaknesses of the selling proposition, it appeared the Implementation Group had a formidable case:

1. **A Good Product:** The "product", Recent Reading, would deliver higher readership figures, it would deliver more sample and/or lower costs. In place of our rolling 2 year samples, it offered the possibility of more up to date single year reporting. And, putting all those together it offered a kind of multiplier effect, more sample would mean the possibility of more publications creating higher revenue which could in turn offer lower costs and/or larger sample.
2. **Board of Directors' Support:** The Board of Directors had resolved unanimously to adopt Recent Reading, subject to its agreement to the implementation plan. There had been some reservations expressed concerning the risk to publishers, but it was expected that there would satisfactorily address within the Implementation Group.
3. **Technical People On Side:** This was a technical initiative, and the technical committee had declared itself in favour of the change.
4. **Strong Financial Position:** PMB was at that time running a significant surplus on operations and it had been agreed that, after fulfilling requirements for a prudent safety reserve, the surplus would be designated a "Study Improvement Fund" and used to finance the transition costs.

Recent Reading Adoption

Factors Supporting Change

Product - Higher readership, larger sample & lower costs
 Board of Directors Support
 Technical Committee support
 Financial Position

Time Out: PMB'90 Under the Microscope

The Implementation Group had some interesting choices to consider. The sooner the change was implemented the less uncertainty in the market place; but, the harder it would be to do because of the substantial transition costs of boosting year 1 sample to maintain continuity. On the other hand, the longer we waited, the greater would be the accumulated study improvement fund, but at the risk of losing momentum, of personnel changes and so forth.

As they have a way of doing, events intervened with the appearance of surprising readership results released in the summer of 1990, under the title PMB'90. In an experience that many in media research are familiar with, unexplained changes focused close attention onto all aspects of the study's execution.

The changed results coincided with a change in primary supplier, from Canadian Facts to Thompson-Lightstone Inc. Decisions made years ago were dragged out and subjected to scrutiny as possible problems. Minor executional variances were held up in the focus of public spot-light. An outside investigator was hired, Dick Lysaker, to review all the procedures and results. The whole process took over 6 months as issues came to light, were investigated, debated and eventually resolved, giving the study a clean bill of health. It was a salutary experience that reminds the researcher of his or her duty to maintain the highest possible standards at all times.

The impact on the recent reading initiative was of course to put it on hold for a significant time. The attention of the researchers, the Committees, The Executive and Board of PMB, publishers and users alike was directed at these problems at the very time that significant decisions on RR implementation were needed. Not everyone felt it should be put aside, one person was heard to remark that we should change methodologies right away, it couldn't get any worse! Apart from this point of view, 1990 was a lost year as regards RR implementation.

1991 - The Final Act

So it was that in the first half of 1991 that the final act was played out. The focus of the Implementation Group's attention was the rest of the PMB membership, to be reached by a series of presentations across the country, followed by workshops with interested parties, culminating in a vote at General Meeting of the membership in June of that year.

The presentations explained the pros and cons of the proposed change, supported by a written "Document of Record" (6) that covered the issues in detail. It reviewed thoroughly the accuracy issue, covering the familiar territory of replicated and parallel reading, of issue age and skeletonising effects and so on, concluding that accuracy was not the grounds on which the selection should be made. It was acknowledged that different readership figures would result from the change, creating a new media buying environment. This new media buying environment would generally be favourable with most publications expected to gain more readers.

The cost arguments in favour could be quantified now that the decision had been made to aim for a 1992 start with a one year sample of 16,000 and 12,000 per year after that. The plan would use the study improvement fund to finance the double year sample in year 1, so avoiding any price increase in the first year. The information package expanded to include a number of different cost options, and a history of international readership methodology changes that we were aware of, and a 5 year history of MRI vs Simmons readership results, by title, by editorial and by frequency. (7)

Members' Concerns

The public presentations quickly revealed that what had seemed like a strong hand was evaporating even as it was played.

The study improvement fund was not sufficient to avoid substantial increases, (10% or more) in years 2 and 3 unless it was agreed to use the safety reserve. This was 1991, as the world and Canada's economies were sliding into a deepening recession. In the downslope of that recession, the idea of using the safety reserve, or of price increases of that magnitude, raised questions and concerns among some of the membership. Also critical, the reservations of some key publishers and members of the Board of Directors, far from being alleviated had become sharper. Although denied, there were rumours that two major publishers, would vote en bloc against the proposal. Doubts centred around the effect of changing the playing field. Again the economic environment played a key role. In the short term the magazine advertising volume was seen as a zero-sum game; for every winner there would be a loser. Concerns about risk led to what was perhaps the turning point in the whole proposal. The Board agreed that the issue was of such potential magnitude that the vote for change had to be carried by more than just a simple majority. It must have a two thirds majority with at least 60% in favour among each of the buyer and seller communities.

The issue quickly became public. Press reports (8) quoted the Chairman expressing less certainty the vote would be carried and referred to the "embattled supporters including PMB staff" who were trying to put the focus on the long term benefits to the magazine industry, advertising agencies and their clients.

The Outcome

The Special General meeting was called for June 25 1991, with over 150 out of membership of over 200 present. The vote was held with a secret ballot and scrutineers. The result was a 51% vote in favour of the change to Recent Reading, a win, but insufficient to make the change.

Analysis of the voting patterns showed that Agencies and Advertisers had voted over 2/3 in favour of the proposal, while publishers were almost 2/3 against the proposal to change.

The Future of RR in Canada

It is significant that the decision to remain TTB was not based to any large degree on concerns with the Recent Reading measurement tool itself. It was, as so accurately foretold at the Barcelona Symposium, based principally on the issue of commercial risk to publishers.

The advantages of a change to Recent Reading are still there to be had should the commercial and political environment change. What is not presently available is the funding for PMB to finance a transition. We are presently using the "Study Improvement Fund" to finance a sample increase for the TTB study. It is not as big as we were hoping would be achievable in RR. Our sample has increased from under 8,000 to 10,000 per year (vs. 12,000 planned for recent reading).

Perhaps it is easier to bring a new method into the field with a new study. This is happening with PMB's planned entrance into the Business readership area. The PMB group working on a new study devoted to the business and upscale markets has adopted Recent Reading as the method of choice. One of the issues we've thought about is whether it will be a problem having different readership results in this new study. Like the Businessman's study in U.K. and the Pan European study, this proposed study is concentrated on just a small segment of the population, so we do not anticipate too much concern over that probability. Nevertheless, there will certainly be some interesting debate about those differences when they occur, and we may be back at the next conference with some new insights on this debate.

References

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