

MCVAY//MEDIA

TO: Paragon's PPM Rulebook
FROM: Chris Conley
DATE: September 24, 2007
RE: Thoughts on PPM

Understanding cume changes

PPM picks up all listening. There is no such thing any more known as "phantom cume." In the diary consumers on average gave listening to 2 stations. With PPM the number is 4. Adding all the light listening occasions brings down a station's average TSL.

Taking WBEB in Philly as an example:

The station reaches an additional 1.3 million people than was registered with the diary.

Adding these individuals brings down the station's overall TSL from 7.5 hours with the diary to 2.5 hours weekly with PPM. P-1's of WBEB spent over 7 hours a week with the station.

In Philly there is now more cume in PM drive than in AM drive total market.

Listener loyalty is still high. In Philly for the first 7 months of PPM, 69% of a consumer's listening went to one station. For example 77% of WBEB's total AQH listening came from P-1's (20% or so of the cume).

Audience composition changes dramatically. Male TSL is much higher than in diary. Women TSL is much lower. In May 2007 the average TSL for women 25-54 in the Philly metro was 12:45. For men the number was 15:15.

A couple of conclusions you may reach is that men did not do well at keeping a diary. Conversely women either did a wonderful job or actually over-reported in the diary world. Cell phone only homes being counted now also contribute to more men. In Philly the mainstream AC, WBEB's audience composition with the diary was around 70% female (AQH). That number drops to around 53-55% with PPM. Lots more men listening to stations that we never thought they were listening to before. TSL from 18-34's is very low.

Stop Sets

Some interesting numbers are being thrown around regarding how much listeners listen through stop sets. Let me attempt to crystallize a couple of points. One common bullet point in the industry was based on the Houston trial that said..."radio retains 92% of its lead in audience during commercial breaks." Well, in Philly the number is more like 78%. The other relevant information is that it's NOT necessarily the same 78% of listeners that were there when the commercials started. Some tune out, some stay and others join. There is NO reliable

information that tracks specific cume through a stop set, only information about how many are there when it starts and when it finishes.

Biggest Challenges for Radio with PPM

Getting people to stay in the panel has been much more of an issue than Arbitron has anticipated. The panel is turning over much more rapidly than anyone thought.

Adult 18-24 and Hispanic representation has been very disappointing.

In the sales world Reach and Frequency models that agencies use to buy radio are still based on the diary methodology. This has been a huge issue with Sales efforts in Philly. While we were developing our story on radio being the new “reach medium,” buying agencies were behind closed doors developing new strategies of how to buy the medium even cheaper than before.

Programming adjustments on a music station to consider

Thinking globally first, if you have a mainstream AC or Rock station you will have an enormous cume. It won't be unusual to see your cume increase 150%. So, to me it doesn't make sense to devise tactics to grow cume. That's just not the game anymore. It IS more important than ever to be excessively protective of TSL. NOW is the time to eliminate clutter and tune-outs: 15 minutes of TSL can mean up to a couple of share points and a difference in rank of 2-3 slots.

Since the audience erosion during stop sets isn't as dramatic as we once thought, it makes sense to me to have few as possible. If you are stopping 3 times an hour it seems a good idea to make the sets a bit longer and stop down 2 times instead. One less incident of tune out can help TSL.

It's not so important for the Air Talents to slam the call letters and positioning statements at the audience as before in the diary world. There is no such thing as phantom cume, so we don't have to worry about recall at diary fill-out time. This is liberating in the sense that we can begin to train our DJ's to be less like DJ's and more like real people. Stripping away the “jockularity” and typical radio DJ banter can go a long way to making your station much more listen-able at the end of the day. In Philly we began to experiment with new ways to communicate. It sounded weird at first to us radio guys and gals but then it just sounded refreshing. An example would be that when the song ends the DJ just starts talking to the audience about something relevant. Sounds simple doesn't it? Imagine the DJ's role without....”WXXX, with the most music and variety, it's 2:15 with Phil Tiem in the afternoon. High today of 67....maybe a few white puffy clouds tonight. Next more great variety from the 70's....blah blah blah on your station for blah blah blah....WXXX-FM.” Again, no need for constant positioning and call letters. PPM measures listening in real time with no need for reminders from the radio, etc. The jocks role can be important in enhancing the experience. The jock can also just cause tune out if they aren't relating and being relevant.

Beyond being overprotective of TSL and being more efficient and relevant in our on-air presentation there is more work to be done. In PPM world we need to start finding ways to extend listening into other day-parts. More listening appointments of course leads to TSL. An

example: In Philly at WBEB we had this huge workday cume. We decided the time was ripe to launch a new morning show and find ways to put a spotlight on it. Our thinking was if all that daytime cume could just make one more appointment every 5-8 days with our morning show, it could translate into significant tsl increases.

Some tactics caused brief bumps in listening. However, the more tactics we devised in Philly (we did many them), the more we were convinced the real game was keeping our core that gave us the bulk of our quarter hours happy with the product. That meant being sure the music was perfect and that the station wasn't setting tune-out traps. Sorry, I wish I could unveil lot's of tricks and tactics that had huge affect with PPM. It just wasn't the case. In fact most of the tactics, contests, marketing ideas we tried really were pretty inconclusive whether it increased listening at all.

No talk segues can enhance the image of more music. I however am more a fan of very short ID's between every song. The psychology at play for the listener is...*"is that all they are going to say. Wow they really don't talk a lot."*

Marketing in a PPM world

What to do, what to do? In the PPM world you should be able to run a marketing campaign and then look back a month later to see what happened with listening. I wish it was that easy. In Philly, we did trials with great cash incentives then supported by TV, direct mail, email blasts and whatever else we could think of. We hoped to finally find the secret of all secrets. What marketing worked best when tied to an on-air tactic. Well, we found that none of them worked any better than the other. We found that on average more people listened during our contest period, but there was no difference with any of the marketing elements that we tried. In fact when we did no marketing the listening levels were the same or higher.

Conclusion: Work to enhance your brand. Forget the gimmicks. Positioning and branding is still important. Proctor & Gamble continues to position highly successful products like Tide. There is zero value to eliminate branding from your radio station. What are you famous for? Sell that benefit to the audience. You STILL need to position your station.

Me

I have joined McVay Media as the VP/AC radio. If you are facing electronic measurement and would like to chat about some of the things I learned as the very first PPM PD (yep I saw all the data before anybody else way back in the trial days), give me a shout. I look forward to sharing some of the lessons I learned the last 10 months in Philly with weekly PPM numbers. You think that monthly download was stressful????!!

OFFICE

Chris Conley
295 Palmas Inn Way
Suite 130 PMB 163
Humacao, PR 00791

Phone

215-300-8138

Fax

610-538-8147

Email

chris@conleyradio.com

Web

www.conleyradio.com