

PPM RULEBOOK

PARAGON MEDIA STRATEGIES

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Understanding Early PPM Results

Updated 7/17/07

Although the early Personal People Meter (PPM) ratings are somewhat similar as those from the written diary method, the results are derived in two very different ways:

- 1: Cume for each station has practically doubled
- 2: TSL for any individual station has dropped to half of its previous level

Therefore, the ratings look similar because there are twice the number of people with half the time spent listening (TSL).

So, while the Total numbers are more or less the same as the diary, we'll get there differently using the PPM.

Just like the diary, five minutes of listening gets you credit for the quarter hour. However, the PPM will present many more stations with shorter tune-ins. As a result, we will see lower TSL levels from more stations since the PPM reflects "more stations listened to" than the diary does. The very nature of the diary methodology did not encourage listeners to write down more than three or four stations. Lighter listening to stations five, six, and seven were probably not recorded at all in the diary. With PPM, those stations will show up in a station's sharing pool, albeit with much shorter listening spans, or lower TSL. Keep in mind, the offset of this is Cume for virtually all stations will skyrocket.

In the diary, listeners tended to write down their listening time sequentially and probably never entered three minute listening spans. PPM will change this and those three minute periods will count toward quarter-hour credit if they come inside a 15 minute block.

Using the old diary, listeners typically wrote down three or four stations. Now, the new PPM says most listen to many more stations. Also, your station will likely get more credit for your P3 and P4 listening whereas you may not have before with the diary. The credit that you'll get is more cume, although there will likely be very few quarter hours from the P4, P5, and P6s (etc.) for most stations. This, again, is a reason for TSL going down.

With the diary, recall meant *everything*. Recall is still very important with PPM, but for a different reason: You want your listeners to remember who and where you are so they can find your station and listen to it as opposed to trying to recall which station they listened to.



Like the diary method, PPM's early results suggest that there are different values for different types of listeners to your station:

- 60% of Average Quarter Hour (AQH) listening comes from P1s...those who listen more to that station than any other. This result is quite similar to the diary results.
- 20% of AQH listening comes from P2s.
- 10% of AQH listening comes from P3s.
- 10% of AQH listening comes from P4s.

The difference is PPM uses data from an ongoing "panel" of respondents, so it is now possible to track listening changes over time. Early on, it appears that a full 50% of all P1 listeners will change the station listened to most within six to eight weeks. For this reason, Paragon has dubbed "Loyal P1s" as those P1s who do not change their most listened to station, and "Fickle P1s" as those who do.

Summary

Even though it will be years before PPM is used in all radio markets (if ever), it is clear that PPM ratings reflect a sea change in ratings for those markets that do have PPM ratings. This sea change in ratings methodology alters programming strategies significantly. In alignment with Rule #1 "Don't Panic," we seek to keep on top of significant programming response changes to the PPM, which rolls out in the Top 10 markets in 2008.

As a service to Paragon clients and the entire radio industry, Paragon Media Strategies has produced the following PPM rules to suggest programming strategy changes and ways to maximize ratings in PPM markets.

As the intelligence on PPM activities grows, so will the PPM Rulebook. Paragon will be blogging on this subject on a regular basis and we invite anyone to contribute new rules for consideration directly to the PPM Rulebook page at www.ppmrulebook.com, or through our website at www.paragonmediastrategies.com.



Rule #1: DON'T PANIC!!!!

It is very early in the PPM process. Programmers and consultants everywhere are worked into an understandable frenzy because of the top 10 radio markets scheduled to be measured by PPM in 2008. Arbitron is the yardstick by which radio stations measure success, so it's understandable that we all want to know about this new yardstick.

However, the frenzy to lean on early PPM results is disconcerting, and potentially problematic. Over-reacting to early data is potentially worse than not reacting at all. Don't panic, stay calm, and only make measured responses that do not paint your station into a corner if and when conflicting PPM information arises. In all likelihood, that will occur as further data unfolds.

Added 7/17/07

Rule #2: Get "married" to your core audience, but stay "engaged" to your cume audience

With PPM, the value of core listeners remains essential to a station's final ratings. However, a balance of core and cume audiences is still required. Don't over-focus on either core or cume, but create a compelling mix of content for your entire listening audience.

Added 7/23/07

Rule #3: Retain listeners for longer periods

Because PPM data show lower TSL than with the diary, bolstering TSL is a critical objective for any station. Structure your programming to keep the average listener listening longer for each visit. Successfully doing so will provide a significant increase in ratings. Very simply, here's how, according to Arbitron's Ed Cohen:

1. What are you doing that you would not be doing if you didn't have the diary method? STOP doing those things.
2. What would you be doing had the diary measurement not been in place? START doing those things.

[Sample Strategies](#)

Added 7/23/07



Rule #4: Set more listening appointments

Many more of the shorter-duration listening occasions are being counted by PPM, which may be the reason that Rock and Oldies stations are doing better in the early returns from the PPM. More than ever, converting the proverbial “dial-puncher” to at least a P3 or P4 to your station becomes essential. Devise programming strategies that give listeners reasons to tune in more frequently.

Added 7/23/07

Rule #5: Understand the value of different listeners

Shape your programming strategies to reflect the value of different listeners. If 60% of your AQH comes from P1s, 20% from P2s, and 10% each from P3s and P4s, then your programming strategy should place a higher value on P1s. Also, consider that it takes three P2s to equal the value of one P1, and it takes six P3s or P4s to equal the value of one P1. The value of courting and maintaining P1s is very high, but the incremental value of P2s, P3s and P4s adds up, and in many cases, they are your future P1s.

Added 7/23/07

Rule #6: Delineate between your “Loyal P1s” and your “Fickle P1s”

If half of all P1s change their most-listened to station in less than six weeks, then it is critical to differentiate your “Loyal P1s” from your “Fickle P1s.” This has ramifications to your station’s research, contesting, loyalty programs, etc. Ultimately increasing your “Loyal P1s” and decreasing your “Fickle P1s” may be the most impactful ratings driver available.

Added 7/23/07



Rule #7: Integrate programming

Review your programming transitions to ensure that they are as seamless and forward-moving as possible. Don't force the listener to notice changes in programming. Instead, glide them through your programming adjustments in a less obtrusive way and with more continuity.

[Sample Strategies](#)

Added 7/17/07

Rule #8: Location, location, location

More than ever, DIAL POSITION should be key to your marketing and positioning efforts. Remember, with PPM the game has shifted from "make listeners remember they listen" to "make them listen." Central to "making them listen" is a clear marketing and positioning path to your station. Selling your dial position is more important than ever, but should not be done at the expense of selling your brand, too.

Added 7/23/07

Rule #9: Avoid "punch out lines"

Don't give your audience a reason to tune out, even for commercials. Avoid "punch out lines" such as, "We'll be right back.", or "Back in two minutes."

[Sample Strategies](#)

Added 7/17/07

Rule #10: Don't play "rubber clock" games

The meter captures realtime listening, and knows it is 12:03 and not 12:10. Throw away anything and everything you did previously that tried to "trick" the listener into recording more listening to your station in the diary.

[Sample Strategies](#)

Added 7/17/07



Rule #11: View the data with skepticism

This rule isn't a slam at Arbitron, the meter, or the methodology. This rule is a reality of all research you receive and digest. Who is in the sample? What are the sample sizes? To what degree, if any, are the data weighted? How should I internalize and interpret these data? Interep CEO Dave Kennedy, who holds a doctorate degree in research, has always preached, "View all research with skepticism."

It's imperative that you know and then communicate through your station's selling habits that you understand the sample. In light of the new panel methodology Arbitron is using, you must also know how panels work and how the panel in your market is working. You simply can't afford to not know.

[Sample Strategies](#)

Added 8/29/07

Inspired by David Kennedy, CEO Interep



Rule #12: Promotions should be hyper-focused to the working person and working communities

Working people are driving the early ratings. Early PPM data shows that employed persons spend 16 hours a week listening to radio compared to nine and one-half hours among their TV-infused counterparts who don't work. Working people have more opportunities to tune to radio during their commutes and while working. With PPM, working persons provide the largest quarter hour payoff.

Added 8/29/07

Rule #13: Don't be shy about targeting men

The Males are back. Men are now the majority of AQH ratings because PPM is apparently doing a better job of capturing of the true listening occasions of men. Men tune in on more occasions than Women. Having a true measurement of male listening that buffers those who over-reported radio listening is a boon to Male-oriented formats like Rock. Oldies and Adult Hits have also enjoyed more success in the early going for PPM in Philadelphia and Houston.

Added 8/29/07

Rule #14: Demand better internal sample management from Arbitron

Arbitron has raised the bar for radio ratings by providing a better methodology. However, a better methodology with inadequate sampling is still poor research. Radio must now raise the bar for Arbitron by holding Arbitron accountable to better sampling. Hitting total sample targets is important, but hitting internal demo targets is critical (ex. M18-24, ethnic quotas, etc.).

Cox Radio CEO Bob Neil took an early stand on this issue, which we support, stating that the industry needs every demo to come in "as promised - it's what we are paying for." Radio will know if Arbitron is providing reliable internal sample sizes based on the stability (or instability) of Average Quarter Hour (AQH) shares within demos and dayparts as PPM data rolls out.

[Sample Strategies](#)

Added 9/11/07

Inspired by Bob Neil, CEO Cox Radio

**Rule #15: Don't sweat the rankers**

Until Rule #14 (Demand Better Internal Sample Management from Arbitron) is enforced, early reports suggest that AQH shares are fluctuating significantly with PPM (compared to the diary). This fluctuation allegedly is pronounced when observing age/gender/ethnic within dayparts. However, Arbitron President/Sales & Marketing Pierre Bouvard correctly points out a new reality:

"In a PPM world, rank position is a lot LESS meaningful," according to Arbitron. "With station audiences so tightly compressed, there is little difference between number one and number 15. Among 25-54's in the Houston July book, there was only a .2 AQH rating difference between number 1 and number 15! There was a five way tie for first, a six way tie for second, and a four way tie for third." Bouvard continues, "So if your rank bounces around in a PPM world? Relax. Don't panic. You're better off trending your AQH Persons or AQH Rating which will be very consistent and stable. We are 'rank obsessed' in radio. We tout our audience ranks to each other like crazy. 'The World is Flat' in a PPM world."

Added 9/11/07

Inspired by Pierre Bouvard,
Arbitron President/Sales & Marketing

Rule #16: Afternoon drive programming is just as important as morning drive

This has the potential to become a major revolution in the way we strategically program and sell the day.

McVay Media's Chris Conley observes that in Philadelphia there is more Cume in PM drive than in AM drive in the total market. We'll need to see Quarter Hour/TSL data in order to see if afternoon drive has as much or more impact on the overall ratings.

Added 10/4/07

Inspired by Chris Conley, McVay Media

Rule #17: Brand strategy marketing is more important than hit and miss marketing games

It's important that when a PPM panelist tunes in the radio that your station is the 1st or at least 2nd station he or she thinks of when launching that listening occasion. Therefore, the brand—what you're famous for—needs to be continually promoted. Constantly work to enhance your brand: What are the magic words that communicate your station's unique usage benefits? You need to keep coming back to those benefits over and over again in your ad campaigns. It's analogous to constant image advertising as opposed to airing price and item sale information.

Added 10/4/07

Inspired by Chris Conley, McVay Media



Rule #18: Keep an accurate event audit

PPM allows you to see cause and effect better than the diary ever could. In countless examples from Arbitron's John Snyder, we have seen how specific events either drive up cume and AQH or where the audience has exited. With the granularity of PPM data, programmers should keep a detailed, accurate "diary" (sorry couldn't resist) of events on their station and the competitive landscape (special guests, giveaways, marketing campaigns, news events, etc.) and then cross reference once the data for that time period is released. You'll get the opportunity to truly see the dynamics between content and consumption, if you know when these events occurred.

Added 11/2/07

Inspired by Harv Blain,

Vallie Richards Donovan Consulting - Chicago

