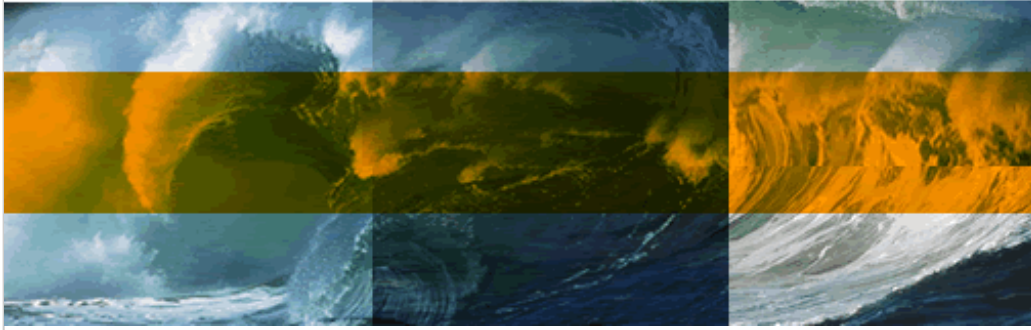


# Oxygen

*fresh insights for media professionals*



December 01, 2006

## The Future is NOW, but Measurement is Yesterday

Advertising Research Foundation (ARF) conducted a survey among the users of audience research services in 2005 and the above said verdict was unanimous and three issues came up across the respondent base:

1. Lack of adaptability of current measuring tools
2. Sample quality
3. Sample size and representativeness

The results of survey clearly demonstrated that in spite of major advances that have been made in media technologies all over the globe the measurement systems (especially Syndicated services) have been plagued by very slow pace of improvements and investments in technology. Naturally monopolies created in many markets have only harmed the interests of all concerned in the communications industry.

Amongst users of Television Research the key concern were:

- Syndicated Service Moves too Slowly to Address Urgent Issues
- Sample Quality and size are inadequate
- Greater Granularity and Flexibility in Reporting and Access are needed

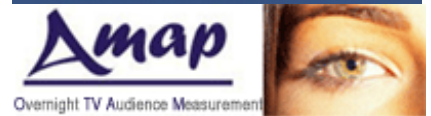
One of the biggest concerns among the advertisers was that of **COMMERCIAL RATINGS!** One of the concerns aired was:



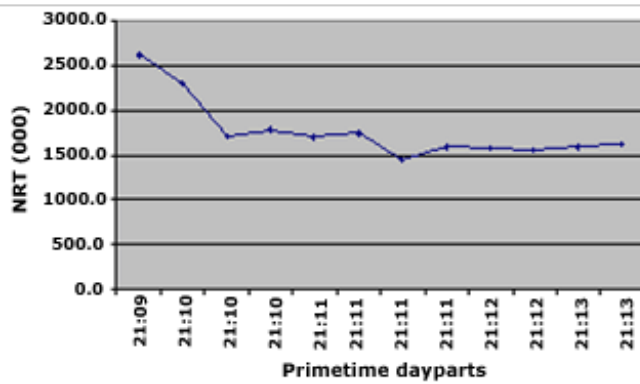
### Did you know ?

- Homes watching television in Guwahati, on an average spend 5 hours in front of their television sets every day with cable homes spending 30% more time.
- Homes watching television Television in Jammu on an average spend 4.6 hours in front of their television sets everyday with cable homes spend 25% more time.  
[More](#)

### WHAT'S NEW AT AMap ?



aMap launched world's largest Television Ratings Panel with 6,000 metered home to rave reviews from media and professional from communications industry. aMap apart form now having the World's Largest panel that can provide multi-dimensional TV viewership data also demonstrated its capability of providing second by second commercial ratings. To the existing 28 markets in India, aMap has introduced three new markets viz. Jammu, Guwahati and Jharkhand & Bihar. The state of the art viewership measurement system has changed the TV Viewership Rating System in India and is setting the new rules for the Business of programming, media planning & buying and selling ad space on Television. [More](#)



**Figure: Anatomy of Ad Break**

*“There is no true measurement on how our commercials perform. We want to measure a true ROI and to date we can only give program performance data as an input to our models, not commercial-specific data!”*

## Ratings – The Primary Driver of Television Industry

As per PWC report on Indian Media and Entertainment Industry 2006 the *Indian Television Industry was estimated at INR 148 billion* and most of the decisions of this industry are taken based on television ratings and it becomes imperative that the decisions are based on robust numbers backed by investments by ratings services in taking intelligent decisions.

### Truth About Joint Industry Committees

Television ratings systems globally, fall across a wide spectrum from an almost totally independent for profit suppliers to a fully controlled industry system. There has been wide spread debate in terms of effectiveness of one particular system versus the other and the jury is still out if the JIC's are more effective in representing the requirements of research users than Owned Systems. (Definitions: [Refer Oxygen May 2006](#)).

*The results of the ARF survey included views expressed by media buyers and sellers that they have entered the age of client accountability, which is driving an inescapable need for improvements in audience measurement. It was also expressed that competition is the fundamental element that can spur these improvements and participants called for exploration of ways to open the market.*

### Moral Hazard

Diary based television ratings were introduced in India in 1987. This was about the same time that overnight ratings were already being conducted in western Europe. ORG Marg with its Dutch partner VNU started operations in 1985 with a seven city panel. Their only funding was based on fees from subscribers whereas the JIB backed IMRB and A C Nielsen (MARS) took two years after 1995 to get the contract and one more year to implement it with ratings being finally available in 1998.

Finally the merger of the two rating services happened (October 2001) due to

## WHAT IS OXYGEN ?

**Oxygen** is an aMap (Audience Measurement and Analytics Ltd) publication that aims at bringing fresh perspectives to the practicing media professional. It will be our endeavor to inform you of the issues that are shaping the media industry around the globe and their possible impact on the direction in which Indian media industry could move.

## RELATED LINKS

[Ad industry calls Audience Research Methods inadequate](#)

[Bad News for Old News](#)

[Kantar and AC Nielsen Merge India Panel](#)

[No Medium's Audience Research Is Adequate - ARF, August 2005](#)



## REGULAR FEATURES

- [TV Competition Grid](#)

## A MAP IN PRESS

### Print Media

[Afternoon, Nov. 28, 06](#)

[Loksatta, Nov. 28, 06](#)

[Hindustan Times, Nov. 25, 06](#)

[Hindu Business Line, Nov. 25, 06](#)

[The Hindu, Nov. 25, 06](#)

[Business Standard, Nov. 23, 06](#)

[Lokmat Times, Nov. 23, 06](#)

acquisition of AC Nielsen by VNU, which incidentally also held stake in ORG MARG. (refer: Related Links).

The legacy system thus created, had an inbuilt moral hazard. A media buying company's stake in a rating agency has an unavoidable problem of moral hazard. With a vested interest in the ratings company, the media buying company has an incentive to buy the ratings data from its own agency even when better data from other sources is available. This leaves principal clients' (advertisers') interest vulnerable to a perverse incentive that exists for the media buyer.

## After the break

*The next issue of Oxygen will talk about the importance of second by second ratings for various components of communications industry.*

Please feel free to send in your comments to Ravi Dixit - Director Research and Knowledge Management ([ravi.dixit@audiencemap.com](mailto:ravi.dixit@audiencemap.com)) and we can assure you that we will try and respond to all your information requirements through this periodical.

## Periodicity

This periodical is mailed to its subscribers on the first working day of every month. If you have received this as a forward, write to [oxygen@audiencemap.com](mailto:oxygen@audiencemap.com) for your own copy.

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