



The WFA/EACA Guide to
**organising audience
research**

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1. WHY DO WE NEED TELEVISION AUDIENCE RESEARCH ?

The need for credible, easily accessible television audience data for use in programme planning, advertising planning and airtime sales has never been greater. The ever-increasing number of stations available requires sophisticated schedule planning, and the increasing complexities and cost of television airtime demand greater accountability.

This document is primarily concerned with providing a guide to setting up an organisation to manage television audience measurement to provide an efficient and effective currency for trading television airtime. The principal requirements of a television audience currency are that it should be trustworthy, consistent and acceptable to all users.

There are several ways of organising the provision of these data. The advantages and disadvantages of each type of organisation are detailed in section 2.

2. FORMS OF ORGANISATION

There are three major forms of organisation. These are: Own Service (OS), Media Owner Contract (MOC) and Joint Industry Committee (JIC).

2.1 Own Service (OS)

Own Service systems are services which are set up on an entrepreneurial basis and wholly owned and managed by a research supplier. The advantages of this type of organisation are primarily those of speed in terms of both set up and ongoing changes and improvements. There is no longterm cost commitment by users since they simply buy the data they require.

However, there are disadvantages for users. First of all, although there is no direct underwriting of costs involved, the charges to users can be expensive since they are (usually) dealing with a monopoly supplier.

The service can be of variable quality since it is solely in the hands of the research supplier which may have weak or non-existent quality control and/or non-transparent operations. It can be difficult for users to change or improve the service since they have no direct say and no periodic contract review.



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Finally, if other research suppliers provide rival surveys this can be wasteful in terms of the deployment of financial resources available in the market. The money required for two adequate television panels would fund one good panel. It is also wasteful in terms of agency resource in that multiple data sets have to be purchased and reconciled.

2.2 Media Owner Contract (MOC)

This is where one or more broadcasters (and occasionally an agency or advertiser) commission research from a research supplier. The data are owned by the commissioners and they make all the decisions, although there is usually a technical committee which represents other users.

The advantage of this type of organisation is that there can be a better cost structure. Costs are guaranteed and usually shared, and contract costs can be controlled and linked to inflation. The contract is normally for a set period, which means that it is open to competition from other research suppliers. This element of a contract renewal timeframe is also important in pushing incumbents to be more innovative, to protect their franchise. The results are acceptable to all subscribers. The greater the percentage of the industry involved, the more acceptable the results will be.

The disadvantages are that it can be slower to set up and make changes in a committee structure than with an OS. The organisation can discriminate against non-participating media owners and in some cases can be used as a tool to exclude competitors. Media agencies sometimes have little influence over technical procedures, data reporting, access and costs which can lead to problems.

2.3 Joint Industry Committees (JIC)

A JIC is where the research is commissioned by a committee representing all interested parties: broadcasters, advertisers and agencies. The committee owns all the data and makes all the decisions regarding it. Members' views are expressed through sub-committees.

The advantages of this system are that it provides good value for money with much greater shared costs. It is also likely to be the most reliable form of research since it has the largest number of interested parties who examine all the technical procedures. Total industry involvement also means that the data are acceptable to all users. Finally, it is the system most likely to promote innovation and improvement in television audience measurement generally, as JICs are more likely to appoint the best supplier than any other kind of organisation.

The main disadvantage of this approach is that it tends to be the slowest method, as everything has to be agreed upon by relatively large committees. JICs are also the most difficult to set up since THE parties must guarantee funds in advance.



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WHICH IS BEST?

The WFA and EACA view JICs as the most effective method of organisation for the management of television audience research. JICs ensure all users some control of the technical specification and operation, and equality of data access, whilst minimising and controlling costs.

JICs also tend to be preferred by leading research suppliers. The detailed tender process ensures that the best company is appointed to the contract. This provides valuable evidence of its competence in other markets.

The concept of a JIC may be illegal under anti-trust laws in some markets, such as the USA. If so, it should be possible to carry through the principles of the JIC within whatever structure is acceptable.

Because of the complexities of setting up a JIC, it is probable that an OS will be the first form of people-meter panel in many markets. The advantages of people-meter panels over all other kinds of television audience are over-whelming. So the priority should always be to establish a good measurement procedure, rather than argue about how it should be organised.

3. ORGANISING PRINCIPLES OF JOINT INDUSTRY RESEARCH

3.1 Joint Industry Control

There are three fundamental requirements of television audience research:

- A single currency.
- Sufficient data to meet the needs of the three primary users: advertisers, agencies, and media owners.
- Accurate and acceptable data.

The WFA and EACA maintain that the only satisfactory way to achieve these requirements is through joint industry control involving the three groups of primary users: that is, advertisers, agencies and media owners.

It should be the responsibility of the joint industry committee to draw up the contract specification for audience measurement and to appoint one or more research companies to undertake it.



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3.2 Openness to Inspection

It follows from the previous point that transparency is a fundamental principle of audience research. Advertisers buy audiences. Their only guide prior to purchase, and subsequent proof of achievement postpurchase, comes from audience measurement. Therefore, all systems must be open to inspection by primary users.

Users can only identify malfunctioning, and enable the necessary rectification, where systems are fully transparent. Experience has shown that this is an important element in improving research in countries with high user involvement. The alterations are only effected because users continuously observe the detailed operation of the panel, and can thereby provide an external check on the performance of the research supplier.

The WFA and EACA recognise that specialist skills are needed to evaluate research properly. Committees of technical experts drawn from the three primary users and the company(s) contracted to undertake the research are essential to the concept of joint industry control. It is their duty to safeguard the interests of the parties they represent and to communicate back to them the implications of decisions made at a technical level.

3.3 Level of representation

Committee members from all parties should be individuals of sufficient seniority within their organisations to act authoritatively. If the representatives on the JIC committee(s) have to check every minor detail with their own industry committees, nothing can progress, and it becomes impossible for the JIC to function effectively. The question of seniority is particularly important for the management and finance committees. Research experience is more important for the technical committee.

3.4 Unrestricted Access

Unrestricted access applies to all data, which are used for the selling and buying of any audience-related product, including commercial airtime and sponsorship.

The WFA and EACA regard it as essential to keep all research methodology open to inspection (and potential criticism) through unrestricted access. There are three main reasons for this:

- It is vital for user confidence.
- It allows maximum use and exploitation of the data.
- It creates even conditions for sellers and buyers.



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Unrestricted access means full access for all parties to:

- full details of methodology and procedures
- research tapes containing the full respondent-level data
- results of all tests and experiments on the system

The only limit is the need to preserve the confidentiality of the names and addresses of interviewees.

Advertisers, agencies and media owners should not only have full, unrestricted access, but also equal access with regard to what is provided and time delays for obtaining the data. No party should have preferential treatment regarding commercial data.

3.5 Availability to All Interested Parties

Advertisers, agencies and media owners represent the primary users of audience data.

An important secondary level of users are research companies and software houses/computer bureaux. Their analytic and synthetic skills contribute to the provision and development of computer programmes for schedule construction and evaluation. Computer software applications, which extend beyond audience data into other areas by means of techniques such as data fusion, can further enhance the utility of the data.

Therefore, subject to copyright and licences, all primary users, if they so choose, should have the freedom to allow secondary users access to all audience data at a reasonable cost.

In the case of primary users, considerable variation exists over the availability of audience research data for industry use. This partly reflects different national practices for selling and buying commercial airtime, but partly it is a response to the high costs of providing detailed meter data. Often the problem faced by agencies today is not availability per se, but unaccustomed and unreasonably high costs of access and use.

It is essential to remember that research data are a tool for planning schedules and buying commercial airtime. The better they are understood, the better the product the station is able to sell, and the better the buyer is able to purchase cost efficient schedules, which meet his specific needs. Improved understanding is impossible without being able to examine the data in depth. In this context the tariffs demanded in some countries present a real barrier to progress (e.g. Spain, and until recently, Germany).

In the case of secondary users, the WFA and EACA are concerned by the existence of monopolistic and restrictive practices, which threaten to inhibit or even paralyse the development of software applications. Clearly, the research company(s) supplying the audience data are uniquely



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positioned to capitalise on its position. This could lead to the abuse of its monopolistic privilege. Similarly, software houses, which offer a «one price» package of media administration and media research software, can achieve market dominance to a point where they freeze out smaller competition. In either case consideration needs to be given on how to define the rules on copyright and licences for exploitation so as to guard against monopolistic abuse, meet market needs, and encourage the further development of software applications. The WFA and EACA believe that this danger can and should be averted by making adequate provisions on data availability in the contract specifications to the company(s) conducting the national audience research.

The same commercial issues of copyright and licences for exploitation recur internationally with Euro-databases, or the creation of a multinational network of nationally distributed databases. The WFA and EACA urge international co-operation.

3.6 Quality control and validation

The WFA and EACA support progress towards gold-standard international norms of quality control and validation, as outlined in the Global Guidelines on TV Audience Measurement (GG-TAM) document.

The goal of all audience measurement must be to produce sound data; that is, data which are accurate, reliable, and consistent over time. This entails rigorous quality controls and validation of research methodology. All meter techniques rely on panels. Items of major importance to panel quality control and validation include:

- enumeration (establishment) survey procedures
- sampling methods
- panel selection
- panel maintenance
- panel turnover
- accuracy of individual measures over time
- accuracy of metering equipment
- reliability of data storage and data processing
- weighting procedures

All these elements, and particularly any proposed changes, must be approved by the technical committee. Without adequate provision for collecting sound data, there can be no genuine, single currency for trading.

Individual details of TAM methodology will vary according to national requirements. But the requirement for quality control and validation is universal. Current contract specifications provide the appropriate starting point for seeking convergence towards international norms of quality control and validation.



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The principle of transparency is also important. In the interests of convergence (and harmonisation generally), the WFA and EACA recommend that all systems are required to publish information about themselves in a common format. The detailed questionnaire on audience research devised by the European Media Research Organisation (EMRO) could provide the means of collection. The elements reported by Toby Syfret in his EACA report «Survey of Peoplemeters in Europe» are also a useful check list.

4. HOW TO SET UP A JIC

There is no blueprint for setting up a television JIC. The precise organisation, operation and funding will vary according to the local set-up and the country's individual culture. However, there are certain features which are common to all:

Willingness of various parties to work together

The first of these is a willingness of all (or the majority) of the industry sectors to work together to produce a joint industry survey. If all sectors are not prepared to take part, it is still possible to establish a valid JIC, as long as everyone has the opportunity to join in if they wish. A JIC should not exclude any interested party.

Industry/sector organisation

The next step is to set up effective mechanisms whereby the different industry sectors can organise themselves to produce their sector view to feed into the total industry view. The easiest route to this is via the sector trade associations. These are the WFA affiliate for advertisers and the local branch of the EACA, representing advertising/media agencies. Broadcasters may have more than one association, representing commercial stations and public service stations separately, for example. If these associations do not exist, individuals from each sector should try to pull together the views of their sector. In this situation, it is essential that these individuals should act impartially, and with the agreement and support of their entire sector, for all forms of commercial communication media.

Industry/sector representativeness

It is essential that the representatives who sit on the various JIC committees can legitimately say that they represent the collective view of their industry sector. This involves:

- selection of representatives by their own industry sector
- mechanism for collecting opinions from their sector
- mechanism for reporting back to their sector the decisions made by the committee
- adequate seniority of representatives taking part, so that they will be able to speak with authority, and commit their sector to action, where necessary



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It is also essential that all interested parties have the option to make their views known. Where broadcasters are grouped in several sectors, each should be represented on the committee. In some cases, each broadcaster will be represented individually on the JIC.

4.1 The JIC Secretariat

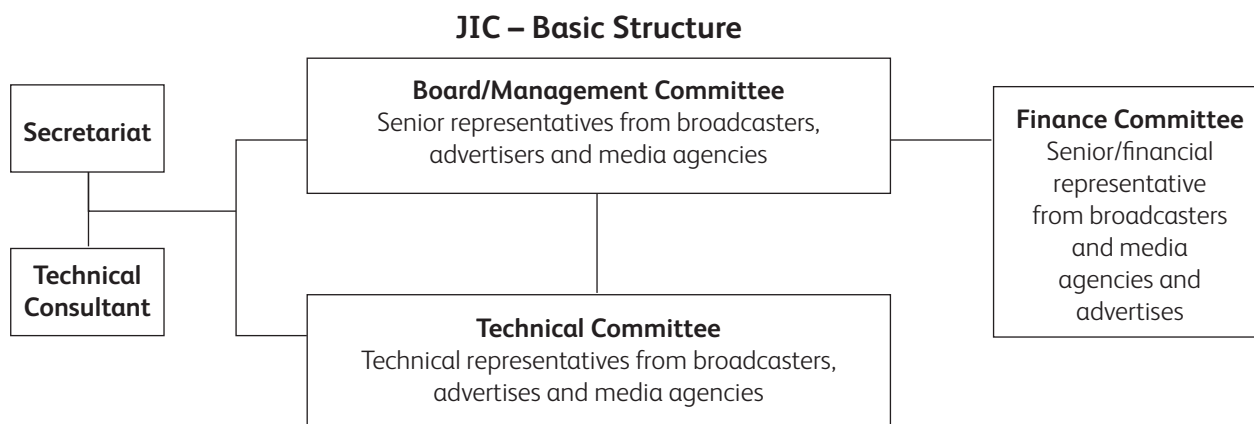
In order to operate effectively a JIC requires dedicated, impartial and independent personnel. The Secretariat is responsible for organising meetings, setting agendas, producing minutes, overseeing the operation and development of the survey(s) and budget management. Depending on the complexity of the task this can range from a part time consultant through to several full time staff.

A separate technical consultant may also be engaged to provide specialist independent advice of a technical nature.

The operation of the secretariat is a direct overhead of the JIC and will need the agreement of all participants in terms of structure and funding. In the beginning, it may be possible for one of the member secretariats to provide this function, or for one person to act in a part-time capacity. If so, it is essential that the position is clearly impartial. The WFA and EACA believe that all JICs should establish an independent secretariat as soon as practicable.

4.2 Basic organisational structure

Since the basic premise of a JIC is that it represents all sectors of the industry then there must be an effective transparent committee structure which fosters this representation and encourages the flow of information and decision making. A basic committee structure is outlined overleaf.





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Board/management

The JIC should be run by a small group of senior representatives from each of the parties concerned. The number of representatives from each party can vary depending on industry structure and also share of funding. However, whilst ensuring full industry representation, the board should be kept as small as possible. It is essential that senior people sit on this committee. Senior participation is the lifeblood to keep the process moving with representatives who have real industry decision-making responsibility.

Technical committee

The technical committee should consist of knowledgeable technical representatives from each of the industry sectors. Membership need not be controlled so tightly on this committee but again smaller committees tend to be more effective in decision making.

The technical committee may set up subsidiary committees to develop particular aspects of the survey. For example, a data users' committee will ensure that the data files are set up (and changed) in a way that is most convenient for users. This committee will also deal with technical problems on the tapes. Third party users, such as computer bureaux, should be encouraged to attend this committee. These data users have unique experience of the survey, and often provide valuable help in identifying, and correcting, potential problems before they cause serious damage to the survey.

Finance committee

This should be the smallest committee of all with only the major shareholders represented. It should consist of senior/financial directors who oversee the budgetary control of the JIC, overall budget setting, industry sanctioning of major items of expenditure, and staff remuneration for the Secretariat, Consultants etc.

It may be practical to include an advertiser representative on this committee, even where they make no direct contribution to the costs, if there is someone of sufficient seniority and interest available.

4.3 Funding

The issue of funding is vital. A JIC structure cannot be established without prior agreement on funding. All the participating groups have to agree to, and underwrite, the funding of the project for a certain amount of time (usually a minimum of five years). This involves setting up legal contracts to ensure that these commitments are met.

The issue of how the funding should be split is a key decision. For television audience measurement, media agencies (and occasionally advertisers) will often guarantee a certain percentage of the funding. In all cases, the share of funding is not normally reflected in the voting structure: all



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three parties, whether they contribute directly to the survey or not, must have an equal say on all aspects concerning the running of the survey.

It is usual for the media owners to pay the largest percentage of the cost of any media audience survey, since it is their obligation to provide 'currency' data for trading. The advertising agency contribution is usually greater than that of the advertisers, if, indeed, the advertisers contribute directly at all. A logical starting point for discussing the distribution of costs is the distribution of television advertising revenue in the market. In larger markets this has traditionally been:

- broadcasters 85 %
- agencies 15 %
- advertisers 0 %

In practice, the proportions may vary considerably. This should in no instance be considered a mandatory allocation. The precise proportions paid by each sector in individual markets will vary according to local considerations and requirements. In some markets, for example, advertisers may make an initial contribution, or agencies may pay a higher proportion, in order to get a panel established in the first place.

The local JIC should decide for itself how the costs are split between the different parties, before commissioning the research. This discussion may take a very long time, but it must be agreed before any further progress can take place.

The allocation of costs within sector is equally important. In principle, each sector should choose for itself how the charges are reallocated among its individual members. This may consist of a fixed amount from each member, or a variable amount depending on TV billings or advertising revenues. Some countries set a fixed minimum level of subscription with a variable rate added on top. If a variable rate is used, it should be agreed by all members. For broadcasters it may take into account a number of factors in addition to advertising revenue, such as audience share, technical penetration or reach, subscription revenue, or other sources of income. The precise method of calculation will vary depending on the circumstances in each market. There should be an agreed procedure for charging for occasional use by non-members, such as consultants, journalists, international broadcasters, non-contributing advertisers, other research suppliers, auditors, etc.

The charging structure should never be used as a way of restricting access to the data. The total funding needed to set up an adequate TAM survey in each market, and the share or amount which each sector will provide, should be one of the first decisions of a new JIC. It is useful to try to establish how much money is available in the market for TAM. Research suppliers, experience in other markets, and the media committees of the WFA and EACA may help. If the funding available does not match the funding needed, then the JIC will have its first experience of establishing a compromise between conflicting demands.

The funds needed should not only cover the costs of running the TAM survey, but should also include the JIC secretariat costs and a contingency fund.



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4.4 Choosing a supplier

When the JIC has established how much money it can guarantee for the service, it should draw up a tender document for its TAM contract. The EACA, and other groups such as GEAR, may help with examples from other markets.

The JIC may wish to appoint a technical adviser to help with drawing up the tender, and controlling the tender process. The JIC may also wish to charge for copies of the tender document, to cover the costs of the tender.

The membership of the committee which will judge the tenders, and the criteria for choosing the supplier, should be established well in advance of the tender process. All sectors must agree to this. If this is not done, it may lead to major problems after the tendering process finishes. If members of the committee subsequently disagree on the criteria they are using, or if other users of the data disagree with the committee's decision, it may cause trouble. This may lead to a lack of trust in the tendering process, (and possibly in the subsequent TAM results) or in the JIC itself. It may also result in legal action by one of the rejected research suppliers. It is absolutely essential that all details concerning how the tenders will be judged are agreed in advance, and that all members of the decision-making committee agree to maintain confidentiality afterwards.

Because of the importance of TAM contracts to the research suppliers, and the increasingly international nature of TAM, many JICs find it helpful to appoint an experienced adviser to help them with handling both the technical and political aspects of the tendering process.



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ABOUT THE WFA

The World Federation of Advertisers (WFA) is the only global organization representing the common interests of marketers.

Through its network of 55 national advertiser associations on five continents and approximately 50 of the world's top 100 marketers, WFA represents around 90% of global marketing communications, almost US\$ 700 billion annually.

WFA champions responsible and effective marketing communications worldwide.

For more information visit www.wfanet.org

ABOUT THE EACA

EACA, the European Association of Communications Agencies, provides an important link between agencies, advertisers and the advertising media in Europe and around the world and participates closely in the setting of standards in many aspects of the business across Europe.

EACA's main tasks are to promote:

- honest, effective advertising
- high professional standards
- awareness of the contribution of advertising in a free market economy
- close co-operation between agencies, advertisers and media in European advertising bodies
- an optimal external and internal operating environment for advertising agencies

In addition to legal & industry issues, EACA prioritises:

- academic education & training
- the social acceptance and political understanding of advertising's role in society
- recruitment issues

EACA is also the European licensee of the New York-American Marketing Association holding the European rights of the advertising effectiveness awards EURO EFFIES since 1999.

EACA, formerly The European Association of Advertising Agencies, was founded in 1959.



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USEFUL CONTACT INFO

ADVERTISING RESEARCH FOUNDATION (ARF)

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EGTA. ASSOCIATION OF TELEVISION AND RADIO SALES HOUSES

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ESOMAR. WORLD RESEARCH

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EUROPEAN BROADCASTING UNION (EBU)

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EUROPEAN MEDIA RESEARCH ORGANISATIONS (EMRO)

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Tel : +41 1844 0809
Email: herbertfurrer@bluewin.ch

SUGGESTED FURTHER READING

One Europe – One Media Currency. EAAA Policy Paper (May 1991)
Television Peplemeters in Europe. EAAA (June 1993)
Survey of Peplemeters in Europe. EACA (Summer 2000)
Towards Global Guidelines for Television Audience Measurement (GGTAM).
ARM (1999).

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