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FORCING EUROPEAN UNITY

The issue that this paper seeks to address is how, over the next decade we can organise and develop existing media research data in Europe to meet the needs of advertisers, agencies and media owners in a 'single' market situation.

I start with the basic assumption that the EC legislation due for completion at the end of 1992 will in fact create (unlike the expectancies in the early 1970's) the reality of a 'single' European market.

I want first to extend a view of what has been happening to publishers, agencies and advertisers in the context of the forthcoming 'single' market, and how this is impacting on media research needs.

PUBLISHERS

Many national publishers, in oligopolistic positions, find now they have reached the limits of national growth. Their cushion from TV advertising is being swept away as Governments open up national TV opportunities in the wake of the satellite interlopers. Such publishers have now to look outwards for acquisitions, joint ventures, franchises and even start ups, to maintain their growth and profitability.

This is likely to impact on the selling of advertising space (if, as they are, agencies and clients are moving in parallel).

(1) Publishers will be in a position to market their advertising space in any combination of titles (all, common titles, common subject matter) on a multi country or Europe wide basis.

(2) The expansion of multinational electronic media (satellite TV/radio) is and will continue to provide a further impetus to a European

approach of marketing media particularly when the higher powered satellite facilities develop over the next few years.

This is quite different from a single language 'international' media concept. It will relate to local language media, attracting mass market audiences and targeting mass consumer advertising.

To market such European or regional media networks or packages there will be a necessity to describe and quantify audiences on a European basis.

AGENCIES

Agencies have, of course, long recognised the need for 'networks' across Europe – but now the issue is size of operation. It is about central buying to bring 'clout' with the media owners and above all cash flow. The big multinational agencies or central d'achat will face up to the big multinational publishers and 'Regies' (sales organisations) on a Europewide basis. This is what agencies talk about doing today but only on the basis of a handful of examples. In five to ten years it is likely to be much more the norm.

If agencies want to perform in this way then they must have access to the currency of negotiation, namely Europewide media research.

ADVERTISERS

Multi-national advertisers want the best return on their 'advertising buck'. They do not have to buy on a European basis and many will continue to resist it until it is a demonstrably better buy. To do so upsets their historic marketing, financial and legal structures where each country is

a profit centre. But that does not mean they will not increasingly view Europe as a 'country' for strategic decisions on resource allocation, product development and marketing policies determined centrally.

To conduct such central strategic planning a 'single' data source on markets and media will be required.

Of course different advertisers and media owners have different needs in terms of their target audiences and hence the universe of any data base. Some, particularly in the financial, corporate and business to business areas are already well served in 'single' market and media data for Europe. I refer to the PES series of surveys covering some 5 million of Europe's professionals and executives, and the EBRs series covering some 250,000 top managers in Europe's larger companies. Both series of studies are conducted by Research Services Ltd.

It is not my intention to discuss research relating to these sectors. Rather to see how we might arrive at European wide data to serve consumer advertisers and agency needs. The route, I believe, lies in combining existing national readership and audience data, and working to minimise the inconsistencies and fill in the gaps with additional research and/or modelling procedures.

It is a practical route which argues:

– as yet 'single' market planning is the exception rather than the rule.

– because of this, funds from media, advertisers and agencies will be limited to finance completely new research.

– and since there is already a wealth of data, why not use it systematically?

'Forcing European Unity', the title of this paper, was the title of an article I wrote for *Admap* in February 1973. It described the ways we were able to organise and in specific case merge and supplement with additional data the national media studies then available in Europe in the early 1970's.

Each European country has (as Erhard Meier has so ably documented) developed its own methods of collecting print and TV data. Each country has its own way of funding and controlling access to the data – methods and ways that depend on the needs and to a large extent the relative strengths of buyers and sellers of media space in that particular country.

It was in 1973, and still is, naive to think that we can change these national situations in any way that will affect the relative positions between media or between buyer or seller. The interests of European 'harmonisation' carry little weight when 98% of the revenue base is national.

So what were we able and not able to do in 1973, and what would be different now? I would like to express my thanks to Paul Sumner, one of my partners at the time, for his help in 'aiding recall' of what we did then, and for his opinions on the technical issues we would face today.

The problems fall into three areas:

- (1) Financial – who will fund it?
- (2) Political – data access
- (3) Technical – handling and 'harmonising' the data.

The first issue of *funding* relates to customer benefits. At that time our agency clients were looking:

- (a) to have fast access to all total population national media surveys from any one point –

London, Frankfurt, Milan etc – so they could answer central planning and co-ordination questions like – ‘what does it cost to achieve x% cover and y% frequency in countries A, B and C?’

(b) to have all their network across Europe, operating on a standard system of analysis with common documentation for client presentation.

Central buying was not an issue, as it would be today.

For our media owner clients both ‘international’ and multi-national it was first the ability to demonstrate their coverage position across a number of markets to advertisers and secondly to have a planning tool on a Europe wide basis to play ‘what if’ strategy games for circulation and advertising revenue development.

The early 1970’s project was funded by five or six advertising agency networks paying a club ‘entrance fee’ to the Europewide data bank facility. This, in fact, was the way we overcame the second issue, namely the *politics* of data access. They themselves were subscribers to the studies in each of the countries, and the data were acquired and processed on their behalf. Data ownership, privileged or closed user groups and usage royalties are elements that must be negotiated and respected in attempting any exercise of this nature.

Potentially more problematic today than gaining access to industry funded studies, is access to proprietary studies (particularly media owner studies) where there is sometimes a reluctance to release source data.

This first *technical* problem was reading the incoming data tapes. Different labels, densities, non standard card image formats created headaches and required conversion routines. Most of these problems should have gone

away, with facilities like ASCII (American Standard Code for Information Interchange).

The second technical problem was the media and classification data were laid out quite differently in each survey, and we had to convert them physically to a standard layout. This physical re-ordering of layout would not be a requirement today. With current machine speeds and memory size we could now hold a series of look up tables for each survey to find the appropriate variable.

The third technical problem related to the media ‘model’. Each study collected some (but quite different) form of frequency and recency data. To standardise this we converted each frequency claim for each vehicle to a reading probability. This we established by reference to the last issue period claim. Space restraint dictated that this probability was the only media data held for each individual and we used this probability to calculate both single and multiple issue reading data. This caused some minor problems in that the probability calculation did not always yield identical results in sub-groups to analyses based directly on the average issue claim.

Having standardised some 15 data tapes from across Europe in this manner the available computing speeds and capacities brought us to a halt. At that time we had available only 16k of memory (now most current P/C’s have 640k) and it took about 14 minutes to read 10,000 records: now it is under five seconds. To combine the total records of the 15 studies into one data base would have created a file of over 250,000 requiring nearly six hours just to read! In addition our media models could only cope with 150 media vehicles. This would have required a most drastic pruning from the 1000 or more media included in the studies.

Instead our agency and client users could work from standardised English language code sheets and apply the same data analysis

routines (cost efficiency/coverage ranking, schedule evaluation and schedule building) on each survey separately. We also provided a computer file of basic advertising rates. It was possible to establish common market definitions across Europe to build and distribute budgets across Europe. But the system was cumbersome, and demanded a great deal of analysis and knowledge on the part of the user to be able to define common markets meaningfully. Further questions relating to the impact of media overlap or the position of international and other media not measured on the national studies could not be answered.

Today we would not be limited by the computing technology. Assuming the same surveys today have some 400,000 records, the order of storage capacity required would be some 120-150 megabytes – well within the capacity of many add-on storage devices available to the current generation of PCs. But we must not underestimate the technical difficulties. For the system to work fast it would need a complex data base design.

Secondly the media models in their current form would need to be extended in the number of media vehicles they can handle. The combination of some 15 studies could well involve over 1500 media vehicles.

Thirdly, the schedule construction models we currently use would need considerable extension to be able to build schedules to meet country by country reach and frequency targets taking into account overlap and international media.

While in the early 70's we were unable to merge the full surveys, we were able to merge sectors of the data. This involved a further set of technical problems. The first was 'harmonising' classification data.

We set out to identify a broad upmarket group which we called, somewhat unoriginally, ABs. The broad definition we were able to form across 12 national studies was: 'persons in households where the head of household was in a white collar occupation earning over \$5,000 gross per annum'. This provided a universe of 38 million adults and a manageable sample size of 32,000.

In each survey two of three criteria, income, class, and occupation were also available. Inevitably the definitions were not always comparable and we had to make arbitrary decisions, for example on how to equate gross and net incomes; household and personal income; and how to treat non responses to the income question (for details of the solutions adopted see Appendix 1).

From this you will understand where the title 'Forcing European Unity' comes from! Nevertheless we were able to identify a fairly consistent or explicable proportion of the population in each country (Table 1).

We were able to go further and sub-divide ABs on the basis of 'standardised' age, education and occupation status data. Details can be found in Appendix 2, but broadly the two groups were:

A1 – Males, graduates, 25-64 in the highest employment and class groups. This resulted in a two million group (0.9%).

A2 – Top and middle managers earning \$7,500. This resulted in an 11.7 million group (5.2%).

Again these population percentages were fairly consistent across countries (Table 2). The universes provided by the definitions in Appendix 2 are shown in Table 2 (note that A1s all fall within the A2 group).

Table 1

AB universe and sample sizes

| | Total adults (^{'000}) | ABs (^{'000}) | ABs % of total | AB sample size |
|--------------|--|----------------------------|-------------------|-------------------|
| Belgium | 7,403 | 1,158 | 16 | 1,720 |
| Denmark | 3,737 | 651 | 17 | 2,377 |
| Finland | 3,762 | 606 | 16 | 1,465 |
| France | 35,903 | 6,564 | 18 | 1,923 |
| Germany | 47,800 | 8,910 | 19 | 3,153 |
| Italy | 41,366 | 7,594 | 18 | 4,027 |
| Netherlands | 9,617 | 1,435 | 15 | 4,627 |
| Norway | 3,014 | 760 | 25 | 4,445 |
| Spain | 21,528 | 2,467 | 12 | 2,055 |
| Sweden | 5,474 | 1,333 | 24 | 2,977 |
| Switzerland: | | | | |
| German | 2,989 | 520 | 17 | 1,702 |
| French | 937 | 153 | 16 | 379 |
| UK | 41,000 | 5,900 | 14 | 1,480 |
| Total Europe | <u>224,530</u> | <u>38,051</u> | <u>17</u> | <u>32,330</u> |

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Table 2

A2 and A1 universes

| | A2 | | A1 | |
|--------------|-----------------|-----------------------|--------------|-----------------------|
| | No ('000) | % of total population | No ('000) | % of total population |
| Belgium | 280.6 | 3.8 | 62 | 0.8 |
| Denmark | * 180.5 | 4.8 | 50 | 1.3 |
| Finland | 190.9 | 5.1 | 52 | 1.4 |
| France | 2,136.6 | 6.0 | 412 | 1.1 |
| Germany | 2,716.6 | 5.7 | 354 | 0.7 |
| Italy | + 643.9 | 4.0 | 340 | 0.8 |
| Netherlands | 633.0 | 6.6 | 109 | 1.1 |
| Norway | 153.4 | 5.1 | 36 | 1.2 |
| Spain | 937.7 | 4.4 | 150 | 0.7 |
| Sweden | 517.9 | 9.5 | 132 | 2.4 |
| Switzerland | | | | |
| German | 240.8 | 8.1 | 52 | 1.7 |
| French | 55.8 | 6.0 | 12 | 1.3 |
| UK | 2,055.3 | 5.0 | 313 | 0.8 |
| Total Europe | <u>11,743.0</u> | <u>5.2</u> | <u>2,074</u> | <u>0.9</u> |

* Does not include other independent

+ Includes 250-350,000 Lire group

Now this, of course, was the kind of universe for which advertisers, even in those days, were planning and buying campaigns centrally and they were therefore interested in both 'international' media and 'overlap' media. So we then took two further steps to 'internationalise' our 'AB' Europe data base.

(1) At this time the first EBRS (European Businessman Readership Survey) amongst some 100,000 top executives provided readership estimates for a number of international titles across the 12 European markets. Although the universe was tiny we merged these data into our base, with the correct universe weights. It was not a data fusion nor a marriage process, but we did ascribe readership levels found amongst EBRS respondents for international media to like respondents in the national surveys, and conversely to EBRS respondents of national media not covered by EBRS.

(2) We then made estimates of the likely reader-per-copy/coverage levels of the main English language international media, and of certain national media in overlap situations (Switzerland and Belgium). Some 'real' data on internationals existed, for example in the UK, (NRS and TGI) and some proprietary data was made available in Germany. This provided a basis for reader per copy estimates within the main class groups we had defined (A1, A2, AB) within sex and age. We developed a simulation model to ascribe these readership estimates within our data base. Again computing capacity limited us in the number of media we could hold and analyse to 150, which in the European context was very limited.

This is not of course a universe direction required today. 'Internationals' have funded their own 'real' studies in PES. The interest today, I believe, is to create such a European 'model' on an all adult base.

So what conclusion and directions can we draw from this experience?

(1) The first main problem is 'forcing' the classification data and the limited areas of classification in which you can do it. This does limit the planner and ways have to be found to improve it. However, it should not be impossible to persuade national studies to *add* some key classification data. This will have the least impact on any media positions. The key areas to harmonise would be occupation, occupation position and status, age, sex, marital status, household size and composition and education.

Persuasion will not be that easy as in many cases questionnaire lengths will already be near their limits. It may involve an additional and probably supervised self completion questionnaire. Clearly national media research committees would want to test any possible impact on readership levels and on interviewers from extending the amount of data collected.

Given that one could start the process with the addition of key demographic data, then, as time goes on, it will undoubtedly be possible as confidence and relationships grow to add more questions on ownership and consumption.

(2) The second main problem relates to the comparability of the readership models in each country. We know how sensitive reader-per-copy levels are to relatively small differences in the model. In the 70's we had to take the data as given. Since then undoubtedly the readership 'models' used across Europe are much more similar. Nevertheless such differences could impact on decisions like budget allocation to a country.

It is, of course, the 'model' that is the most politically sensitive area within a country between

buyer and seller and therefore the hardest to influence from outside. The initial approach must be to document reader per copy levels by media group across countries to see in practice how big this problem really is.

It may also be that by adopting more complex media evaluation models which use more of the actual data collected (for example 'time effect' models), we may further minimise the effects of readership model differences between country.

(3) The third main problem is that there are a lot of data gaps, particularly for electronic media and print media overlap. Here I would argue for a systematic compilation and analysis of existing basic published data with a view to modelling the missing data. Work done by Bob Hulks (at JWT) and more recently by David Aitchison and Paul Sumner suggests that modelling TV is simpler and more accurate than modelling press audience accumulation, and that such modelling can be applied multinationally. It is perfectly feasible to create a TV vehicle within the existing survey base as it is for a print title. However, the purpose of modelling TV data I must stress is for planning purposes – budgeting, and broad media

selection – not at all for time buying or individual spot evaluation.

To summarise:

(1) The process of treating Europe as a single advertising market by advertisers, agencies and media owners has been a long time coming and it is still embryonic.

(2) One of the tools that would facilitate the process is a Europewide all adult media and market data base.

(3) It is highly unlikely that funding would be available to create such a base by new research in the foreseeable future, and indeed how wasteful to duplicate the wealth of information that exists country by country.

(4) Why not systematically make use of what exists? Technically it can be brought together. There will be inconsistencies and gaps. But you cannot expect perfection to start. In the course of time you can add data and influence the local studies to be more internationally consistent and so increasingly refine the model.

APPENDIX 1

Definition adopted for a European 'AB'

| | Data source | H/H income | H/H class | H/H occupation |
|-------------|-------------|--|---|--|
| Germany | LA 1971 | (net h/h) DM 1250 per month (\$4800 pm) | | Executive civil servant Middle grade civil servant Executive and trained office worker Professions Academic Large & medium salaried worker |
| Italy | ISPI 1971 | | Upper, upper middle and middle | H/h is contractor director professional employee |
| Netherlands | NOP 1972 | | AB1 | Industrial manager Higher professions Higher and middle employees |
| Norway | FAKTA 1972 | (gross h/h) 40,000 + (\$6,400) | | Independent white collar, non exec. Executive |
| Spain | ECO waves | Upper Upper middle Lower middle | | Employees Professions Directors Higher echelons in business Middle business |

APPENDIX 1
Definition adapted for a European 'AB'

| | Data source | H/H income | H/H class | H/H occupation |
|-------------|-----------------------|---|----------------------|--|
| Sweden | SAM 1972 | Earning 25,000 SwK + per annum (\$5,500) | IA, IBI, IB2, IC1 | |
| Switzerland | Survey LF 1970 | 1800 + SwFr (\$4800) | | Own business/ professions/ academic Commercial Landlord Higher clerks Middle/lower clerks |
| UK | NRS July- Dec 1972 | (net) £1650 + (\$4000) | ABC1 | |

APPENDIX 2
Definitions adopted for European 'A2's and 'A1's

| | Age/ Income | Class | Occupation | Education | Sex |
|-----------------------------------|---|-----------|--|---------------------|------|
| Belgium: FCIM 1972 | | | | | |
| A2 | | Class A | Cadres Superieur, Cadres Moyen, Employee | | |
| A1 | 25-64 | Class A | Cadres Superieur | Tertiary | Male |
| ----- | | | | | |
| Denmark: DMI Projected 1972 | | | | | |
| A2 | 50,000 + annual personal | | Lower & higher grade employee, Other independent | | |
| A1 | and 25-64 | | Higher employees | Tertiary | Male |
| ----- | | | | | |
| Finland: Gallup 1970 | | | | | |
| A2 | 20,000 FM annual personal income | Top class | | | |
| A1 | and 25-64 | Top class | | University | Male |
| ----- | | | | | |
| France: CES 1971 | | | | | |
| A2 | | | Cadres Superieur, Town size 2,000 + | Higher Secondary | |
| A1 | 25-64 | | Cadres Superieur, Town size 100,000 + | Higher | Male |

APPENDIX 2

| | Age/ Income | Class | Occupation | Education | Sex |
|---------------------|--|---------|--|---------------------------|------|
| Germany: | | | | | |
| A 1971 | | | | | |
| A2 | 2,000DM monthly net | | Head of household is Exec. or middle grade civil servant, Exec. office worker, large/middle salaried worker, Free profession | | |
| A1 | and 25-64 | | Interviewee is exec. civil servant, Exec. office worker, Large salaried worker | High school University | Male |
| ----- | | | | | |
| Italy: | | | | | |
| ISPI 1971 | | | | | |
| A2 | 350,000 Litre + monthly h/h income | | Interviewee is Contractor, Professional, Director, Employee | | |
| A1 | and 25-64 | | Interviewee is Contractor, Director | Tertiary | Male |
| ----- | | | | | |
| Netherlands: | | | | | |
| NOP 1972 | | | | | |
| A2 | | Class A | H/h is industrial Manager 10 + employees, Profession, Higher employment | | |
| A1 | 25-64 | Class A | Industrial Manager 10 + employees | | Male |
| ----- | | | | | |
| Norway: | | | | | |
| FAKTA 1972 | | | | | |
| A2 | 50,000 + annual family income | | Interviewee is Executive, Independent | | |
| A1 | and 25-64 | | Independent with employees, executive | Tertiary | Men |

APPENDIX 2

| | Age/ Income | Class | Occupation | Education | Sex |
|-----------------------|--|---------------------|--|-----------|------|
| Spain: | | | | | |
| ECO | | | | | |
| 15-18 | | | | | |
| A2 | | Upper and middle | Interviewee is Employee, Liberal professor Director, Higher & middle business exec. | | |
| A1 | 25-64 | Upper and middle | Employee is Director, higher business | | Male |
| ----- | | | | | |
| Sweden: | | | | | |
| SAM 1972 | | | | | |
| A2 | 40,000SwK personal annual income | IA IBI | | | |
| A1 | 30-70 60,000 + SwK annual income | IA IBI | | | Men |
| LF 1970 | | | | | |
| A2 | 2,200 Sefr + h/h income monthly | | Head of h/h own business/ professional, commercial, small landlord, office workers | | |
| ----- | | | | | |
| Switzerland: | | | | | |
| A1 | 24-64 | | Head of h/h, higher office worker | | |
| UK: | | | | | |
| NRS Jan- June 1972 | | | | | |

APPENDIX 2

| | Age/ Income | Class | Occupation | Education | Sex |
|---------------------|--|-------|------------|------------|------|
| Switzerland (Cont.) | | | | | |
| A2 | £2,000 + p.a. net personal income \$4,800 | AB's | | | |
| A1 | 25-64 £2,000 + p.a. net personal income | AB's | | * TEA 19 + | Male |

* Terminal education age.
