RESEARCH STRATEGIES IN FRAGMENTED MEDIA MARKETS

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The relevance of practical research results attained from the Teletext and Online fields for other media sectors

The advertising industry needs planning data, which accurately reflects market conditions. What corporate marketing departments and their agencies would like best is “the totally transparent consumers”. Thankfully we have not yet reached this state of affairs and there are many reasons apart from those of market research ethics for not wanting to view people in this way. However, advertisers are right to ask whether media penetration data obtained from conventional surveys is sufficiently valid. Media agencies also require more precise figures for the print medium, given that other types of media, such as TV and Online, provide technical penetration data. The fact that errors may occur in data collection is not particularly significant for advertisers, since penetration can be checked and corrected on an ongoing basis, while it is extremely difficult to identify and correct the numerous so-called distortion variables in surveys in the same way. In addition to this, the costs involved simply do not make sense in terms of research economics.

Media penetration standards for various types of media are being compared and proposals which meet the requirements of the advertisers are being submitted to the print medium research sector.

In fact, a number of developments have taken place within the major economic and social systems, to which opinion research, and this includes media research, must react. Perhaps it is simply that less note has been taken of these developments in ongoing observation of the classic media markets (economic systems). However, in observing the development of the truly new medium of the Internet, it is impossible to avoid theorising about such phenomena and taking them into account when developing an appropriate research design. The fragmentation of target groups goes hand in hand with the increasing segmentation of many consumer goods markets and this development does not stop at the media market either. On the contrary, it can be assumed that of all consumer markets, the media market will undergo the most rapid sea change, thanks to the development of the Internet. Initially, it may appear surprising that a subject which concentrates to such a degree on methodological models, is introduced in such broad social terms and that the now undeniable effects of changes in value systems are held up as appropriate grounds for a simple survey model to measuring media penetration. Hopefully, it will be understood that we must think carefully about a research strategy for online media if the rapid development of these media is to be supported with a reliable and valid framework of tools, methods and procedures. No less important is consideration of the impact of this foreseeable development on a classic medium such as print and the consequences this may have on established print medium research.

Socio-demographically defined target groups are often highly fragmented

Despite the fact that these developments have produced structures in many consumer markets, which cannot be explained away, in Germany at least, it is the case that a socio-demographically defined target group (20 to 49 year olds) is often used for TV planning purposes, where programmes must be assessed to see whether they are likely to attract large numbers of mobile and dynamic viewers. Using the Euro-Socio-Style life style research system generally used by GfK, it is easy to show how many different lifestyles reside within a target group, which seems so homogenous at first sight. This fragmentation of target groups, which can be evidenced easily as a result, naturally also impacts on reaction to the media. At this point it would certainly be easy to demonstrate the huge fragmentation of the media market by way of a range of different examples, however, this is not the task in hand here. Rather more, by using a different lifestyle typology, we aim to show how even small markets are affected by the topics we have touched on, because this goes some way to explaining the essential preconditions for developing more rational Online/Internet media research models.

Even in young markets, such as Online/Internet media, fragmentation is already evident in user structure

The structural differences between those using the relatively new Online/Internet medium and the average population can be shown from a further model, SINUS Milieus. It is virtually impossible or at least very difficult to explain the fragmentation using purely socio-demographic characteristics. It is only the combination of social class and value orientation that gives us an idea why the Internet has achieved a high degree of penetration in certain environments and virtually none in others. (SINUS Sociovision, Heidelberg; Typologie der Wünsche 1999/2000, [Typology of wishes] pages 12 - 17.)

Primarily, it is striking that Online/Internet usage is a phenomenon of the upper social classes and also those social classes open to innovation. Online users from the lower middle classes or traditional and non-traditional working classes are largely under-represented. By contrast, there are far more Online users in information-oriented, conservative, technocratic circles, which are not especially innovative but are distinguished in themselves by a willingness to accept technology. Online/Internet users are also markedly over-represented in environments, which are at the leading edge of social development: in the post-modern or hedonistic environment and particularly in modern employee circles, whose members work in today's key industries and services. where the use of computers and the Internet is part of every day life.

Unusual features are also evident: in 1997, people who only used the Internet at work were still slightly over-represented in modern, middle class circles. There was hardly any Internet use at home by contrast. Family and children form the focus of modern, middle class life. Leisure time is spent primarily with the children. Modern communication technology is regarded with some reservations by the middle class parent of today. In 1998, it seems that even at work, the middle classes turned away from online media. This group seems to reject modern communication technology and not purely for aesthetic reasons.

In 1998, we see that for the first time, online users are over-represented in liberal-intellectual circles. It was feared that this group would reject the new communication technologies, because of a greater association with anxieties, than hopes for a better future. They now view the matter with constructive criticism, or it could be said, pragmatically.

Online usage will remain an upper class phenomenon for the next two years and an occupation confined to the innovative social classes, if accessed solely by computer. Only when Internet and TV media converge (Web-TV) will it reach lower and less innovative social groups.

As we can see, each environment has different access to and a different motivation for using the Internet. This has a particular impact on the editorial products offered on the Internet.

Online media users are similar to classic media audiences in their fragmentation

In the light of this background, it is not surprising that very different means of access and motivation for using Online media/the Internet can be determined from a behavioural morphological scale (cf. GfK Online-Monitor 1st to 4th wave, 1997/98 to mid-1999). Considerable usage fragmentation is evident in the 10 million WWW users in the 4th wave, that is, in spring 1999. At the same time, we can assume that since the WWW guarantees content availability, that the current fragmentation is just the beginning of an all-inclusive development.

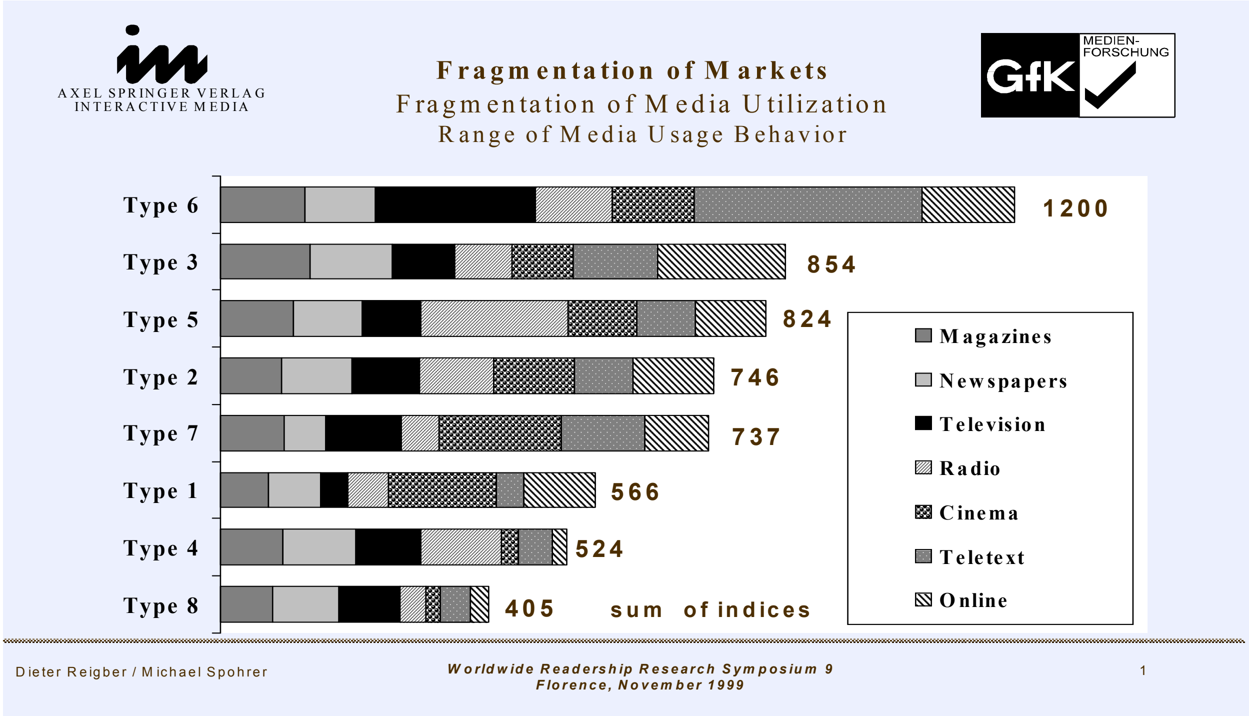
For this reason, research strategies must integrate these fundamental developments now, since it will otherwise become very difficult to continue measuring the development of these media and the assumed repercussions on classic media markets. The current debate concerning the usability of data, which has been measured technically versus data collected by survey for media planning of online media in the USA and western Europe reveals that new paths must be considered for this field from the outset.

Demands on research are already escalating, because nobody wishes to relinquish the accuracy achieved in measuring classic audiences and because on the other hand, the level of user fragmentation is a compelling reason for qualitative analysis of much smaller audiences. Undoubtedly, some solution will be found to this dilemma, but nevertheless, it will remain a matter for discussion how far the habitual attributions regarding quantitative and qualitative interpretations must be reclassified for technically measured data and data collected by survey.

Before this question can be answered in terms of content, we must first take a brief look at how important the latest trends already are for changes in overall media use.

The fragmentation of media consumption behaviour in sub-markets can also be demonstrated across all media

Whereas the modern era tended towards increased differentiation, the post-modern trend inclines more to a holistic approach. This is the same in the case of media consumption. The patchwork mentality is bringing about new patterns of media consumption and our fourth model, which is still at the initial research stage, gives clear hints of this. A new era of target group research is beginning at this point. The Essen based media guru Norbert Bolz said in an interview: "The real dividing lines in our culture are no longer between age groups. Media consumption is a far more telling indicator: a 39 year old who surfs the net has far more in common with an 18 year old computer fan, than with his contemporaries who only read books. It is precisely the new media that are penetrating further and further into our daily lives and increasingly changing our habits. Many traditional differences are becoming blurred, because today there are parents who do not have children until they are forty, while there are others who have them at twenty. If we could succeed in characterising groups of the basis of media consumption, this mishmash of generations could actually very well replace the out-dated concept of target groups." (cf. Abgestempelt: zu alt! (Branded: too old!) Interview with Norbert F. Bolz, in HÖRZU Vol. 18 dated 30.4.1998, page 6-8.) "Interactive media" market and media research (Axel Springer Verlag) is on the trail of a cross-media consumer typology of this kind.



Cluster analysis of consumption probabilities (p values) of 7 types of media has been carried out. Currently, there is only one study that allows an analysis of this kind. It is the "typology of wishes", a market media study produced by "Burda Media".
We do not intend to examine the results of this typology in detail at this point. In the present publication, the typology of cross-media consumption serves solely to show the fragmentation of media consumption, which makes the establishment of new media penetration models necessary.

There are 8 types, which differ in the extent and specificity of their media consumption behaviour. The diagram shows the 8 types with their overall index for 7 different types of media. The average index amounts to 700; type 6, in first place, is well above that with an overall index of 1200. This type has an index of more than 100 for every type of media and consequently displays extensive, or wide-ranging media consumption behaviour. By contrast, type 8 with an overall index of 405 seems to indicate rather restricted media consumption behaviour. Apart from his daily paper (index 100) - and here solely on the basis of the regional subscription paper (index 109) - this type uses all other types of media (including TV) less than average, if not far less than average. Each of the other types has a highly characteristic media portfolio.

It would be going too far at this point to assess the results and analyse them for other characteristics. The point is solely to submit evidence of a fragmented media audience in a fragmented media market. The target group model shown here and many other typologies in this sector are only a means to an end. The end being, despite increasing fragmentation (with a nod to the post-modern age) to satisfy the requirements and improve both intermedia and intramedia planning for advertising. These requirements will be have to be fulfilled in the post-modern age by alternative media penetration measurement models.

The type of WWW use and the structure of the anticipated market are compelling the industry to think about new media penetration models

The demand for media penetration research emerging from the markets can be easily summarised. The audiences for individual media are becoming smaller, media diversity is being hugely increased, thanks above all to the Internet/WWW and public cross-over use is becoming more confused.

Teletext and Online/Internet media types show that future media penetration models may emerge, which are not only based on technical measurement or survey research, but which integrate various measuring procedures. At the same time, discussion of models of this kind may also spread to print medium research in the medium term, so that even in this area, technical measurement results and classic ratings will no longer stand alongside one another, more or less spontaneously. However, first we must discuss the methodological fundamentals on the basis of a practical example for Teletext and a theoretical research plan for online media.

Teletext – an example for a long established medium

In Germany, data on Teletext - also known colloquially as Videotext - is collected by GfK within the framework of the television panel. The GfK TV Panel measures the television consumption of approximately 290 TV programmes received by the 11,500 panel members in 5,200 private households technically, using the so-called GfK TV meter. At the moment, the technical reach of Teletext stands at 81.3% in Germany, i.e. 58.1 million German citizens have a Teletext television in their homes. In the first half of 1999, average daily net penetration amounted to 5.62 million from the age of two and 5.28 million from the age of 13. Therefore, on average 8.3% of Germans (over the age of 13) watch one of the Teletext programmes every day. In market dominance according to penetration, the public service ARD videotext (1.52 million) alternates with the commerical station, SAT.1 TEXT (1.56 million). Considered cumulatively, only half the population uses Teletext as an information medium and also as a source of entertainment. Advertisers have recognised that for a number of products, combination advertising of TV spots with their emotional appeal and Teletext with its rational appeal has decisive advantages compared with advertisements in the print medium.

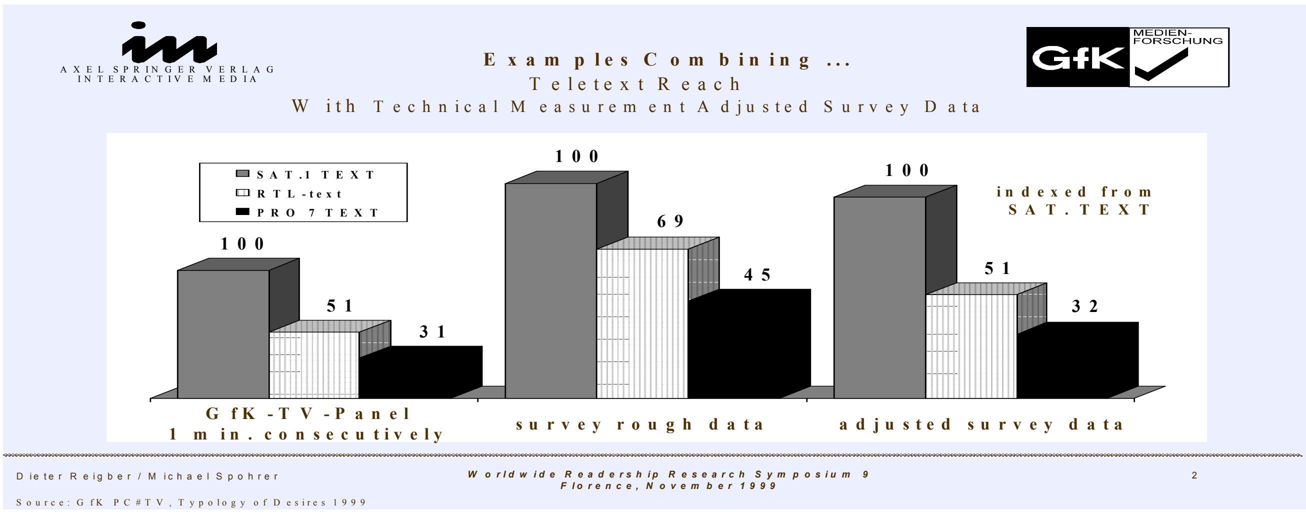
Programme consumption of at least one minute consecutively is the convention in reporting Teletext penetration. Media penetration can be analysed according to socio-demographic characteristics. Beyond that, there is scarcely any data to characterise the audience.

Since reader surveys similar to copy tests in the print medium were not sufficient for advertisers, Teletext consumption in the current market media survey was first collected in the typology of wishes and subsequently also in the consumer analysis using the questions used for daily papers (large time filter, frequency within the last 14 days, small time filter). The aim was to enable an intermedia comparison with print media and to achieve planning relevance by this means.

Analysis of use probabilities (p-values) disclosed that the ratios of technical measurement were not reproduced. Image effects, caused by socially desirable response behaviour, appeared, as is clearly evident in the two diagrams: a weakness in the penetration data collected by survey as compared with that measured technically.

Penetration levels do not match either. On the one hand, this is due to reduced recall, on the other, the question of whether Teletext had been on for at least one minute in the last consumption interval was not asked. Compared with the GfK measurement on the basis of one second, the penetration levels collected by survey (not visible in the present diagrams) were more alike. The different ratios of the stations to one another remained.

Since only one currency is accepted in the market and this is technically measured penetration, in a first step, survey penetration was reduced to the level of GfK "watched at least one second" and in a second step, the ratios of the stations to one another were adjusted on the basis of "watched for at least 1 minute consecutively". This produces Teletext penetration which is comparable intermedia with print media (users per day) for various stations, which agree with the ratios of technically measured GfK TV panel penetration (average daily net penetration).T his procedure could also serve as the basis for development of a model for online penetration data still to be collected.



Measuring the penetration of online media requires new models

A whole range of arguments have been introduced so far, which can clearly prove the way in which the media market and in particular, the market for online media will develop. All measuring models for online media will have to register extremely fragmented consumption behaviour, meaning that these models must fulfil particular requirements, which are only partly fulfilled by the procedures applied currently.

In the first place, it is obvious that only a small part of the media disseminated via Internet can be indexed with penetration indices, as was previously the case. By contrast, more or less all products can be qualified technically by the statement of page impressions or visits. Both procedures have the common advantage of being able to make statements on the total market for these products. In addition, it is easy to come to the conclusion that currently used survey designs must adjust to the rapidly changing market, i.e. more or less everything is open to debate. So much for the initial situation.

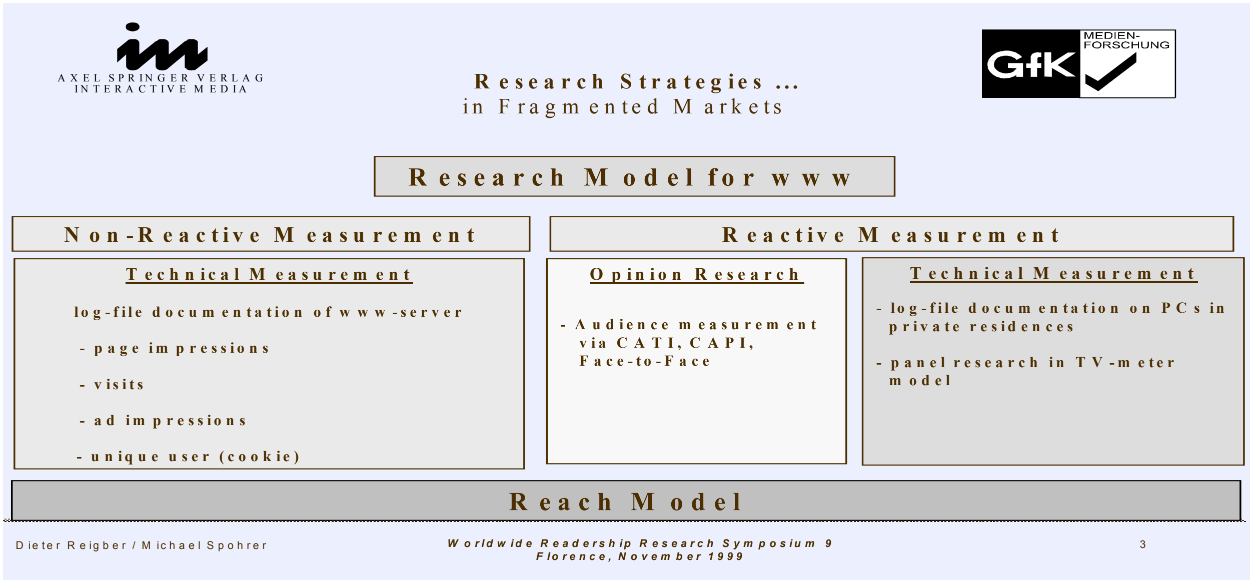
The discussion of models will very rapidly gain in explosive force, if advertising expenditure in the field of online media rises exponentially as forecast. It will then definitely no longer be sufficient to disseminate more or less associated data on one and the same product in the market without, stating the inter-connected elements.

The significance of data collected technically goes far beyond the significance of circulation statistics in the classic print market. It involves measured consumption from sites. Only the user, the person is unknown. It is important to understand that this data provides a type of penetration which was previously only established in surveys. Survey data by itself almost provides qualitative data, since it allows statements about consumption and users in the usage of online communities. Without being able to bring this discussion of what will be quantitative and what will be qualitative data in a penetration model for online media in the future to a conclusion, it is easily understandable that the requirements of the market, i.e. the planning requirements will lead to a shift in interpretation in the meaning of words of this kind.

An online media penetration model must provide integrated data on consumption and users of content/portal sites and this requires new procedures. It must be possible to combine data collected by survey with data collected by means of so-called non-reactive procedures in a comprehensive model to form a currency that gives the market what it needs, which is information relevant to planning.

A decision on which criteria should be used to produce the necessary connection cannot be made at a theoretical level but must be investigated in special research programmes. Theoretical activity leads solely to the recognition that this is an absolutely essential step and further, that this necessitates international discussion. Penetration models for online media will only enjoy lasting success if they can be established internationally.

As is clear from the above presentation, there are a number of possible investigative approaches and combinations. At this initial stage, it is impossible to say which decisions speak for the different procedures. We must first deal with potential problems that are to be resolved within this discussion.



Online media penetration results also show reactive effects if they are obtained in the context of surveys

We are all aware that image effects also occur in online product penetration results established by survey. This is why the GfK Online Monitor has already decided to refrain from publishing penetration rates on instruction from clients, although far more titles were surveyed there than by ACTA. The fact that ACTA penetration rates deviated so markedly from the technically measured IVW rates surprised us. It is true that this is not a matter of penetration levels, but hits by visitors, therefore contacts with users are not comparable. But the inter-relationships of online products should match to some extent. Also the assertion that the visits were not “correctly” measured by IVW falls short at this point, in which case, this would affect one or other title to greter or even lesser degree.

The online consumption of economic and computer products is clearly over-estimated. To generalise, when reading “Wirtschafts-Woche” on the Internet, there must be four people in front of every screen using the product simultaneously. Otherwise it is conceivable that a product has 223,000 users per week, who only generate 60,000 visits during this period.

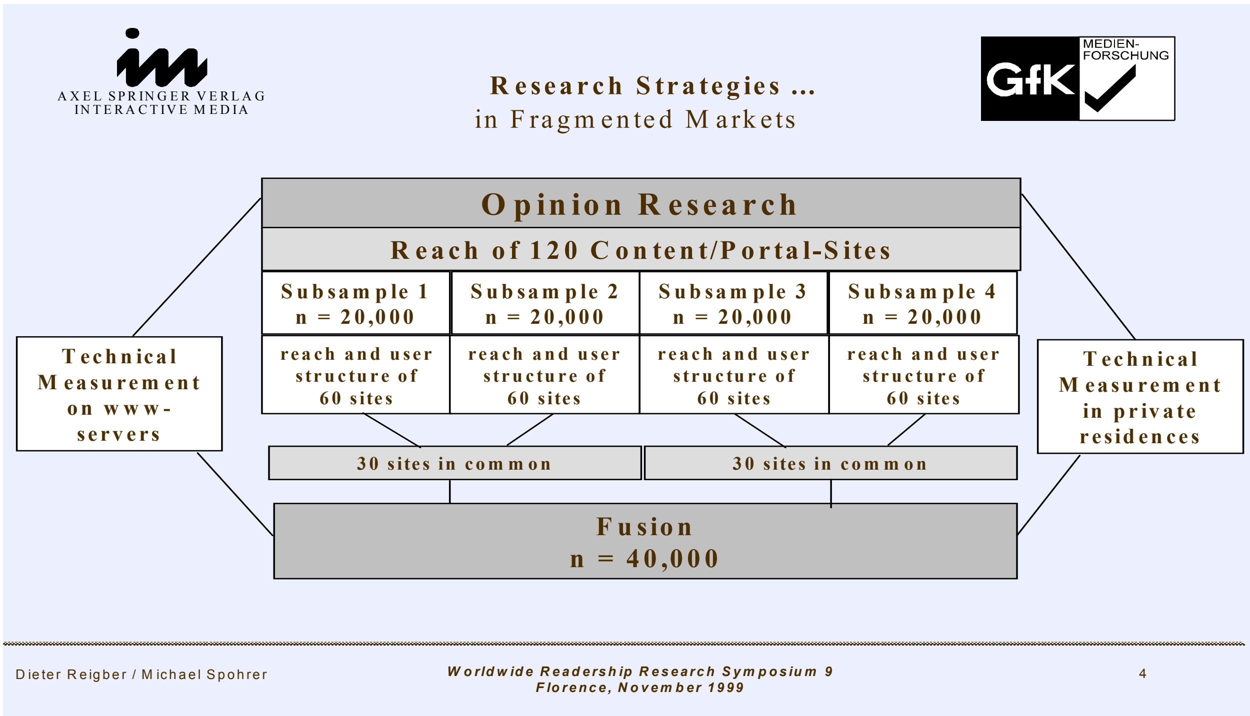
Online products with image problems such as “Bild” and “Stern Online” are clearly under-estimated by ACTA online products. Why “Stern Online” does not benefit to the same extent in image terms as the printed version, remains to be investigated. (Audiences for TV feature films are not comparable. The online range of TV feature films is collected by ACTA and the portal TV feature film network is shown in IVW, a conglomerate of several online products from the Milchstraße Verlag).

Models to collect user data for online media

As stated above, in the case of online media, we must distinguish very precisely between data on consumption and user data, since these two types of data can be collected using very different procedures. The GfK Online-Monitor currently collects user data on approximately 60 products in a CATI interview lasting approximately 30 minutes. The number of products certainly represents the upper limit of an interview.

In future, a procedure could be established that could provide user data on a relatively large number of products cost-effectively and rapidly. Here, CATI technology offers a number of advantages..In any case, user data collected in random tests will need to be merged in a standard planning file. More detailed consideration must certainly be given to which features will constitute the important common features here, but on the basis of the sociological arguments elucidated above, it seems advisable to use a lifestyle system, in addition to the socio-demographic features and media consumption indices to arrive at a reliable and valid model.

In this connection, the merging method is less of a problem if the files to be merged feature the same size random tests and were drawn up using the same collection procedure, since it can be assumed that the allocations on the file which are to be transferred show somewhat similar variants. However, this is not the place for discussing complete technical solutions and for this aspect, research programme proposals which achieve consensus are needed.



It is easily conceivable that a model of this kind will be completed in Germany and other western European countries within two years or so, since the number of WWW users has now exceeded the 20 million mark in Germany. In the context of the public debate, a model of this kind or the implications contained therein could also be transferred to the classic media, with the subsequent impact on them. It is precisely this which justifies the question, which we wish to discuss further using the example of print research.

Are there consequences for print research?

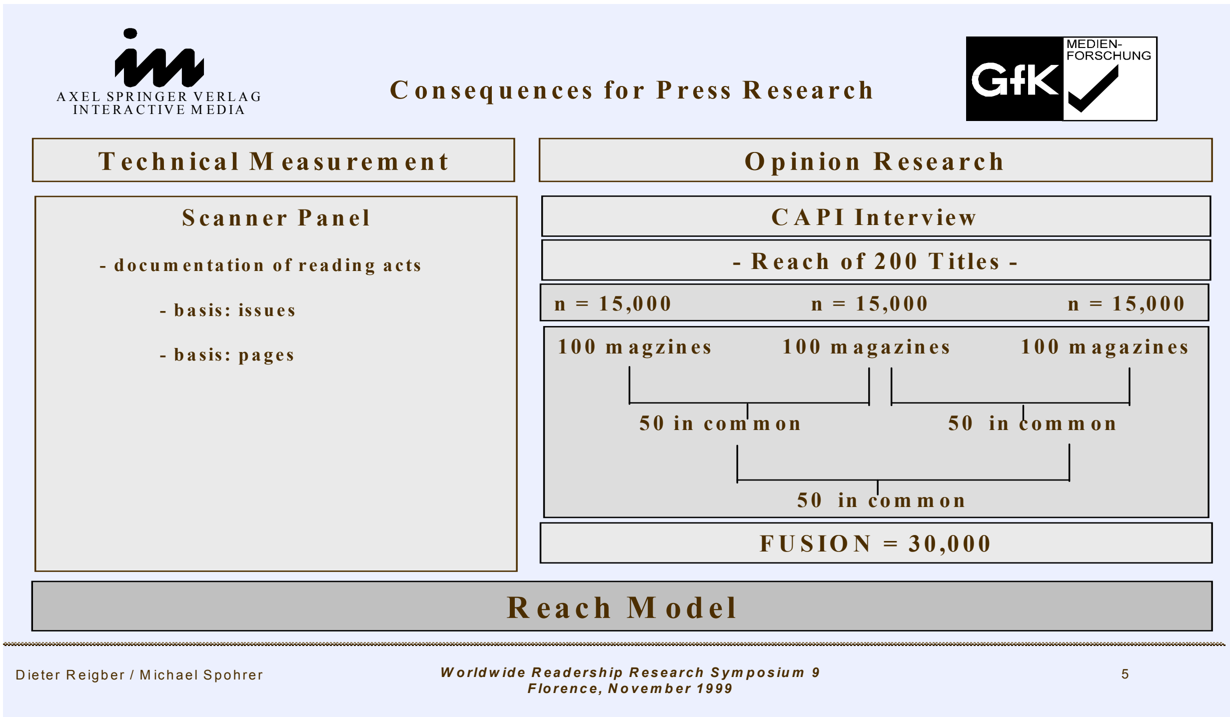
Perhaps the advantages and disadvantages of reactive and non-reactive media penetration data collection procedures, that is survey versus technical measurement in the context of a panel, should also be compared in the area of classic print research. It may well be that “old” media must learn from “new” media to arrive at comparable intermedia data. Remaining true to the principle of not wishing to discuss technical solutions, we are solely presenting a theoretical concept here, an idea which implicitly contains a proposal for discussion.

In concrete terms, it is a matter of using the advantages of different procedures within a standard system, which provides positive support. Technical procedures certainly have the advantage of being able to measure consumption more accurately than any survey. We are all aware of the disadvantages of penetration data collected in face-to-face surveys, i.e., the suspect recall of the interviewee. In general, consumer behaviour is over-estimated. This at least has been our experience in connection with the collection of Teletext audiences. In addition, image effects occur as is shown in both the following diagrams. Consumption of popular titles, such as was the case with “Stern” is over-estimated, while people like to under-estimate consumption of the so-called gutter press or tabloids.

Technical designs, such as TV meters or an in-home-online panel certainly have weaknesses in identifying the user: who is actually sitting in front of the screen or at the PC when there are several people living in the household. This means that technical designs have more difficulty in providing a representative picture of the structural features of the users. Both procedures tend to make the same mistakes from time to time, in that for example the socially desirable response behaviour in surveys matches the socially desirable consumer behaviour in non-reactive procedures, based on the constraints of what is socially acceptable.

Result: print medium penetration data is only collected by survey. External monitoring is only feasible by means of the circulation levels reported to the IVW. At the moment there is no serious attempt to employ a technical measurement procedure parallel to this. In the first place, in order to initiate the debate, it must suffice to propose technical measurement procedures in parallel to the penetration research to be carried out as before, whose design must, in any event, be reactive. Equally, which indices a technical measurement of this kind should provide must be worked out in detail. We do not have the operational structure for what has been described as online media services consumption in the model for online media and it is clear to everybody that this must be considered in greater detail than we have space for here.

Reform of this kind would certainly have to be accompanied by the introduction of CAPI interviews, which would then have to be carried out in split sampling, because the fact that the market is so segmented and the target groups so fragmented makes a procedure of this kind necessary. The catalyst for this development is the extraordinary dynamism with which the Internet will change the media market to its roots. Here, the many recent statements on this subject by Mr Middelhof (CEO, Bertelsmann) show that we are not alone in thinking this. Print research will not remain immune either.



To summarise: en route to a post-modern society, the breaking down of the media market into segments is leading to fragmentation of media consumption. Multiple options, marked plurality awareness and *pastiche* creation are the precursors of new media consumption behaviour. The reduced acceptance of surveys, the differing penetration rates of the basic totalities of face-to-face, CAPI and CATI surveys and the number of distortion variables which can scarcely be checked should stimulate media researchers to think about combined penetration data collection procedures and models, which give advertisers and agency media planners the confidence of working with sufficiently accurate data, always remembering that only accepted currencies will be used.