

BREAKTHROUGH IN NEWSPAPER SECTION RESEARCH IN THE NETHERLANDS

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Introduction

Pavarotti's concert in the Royal Albert Hall was already sold out for a couple of months. The Henderson family was so happy they made a reservation one year up front. They got confirmation from the Box Office for two places at the first row, right in front of the stage. They also received confirmation of their payment of the tickets: 350 pounds each. One week before the concert the Henderson's went to the Box Office to collect their tickets. After looking up their reservation the lady of the Box Office told them to be very sorry: they made a double reservation. She offered the Henderson's two places at row 29. For the same price, 350 pounds each!

Can you imagine the feelings of the Henderson's?

Those same feelings advertisers and media agencies in the Netherlands, and probably in many other countries, have about rates they pay for advertising space in newspapers. For a place at row 29, or page 6 of section 9 of the Saturday edition, they pay the same rate as for a place at row 1, or page 2 of section 1. Fair or not fair? That depends!

In case we have an architectural well considered theatre with perfect acoustics that enables the visitor to see and hear the maestro equally well from row 29 as from row 1, then you can say it's fair.

In case we have a newspaper with a well considered arrangement, layout and contents that realises that page 6 of section 9 of the Saturday edition has the same Opportunity To See as page 2 of section 1, you can also say it's fair.

And that is the key word: Opportunity To See. The presumption of advertisers and media agencies is, that the reader does not see all pages and sections of a newspaper. The further backwards the section is situated in the newspaper, the lower the OTS-scores of that section, they presume. And accordingly advertising rates for these sections and pages should be lower than for sections with high OTS-scores, so they say. If the presumptions are correct, fair enough.

But how to check whether these presumptions are correct for each newspaper and for each day of the week? Is a Saturday issue read the same as a weekday issue? Probably not. The only solution to this problem is to conduct a study that includes all newspapers and all weekday issues of those newspapers. And that is exactly what we did in the Netherlands.

Since many years advertisers in the Netherlands have urged the newspapers to carry out a section research. In the summer of 1998 Cebuco took the initiative to start the development of a research model for a large-scale section study. That had to be a model that is:

- reliable
- valid
- feasible for all Dutch newspapers and that:
 - within a relatively short period of time
 - with acceptable costs

Before finalising the model three studies were carried out:

1. A pre-pilot in the second half of 1998
2. A pilot in the first half of 1999
3. An extensive test of the model in the second half of 1999 and the first half of 2000

1. Pre-pilot, second half 1998

The aim of this pre-pilot was to determine whether gathering the data by telephone and/or by a postal questionnaire meet the requirements mentioned before. During the early nineties in the Netherlands a couple of section studies were conducted on behalf of individual newspapers using face-to-face interviewing. The face-to-face method was rejected beforehand by Cebuco. The reasons are evident: it is not able to meet cost and time requirements.

In the pre-pilot two newspapers were involved: a local and a national morning paper. The Thursday and Saturday issues of both newspapers were measured. The population of the study was defined as readers of 13 years or older of the issues measured, within households who have a subscription on one of the two newspapers. In this context it is relevant to know, that in the

Netherlands 90% of the newspaper circulation goes to subscribers and only 10% is sold as single copy. As will appear later on, this fact made it significantly easier to create an appropriate model for the section study. Nevertheless, it is possible to use the model in a country with a substantial higher share of single copies on circulation.

For each of the four groups defined (2 weekdays of 2 newspapers) two random samples were drawn out of the subscribers database. One sample was questioned by telephone, the other sample received a postal questionnaire. The telephone interviews were partly conducted on the day of issue of the newspapers and partly on the day afterwards. The last as far as the Thursday issue is concerned. Main objective was to determine whether the readers have had open **each single page** of the issues measured.

Together with a copy of the issue, the postal questionnaire was sent to the subscribers on the day of issue. The additional copy was sent to the subscribers just in case they had thrown away or passed on their own copy. Respondents had to mark each single page of the copy with a "Y" (Yes) in case they had have open that page while reading the newspaper or an "N" (No) in case the page has not been open.

The net sample size was about 100 to 125 for each of the telephone groups and 135 to 160 for the postal groups. The conclusions of this pre-pilot in a nutshell, in terms of the pros of each of two methods:

Pros of the Postal method:

- validity of the results
- possibility to measure all pages of the copies involved (takes to much time using telephone interviewing)
- costs per net respondent (about 20% cheaper)
- response rate (postal method with incentive: 73%, telephone interviewing: 23% on average)

Pros of the telephone method:

- less complex logistics
- time involved to gather the data

Validity of the results and costs per respondent were two important factors for the decision to go on with the postal method and explore it further in a pilot study.

2. Pilot, first half 1999

The pilot was focussed on optimising the postal method. In total we had 8 groups which differed from each other on the following aspects:

- registration whether pages were open or not on the copy of the paper vs. in a separate questionnaire
- scale used to register open pages: 2-point, 3-point and 5-point
- number of sections to be answered in questionnaire (all or, randomly selected, half of them)
- subscribers vs. single copy buyers

In the pilot only one issue of one newspaper was involved. We selected the Saturday edition of the nationally distributed De Telegraaf. That is the newspaper with the highest circulation in the Netherlands and also the newspaper with the largest number of pages on Saturdays.

Subscribers were selected from the database of De Telegraaf, single copy buyers were recruited on ten points of sale on the Saturday involved. The net sample size varied from about 75 to 110 per group. Evaluating the results of the pilot, we looked at the following aspects:

- validity
- respondent response
- internal response (answering questions for all pages)
- depth of the information provided (only OTS scores vs. also reading scores)
- costs
- feasibility

The method chosen as the most appropriate one looking to the combination of these aspects was subject of the extensive test that will be brought up next.

3. Extensive test, second half 1999/first half of 2000

For the registration of whether pages have been open or not we chose for the following method:

- registration in a separate questionnaire
- using a 5-point scale (with 4 qualifying categories for the Opportunity To See score)
- registration of all sections and pages within an issue

The 5-point scale used, consists of the following categories:

- looked at or read (nearly) everything on the page
- looked at or read about half of the page
- looked at or read something on the page
- page was open, nothing read or looked at
- page was not open

How did we define the OTS-score in this study? We re-coded the categories of the 5-point scale according to the following scheme:

looked at or read (nearly) everything	'page open'
looked at or read about half	'page open'
looked at or read something	'page open'
page was open, nothing read or looked at	'page open'
page was not open	'page not open'
unknown/not filled in	'page not open'

For the population of the study are readers of the issue involved, all respondents who have not had open a single page were skipped. Next we determined the Opportunity To See-score on the level of spreads. In case

- the right page of a spread was open, but the left was not or
- the left page was open, but the right was not

we assumed that the whole spread was open. Practically it is impossible to open only one page of a spread.

The average OTS-score for a section we calculated according to the formula:

$$(1 \times \text{chance front page section} + 2 \times \text{chance spread 1} + 2 \times \text{chance spread 2} + 2 \times \text{chance spread } i + 1 \times \text{chance back page section}) / \text{number of pages section})$$

Using the 5-point scale made not only OTS-scores available but also reading scores for each page. The test was conducted for 2 local and 2 national newspapers. One of the local papers was an evening paper, the others were morning papers. Two similar waves were carried out: one in November/December 1999 and one in March/April 2000. In both waves an issue of every weekday was measured for all four newspapers. This design made it possible to compare results for different copies of the newspapers involved and draw conclusions about stability of results from one issue to another.

From the pilot we learned that the differences in the results for single copy buyers and subscribers were limited. On average the OTS-scores found for the single copy buyers were slightly higher. Knowing that the share of single copies on total circulation for nearly all Dutch newspapers is very low (mostly less than 5%), the influence of involving single copy buyers in the study would be negligible. Therefore we decided to focus on subscribers. This simplified the whole operation significantly, for we did not have to recruit single copy buyers at points of sale.

The gross sample size was 250 per newspaper per day. Each subscriber participated only for one day, so six separate samples per newspaper per wave were drawn. One week up front the subscribers were sent a letter on behalf of the editor in chief, announcing and recommending the study. They were not told for which issue they were expected to participate. The questionnaire as well as a copy of the issue to be measured were sent to them on the same day that copy was issued. We found, that in most cases (83%) they received the questionnaire the day afterwards. This is important because it is desirable that the questionnaire was completed the day after the day of issue.

We also built in a test of the effect of using an incentive. Half of the gross sample received an incentive with the questionnaire, the other half did not. The incentive was a ticket of the Dutch national lottery, worth about 2 dollars or a bit more than 2 euro.

In the beginning of the questionnaire the member of the household who started filling in had to make a listing of all members of the household of 13 years or older that read the issue of the newspaper involved. In case this was more than one person, the final respondent was selected randomly.

The findings of the test:

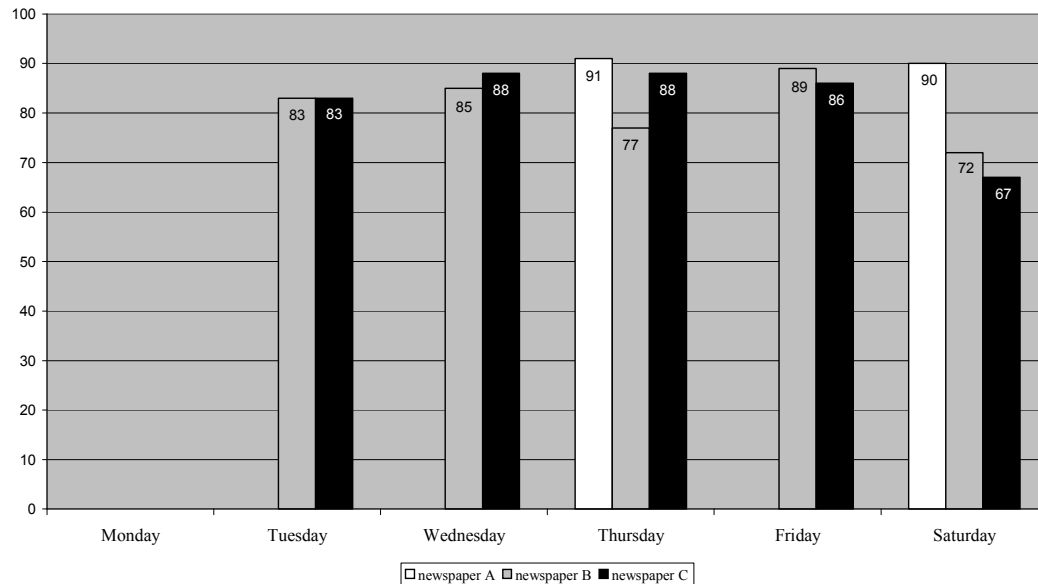
In general:

- The results of the test are plausible and seem valid. The structure of the results is the same as that found in other, comparable studies;

Regarding the stability of the results:

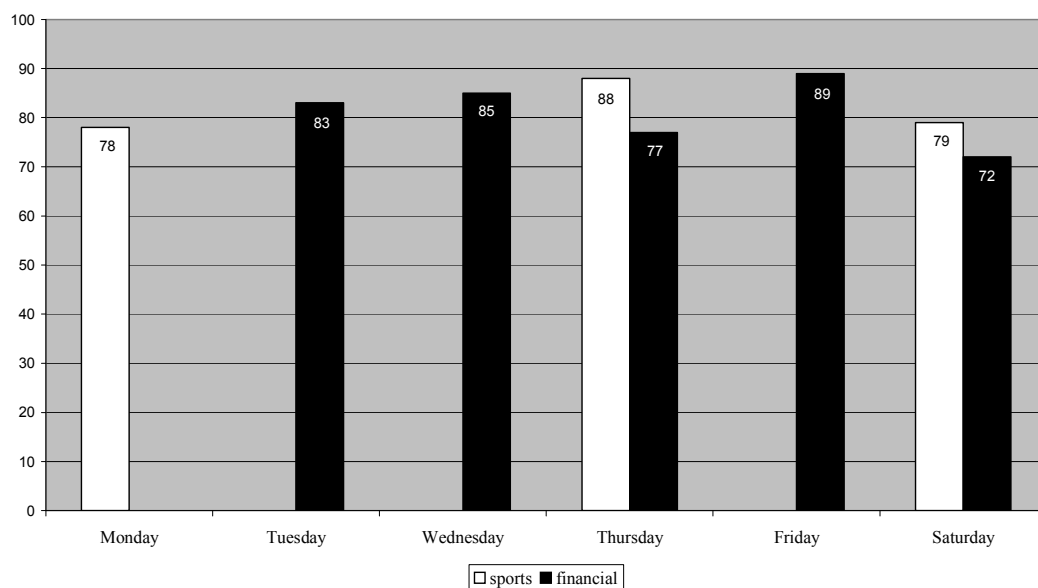
- The OTS-scores of comparable sections, for instance the financial section, differ from one newspaper to another. The implication of this finding was, that we had to involve every single newspaper in the section study;

Diagram 1: OTS-scores financial sections



- The OTS-scores of comparable sections of one newspaper differ from day to day. This meant we indeed had to include all weekdays in the section study;

Diagram 2: OTS-scores sports and financial section newspaperB



- The OTS-scores of comparable sections of one newspaper found in both waves differ only slightly. The average difference between the OTS-scores per section found in both waves was only 3,3%. Therefore there is no need to carry out the section study more than once a year. This of course assuming that a newspaper does not change its structure radically;
- The OTS-scores and even more the reading scores found for single pages differ substantially from one wave to another. This is not very surprising since the reading of a single page is more dependent on the specific contents of that page on a particular day.

Regarding the selectivity of the results:

- in general for specific target groups the OTS-scores are (substantially) higher than the average scores. This says something about the validity of the results;

Regarding the moment of delivery/filling in the questionnaire:

- delivery of questionnaires by the Dutch postal services is satisfying: 83% is delivered the day after posting them;
- there is no systematic relation between the level of the OTS-scores and the moment of delivery/filling in the questionnaires;

Regarding the incentive:

- giving respondents an incentive up front results in a substantially higher response than not doing this: on average 67 vs. 44%;
- giving respondents an incentive does not substantially affect the structure of the response;
- there is no significant effect on the level of the OTS-scores giving respondents an incentive;

Regarding feasibility of the model:

- execution of the study does not give considerable problems. R&M will be able to conduct the study for all 30 Dutch newspapers at the same time.

And that we did in the first half of this year. We split up the total number of newspapers in two groups and in two waves we measured a copy of every weekday of them within a month time. Subscribers of all the Dutch newspapers were involved in the study. For one newspaper, De Telegraaf, we also took a sample of single copy buyers of the Saturday issue.

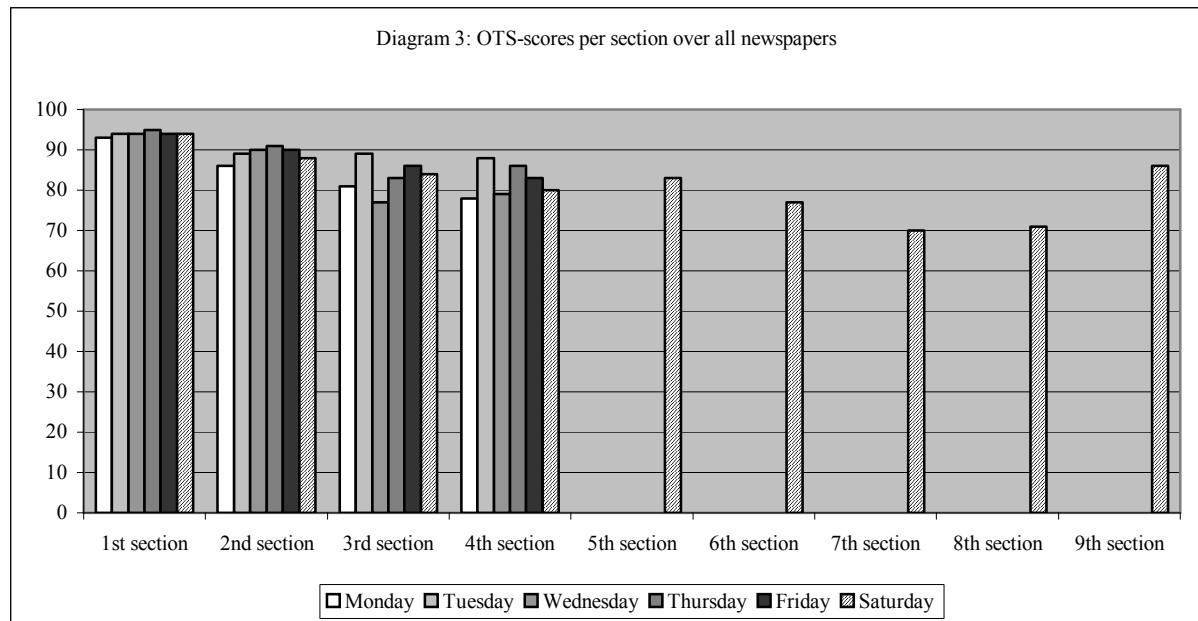
4. Talks with market parties

In response to the urge of advertisers to carry out a section research, in 1999 the PMA (Platform for Media agencies) tried to fill their need by starting up their own section research to study the reach of sections, pages and ads. of 4 Dutch newspapers. The method they used was CAPI (Computer Assisted Personal Interviewing) amongst respondents in the age of 18 or older. When Cebu/R&M presented their own method of section research in 2000, after a two-year developing period, two different methods became available for this kind of research. For the acceptance of the new advertising model by the market, it was imperative that all parties agreed upon and accepted the same research method. Therefore in the summer of 2000 a Technical Committee was set up to make a judgement about which method was most appropriate. Researchers from the media agencies (PMA), advertisers (BVA) and the newspapers were represented in this committee. Their objective was to make a choice for a research method that measures the reach of sections of newspapers, which is reliable, valid and financially feasible and can be used for measuring all Dutch newspapers. PMA and BVA were originally very sceptical towards any other method than their own face-to-face method. But after comparing both methods thoroughly the Technical Committee concluded that both methods were reliable and valid but that the postal method of Cebu/R&M was better for its practical and financial feasibility. This unanimous advice was adopted by all parties, who consequentially decided to conduct a large-scale section research amongst all Dutch newspapers with the postal method.

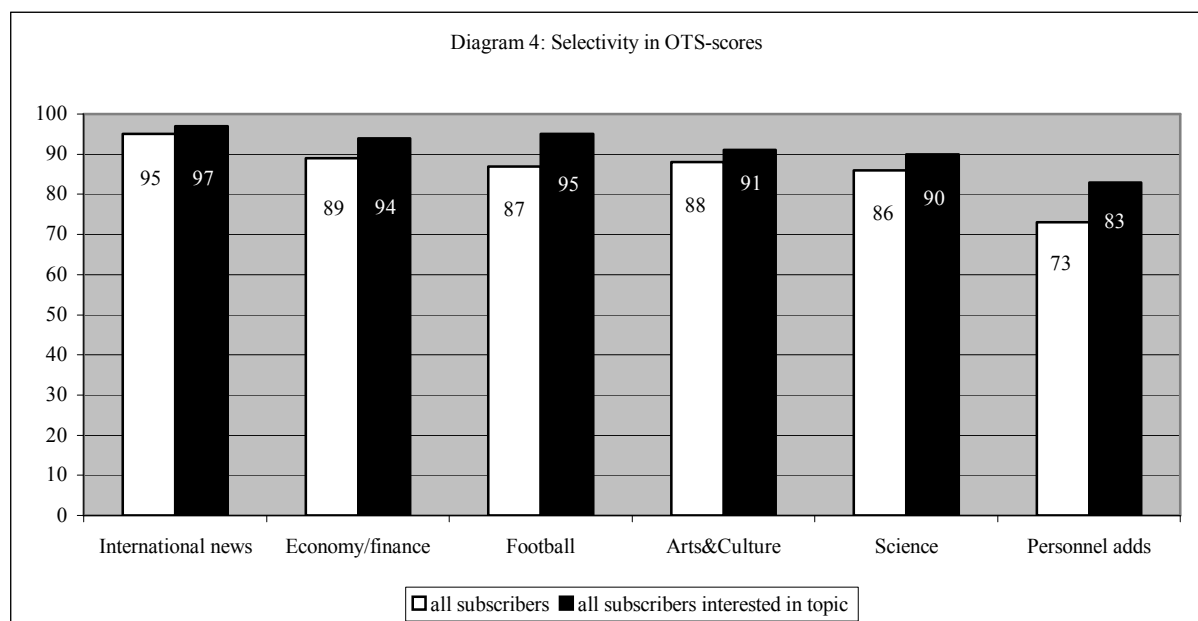
5. Some results

We will show some of the first results of the section research on an aggregated level. This means that the results are calculated as a weighted average over all the 30 newspapers involved in the survey.

One important finding is, that it's not true that the OTS-scores will automatically decrease the further you proceed within a paper. We've found that in a number of cases, sections that are further backwards within a paper have higher OTS-scores than sections more towards the front of the paper. The following diagram shows this effect, especially for the Saturday paper.



Another important finding, already seen in the pilots, is that within a paper there is selectivity of readership. Subscribers that are interested in certain topics within the paper have higher OTS-scores on pages about those topics than the average subscriber. This is of course not new. But the fact that this selectivity has been measured on a large-scale for all Dutch newspapers opens possibilities to really use this as input for target groups within the advertising model.



6. The Quality Index System (QIS)

Together with the development of the Cebuco/R&M research method for section research, the newspapers started developing a new advertising rates model by the end of 1999. This in anticipation of the wishes in the market for differentiated advertising rates. The new model is based on the advertising rates model of Quality Rating Points, which is used in Denmark. The philosophy behind this model is that a newspaper doesn't only offer quantity in the form of millimetres, but also quality in the form of colour, editorial Umfeld, and reach. This is not new. New in the Danish model is that the parameters for quality are determined in an objective way and are being incorporated in the calculation of rates. This way insight is given in the achievements of the newspaper and these achievements are also being weighted in the advertising rates.

In the Netherlands Cebuco together with Deloitte Consulting have developed a variation to the Danish model. The currency in the new model, the Quality Points, will replace the current currency, the millimetres. The Quality Points are calculated by

multiplying the size in millimetres with indices for circulation (per day), colour and section reach. The biggest difference with the Danish QRP-model is that sequentially a 'booking class' is connected to the price for an ad. This booking class determines what kind of discount and privileges an advertiser gets (for instance the right to preferential positions, special delivery times etc.).

In the blue rectangle the formula is given with the parameters. The parameters are:

- The size in millimetres of the ad.
- The average circulation per day of the week expressed as an index
- The variable colour as an index or a surcharge (in mm's)
- The reach of sections within the paper per day of the week expressed as an index

Quality Index System (QIS)

Quality points =(Size (in mm) + Colour (mm's or index) x Daily Circulation (index) x OTS (index)

X

Demand factor

X

Rate per quality point

X

Booking class

=

Price per add or campaign



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The section research in the Netherlands is unique in how it's used in such a direct and practical way. The basic assumptions behind the use of the results within the advertising model are:

- A newspaper only has the responsibility to offer a platform for advertisers to reach their audiences. And in this way making people open certain numbers of pages within the newspaper, so that they have the opportunity to see an ad. A newspaper offers 'opportunity-to-see'. Whether an advertisement on a certain page is consequently seen is dependent on the size, use of colour, format and content of that advertisement. These last variables are the responsibility of the advertiser.
- The reach within the paper is expressed in 'open-eyes'. This means that when someone has opened a page that person is reached. Whether that person has actually read something on that page does not matter. It's the opportunity to have seen something on the page that matters.
- The reach of spreads is used. This means that the left page of a spread has the same reach as the right page of that spread and vice versa. The theory behind this is that when the right page of a spread has been opened, the left page automatically also has been opened. After all it is physically impossible to open the left page but not the right page of the same spread. The OTS of both pages in a spread must therefore be the same.

Considering that it is important for the market that the parameters are transparent and trustworthy, the basis for the circulation indices are the HOI-figures (HOI=Het Oplage Instituut, an independent institute, constructed as a joint industry committee, for measuring print circulation) and for the section reach indices the basis are the results of the large-scale section research, which is accepted by the market because it is monitored by the Technical Committee with representatives from mediabureaus, advertisers and newspapers.

7. Use of the section research results within the model:

All OTS-indices are calculated separately per day of the week. For the calculation of OTS-indices per section the average OTS-score of the whole paper forms the basis. The average OTS-score per paper is the average of the OTS-scores of all the sections of that paper. For every day of the week the OTS-score of the whole paper is set on OTS-index = 100.

In the Quality Index System we distinguish two different kinds of sections:

- A physically distinguishable loose section within the paper. We will keep on calling this 'section'.
- A number of pages within the same paper with the same theme or topic, for instance sports, economics etc. Best described as 'theme-section'.

The OTS-indices for sections and theme-sections are calculated in the same way per day of the week:

The OTS-index per section per day =

$$\text{OTS-score per section per day} / \text{OTS-score per paper per day} \times 100$$

De OTS-index per theme-section per day =

$$\text{OTS-score per theme-section per day} / \text{OTS-score per paper per day} \times 100$$

For example:

OTS-score per paper on Monday = 0.94.

OTS-score of 2nd section /the theme-section Sports on Monday = 0.90

$$\text{OTS-score of 2nd section /the theme-section Sports on Monday} = 0.90/0.94 \times 100 = 96$$

For so-called advertising combinations (separate newspapers which combine themselves by selling their advertising space as one) the OTS-indices of the titles belonging to the combination have to be put together to come to the OTS-index of the combination. For this purpose the OTS-indices of the different titles are weighted by ratio of their rates.

8. New differentiated prices

To come to the new differentiated prices the result of the formula is multiplied with the new rate. This rate is principally the same for all advertisers, this in contrast to the current situation with individual contracts. It stays possible though to use different rates for personnel ads. for instance. Another future possibility would be to determine different rates for different target groups.

The new differentiated price is decreased with a discount percentage that belongs to a certain 'booking class'. This 'booking class' is determined per advertiser and is in fact nothing else then a client segmentation system. Clients/advertisers are clustered based on certain traits such as for instance contract size, the discount granted, way of delivering the advertising material (e.g. conventionally or digitally), use or no use of EDI (Electronic Data Interchange) etc. By means of booking classes it becomes possible to differentiate the price for different (groups of) advertisers so that a tool becomes available to reward important advertisers for their loyalty. By the use of 'booking classes' the negotiations with advertisers will not be focussed on prices anymore, but will mostly address the quality of reach and the way in which that should be filled in. Logistics, the way ads. are delivered to the paper (EAA (Electronic Delivery of Advertising Material) and EDI) will also become increasingly important.

Finally one can connect a demand factor or a premium to the tariff in a way that is done now for the IM-factors (adds placed within editorial content). This is possible for instance with special editions or special events.

The Dutch newspapers have informed the BVA and the PMA about the direction the newspapers want to go concerning the differentiation of advertising rates. The reactions of these parties to the model were very positive. The newspapers, the BVA and PMA have come to the agreement that all interested advertisers, media agencies get access to all the data of the section research for their own analysis and media planning. Though, to ensure appropriate use of the data the advertisers, media agencies and the newspapers themselves agree to follow statistical rules that ensure the validity and reliability of the results.

The rules of practice are the following:

- A. OTS-scores per paper per title can be used
- B. OTS-scores per section per title can be used
- C. OTS-scores per theme-section per title can be used
- D. OTS-scores per page per title can only be used for reports when at least four similar cases per title are available.
This means concretely that OTS-scores per page can be used when:
 - n=600 (minimum of 4 pages),
 - the pages have the same theme codes

The different reading scores cannot be used, because the pilot studies have proved that the reading scores are very unstable over time. This is not very surprising since the reading scores are very dependent on the particular contents of a page (news/advertising) on a particular day.

Users of the data explicitly need to show on which data the presented results are based and how aggregations have been made. This means concretely that users must show:

- which title(s) is/are used
- which days of the week are concerned
- which theme codes per page are used
- which page numbers or section numbers are concerned

9. Impact

The implementation of a new model is an important change for all parties concerned, media agencies, advertisers and newspapers. Media agencies and advertisers can allocate their budgets even more effectively on the basis of the detailed newspaper data. Because of this media planning in newspapers will become increasingly more attractive and fun to do. Employees of newspaper companies who are responsible for marketing and sales, order intake and financial administration of ads., will not only calculate the advertising rates differently for their customers, but they will also, more than before, have to ensure that the ads. will be placed in the right position in the paper. Finally editors will get more insight in the preferences of their reading audiences via this section research.

10. The future

After elaborate preparations a number of pilot projects with the new advertising model will start in November 2001 with advertisers and their media bureaus. In January and April 2002 the pilots will be evaluated and recommendations for fine-tuning the model will be made. From January 2002 onwards preparations will start for the implementation, which is planned in January 2003. Until that time the main tasks are altering the software and computer systems and training people in working with the new model.

