

3XNEW – A NEW ERA FOR MAGAZINE RESEARCH IN NORWAY

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1. INTRODUCTION

In an era where print is facing huge challenges, the main publishers made some brave moves for the new Magazine NRS. In chapter two we will present the new concept and the three most significant changes:

1. In 2012, the NRS for magazines changed from 6 000 F2F-interviews to 12 000 interviews; 9 600 by CAWI and 1 400 pen and paper.
2. Introduction of the new currency – Gross Exposure Points (GEP) that can move advertising sales from “price per ad” to “price per exposure”.
3. The readership figures from the print measurement and the web titles from the official Internet survey NIP are both calibrated onto the planning database. Hence, we have a 360-degree measurement system for the magazines with a new currency for print and online figures.

1.1 The Norwegian media market

With a daily use of the Internet at 85 per cent and mobile content at 49 per cent, Norway is a highly developed media market. Furthermore, the Norwegian media owners have made steady advances in the development of content delivery on multiple technological platforms (Futsæter & Engen, 2013). The publishers are moving more business over onto digital platforms, although with declining profit margins.

The circulation figures for the magazines have declined by 32 per cent from 2004 to 2012 (MBL). For comparable titles, the circulations have dropped by 7 per cent from 2011 to 2012. In recent years some magazines have closed and many have reduced their publication frequency.

The total market for advertising has declined by 4.2 per cent in Norway from 1Q 2012 to 1Q 2013, and for the magazines by 12.6 per cent. The market share for magazines on the total advertising market has declined by 20 per cent from 2007 to 2012. The share of the total advertising spending for print magazines in Norway has fallen to only 2.8% (1Q 2013; IRM).

1.2 New demands from the market and the tender

Motivated to develop a trustworthy and future proof new measurement system for the magazines, the major magazine publishers began dialoguing with the advertisers and media agencies some years ago. The discussions with the market pointed at several demands and guidelines for the new measurement systems. Based on these discussions, the publishers have agreed on the following tender criteria; i.e. to deliver:

1. Reliable and transparent measurement for all measured titles.
2. More relevant and innovative measurement that takes into account the unique qualitative properties of the magazines.
3. Documentation of gross exposure for magazines.
4. Comparable figures with TV, radio and Internet.
5. Measurement for digital content, especially the magazine’s web sites.
6. Link to the MultiMediaUniverse (MMU) database.
7. Dynamic and future proof concept.

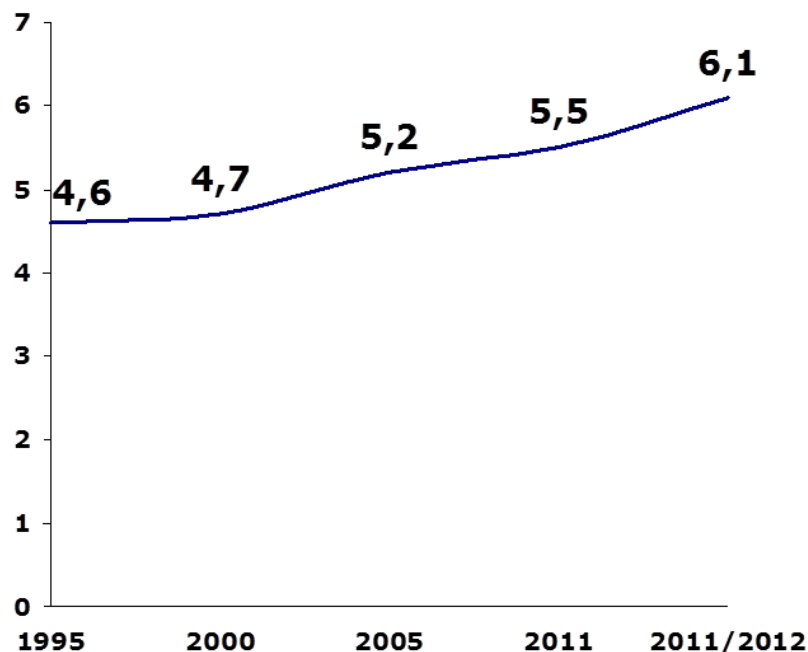
Based on the Media Effect Pyramid (Futsæter, Sandvik & Østnes, 2009), the media agencies and advertisers have placed pressure on the magazines to develop a more detailed measure of readership than AIR, to deliver more detailed readership reports and report cross-platform reach. The Media Effect Pyramid, inspired by ARF’s “New Media Model” (Ephron, 2004), has been used as a backdrop for our discussion on responsibility, requirements and expectations concerning the media data that exist as official currencies. We have transformed the ARF’s model into a pyramid for illustrative purposes, and added the term Effect in order to emphasize the idea that each level of the Pyramid carries its own set of effects. After the new newspaper survey documented content exposure one level up in the media effect pyramid (Sandvik, Holbæk-Hanssen, Østnes & Futsæter, 2011), the magazines were the only large media channel left on “level two” –offering currency figures only as AIR.

Figure 1. Media Effect Pyramid (MEP)



Figure 2 illustrates that readers per copy (RPC) have been growing from 4.6 in 1995 to 6.1 in 2012/2011, which is a 33 per cent rise. Furthermore, RPC figures from Norway are very different compared to other Nordic countries. Although the Nordic countries are using different interview methods, it is interesting to observe the differences in RPC across the countries. The readers per copy in Norway have been by far the highest. For example the magazine *ELLE* had 5.8 RPC in Norway, compared to 3.7 in Denmark, 3.5 in Sweden and 3.3 in Finland in 2012. The same type of difference is visible when we compare similar titles such as *Allers* and *Vagabond* across the Nordic countries. On the basis of these and other factors, the magazine industry has faced increasing concerns from advertisers and media agencies about the reliability of the old F2F-based readership figures.

Figure 2. Readers Per Copy (RPC) from 1995-2011/2012



Source: RPC = AIR/Circulation for 30 comparable titles. AIR=Average Issue Readership. RPC= Readers Per Copy.

The publishers were fully aware that any change of method would result in lower readership figures for many titles. However, the publishers wanted a transparent, trustworthy and future proof measurement system. After evaluating the tenders, the publishers agreed on changing research supplier and method.

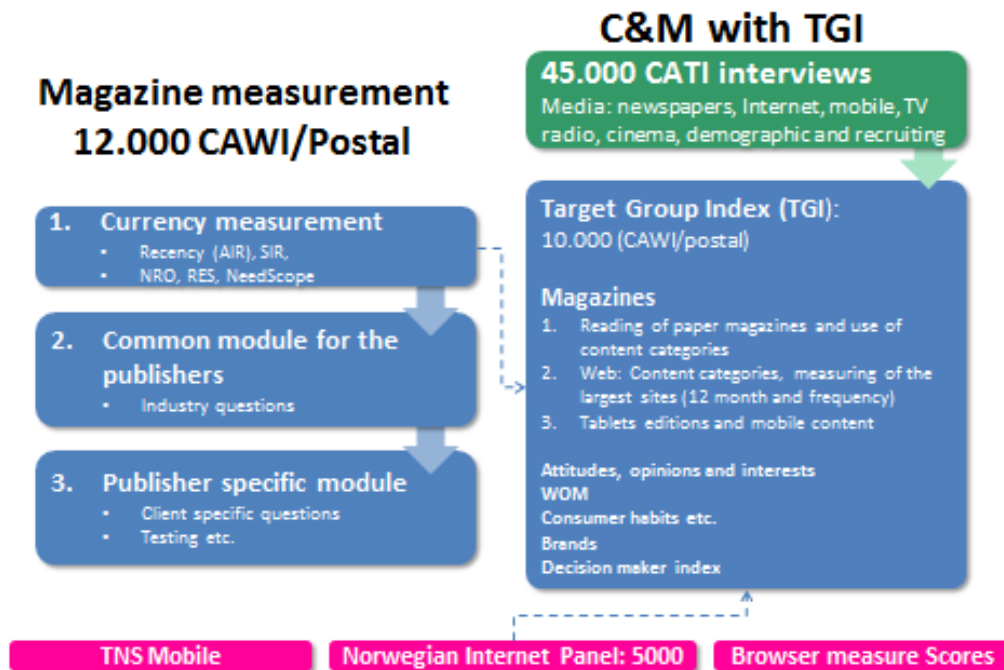
2. THE NEW CONCEPT

The new readership survey for paper editions of the magazines comprises 12 000 yearly interviews. 80 per cent of these are carried out on the web and 20 per cent with pen and paper; however, the amount carried out with pen and paper will be gradually reduced in the coming years. In 2012, we reported 112 magazines, mostly consumer magazines and the largest trade magazines for the B2B market.

We will describe the questions in more detail in the next section. The readership figures from the magazines' measurement and the web titles from the official Internet survey NIP and Scores, are calibrated onto the TGI data. Thus we have developed a 360-degree measurement system for the magazine industry. Since the web titles from the official Internet measurements are calibrated into the TGI, we can produce total reach for web and paper editions and total reach for publishing houses across several publication platforms.

The concept for measuring the printed editions has three modules. The first and most important module is the one in which the AIR, amount of reading (RES) and number of reading occasions (NRO) are measured. The second module is the multi-media survey (C&M) where the TGI is integrated. The C&M survey (TGI) has frequency and recency questions for magazines which are used for calibrating and modelling of the AIR and GEP figures from the official Magazine NRS into the reported database for the magazines (TGI). The TGI also has questions about the magazine's web sites and content categories that are used for calibration and modelling of web sites from the online measurements. This means that third module; the online measurements TNS Mobile, the Norwegian Internet Panel (NIP) and the browser measurement Scores are connected to the TGI (Engen & Futsæter, 2013).

Figure 3. The new concept for measuring magazines and digital content integrated in the reporting of the TGI



2.1 Change of methodology from f2f to CAWI

The summary of readership research from the latest PDRF (WRRS) illustrates different methods used for measuring readership around the world. General trends are (Page, 2011):

- The number of surveys using mixed methods to obtain their interviews has continued to increase.
- More and more surveys are conducted online and more surveys include elements of online interviewing.

Our impression is that many online surveys are based on how the surveys traditionally are conducted: F2F (personal), self-completion or CATI. The underlying assumptions are that old surveys and international consensus on how such F2F are being conducted are the best guidelines to develop new online methods. Furthermore, we perceive that some online surveys attempt to be as close to the old method as possible, based on the assumption that this approach will give fewer changes in the results. That applies to for design, wording of the questions, screening/filters, sequence of questions, interviewing stimulus, rotation etc.

However, our approach is to develop the optimal readership survey based on experience and knowledge from other types of online surveys. It is obvious that online interviewing has several advantages such as better control of the sample and

continuous, daily interviewing, more effective use of screening/filter, rotation and use of stimulus. Based on these advantages, and experiences from other online surveys, we developed some working guidelines for our magazine survey:

- It is more important to take into account the most optimal online design for the respondent rather than adopting traditional readership surveys conducted by F2F or by self-completion.
- The introduction and information to the respondent has to be very short and exact, because the respondent seldom reads all the instructions.
- The interview has to be as short as possible. People are very impatient when they answer online.
- People don't like repetitive questions or questions that are perceived as repetitive.
- Use visual stimulus to avoid title confusion.

During 2011 we conducted a lot of tests and analyses in Norway, and discussed with our TNS and KANTAR colleagues in other countries. We have tested five main methodology issues:

1. Only mastheads (logo) vs. mastheads (logo) and pictures of two front pages

A picture of two representative front pages in combination with mastheads (logo) is the best way to avoid title confusion and gives the best interviewing stimulus.

2. Use of a hurdle/general filter question vs. directly to the Recent Reading question

Most readership surveys use a type of screening question. However, the respondents don't like repetitive and monotonous questions and time consuming surveys. Furthermore, testing shows that more people answer inside the filter question (last 12 months) when started directly on the recency question as compared to having an initial filter question. The recent reading levels were at the same level in both tests. Thus, we decided to skip the screening/filter question.

3. Different wording of the NRO and RES questions

This was only a fine tuning of different wordings and the result will be described further in section 2.2.

4. Frequency question with numeric scale 1-6 vs. SIR with picture of last six issues

The test documented that it is administratively challenging for the publishers and the research institute to update front pages continuously. Furthermore, there are some challenges within the SIR method. People can have read articles inside a magazine and not remember the front page. More respondents answer "do not know" when asked the SIR question than when asked the frequency question. The SIR method can underestimate readership figures due to people not recognizing the front pages, especially for older editions and similar front pages. These findings can explain why SIR gives lower AIR levels than frequency in our test.

5. The Recent Reading question: "Traditional scale" for all publications vs scale adjusted to publication frequency

In general, there should be the same number of answer categories that are positive than negative to obtain a balanced stimulus for the respondents in market surveys. We will argue in favour of this also being valid for the number of answer categories that are inside and outside the publication period. However, this is not often taken into account in most readership surveys (Summary of Current Readership Research 2011).

Our experiences and test also pointed out that we wanted:

- As similar scales as possible for all publication groups.
- Commonly used and standardized categories such as day, week, month, quarter, year.
- Similar number of answer categories within and outside the publication period – as you can see in this example for the magazine Costume (fig. 4). There have also been requirements for producing daily reach figures for magazines independent of the publication frequency. We are then able to report daily reach for the whole publishing house and report similar figures as radio, TV, web and mobile content.

2.1.1. The new research design

Q1: Recency with new scale and hurdle/general filter

The first question is the recency question. The magazines are first organized on the basis of publication frequency and then by homogeneity. Publication with similar mastheads (logos), content and competitors are placed together to avoid confusion. Both mastheads and the front pages of two issues are showed to the respondents. We think this is the best stimulus to the respondents to aid the recognition of publications and to avoid title confusion. There is a maximum of four publications per screen. The screens, which consist of groups of titles, are rotated.

In this example, Costume shows the scale for a monthly magazine. I think the most common approach is to have only one or few answer categories covering the publication period. Here we have three responses inside and three responses outside the publication period. The AIR is calculated on the basis of those who have read the magazine in the publication period – thus we are using a variant of the Recent Reading method.

Figure 4. The recency question for the monthly magazine Costume



Q2: The frequency question

We have a traditional numeric frequency question: *How many of the last six issues of these magazines have you read or look at?* Titles are first grouped by publication frequency and then by homogeneity.

Q3: The reading occasions question (NRO)

Then comes the NRO question: *Approximately how many times do you usually read or look at an issue of magazine ... ?*

Q4: Amount of reading (RES)

The last standard question is the RES questions: *When you read magazine X the last time, about how much of the magazine did your read or look at?*

In section 2.2. we will go more in depth about NRO and RES.

2.1.2 Old (AIR) vs. New (AIR)

The figure below illustrates that there are many differences between the old and new method. The most important are:

- We have changed the collection method from personal F2F at-home interviews to CAWI self-completion for 80 per cent of the sample and 20 per cent with pen and paper. From 2013 it would be 90 per cent CAWI and later 100%.
- The sample is doubled from 6000 to 12 000 interviews.
- When we compare the last reported AIR figures, you should bear in mind that the old survey is from 2011/2012 and the new is from 2012. During 2012, the circulation figures have dropped dramatically for many magazines.

Figure 5. Some of the methodologically differences between old (F2F) and new (online) surveys

	Old (Ipsos MMI)	New (TNS Gallup)
Mode of interview	Person (F2F) at home	CAWI/Self completion (80%/20%)
Sample	6.000 (with 1.900 sampling points)	12.000
Period for last report	2011 (3Q/4Q) – 2012 (1Q/2Q)	2012
Interviewing days	Varies	Same amount of interviews every day
Weighting		Sex, age, education, centrality, access to the Internet
Stimulus	Two front pages and logo	Two front pages and logo
Basis for AIR estimates	Recent Reading	Recent Reading

It is obvious that it is very difficult to compare the AIR figures. There are:

- Different methods (sample, modes of interview, unknown factors, etc.)
- Different collection periods for the last reports
- Declining circulation figures from 2011 to 2012.

As expected, IPSOS MMI AIR-figures were consistently and significantly higher than the new figures from TNS Gallup. The index (new/old) AIR figures was 81.. There are no patterns as to different groups of titles and there are no patterns as to different demographic groups. The publishers therefore contacted MMI to obtain information on the samples, weighting and raw data from some of the key questions such as the 12-month hurdle question, and the recency question. MMI was not willing to provide these data, and it was therefore difficult for the publishers to analyse more thoroughly the background for the differences found in readership figures between TNS Gallup (CAWI) and MMI (F2F).

However, the lower AIR figures are in line with the market expectations, and the media agencies have concluded that the new method is highly reliable.

2.2 Gross exposure points (gep) – THE new currency

During the years a number of initiatives have focused on the area of revealing the truth about multiple page exposures in magazines. In line with the industry requests described in 1.2, TNS Gallup also engaged in this area of research together with the magazines and the magazine branch of Norwegian Media Businesses' Association in Norway. The main topics for our joint effort in this field are:

- Except from print, all media are selling their inventory (ad-space) based on gross contacts, while magazines are still selling insertions, where the price is “determined” by net number of readers. For the magazines this means less flexibility and not being able to capitalize on the fact that a magazine page usually is exposed more than once.
- The opportunity to sell ad-space in printed magazines combined with online impressions. Online publications in Norway are measured in a panel, and the currency for these titles is based on gross contacts. With the current currency (AIR) for magazines, determining the total figures for a combination of an online and offline campaign is close to impossible. With a new gross-based currency for magazines, this would be an easy case. See further description in chapter 2.3
- One of the unique strength of magazines is that they can be picked up and read on multiple occasions. The magazine industry really wanted to highlight the fact that they deliver substantially more contacts than readers.

Our approach was to build a simple and robust model based on magazine-specific information, which could be carried across all the way to the planning software – presenting gross figures for all measured magazine titles. Looking back on previous research in this area, it seems like most projects failed in making this new currency operational on the planning level, ending up with some averages for different magazine types. One of our main premises in our attempt was therefore to ensure that whatever currency was the result, it should be visible to the media planner when using their day-to-day planning software tool.

Our Magazine NRS cover approximately 120 titles. Already asking the respondents standard readership questions (RR and Frequency) for all measured titles, we needed to restrict the number of additional questions to establish the new currency, in order not to overload the respondents. Our final solution was to include two additional questions per title for each of the titles the respondents claimed to have read during the last 12 months. The resulting model gives estimates on number of page exposures for each reader of a magazine, and includes the following 3 elements:

- AIR (Average Issue Readership) – utilizing the RR Approach described in 2.1. In the data file the AIR-levels are converted to reading-probabilities per respondent used in our end-user software.
- NRO (Number of Reading Occasions) – An average number of pickups of each title read, presented as a verbal scale (see below).
- RES (Readership Engagement Score) – Measured as amount of magazine read on an average reading occasion, presented as a verbal scale (see below).

The actual wording of the two new questions and possible responses was (after some initial discussions and tests) defined like this:

NRO- question

Approximately how many times do you usually read or look at an issue of magazine X?

- 1-2 times
- 3-4 times
- 5-6 times
- 7-8 times
- 9 or more times
- None

RES-question

When you read magazine X the last time, about how much of the magazine did your read or look at?

- Everything/Almost Everything
- About ¾
- About ½
- About ¼
- Almost nothing
- Nothing

One of our main concerns, especially with the RES-variable, was if we were able to get a reasonable distribution of responses across the defined scale, and also if we would see reasonable and explainable differences between the titles. Based on the responses we found that the questions asked in a good way satisfied both these criteria. Across the 122 measured titles an unweighted¹ average for the RES-variable looked like this, also including max and min values for each category:

		Everything/Almost Everything	About ¾	About ½	About ¼	Almost nothing	Nothing
<i>When you read magazine X the last time, about how much of the magazine did your read or look at?</i>	Max	66,7	24,8	26,5	32,0	22,5	17,5
	Average	26,2	17,5	19,8	18,0	13,1	5,8
	Min	8,6	7,5	5,1	5,6	2,2	1,5

When we look at the figures for each title, you'll typically find magazines categorized as Comics and special interests magazines in the top end (high average RES), and newspaper supplements in the bottom end (low average RES).

Performing the same analysis on the NRO-question we have the following distribution:

		1-2 times	3-4 times	5-6 times	7-8 times	9+ times	No times
<i>Approximately how many times do you usually read or look at an issue of magazine X?</i>	Max	84,0	26,9	15,0	10,0	24,7	21,2
	Average	58,4	18,1	7,6	3,2	4,2	8,8
	Min	30,9	6,3	0,9	0,0	0,9	1,5

In the top end of the NRO-scale you'll typically find titles like TV-program guides, while you'll typically find (also here) the Newspaper supplements on the low end of the NRO-scale.

With confidence that these two questions work as anticipated, we needed to construct an easy model giving us a measure for gross exposure for an ad inserted in the magazines. The AIR figures are already calculated, and the next steps are aimed at providing a figure giving the total number of exposures for an ad in any of our measured magazines. This is done in four steps, briefly described in the following section:

STEP 1 in the model is to quantify the responses to the NRO- and RES questions on respondent level, as a basis for further calculations. This is done the following way, and the results are stored in the respondent data file:

NRO	NRO factor
1-2 times	1,5
3-4 times	3,5
5-6 times	5,5
7-8 times	7,5
9 or more times	10
None	0

RES	RES factor
Everything/Almost everything	0,95
About ¾	0,75
About ½	0,5
About ¼	0,25
Almost nothing	0,125
Nothing	0

There are two values (highlighted in the tables) that are not directly derived from the wording of the possible responses. For these two responses there are no natural "translation" from a verbal to a numeric scale, so they were sober-minded defined for not being accused of overestimating the responses in the top end of the scale.

¹ Not weighted by the reading probability

The average RES-factor across all 122² measured titles was **0,54** ranging from 0,38 to 0,78, while the average NRO-factor was **2,6**, ranging from 1,7 to 4,6.

STEP 2 is (again on respondent level) to calculate a GEP-factor. This factor is calculated and stored in the respondent data file for each respondent/title-combination, and used as input in our end-user software:

$$\text{GEP-factor} = \text{RES-factor} \times \text{NRO-factor}$$

It's worth noticing that for the individual respondent the GEP-factor could be below 1,0, indicating less than one exposure of an ad placed in the magazine in question, as for Respondent A in this example:

<i>Respondent</i>	<i>NRO-factor</i>	<i>RES-factor</i>	<i>GEP-factor</i>
Respondent A(worst case)	1,5	0,125	0,1875
Respondent B(best case)	10	0,95	9,5

However aggregated to total magazine-level, we didn't experience any case in our data that the GEP-factor was below 1,0, even though a number of respondents had single scores below 1,0. Since the GEP-factor is calculated on respondent level, it will yield different levels for different targets. An example for one typical male-oriented title (Vi Menn) vs. a typically female-oriented title (Topp) will illustrate this:

GEP-factor			
	Total	Gender	
		Male	Female
Topp	3,5	1,2	3,8
Vi Menn	2,6	2,9	1,9

If we extend this example, we could also see proof of that the GEP-factor for one title, on rare occasions could be below 1.0 for a user defined target. These situations usually occur when looking at a target group "not suited" for the title. In this example the title "Tidsskriftet Sykepleien" is a magazine aimed at nurses:

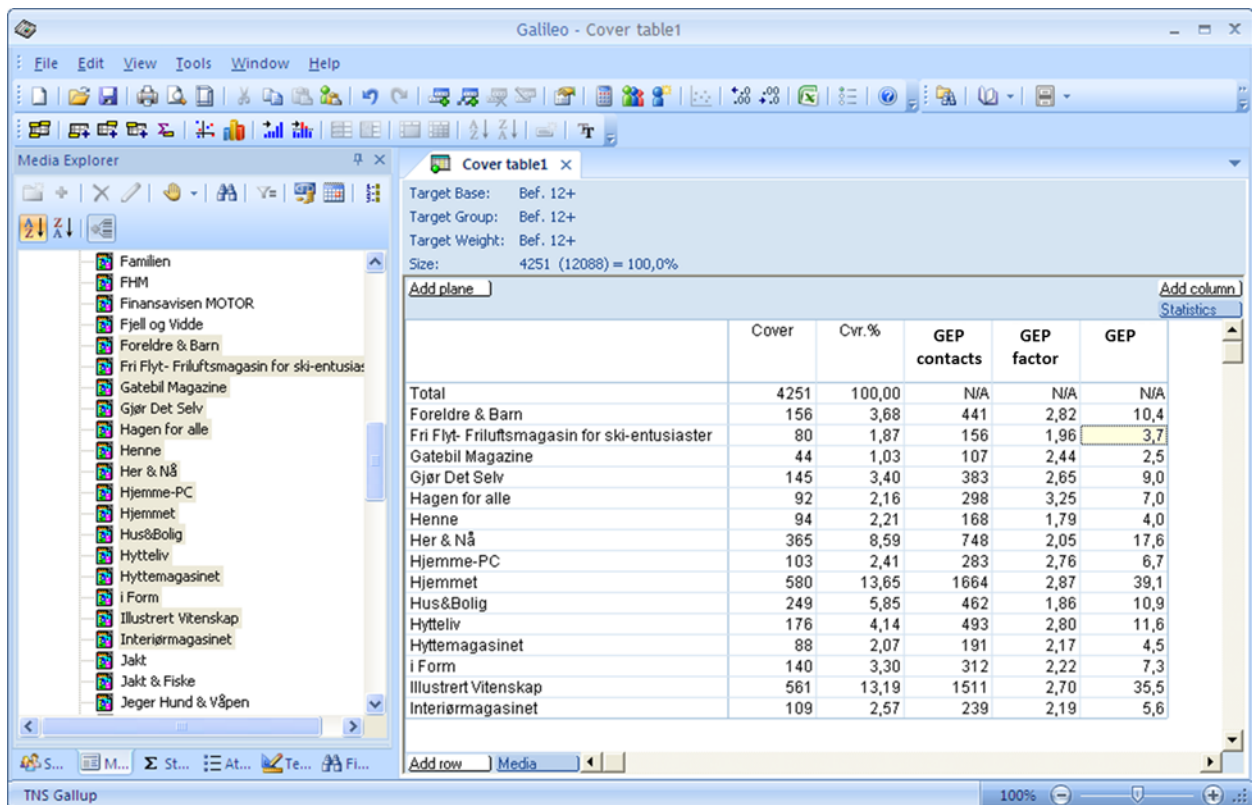
GEP-factor				
	Total	Male	Female	Male 12-17
Topp	3,5	1,2	3,8	1,6
Vi Menn	2,6	2,9	1,9	2,3
Tidsskriftet Sykepleien	2,1	1,6	2,4	0,5

STEP 3 is to combine each respondents reading probability with the corresponding GEP-factor for each measured title, in order to calculate the final GEP value for the respondent/title combination. An effect of this approach is that low-probability respondents have less influence on the GEP-figure than high-probability respondents. The calculations itself is taken care of on-the-fly by our end-user software:

$$\text{GEP} = \text{Reading probability} \times \text{GEP-factor}$$

The results of this calculation are presented in a number of new statistics in our end-user software, exemplified in this screenshot of a reach table:

² NRS Magazine 2012



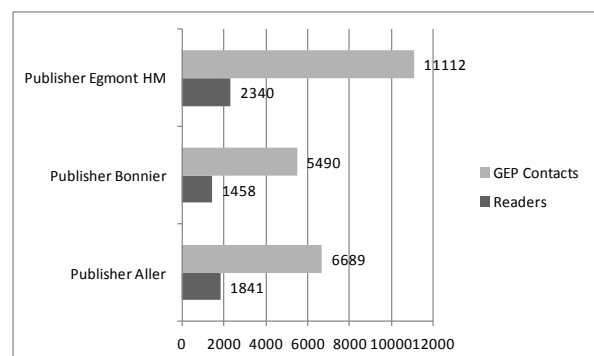
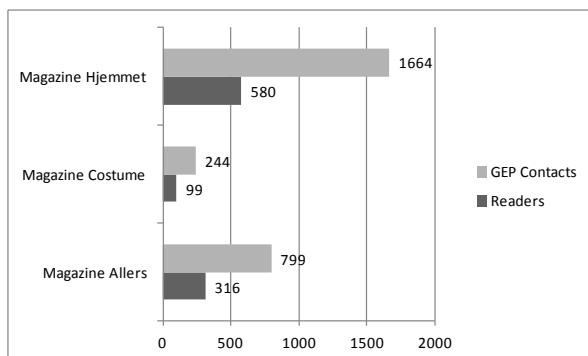
In conclusion; the model we adapted can in its simplest form be described like this:

$$GEP = AIR \times RES \times NRO$$

The current model will be evaluated, and is open to changes based on feedback from the Norwegian market. One discussion point is the fact that in the current model RES and NRO are weighted equally in the equation. Even if it's obvious that NRO is the most powerful element in the equation with numbers originally scaling from 0 to 10, it has been proposed weighting the elements differently when calculating the final GEP. This is further discussed in 3.4.

As we have described, the new model is applied to our NRS Magazine survey, and the results are deployed in our current tool for media planning and analysis. All the new GEP-statistics are supplements to the traditional statistics as reach, frequency etc., so nothing is removed from the users toolbox.

Returning to the original objectives for introducing such a model as an addition to the traditional measures for magazines, the dominant one is to document/prove the fact that an average magazine reader generates more than one exposure for the advertisements held in the issue. For all measured magazines and any combination of magazines we can now produce this type of presentations in "any" target group (Source: NRS Magazine 2012)

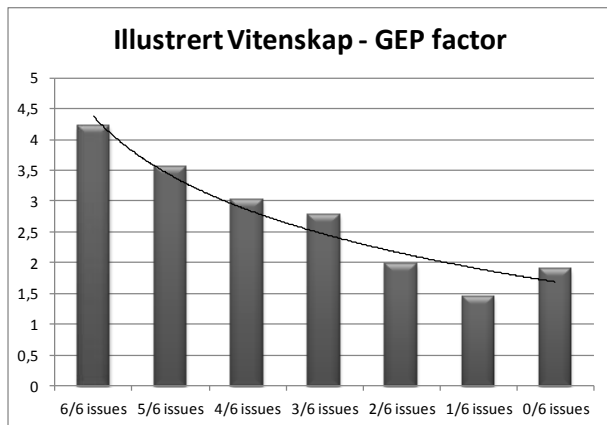


Furthermore these gross figures are easy combined with corresponding gross figures from e.g. web sites. To find the total number of exposures for a campaign exercised both online and offline in a magazine title, the task is just to add gross figures together as done in this example, even if the origin are different surveys:

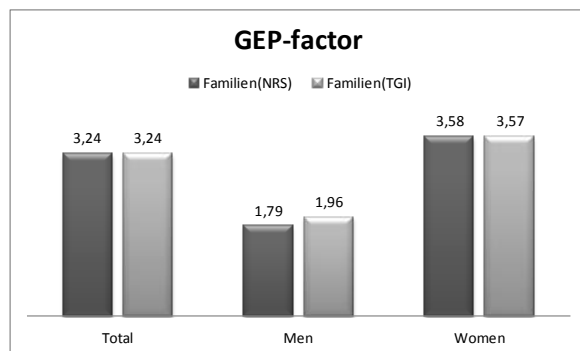
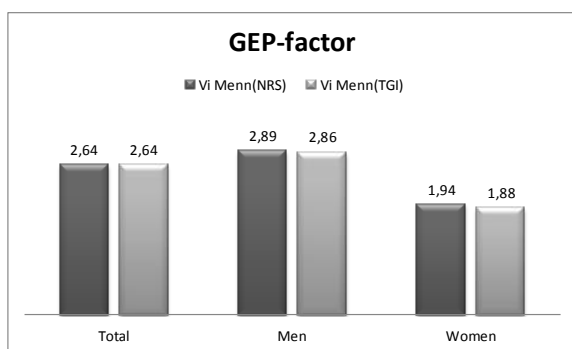
TG: Women 20-60					
Media	Measured in	Bought	Net Reach	Contacts	TRP
Se og Hør Magazine	NRS Magazine (TGI)	2 insertions	314'	945'	72
Se og Hør online	Norwegian Internet Panel	700' pageviews	128'	437'	33
Total Se og Hør				1382'	105

STEP 4 is to "transfer" the GEP-values from the NRS Magazine survey to the TGI-database, which is the reporting platform for all measured media currencies – including Magazine. We'll not go into details on how we currently perform this operation, but just give a brief description of the process.

In the TGI we only measure frequency of reading for the magazines (not RES and NRO), meaning that we're not able to implement the described model to generate GEP figures in our TGI. Our only option to obtain GEP- figures in TGI would then be to model these figures from the NRS Magazine Survey. Results from this survey more than suggests that there is a strong correlation between each magazines frequency of reading question and the two measures NRO and RES, and hence the GEP-factor. Here just exemplified with the magazine Illustrert Vitenskap – GEP-factor vs. Frequency of reading:



Together with the frequency of reading, we've also seen that both sex and age are variables that discriminate well for most of the measured titles. So, based on these three inputs we created a model which generates GEP-factors in TGI based on measured values in the NRS Magazine survey, the input being Frequency of reading, sex and age. Here is the result of the GEP-modeling for two example titles, Vi Menn (mostly male readers) and Familien (mostly female readers).



Currently we have just reported the figures from the GEP project with full sample once (February 2012), and it's a bit early to say something about the stability over time for the GEP-levels. Some preliminary results from our recently finished fieldwork for the September 2013-report however suggests that we will find consistency over time for both RES-, NRO- and GEP-levels, maybe with some exception when it comes to low reach/low sample magazines.

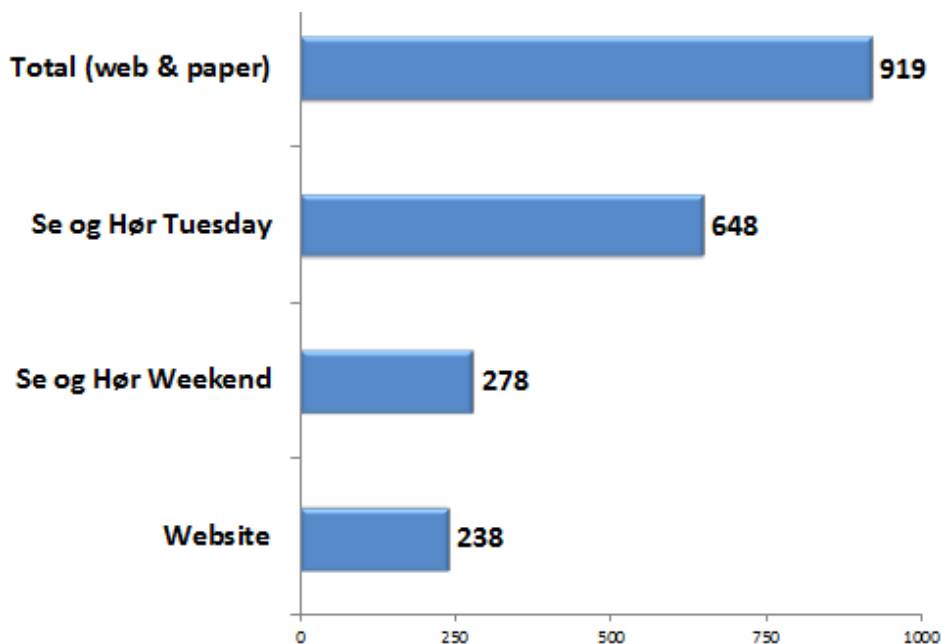
2.3 Cross platform reach

The circulations figures for the printed magazines have declined rapidly in the last years, and the magazine industry is publishing more and more content on digital platforms. It was therefore obvious that the tender for the new magazine survey wanted documentation on digital content as well as print (see section 1.2). As the newspaper industry has done since 1996 (Futsæter & Engen, 2013), the magazine publishers have to document and analyse total reach for print and online content across their services.

Back in 1995 when TNS Gallup started to measure the newspapers' online sites in Norway, it was straightforward to measure local and national newspapers by CATI. The main reason was that almost all of the measured media were web sites from the traditional newspapers and TV stations. They had the same media titles naming as the paper editions, and they all were very strong brands in their markets. However this is not the case with the digital content from the magazines, which often have different names and services than the printed editions. Based on this the figures from the online magazine services have to be calibrated according to Scores and NIP reach-levels into the reporting system for the magazines (TGI). These issues are discussed in another paper (Futsæter & Engen, 2013). There is a global trend that a growing number of surveys are carrying out fusions and calibrations with other media and marketing data, particularly websites' audience estimates (Page, 2011).

The new concept for measuring magazines has integrated measurement of digital content (see figure 3.). All sort of digital content from the magazine publishers can be measured by the browser measurement Scores, TNS Mobile and the Norwegian Internet Panel (NIP). In February we presented the first combined web and paper figures for the magazine industry. The next figure shows that *SE OG HØR* web edition have 238 000 weekly users. The two paper editions have respectively 278 000 and 648 000 readers. The total reach for the *SE OG HØR* brand is 919 000 people during an average week.

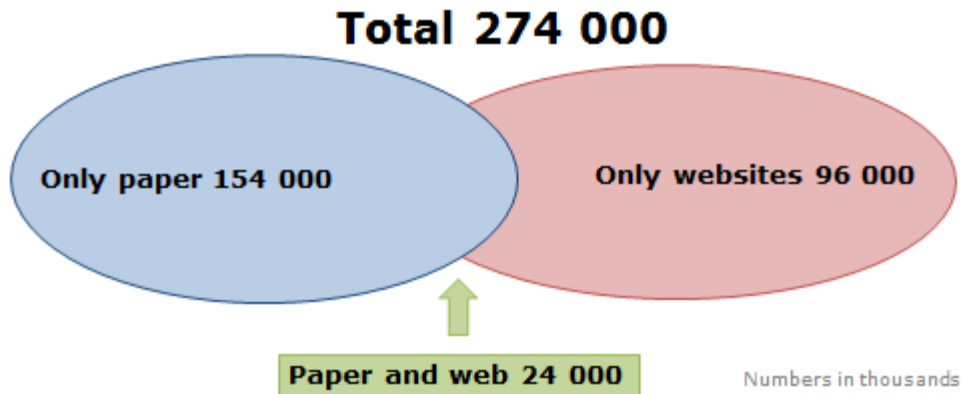
Figure 6. Total reach for the Se og Hør brand



Even more commercially interesting is the fact that the online services reach quite different people than do the paper editions. The next figure demonstrates this for the magazine *KK*. The total reach for *KK* is 274 000 people. The duplication is only 9 per cent (24 000). 80 per cent of the web users are reached only through the website. 154 000 read the paper edition and not the online edition.

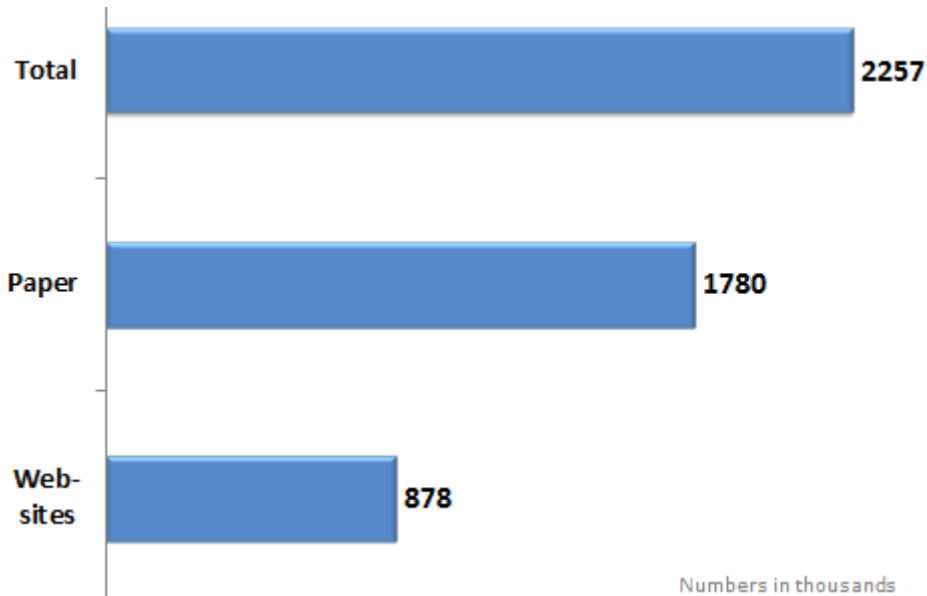
Furthermore, the online edition of *KK* reaches a much younger audience than the paper edition. These findings are also valid for most of the measured magazines, which is very important for the magazine industry.

Figure 7. Combined reach for print titles (AIR) and weekly reach for web sites for the KK magazine



One insertion in all the print magazines for Aller gives 1 780 000 readers and the weekly reach for all online content gives 878 000 users. If we combine all of the printed magazines with all of the measured digital content for the publisher Aller, we find the total reach for paper and online for Aller at 2 257 000 users.

Figure 8. Total reach for the publisher Aller

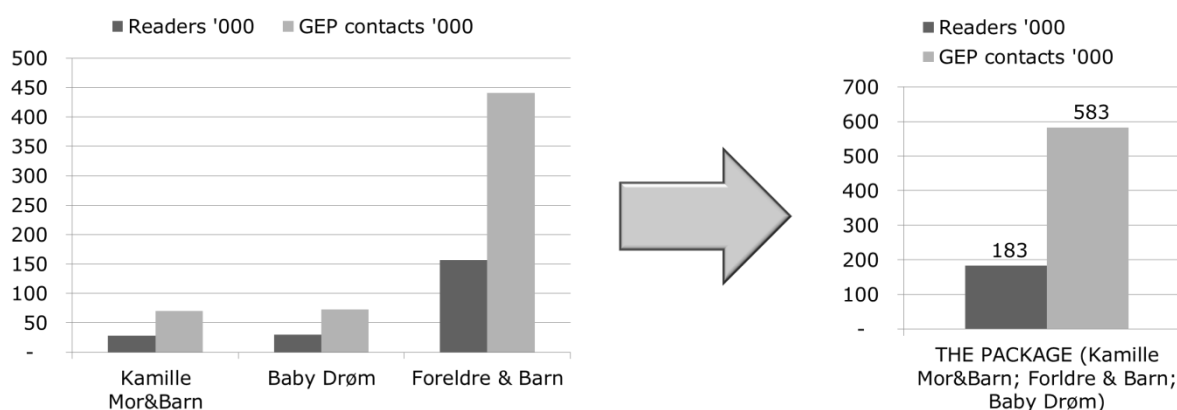


Calculations are based on calibrated weekly reach for online sites reported in TGI (MGI 13/1) and AIR figures for the printed magazines.

3 EXPERIENCES AND IMPLEMENTATION

It is our strong belief that the new methodology and the new AIR figures have been well received in the market. Obviously there have been questions about the changes in AIR levels caused by the new methodology. When releasing the first set of data from the new NRS – we put much emphasis on the fact that this is a new age coming, and that the new figures were incomparable with the previous ones. One could have feared that the market would turn to the publishers and put pressure on advertising prices due to “a fall” in readership. This did not happen. Of great importance here was that the whole industry arranged joint meetings and discussions with the media agencies and advertiser representatives, both before and after the release. The magazines were anxious when the first data were released whether the market would still compare the old and new AIR, but we feel that after having released two waves of data, this concern is no longer an issue.

One of the main purposes of introducing the new currency was to illustrate the considerable number of exposures the magazines deliver. The net measures have been there for ages but no effort has been made to introduce something like GEP for ad-sales in magazines. Hence the information has just been lost “in transition” and nobody really cared about it even if the multiple exposures magazines delivers has been a well-known fact. The introduction of the GEP concept was therefore quite well received in the market as a “proof of value”. The figure below illustrates the “hidden value” of 3 different magazines targeted towards parents:



The GEP contacts displayed here represent number of exposures delivered by the magazine given one insertion in each magazine. When looking at the package, it also take into account the frequency obtained by shared readers. The graphs shows that these 3 magazines in combination delivers approximately 3,2 times more exposures than the current AIR figure reveals.

So far so good, we should say. A new figure that actually reveals a hidden value should in theory benefit both the publishers and the advertisers. But in practice it has not made a huge impact in the market yet. We see the release of GEP as the first phase moving towards a tighter relation between currency, advertising prices and a more dynamic model.

Our view is that the new currency measures will have limited impact on the planning, buying and selling of advertising space in magazines until the GEP levels will have direct implication for the pricing model and prices for ad-space in magazines.

3.1 Possible enhancements

Even though we have managed to create and successfully implemented new thinking into the media and communication arena, we still feel that we need/could develop an even better model. As of now we see two very important enhancement areas to consider:

1. Inclusion of circulation per issue
 - a. All major publishers have a very strict system to calculate and approve actual circulation per issue of each magazine. There is an official provider that handles this for publishers who chose to do so.
 - b. Even though a 1:1 relationship between readership/circulation, we feel quite confident to advice a use of circulation figures per issue rather than a SIR approach that would crave even bigger samples. It'll add a dynamic dimension to the equation.
2. The weighting of RES and NRO respectively
 - a. As discussed in 2.2, there is currently NO difference in importance between the two variables in our model.
 - b. We might look for doing some proprietary research in order to explore the reading behaviour of magazines even more thoroughly. This could develop into some kind of establishment reader behaviour study.
 - c. It's not given that such weighting is needed, but we would anyway like to explore it.

4 FROM “PRICE PER AD” TO “PRICE PER EXPOSURE”

Compared to other media such as TV, Radio and even outdoor, the print currency is more loosely connected to the actual price of advertising. For TV, radio and Internet the price is a direct consequence of the actual gross audience delivered, and this is documented by each currency measurement respectively. For newspapers and magazines the prices are grounded historically, and the price for an insertion is not necessary directly linked to the published readership figures. Today's print price model is what we could define as NET BASED - price per ad. A future model could be GROSS BASED like in most other media.

4.1 Currencies and sales

The majority of price models in the market are gross based. In fact, print is the only media channel that has a net based price model. As explained above the net based model has big disadvantages when looking at CPT. In a gross based model a media channel gets paid for every exposure they deliver, and the price per exposure point (GRP) is a fixed value.

Media	Survey & measure	Currency	Type	Note
Newspapers/ Magazines	Newspapers- CATI Magazines - FZF	Aaverage Issue Readership	Net	Sales based on readership. Cost Per Thousand (CPT) is the dominant cost efficiency measure
TV	TV meter panel	Gross/Target Rating Points (GRP / TRP)	Gross	Settlement of price according to gross delivery of exposures
Radio	PPM panel	Gross/Target Rating Points (GRP / TRP)	Gross	Settlement of price according to gross delivery of exposures
Internet	Norwegian Internet Panel (NIP)	Number of Displays/ CPM	Gross	Implementation in progress. Cost Per Million (CPM) displays is the dominant cost efficiency measure
Outdoor	Outdoor Impact	Visibility Adjusted Contacts	Gross	VAC= Visibility Adjusted Contacts
Cinema	Tickets Admissions + Reach and Frequency in Consumer & Media - CATI	Admissions	Gross	Settlement of price according to gross admissions

Other channels' currencies that are based on some sort of gross exposures or contacts, often "get away" with less focus on CPT than print media. This situation is made even worse by declining readership and thus pressure on the CPT-levels. In addition, with all media brands starting selling across different platforms, and with increased focus on multi-media planning and effects, we think it is necessary, and should be possible for print to be measured more similar to the other media channels.

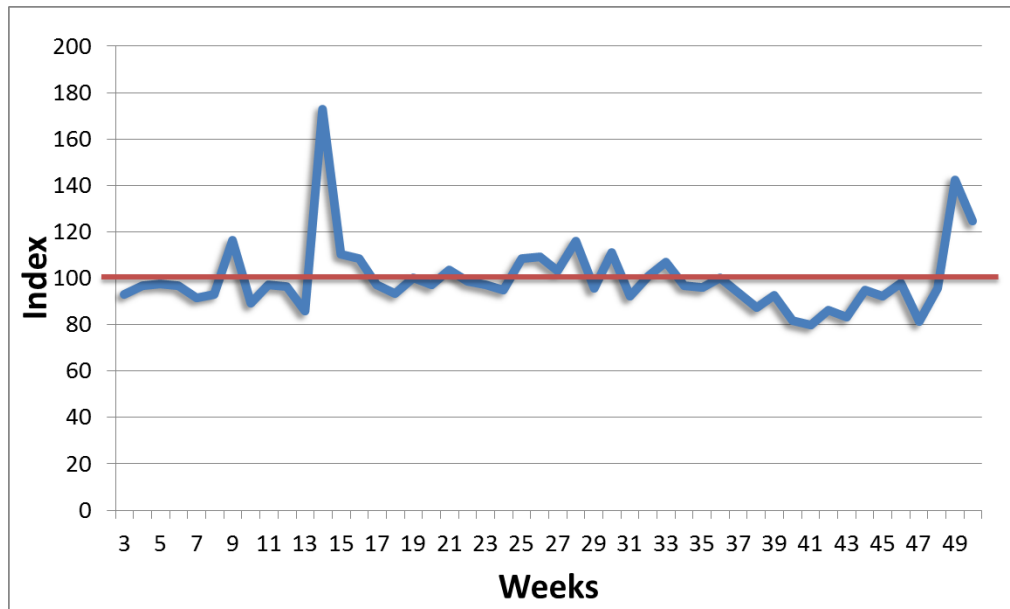
4.2 New currency based model for advertising sales

A new model would require various input data in order to be comparable and competitive with other channels. As of now we see that the following elements could be part of such a model:

	GEP		AIR DYNAMICS		UNIT PRICE		PRICE ADDITIONS		
	AIR x RES x NRO	X	Circulation index per issue	X	Price per GEP	X	Ad size Premium placement Speical issues Special requests Seasonality etc.		
Magazine X	Readers		Circulation		1/1-Page 4Colour Price		Page 3 placement		Final Price
Example 1 (today)	178 364	X	no effect	X	52 500	X	110	=	57 750
	GEP Contacts		Circulation		Price per '000 GEP Contacts		Page 3 placement		Final Price
Example 2 (with GEP)	339 557	X	110	X	154,6	X	110	=	63 525
Example 3 (with GEP)	339 557	X	90	X	154,6	X	110	=	51 975

In the figure we have four boxes of “themes” to include in a new formula for calculating the price for a campaign. In the figure we have put 3 examples to demonstrate how a model with GEP will work compared to the current “price per ad” practice. For simplicity the examples are put together as a zero-sum-play but could be considered differently.

A vital part is to use circulation per issue to bring dynamics to the model. Typically this will be an index value that compares to a rolling 12 month average or a similar measure. As of now, we think circulation is the only possible way to go to obtain this even that we know that the relationship between readers and circulation is not a 1:1 equation. We have though looked at the variations of circulation for several magazines – and it proves to be a lot more stable than the market tend to think. The graph below shows circulation index through 2012 for a weekly magazine. It does show two issues that have a significant higher circulation; the Easter issue and the Christmas issue. It will however be of significant importance how one should establish these indexes, as it will have a direct impact on audience deliverance and hence the final prices of the advertising.



4.3 Possible challenges

Even though a new gross based price model seems a reasonable way to go forward, there are some challenges connected to this approach as well. This is something we discussed in our paper from PDRF in San Francisco (Sandvik, Holbæk-Hanssen, Østnes & Futsæter, 2011). Even though this paper was about newspapers, the same challenges and conditions are more or less valid for the magazine publishers. However, we think that it is possible to overcome the challenges and meet the conditions. Feedback from the market indicates that such a new way of thinking is quite reasonable and understandable. But when push comes to shove most people want things to stay the same anyway – it's more convenient than digging into something that looks a bit more complex. This is probably the hardest hurdle to overcome. We have grouped the challenges as follows:

1. **Structural challenges**
 - a. *Definition of the universe for niche magazines, medium and large magazines. This is a bit more complicated than for national TV – but if a common standard is created it would be possible.*
 - b. *Using empirical data, like ad awareness data and circulation per issue, would be appropriate for determining different GEP prices and/or to introduce an effect based index for different ad sizes.*
2. **Practical challenges**
 - a. *We would need to find the right formula for reporting variance per issue. Probably the best way to go is to use circulation figures by title, by issue.*
 - b. *We would need to implement this to work on a week by week basis together with other systems such as accounting and production systems/software.*
 - c. *Training of the market and internal sales peoples.*
3. **”Psychological” challenges**
 - a. *A radically new and different way of thinking compared to the old model.*
 - b. *Acceptance in the market.*
4. **Convenience challenges**
 - a. *People tend to be open for development but not for changes – and they say something and do something else.*
 - b. *“I really know what I am doing now, please do not make my job any more difficult”. I really enjoy what I do and I really enjoy that things are moving forward, but when it comes to actual changes it's not so convenient anymore...”*

4.4 Where could a new sales model work?

In our paper from San Francisco we discussed the framework of a new model for the newspapers. Many of the same conditions are applicable to the magazines. The main target for a new price model would be the national market, with media agencies and brand owners as the important players. Even though you could implement a new gross based model for the sale of any individual ad in the national market, we think such a model would be more appropriate when ad volumes are quite high. We have outlined three situations where the gross model could work particularly well:

1. **For a combination of paper and online advertising.**
 - "All" publishers are now aiming to sell advertising across all platforms where they provide editorial content. Selling packages of online and offline advertising are therefore very attractive for the publishers.
 - It would be easier to calculate the total delivery of combined packages if we operate with gross values.
 - Online ads could act as a "rubber band", and online ads could quickly be removed as soon as the planned exposure points are met. Consecutive insertions in a paper edition would yield "stair like" performance rather than a "smooth spot on" deliveries, like TV and/or Internet. Online could in these cases provide needed flexibility in order to deliver exposures as close to the agreement as possible.
2. **Selling target groups**
 - For magazine publishers there could be an option to sell specific target group run by publisher (RBP). In this case we assume it would be possible to pick a bucket of magazines that fit the desired target group. Online should be a part of such deal. In the future you could also see web-TV be part of such package.
3. **Campaigns**
 - Due to the nature of the medium, there could be situations where it is difficult for magazines to deliver an exact number of GEPs according to what is planned.
 - A common practice by other media is to transfer the value of an insufficient delivery to the next campaign(s).
4. **A settlement of account within a given agreed timeframe**
 - A final settlement of account according to delivered contacts within an agreed time period:
 - Examples: monthly, quarterly, half yearly etc.
 - A common practise in the market is to have yearly agreements between advertisers and media that regulate volume, prices and discounts. For these kinds of agreements a gross based model would work very well as they require continuous monitoring of what has been delivered to which price.

Our conclusion is that a new price model would be more successful if implemented with a settlement arrangement. This is more comparable to magazines' biggest competitors, and it would be viewed as a more real "pay for what you get" approach than without a settlement deal.

4.5 MULTIMEDIA

In Norway we have established The Multimedia Universe (MMU) as a cross platform planning system which uses the original currencies as input variables. The database is created through data integration. It is inspired by the UK TouchPoints, but has its differences without going into details here. If we construct a multimedia plan in MMU the new GEP currency is currently NOT available in the software. The original output is shown in the left hand side of the figure below:

	Reach '000	Exposures '000	TRP	GEP contacts'000	<<TEP>>*
TV	442,959	807,446	122		
MAGAZINES	195,937	384,769	58	946,108	143
WEB	166,166	818,218	124		
Total	544,992	2 010,43	304		

*TEP = Target Exposure Points

In this example we clearly see that the Magazines fall short when it comes to number of Exposures compared to both TV and Internet. Both TV and radio count every exposure and adds it up. Magazines on the other side only count a maximum of one exposure per issue. Though the currencies are not 100% comparable – it does however illustrate a challenge for the publishers who are selling both online and offline advertising. We believe that the introduction of GEP makes the online and offline currencies more comparable. In a situation where you sell both offline and online advertising, we believe it would be better to combine GEP contacts for offline with exposures from online. The right hand side of the table gives the GEP contacts for the magazines. If you use this figure (946') instead of the net figure (385') on the left hand side, the campaign deliverance in terms of exposures would increase by 561' (946' – 385') exposures!

5 SUMMARY AND FINAL REMARKS

In a time when circulation figures and advertising income have declined for the magazine industry, they have successfully changed to online interviewing, introduced the new currency GEP, and developed a measurement for digital content. The new readership figures have been well received by the media agencies and advertisers. It has with no doubt been an exciting journey so far, where we successfully have managed to revamp the whole magazine NRS without too much of a storm. Everybody who knows this industry knows how sensitive it is to changes in currency levels. The market has more than accepted that the new NRS represents a whole new age for magazine readership documentation. Hence it's a common understanding that you cannot compare old and new figures magazine by magazine and conclude with a fall in readership. The reading of magazines doesn't change overnight, and the nature of the business is more or less unchanged. A change in methodology doesn't change that – all it does is to change the numbers we are working with. Currently the market trusts the new figures and is using the new database (TGI) with combined paper and web site figures for the magazine industry

However when it comes to digital content, we have to continuously develop new measurements. In 2013, we are working on a system to measure and report content from mobile and tablet devices (Engen & Futsæter, 2013). There are, of course, more challenges to be met; we have to develop better calibration and modeling procedures from the Internet survey NIP and browser measurement Scores, and develop methods and procedures for more frequent reporting of readership figures. A prioritized task is to look at ways to implement the new currency in planning, selling and buying advertising campaigns in the future.

5.1 The Road Ahead

Is it possible and/or desirable to introduce a new gross exposure based price model?

There is not a simple answer to this question. But the new magazine NRS is a direct result of the magazines desire and need to address the changes in consumer behavior, development in technology and new platforms. They wanted to move on to a multimedia view, and hence develop a price and selling model that take these changes into consideration. The aim is to increase the ability to sell exposures on a combination of platforms and/or brands.

The situation right now is that the three large publishers have agreed to set up a task force to evaluate the possibility of introducing an additional gross based sales model as an alternative to the current, even if the opinions about both urgency and importance do vary. Such a model will raise different practical challenges that have to be solved, for example:

- Necessary changes in the booking systems to make it possible to book heads or exposures, in addition to pages. How to implement a more dynamic post-delivery documentation for showing multimedia exposures across e.g. a web site + print titles.
- Training of the sales force and clients in «new thinking» - both pricing arguments in general, and when it comes to specific choices like «run by publisher» vs. «specific title»- and campaigns. For the professional market it have to be easy to conduct the planning, buying and evaluation.

Changing the price models will need a strong commitment from the publishers. Without a strong and vivid commitment it is not easy to go forward. To change it is not an overnight operation, as there are a lot of issues to address and overcome. If a change in currency takes place, it will be possible for the publishers to take advantage of some of the magazines' strongest qualitative properties, expressed by their close relationship with the readers, resulting in high page traffic or engagement score (RES), and a high number of reading occasions (NRO). It will introduce the possibility of moving in a dynamic direction in the future with better post-delivery documentation, which will give the advertisers a better feeling that "you get what you pay for". We think this is crucial for the magazines to be competitive in the future.

Is it an option to operate with two price models? The «old» model with pricing and booking per page, different formats etc. - mostly for small advertisers and niche media brands. And a «new» model with pricing and booking of GEP's in a target group across (multi) media - mostly for large advertisers and broad media brands. We do think so, but this has to be discussed in the upcoming evaluation.

We are not at the end of introducing a new regime, but in the middle of a journey. Or maybe we have we just started....

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