

COVER STORY: Measuring Engagement

Audience Metric Exerts Increasing Influence on Ad Spending

By Robert Marich -- Broadcasting & Cable, 4/26/2008 3:00:00 PM

The CW series [One Tree Hill](#) averaged just a 1.3 rating in adults 18-49 for the season to date, to rank 184th among primetime network series.

Network	Rating	EA Index*
ESPN	1.06	115
USA	0.87	90
TBS	0.72	101
TNT	0.70	89
FX	0.56	88
A&E	0.52	75
Spike	0.47	58
Lifetime	0.45	64
Comedy	0.45	149
Discovery	0.43	162
Sci Fi	0.41	94
MTV	0.36	75
TLC	0.35	112
History	0.32	121
HGTV	0.28	65

* Emotional Attachment (EA) calculated by NewMediaMetrics. The higher the EA index number, the greater the consumer engagement. Metrics for adults age 18-49 compiled in 2006 and 2007. Source: Nielsen, NewMediaMetrics

But a funny thing happens to the teen drama's value if ranked another way: It's in a four-way tie for a lofty sixth place in [IAG](#) engagement (see table). Among the other three series tied for sixth in engagement is Fox's [Prison Break](#), which has more than double *Hill*'s audience. [Lifetime Television](#) and [Comedy Central](#) were tied in audience rating, in an analysis by [NewMediaMetrics](#), but the audience engagement value was far higher for Comedy (see table).

Engagement Rank	Show	Program Engagement Index	Nielsen Audience Rating
1	Heroes	121	5.3
2	Lost	120	4.9
3	Unhitched	117	2.2
	Welcome to the Captain	117	2.2
5	Medium	116	3.1
6	Jeicho	114	2.0
	One Tree Hill	114	1.3
	Prison Break	114	3.1
	The New Adventures of Old Christine	114	3.5
10	30 Rock	113	2.8
	Chuck	113	3.1
	Life	113	2.7

In the above engagement column, IAG Program Engagement Index indicates how much more attentive viewers have been to the series than to the average regularly airing primetime show; for example, viewers of NBC's Heroes have been 21% more attentive to the series than have viewers of the average primetime series on broadcast thus far this season. Note: Covers broadcast primetime series. Includes original and repeat telecasts, 9/24/07-4/13/08, adults 18-49. Source: IAG Research, Nielsen Media

As marketers develop metrics to measure audience engagement, this and other little-understood new yardsticks are increasingly employed to help steer billions of dollars in advertising buys across all media. Advertising-industry executives said that over time, the TV industry will find that its traditional data currency of audience viewership -- meaning eyeballs -- is no longer the singularly important criterion for ad placement.

Already the new metric promises to wreak havoc on conventional measurement. TV programs and channels with similar eyeball profiles will increasingly attract uneven advertising revenue as marketers rely on their proprietary formulae of engagement as a tie-breaker in directing the flow of ad dollars.

“Traditionally from a media-planning standpoint, everyone started from an advertising reach and frequency as the foundation and measured them in the exact same way,” said Greg Whiteman, manager of market research for the U.S. Postal Service, which spends an estimated \$150 million in advertising annually. “Now what we’re doing is measuring changes that advertising makes in consumer perceptions, changes in their perception of our brand and changes in consumer behavior.”

Although definitions often vary, engagement quantifies the degree to which the creative content and media context of any marketing communications results in meaningful communications regarding the brand. A related metric is return on investment, which measures a sales payoff linked to specific marketing activity.

Consumer-marketing-research executives said the engagement metric is more popular with advertisers than ROI, which is good news for TV media. That’s because TV’s sight-and-sound atmospheric are ideal for creating a favorable aura for consumer engagement. U.S. advertisers are already beginning to deploy these yardsticks, and the impact is beginning to be felt in the marketplace.

Engagement is most often measured by analyzing viewers’ answers to various questions about a particular attitude toward media. Consumers rank their attitude toward brands, for example, and determine if they will recommend products to friends. Other tests measure involuntary responses such as brain-wave activity and eye tracking during media exposure.

Sandy Eubank, director of business intelligence for media-communications agency [OMD](#), which places an estimated \$10.7 billion in ad spending annually, noted that because media ad sellers aren’t fully aware of engagement metrics, “The market is not charging a premium, although you don’t get a guarantee [that ad buyers get during upfronts]. That’s why we find it powerful in the marketplace.”

OMD, part of the Omnicom Media Group, employs its own proprietary engagement metric. It is expressed as an index number from 1-100 and based on analysis of data from [Nielsen](#) and [Experian Consumer Research](#), which formerly was known as Simmons National Consumer Study.

“There often is no strong correlation between the [standard] rating of a show and its engagement,” said Huw Griffiths, U.S. director of metrics and brand science at OMD. He added that the biggest impact for engagement comes in TV shows in the middle of the ratings pack.

The introduction of metrics such as engagement and ROI in planning ad buys adds complexity and cost for buyers. For that reason, engagement metrics are currently employed mainly in big national buys, and marketers are developing refinements in conjunction with the [Advertising Research Foundation](#), including an Engagement Council that is chaired by the Postal Service’s Whiteman. Various ARF engagement study groups have included executives from Ford Motor, MasterFoods, Microsoft, Monster, Procter & Gamble, Revlon and Time Warner, and also from all of the top advertising agencies.

Their interest is due to several factors. With audience fragmentation, advertisers said they need more objective data on how to guide decisions to allocate spending across multiple media in cross-platform buys -- such as TV, Internet and print magazines -- in a single campaign. Researchers said engagement can be used to evaluate multiple media with the same metric.

Moreover, ad agencies purposefully draw attention to their “special brew,” their own unique media-buying techniques to land and hold clients. Likewise, as tenures of chief marketing officers at advertisers have become increasingly short, new arrivals put their stamp on company strategy by introducing state-of-the-art metrics. CMOs impress top corporate brass with presentations that apply a numeric precision to consumer initiatives that are akin to financial accounting.

[Alan Wurtzel](#), NBC Universal president of research and media development, predicted that “everyone will have their own ‘secret sauce.’ We understand there’s a lot of customization.”

Media companies are presenting advertisers with their own versions of engagement and cross-platform advertising metrics to bag ad spend, often using catchy names to brand their media platforms.

NBCU will soon present advertisers with its Total Audience Measure, which it dubs TAMi. Marketing executives have heard MTV Networks talk up what it calls “return on innovation,” which is a twist on the industry acronym using the word “investment.” Discovery Networks, The Weather Channel, Turner Broadcasting System and CBS are other TV programmers active in early engagement research initiatives.

Audience data giant Nielsen -- which agreed to buy IAG Research for \$225 million in early April for its consumer-engagement expertise in TV shows, commercials and product placements -- intends to be the dominant player for such data.

Nielsen executive vice president [Susan Whiting](#) said it’s still early, and data must be better integrated so that the media industry can easily connect various strands.

“We’re not there yet,” she added. “I see over the next two years a step to presenting information in combination. For example, how exposure on TV translates to activity on the Internet, or how information online translates to sales in stores. Right now, we are presenting the pieces individually. As a first step, we are testing the TV-Internet combination now.”

Whiting said Nielsen’s ultimate engagement goal is to put media audience count, brand buzz, ad recall and sales in a single seamless data package.

Engagement measurement is now mostly confined to national media, but some advertisers get excited when the metric surfaces occasionally at the TV station level. Hearst-Argyle Television VP of sales [Kathleen Keefe](#) received a flood of media-buyer calls when her station group released a custom research report in March showing high viewer engagement with local newscasts. “Senior agency executives on the planning side and some advertisers suddenly are sending me e-mails asking when they could meet with me,” she recalled. “I was a bit surprised by the response because it’s not always easy to reach some of these executives.”

Researcher [Frank N. Magid Associates](#) conducted Hearst-Argyle’s Local Television Advertising Effectiveness Study, which showed that local-TV-station news surpassed cable and broadcast network news in terms of viewer trust, engagement and impression of advertisers.

Still, some may argue that advertiser interest in engagement is a passing fad because it is an amorphous metric that is not easily defined. Furthermore, critics said its mash-up of advertising, programming and consumer response is overly complex and perhaps too subjective; viewing data is gleaned from digital TV set-top boxes, portable devices to measure consumer media consumption out-of-home and the TV-viewing habits of digital-video-recorder users.

Others disagreed that engagement will replace the current ratings metric, largely because different classes of advertisers have different goals. For example, retailing and consumer prices for automobiles, fast food, financial services, toothpaste, shoes and pharmaceuticals have little in common.

Said John Lowell, VP and director of captivation at [Starcom USA](#), which buys an estimated \$7.8 billion in U.S. advertising annually, “There is no one size that fits all in engagement metrics.”

There's even disagreement over whether the ad-research industry will eventually develop a standard data set for calculating engagement that is accepted by the entire media industry. A white paper in 2006 said the engagement measure is "a critical advertising paradigm to replace GRPs [gross rating points] in the 21st Century."

"The thing everyone agrees on is that we need audience metrics that go beyond simply counting eyeballs or readers, although there's not much everyone agrees about after that," said Robert Barocci, president of the ARF. "It's clear that the days of buying TV just on GRPs is already past for advertisers like Toyota and others. So the big question is: What else do you measure? That thing is what we call engagement."