

The Traffic Audit Bureau for Media Measurement, Inc.

# **TAB** Leaders Summit III

**A Summary Report**  
**March, 2007**

**Building a blueprint through dialogue**

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## Background

TAB Leaders Summit III took place on March 27, 2007 and drew 58 attendees. Convened by the Traffic Audit Bureau the summit was a strategic planning event that brought together all of the key constituents involved in the buying and selling of Out of Home media.

The purpose of this day of dialogue was to provide the TAB with guidance and direction for the introduction of our new Eyes On Audience Measurement system for the Out Of Home industry. (an overview of the system is provided as an appendix).

In their opening remarks, Andrea MacDonald, TAB's Chair and President of MacDonald Media and Joe Philport, President and Chief Executive Officer of the TAB noted the critical need for buyer and seller dialogue as the ratings currency is being built. They stated the following objectives of the summit:

- Educating buyers and sellers on the nature of the new ratings
- Providing all required information to prepare for the transition
- Hearing the needs of buyers, sellers, and planners
- Defining how the new currency can best fit into the OOH buy/sell process
- Determining where to integrate the new information with other multimedia data for planning and ROI analyses.

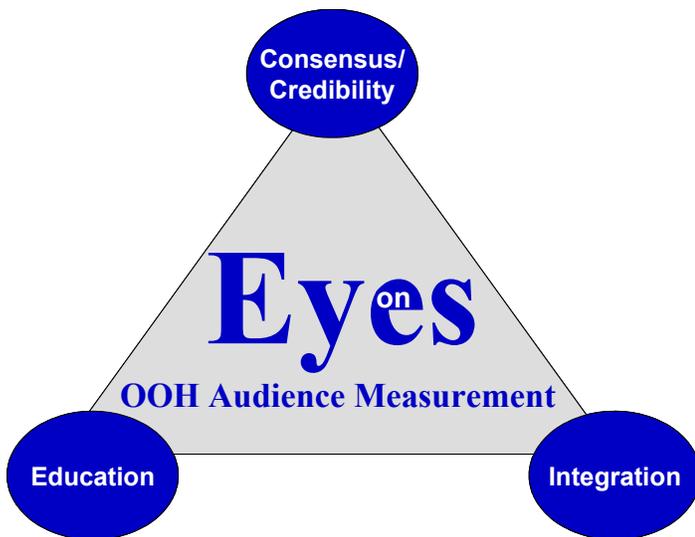
The event was facilitated by Jim Spaeth and Bill Moul of Sequent Partners. After a review of the measurement system, the day consisted of three primary activities: (1) each constituency group identified their mission, the key role/needs information serves in their work process, and priorities, (2) cross functional teams looked at the OOH buy/sell process and identified the enabling factors that must be embraced if the new eye-on measurement system will deliver value to the end users, and (3) a plan of recommended actions was then developed to present to the TAB membership.

# Executive Summary & Action Plan

A goal of the TAB is to introduce a credible audience measurement system that will be a viable currency for the buying and selling of Out of Home media. Our timetable is to deliver that goal in the 4<sup>th</sup> quarter of 2008.

The need for the Summit and continued dialogue was obvious among all stakeholders. Our goal can only be achieved with the active participation and endorsement of the TAB membership. That participation and preparation is required now.

## Enabling Factors



Summit participants identified three primary enabling factors required to deliver maximum value from the new Eyes On Audience Measurement system.

The three factors are: (1) Consensus & Credibility, (2) Education, and (3) Integration. They are end-user focused rather than research focused. They represent what is required to prepare for and embrace positive change.

- **Consensus/Credibility.** Credibility is essential for a measurement system to become a viable currency. To a significant degree that is determined by the quality and consistency of the research. That is the specific responsibility of the TAB and its Technical Committee. In addition, building consensus is vital. The currency must become a common language among buyers and sellers. Maximum credibility and value will be achieved when all buyers and sellers incorporate the new information into their day-to-day processes and use it with consistency.
- **Education.** Education is, perhaps, the most significant enabling factor and our greatest challenge. All segments of the industry must learn the nature and value of the new system. At the same time, all constituents must provide feedback as to their needs. It is essential that the educational program begin before the system is introduced.

- **Integration.** Each of the key constituency groups has specific objectives and tools. For the currency to have maximum value it must “fit” into all tools – from multi-media planning systems to proof of performance, from local to national allocation systems – the data must be accessible and compatible.

## Action Plan

A pro-active plan of action was articulated by Summit participants. At the foundation is membership involvement and participation.

- **Constituency Group Champions.** From advertisers to media sales, each constituency group will appoint a member to champion the development of all programs directed to the group.
- **Programs for each Group.** Separate programs will be developed for each group. The champion will work with the TAB to ensure that all necessary components (from education and PR to needs assessments) are designed to address the requirements of each group.
- **Leaders Summit IV.** The next Summit will be held in the fall of this year. The primary objectives of the Summit will be to (1) review and confirm the general communications, education and training programs developed by the membership, (2) present prototypes of potential audience measurement reports for feedback and membership input.
- **Leaders Summit V.** This Summit is scheduled for the 2<sup>nd</sup> quarter of 2008. We plan to provide the membership with initial data from a few markets in preparation for the scheduled release of all 200+ markets later that year.

Given the level of engagement among summit participants, we anticipate that the details of the action plan will be developed over the next few months. Perhaps the most exciting part of the plan is that it is being defined and created by the TAB membership.

# Constituents

Summit attendees represented a cross section of advertisers, multi-media planners, OOH planning and buying specialists, media markets and business development, and media sales professionals.<sup>1</sup>

We asked each group to identify their mission and primary roles. Although each group had distinct responsibilities, we also began to see a common thread that connects all functions within the process. It begins with the fundamental requirement of reciprocity.

Each group can only succeed to the degree that all groups can benefit from the positive exchange of information. The role of information and audience measurement will become evident as you proceed through this report.

Constituency Group	Mission/Roles
Multi-Media Planners	<ul style="list-style-type: none"> <li>■ Translate brand goals and budget into an action plan.</li> <li>■ Estimate the communication value of each medium relative to marketing needs of advertiser.</li> <li>■ Provide a valid way to integrate OOH into media plan.</li> <li>■ Make a case for the specific communication plan.</li> </ul>
OOH Agency Planners	<ul style="list-style-type: none"> <li>■ Deliver brands' strategic objectives considering all relevant OOH media.</li> <li>■ Maximize return by identifying creative, innovative and efficient plans.</li> <li>■ Tailor plans to local practices, media trends and market conditions.</li> </ul>
OOH Buyers	<ul style="list-style-type: none"> <li>■ Execute the optimum buy based on brand objectives.</li> <li>■ Select media formats that fit goals: target consumer, locations, traffic, price impact etc.</li> <li>■ Negotiate cost effective and impactful buy</li> <li>■ Monitor buy and subsequent post analysis of delivery</li> </ul>
Media Marketing	<ul style="list-style-type: none"> <li>■ Demonstrate the value of OOH as an essential solution for marketer's challenges.</li> <li>■ Listen to needs of all constituents and build solutions.</li> <li>■ Internal and external education and evangelizing.</li> <li>■ Make OOH easier to plan, buy and assess.</li> <li>■ Expand the number of advertisers using OOH media.</li> </ul>
Media Sales	<ul style="list-style-type: none"> <li>■ Grow share of overall media dollars going to OOH.</li> <li>■ Educate OOH clients on the quality and nature of OOH products.</li> <li>■ Obtain sales based on the optimum value of the OOH product for the client.</li> </ul>

<sup>1</sup> To leverage the optimum use of all representatives to the first group task, advertisers were combined with multi-media planners and OOH planners and buyers were treated as two separate groups

# Functional Needs & Priorities

We then asked each function to identify their informational needs and top priorities.<sup>1</sup> The major problems with our industry’s legacy research were noted as the groups articulated their requirements and priorities. The problems included: (1) very limited audience information, (2) very little trust or credibility in OOH’s “box car” circulation numbers, (3) very limited tools for integrating OOH in the overall assessment of media options, and (4) the need for education.

Group	Requirements	Priorities
Multi-Media Planners	<ul style="list-style-type: none"> <li>■ Credibility information that establishes value of each medium.</li> <li>■ Lack of OOH data undermines consideration and use of OOH</li> </ul>	<ul style="list-style-type: none"> <li>■ Demo-based audience estimates and R&amp;F.</li> <li>■ Reporting by DMA, CBSA, as key geographies.</li> <li>■ Weekly reporting units in a desk-top tool for evaluating OOH.</li> </ul>
OOH Agency Planners	<ul style="list-style-type: none"> <li>■ Need credible and accurate information</li> <li>■ Need information that is timely and comparable with other media.</li> <li>■ Education is critically needed</li> </ul>	<ul style="list-style-type: none"> <li>■ Maintain and improve accuracy of DEC’s as the base measure.</li> <li>■ Maximize Seller buy-in.</li> <li>■ Education.</li> </ul>
OOH Buyers	<ul style="list-style-type: none"> <li>■ Need to know the buy’s delivery of target consumers.</li> <li>■ Need to justify specific locations and media forms.</li> <li>■ A more efficient buy process</li> </ul>	<ul style="list-style-type: none"> <li>■ Gather as much information as possible from each unit of inventory.</li> <li>■ Provide consistent data.</li> <li>■ Ensure all companies comply.</li> <li>■ Educate all parties.</li> </ul>
Media Marketing	<ul style="list-style-type: none"> <li>■ Need more psychographic and demographic information.</li> <li>■ Needs to move from large “box car” numbers that lead to discounting.</li> <li>■ Better tools (e.g. mapping secondary data, inventory control and POP).</li> <li>■ Pedestrian counts and credible R&amp;F</li> <li>■ Training is necessary.</li> </ul>	<ul style="list-style-type: none"> <li>■ Ensure credibility by building an accurate and transparent measurement system.</li> <li>■ Collect input from all stakeholders.</li> <li>■ Provide a scalable (relative to other media) solution across all DMAs.</li> <li>■ Provide a simple and attractive solution.</li> </ul>
Media Sales	<ul style="list-style-type: none"> <li>■ Credible information accepted by planners and buyers.</li> <li>■ OOH data that can be integrated into multimedia plans.</li> <li>■ Meaningful and accurate post-buy reporting.</li> </ul>	<ul style="list-style-type: none"> <li>■ Inventory evaluation based on the audience it serves.</li> <li>■ Visibility adjustments (Eyes On) and pedestrian counts.</li> <li>■ Measurement of digital formats and other new technology.</li> <li>■ Timely and consistent updating of data in a parsimonious manner.</li> </ul>

<sup>1</sup> As a qualitative input session, it is recommended that each group’s output should be gauged as directional and not concrete. The TAB will continue to monitor and revise our position as more input is obtained from our membership.

# Appendix 1: Example of New Audience Data

Summit attendees asked that the TAB produce an example of the new Eyes On Audience data to help them provide feedback for the development of both potential reports and the establishment of reporting standards. The following table is provided for illustrative purposes.

## Prototype of data in TAB's Eyes-On Measurement System

OOHVILLE DMA			Weekly Eyes On Audience									
			Persons			Men			Women			
			18+	18-49	55+	18+	18-49	55+	18+	18-49	55+	
DMA Population			5,928.2	2964.1	2074.9	2904.8	1510.5	829.95	3,023.38	1453.6	1244.9	
<b>A</b>	<b>B</b>	<b>D</b> <b>E</b>	→									
Travelers County	Bulletins (Average)		77.6	353.1	176.5	123.6	173.0	90.0	49.4	180.1	86.6	74.1
	A		83.0	377.7	188.8	132.2	185.1	96.2	52.9	192.6	92.6	79.3
	B	<b>C</b>	83.0	322.5	161.2	112.9	158.0	82.2	45.1	164.5	79.1	67.7
	C		60.2	273.9	136.9	95.9	134.2	69.8	38.3	139.7	67.2	57.5
	.		xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
	.		xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
	.		xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
OOHVILLE DMA	Bulletins (Average)		68.4	330.4	165.2	115.6	161.9	84.2	46.3	168.5	81.0	69.4
	Eight Sheets		10.6	48.2	24.1	16.9	23.6	12.3	6.7	24.6	11.8	10.1
	A		11.4	35.9	17.9	12.6	17.6	9.1	5.0	18.3	8.8	7.5
	B		11.4	43.9	21.9	15.4	21.5	11.2	6.1	22.4	10.8	9.2
	C		9.2	41.9	20.9	14.7	20.5	10.7	5.9	21.4	10.3	8.8
	.		xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
	.		xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x

- A. Market Definition:** Data would be reported for the county (as the smallest reporting geography), CBSA and DMA.
- B. Formats:** Reports would be aggregated by major OOH formats (e.g. Bulletins, Eight Sheets).
- C. Averages:** Average audience delivery would be reported by media company, media type and geography.
- D. DEC:** DEC would only be reported for Persons 18+. The TAB membership will decide if DEC should be dropped as a reporting unit (so that there is only one currency measure).
- E. Weekly Eyes On Impressions:** This is the new measure of Out of Home audience. Here are a few key features:
  - Eyes On audiences are estimates of the target demographic that actually notice an ad. They are measures of actual commercial audience and an exclusive feature of our system and medium.
  - Eyes On demographics will be comparable to other media (including education and income)
  - Eyes On will be reported as weekly impressions so the estimates can be integrated into multi media plans.
  - Audiences will be reported separate for each unit of inventory.

Note: Reach and Frequency analyses will be available for campaigns.

# Appendix 2: Overview of the Measurement System

## **THE FACTS**

### **■ Objective**

The objective is to deliver an Eyes On Audience Measurement system that will provide the out of home industry with a currency for buying and selling that is comparable or superior to those used by other media. Wachovia Capital Markets forecasts that this could potentially result in a \$7 billion increase in outdoor as spending.

### **■ Key Benefits**

- Consistent and credible numbers will increase buyer confidence and make it easier to buy the medium.
- Eyes On demographics will help both local and national advertisers assess the relative value of out of home when multi-media budgets are established.
- Can be used in media mix modeling
- Will be made available to third party processors.

### **■ Key Features**

- Eyes On ratings based on the number of persons likely to notice an ad as they pass a board.
- All ratings reporting at a board by board level.
- Ratings available in all 200+ DMA's with plants audited by the TAB.
- Ratings based on both vehicular and pedestrian audiences.

## ■ The System

- TAB's integrated audience measurement system is world-class. It uses the best practices of both travel and media research, and is customized to the features and needs of the American out of home marketplace. The system contains four basic components:
- **Traffic counts** form a solid foundation with detailed passage data (90+% from government sources) on over 400,000 billboards in the US.
- **"Eyes on" adjustments** based on various visibility attributes of the boards will be made to the base data to allow out of home to be the first major media to report "eyes on" commercial ratings.
- Nearly 50,000 **Travel Survey's** using a combination of Computer Assisted Personal Interviews and mail destination/reach and frequency survey's will be conducted in the top 15 markets to collect demographic information and use as input into the reach and frequency model.
- What we learn from the travel survey along with census data and transportation data will be used to **model** similar outputs for the other 190+ markets.
- The measurement architecture allows for enhancements and the inclusion of new media formats as required.

## ■ Timetable

- The TAB will be holding a series of buyer/seller forums to make certain that buyers and sellers at both the local and national levels are prepared to receive maximum benefit from the new currency.
- Data will be released for all 200+ markets in the 4<sup>th</sup> quarter of 2008.