

OVAB's Audience Metrics Guidelines Frequently Asked Questions October 2009 Update

Q: What are the OVAB Audience Metrics Guidelines?

A: A guide book written to implement consistency, comparability and transparency in audience research for digital and video place based advertising networks. Published in October 2008, the OVAB Audience Metrics Guidelines ("Guidelines") are a rule book for digital and video place based advertising networks and their research providers to follow in order to capture comparable audience data that will allow the advertising community to compare their audience data to that of other media platforms (like TV, internet, radio, etc.). Core to the implementation of the Guidelines are transparency, the disclosure of research methodology and consistency of terminology. The Guidelines can be downloaded for free at www.ovab.org/amg

Q: What metrics do the Guidelines ask networks to measure and report?

A: Audience metrics consistent with and comparable to audience metrics of other, more established media moving away from less valuable 'traffic' to more valuable 'audience'. The Guidelines ask networks to measure and calculate their Average Unit Audience (AUA), and use that as a basis to report their Audience Impressions across a schedule or time period. A network calculates their Average Unit Audience through measurement of the number of persons present in the network vehicle (screen) zones, notice, average dwell times along with the advertising rotations. Networks will report their audience data in terms of Audience Impressions per period of time (e.g., per day, per week, per month, etc.),

Q: What is the difference between Average Unit Audience and Audience Impressions?

A: The Average Unit Audience is the building block used by networks to report Audience Impressions. AUA's definition is *the number and type of people exposed to the media vehicle with an opportunity to see a unit of time equal to the typical advertising unit.* In very simple terms, the AUA is the impressions for one typical ad unit and the Audience Impressions are the total impressions a schedule of ad units would deliver. Below is an example of how AUA is a component of Audience Impressions.

$$\text{AUA} \times \text{Ad Unit frequency} = \text{Audience Impressions (000)}$$

While the above is the simple equation, different media research providers will label the dimensions of the AUA according to their own internal naming conventions and

processes, so it is important for networks to understand how those naming conventions translate to 'Audience Impressions'.

Q: Will all networks be using the term 'Audience Impressions'?

A: "Audience Impressions" is the basic term that networks will use to indicate they have moved away from a "traffic" impression as media currency. It's important to note however, that both networks and agencies may often further qualify their "Audience Impressions" to reflect their particular core or target demographics. For example, on a proposed advertising schedule for an advertiser seeking to reach a target audience of M13-84, the network would calculate their audience data in order to report 'M18-34 Impressions'.

Q: What does being consistent with the Guidelines mean?

A: A network is consistent with the Guidelines when it has completed an audience research study with a third party, objective provider(s), captured the metrics described therein and provided transparency in their methodologies by completing an OVAB Audience Metrics Research Disclosure Form. Blank Disclosure Forms are available at www.ovab.org. It is important to highlight that the research provider will complete the Disclosure Form, it is the network's responsibility to make it available.

Q: How can an agency or advertiser be sure a network's audience data is *really* consistent with the Guidelines?

A: **Ask for a completed Disclosure Form.** An important aspect of being consistent with the Guidelines is providing transparency and full disclosure about how each dimension of audience was measured. Agencies/advertisers should ask for and networks should provide a completed OVAB Disclosure Form upon that request. Completed OVAB members' Disclosure Forms can be found at www.ovab.org. Also, a network representative that claims their network is consistent should be able to explain its audience research clearly and consistently in the terms of "Audience Impressions".

Q: Are all OVAB networks required to be consistent with the Guidelines?

A: **Not as a requirement for OVAB membership.** However, OVAB strongly recommends that its members use and follow the Guidelines when conducting and marketing their audience research. As the industry matures and moves towards standards, there will come a time when adhering to standards will likely become a requirement for certain levels of OVAB membership.

Q: Does OVAB dictate how each member network implements the Guidelines as it relates to research methodologies?

A: **No.** The Guidelines outline the dimensions that should be measured but does not dictate *how* (methodology) they should be measured. Research methodologies vary in

their affordability and accessibility so networks should work with their research provider to choose what is appropriate for their individual business scenarios.

Q: How long will it take for all OVAB member networks to follow the Guidelines? Is there a deadline?

A: More OVAB networks than ever are using the Guidelines and reporting audience data. OVAB is exploring a program that will put a more formal process around collecting the Disclosure Forms and reviewing them for completion. As this program is fleshed out, OVAB will provide updated FAQs.

Q: What is the timeline to move to standards for audience research methodologies?

A: We are on an aggressive path towards outlining standards. While we are moving quickly as an industry, more research needs to be completed and the learning shared to inform the path to standards for research methodologies. In 2010, we expect there will be additional feedback and notes published as an addendum to the current Guidelines based on in-field research. OVAB's Research & Standards Committee will meet regularly to address issues as they arise. This will help inform the next steps towards methodological standards.

Q: How will compliance to the Guidelines be audited and by whom?

A: OVAB is not an audit association. Because each network is conducting their own research studies, they may choose to have their studies audited by firms like the MRC or Ernst & Young. Audits can vary in scope and cost and so it's important for an agency to understand what they are really asking for with an audit.

Q: How do the Guidelines compare to Nielsen's C3 and traditional outdoor's upcoming Eyes On Impressions?

A: The Guidelines themselves are not an actual audience report or service like Nielsen's C3 and TAB's Eyes On. For example, Nielsen measures and issues syndicated viewership rating reports on TV networks. 'Eyes On' is a service commissioned by the Traffic Audit Bureau to report a 'notice' versus 'traffic' factor for hundreds of thousands of static outdoor billboards. These services measure multiple media platforms across multiple DMAs and agencies/advertisers subscribe to those services to get the data. The Guidelines are NOT a service, but provide a consistent framework for individual digital and video place based networks to conduct their research that will deliver audience data that is comparable to the data reported by Nielsen and Eyes On*. (*to learn more about Eyes On and their progress, visit www.eyesonratings.com).

- Q: Will digital and video place based networks be using one research provider to measure their audiences?**
- A: The Guidelines are written so that networks can use the third party research provider of their choice.** Syndicated audience measurement services are created by third party research companies (Nielsen for In Home TV, MRI for Consumer Magazines, Arbitron for Radio) over many, many years and with millions of dollars in R&D and capital investment. Over time, as more network audience studies are conducted for digital and video place based networks, and as the cost of technologies that can measure the dimensions of audience decline, there may be efficiencies in measurement across multiple networks and/or venue types which would lead a firm to offer a syndicated measurement service(s). In the meantime, the Guidelines outline a workable and affordable solution.
- Q: If there isn't one syndicated audience measurement service, how do agencies access the networks' audience reports to make media comparisons?**
- A: A variety of ways.** Each network can and will provide their audience data to agencies throughout their sales processes and services. The research providers themselves may also offer the data in their systems if the networks have provided permission to do so. For example, the audience research studies Nielsen has completed for this industry can be found in their online National Report Library under 'Nielsen On Location Media', alongside all their other media reports. The audience research studies Arbitron has completed and has permission to release can be requested by contacting your Arbitron representative.
- Q: What if the agencies reject the audience data? There are anecdotes where audience data has been presented to agencies and it was not understood or accepted by the agency.**
- A: Most full service and media agencies will understand audience data and embrace it – but they will still 'negotiate'.** Marketers and agencies are trained to negotiate a good deal for the media they buy. Better, more refined audience data that the Guidelines call for won't negate that, but will allow networks to focus the conversation on the value of the audiences they deliver, not defending their gross traffic data.
- Q: Why should a network use the OVAB Audience Metrics Guidelines?**
- A: To increase their chances of growing advertising revenue market share.** The Guidelines were published after an exhaustive collaboration among networks, agencies, research providers and other media associations in order to advance the acceptance of audience research being done in this industry. The advertising community has clearly called for digital and video place based networks to provide better measurement

beyond “Gross Traffic Impressions”, a traditional and limiting currency metric, to a more valuable and comparable “Audience Impressions” currency metric.

For those who are reluctant to use Audience Impressions as currency and want to remain negotiating on Gross Traffic Impressions (or screen counts, or venues, etc.) should be advised that these metrics are less and less relevant to growing ad revenue.

OVAB encourages all networks to conduct their audience research in accordance with the Guidelines.

Q: Do the Guidelines outline dimensions for every type of research that should and could be done by networks?

A: No. The Guidelines specifically address audience metrics. There are many, many other types of research that can and, depending on the business needs of clients, should be conducted that address measures of advertising effectiveness, sales lifts, etc. that go beyond basic audience metrics. However, basic audience metrics are necessary building blocks for other types of research so it is very reasonable for networks of any size to measure their audiences according to the Guidelines.

Q: I still have questions about what all of this means to me and my company. Where can I get more information?

A: OVAB provides training for OVAB members and any advertisers or agencies on the Guidelines to help them understand the value of moving towards audience data as currency. Beginning in Q4’09, OVAB will be hosting Guidelines webinars and will be available for custom training/education on a request basis. For more information, please call us at 646-205-8525 or email us at info@ovab.org.

About OVAB:

OVAB is a not-for-profit pro-industry trade association formed in order to promote the advancement of place based digital and video advertising networks. The bureau is funded by the leading networks and suppliers in this industry. OVAB’s Chairman, President, and Board of Directors direct the missions of the bureau which are supported by our staff, committees and membership. OVAB’s #1 mission is to make it easier for advertisers and agencies to evaluate, plan and buy our networks through the development of guidelines, best practices and standards.

About OVAB’s Research & Standards Committee:

OVAB’s Research & Standards committee provides input, guidance and recommendations on research and research-related initiatives undertaken by OVAB in order to make it easier for advertisers and agencies to evaluate, plan and buy digital and video place-based networks. The committee is comprised of executives from OVAB members with media research and marketing backgrounds.

Committee members (October 2009):
Anna Fountas, VP Research, OVAB, acting Chair
Alan Lutrin, Ad Space Digital Mall Networks
Chris Goumas, Access 360
Lee Levitz, Zoom Media & Marketing
Naireen Lowe, ONtrack
Nurlan Urazbaev, Broadsign
Peter Bowen, SeeSaw Networks
PJ Ewing, indoorDIRECT
Scott Marden, Captivate Network
Sean Flanagan, CampusVision
Suzanne La Forgia, OVAB

Helpful Definitions

Ad Rotation Duration: the number of seconds required to view all of the ads in a rotation or loop.

Audience Impressions: The sum of exposures to a schedule of out-of-home video network announcements. $AUA \times \text{Ad units} = \text{Audience Impressions}$.

Average Unit Audience: The number and type of people exposed to the media vehicle (screen) with an opportunity to see a unit of time equal to the typical advertising unit of time. The AUA is a component used to calculate Audience Impressions for a schedule period.

Dwell time: The amount of time a viewer is in a vehicle zone; the number of seconds the viewer is in a location from which the vehicle is visible and, if appropriate, audible.

Impression: Exposure to an out-of-home video network, program or message.

Media Vehicle: the media vehicle for this industry is the screen with digital or video content.

Network: the collective of screens that deliver the same editorial and advertising content in a venue(s).

Notice: Looking at a media vehicle (screen) while in the media vehicle (screen) zone.

Network Zone: The physical area in which a person is able to see and/or hear a specific, place-based digital/video advertising network.

Network Zone Dwell Time: the number of seconds the viewer is in the Network Zone with Notice.

Presence: The most basic qualification for media vehicle (screen) audience exposure is to be in the Presence of that media vehicle (screen). For a media vehicle (screen) with sound, it means being in a location where it is audible. In all cases, it requires being in a location where it is visible.

Schedule: The advertising purchased from a vendor and defined by the variables of market, number of advertising units, flight, length of advertising and rotations.

Unit: Duration of the Network's typical Ad Unit.

Vehicle Audience: Vehicle Traffic with Notice. A Vehicle Audience metric suitable for comparison to static media.

Venue: The place and location of the digital & video advertising network. Examples include supermarkets, office buildings, gas stations and other places where consumers can be found.

Venue Traffic: The total number of visits, over a period of time, occurring in venues (i.e. locations) where a network is installed. This number can be reported by demographic segment. Also referred to as Traffic Impressions.