

Utilizing New Developments  
in Audience Research in  
Buying Television Advertising

by Thomas F. Delaney

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UTILIZING NEW DEVELOPMENTS  
IN AUDIENCE RESEARCH  
IN BUYING TELEVISION ADVERTISING

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Today's topic "Beyond Ratings: New Directions in Audience Measurement Research" focuses our attention on the broad area of qualitative assessment of the television audience. The term "qualitative ratings" is often used to describe two very different concepts of television audience research. One area of qualitative research deals with the quality of the viewing experience. This type of research goes beyond basic head counting and demography and gets into audience feelings and attitudes toward programs. Individual program appeal is measured by subjective viewer response on scales from low to high.<sup>1</sup> In effect, the viewer provides a report card on each program, and like your kid's card it can vary from school to school. Information of this type can be quite useful to programmers and advertisers, but one must keep in mind that these types of measures are subjective in nature and inherently not precise compared with conventional ratings in which a person either watched or didn't watch a particular program. Even though this type of research is not new to American television, to date, it has not been an important factor in buying and selling time.<sup>2</sup> The trained researcher has more confidence in findings derived from actual viewing behavior patterns than from many qualitative measurements that rely on verbalizations of peoples attitudes and opinions.

A number of efforts to develop qualitative audience measures have been conducted over the past several years. I'd like to briefly describe a few of the more prominent services such as TVQ, Simmons Viewer Attentive Surveys, and the role of TV Audience Assessment.

TVQ studies, in which samples of respondents indicate their familiarity with and attitude toward TV shows have been used since the mid-fifties by programmers and to a lesser extent, ad agencies. The TVQ index has been used to spot new high scoring programs that have not yet achieved widespread exposure and thus generated only mediocre quantitative ratings. Another important use is to detect declining "liking" scores for old favorites that might still be holding up well in ratings based on viewer habit. Low awareness scores focus attention on programs needing added promotional push to increase exposure.

<sup>3</sup>Another example of continuing measurements on the qualitative aspects of TV viewing are the Simmons Viewer Attentiveness Surveys. Simmons provides show by show reports for network programs once a year, as well as time period and demographic breakdowns. Unfortunately, Simmons conducts their field work in May, when some of the networks are busy running sweep period specials. The Simmons data reveal significant variations in viewer attentiveness levels from one show to the next, but are particularly useful in program type analysis.

Although not a regularly available syndicated audience research service, Television Audience Assessment has received much attention over the past couple of years. TAA has launched one of the most ambitious efforts to develop specific "appeal" and "impact" indexes for television programs. In addition TAA is attempting to provide a link between these measures and commercial effectiveness. We applaud TAA's research efforts in the area of qualitative audience ratings, but we must interject a note of caution on the premise that commercial impact

is a direct corollary of program impact.<sup>4</sup> While there is some evidence to suggesting that highly involving programs have a positive effect on commercial exposure opportunities; most viewers recognize advertising messages as separate and distinct entities, not as part of the program they are watching. Another problem we have with the very subjective measures of not only TAA, but all the qualitative audience research surveys is the question of the "socially desirable response." In other words, many experienced researchers have noticed the phenomenon that people often say what they think they should say, rather than what they really feel. Putting the caveats aside, CBS supports the efforts of TAA, and other organizations experimenting with this form of qualitative audience research.

Another form of qualitative audience research has to do with the quality of the audience itself, in terms of being customers to an advertiser's goods or services. Research of this kind has been available for years, but recently there seems to be an increase in availability and sophistication of the information available about the quality of the audience counted by the traditional rating services. Advertisers are able to evaluate an audience for a program in terms of the audience's use of the advertised product or service. In addition television ratings have now been tied to geodemographic systems to provide inferential information about the quality of audiences.

<sup>5</sup>A variety of social, economic and technical factors is credited with having helped spur market researchers to look for new ways of dissecting the consumer. A few years ago there was very little non-

demographic segmentation. Today sophisticated market researchers realize that age and sex demographics hardly scratch the surface in the continuing challenge to predict consumer behavior. The increase in the general level of education of the Americans has helped produce a more sophisticated and independent consumer. The concept of a changing consumer environment has gained increased acceptance in the marketing community. Information about changing consumer attitudes, values and lifestyles has come to be commonly used by marketers as an input into basic strategic marketing plans, just as economic indicators such as the consumer price index, interest rates and unemployment figures are also used.

Computer technology is another important factor in the emergence of these new marketing tools. Geodemographic segmentation derived from extensive analysis of census data, for example, would have been impossible without the relatively cheap computing power that became available in the 1970's.

Product Usage information from Simmons and, more recently from MRI, have been available for years as supplemental data to the magazine audience estimates each company produces from a large national sample of personal interviews. <sup>6</sup>Over time information on TV viewing, radio listening and newspaper reading have been added and amplified to produce comparative data for agency media planning purposes.

Recently Simmons and MRI, along with the traditional television rating services Nielsen and Arbitron, have augmented their data bases with one or both of the leading geodemographic segmentation systems; Claritas

Corporation's PRIZM and Donnelly Marketing's ClusterPlus. Broadly speaking they are quite similar. The basic idea behind these systems is quite simple: that people with similar cultural backgrounds and circumstances will naturally gravitate toward one another. As a result of this tendency, consumers generally choose to live among their peers and in neighborhoods offering compatible life styles, which, in turn, supports the conclusion that individuals living in the same Zip codes will exhibit similar patterns of consumer behavior.

Systems such as PRIZM and ClusterPlus have benefited from the ease with which they can be incorporated into an advertiser's marketing plans and coordinated with information from other market research tools and databases. By evaluating television audience geodemographically an advertiser can further refine the media decision making process by targeting prospects in terms of their lifestyle and socio-economic level.

Another tool available to marketers in the media planning process is SRI's VALS program. VALS classifies consumers into three major categories and nine distinct subcategories that, theoretically constitute distinct market segments. The typology arises from theories of psychological development, and uses not only demographic data such as age, sex and income, but also uses information about values and lifestyles in order to classify each individual.

<sup>7</sup>The three VALS categories are:

1. Need-driven consumers who are struggling to just buy the basics. Members of this group buy more out of need than out of choice or whim, though they occasionally splurge on luxury items. They account for about 11% of the population.



2. Outer-directed consumers who account for nearly two thirds of the adult population and who represent the bulk of what is referred to as middle America. Members of this group base their buying decisions on how they want people to perceive them, and they are heavily influenced by the opinions of others.
3. Inner-directed consumers, who account for about 21% of today's adult population, are those who buy products in order to meet their own needs rather than in response to the opinion of others. In the VALS scheme, the differences in consumer behavior between outer and inner directed consumers boils down to the outer-directed caring about what the products they buy say about them; the inner directed caring about what the products do for them.

These three major categories are further refined into nine subcategories.

The problem with VALS has been that no data base existed which told how many of a brand's customers or prospects fit into the different lifestyle segmentations or what media vehicles are especially appropriate in building advertising impressions among specific lifestyle segments. This problem has been overcome since Simmons (SMRB) respondents are now classified according to their VALS types, making it easy for an advertiser who uses VALS to produce a media plan that ties in with the products VALS-base strategy.

There are some exciting new directions in the development of qualitative audience research that deals with the quality of the audience as it relates to an advertiser's product. To name a few: Information Resources BehaviorScan system, Nielsen's ERIM, and Arbitron and Burke's "home scanning" system. Let's look at each one briefly.

IRI's BehaviorScan system is currently operating in eight test markets, where product scanning equipment has been installed at all supermarkets.

2,500 volunteer cable households in each of these markets are provided with a special I.D. card that is presented at the check-out counters. In addition, a two-way converter is attached to each panelist's TV set to record channel selection at five second intervals. Coupling this capability with monitored ad placement for all major stations in the market makes it possible to determine whether a household was tuned to the station where a specific commercial aired. In other words, IRI's methodology links actual household purchasing and TV viewing patterns -- all electronically monitored. The drawback to IRI's service, of course, is that its technology is currently tied to cable households only.

Nielsen's proposed ERIM system and Arbitron/Burke's plans call for similar services utilizing separate technologies that span all households regardless of their cable status. ERIM is short for Electronic Research for Insights into Marketing. It purportedly involves collecting product purchasing data at the supermarket check-out counter and merging the household product purchase data with Nielsen's viewing data. The proposed Arbitron/Burke service, on the other hand, would require the shopper to record purchases at home using a "wand" that is passed over the products bar code. The information is recorded into a collecting box and this data is eventually dumped into a master computer along with the household's television viewing information.

The electronic collection of purchasing data, which can be correlated with viewing behavior, opens up broad vistas to marketers. "Pantry surveys" and syndicated studies of product usage by such firms as Simmons and MRI have a long history. But electronic measurement

potentially provides marketing information in real time. If these new systems work, it means more accurate information on product purchases since the consumer's memory will not have to be relied on.

These systems also offer the prospect of being able to evaluate the effectiveness of TV commercials. Nielsen has recently announced the TestSight system as part of ERIM.<sup>9</sup> This revolutionary technology reportedly utilizes a microprocessor device with a memory and modem that attaches to the back of subscribers home TV set. The device is programmed daily to perform two principal functions. Via its own private over-the-air scrambled frequency, Nielsen will transmit test commercials for viewing in certain subscribers homes. These will be substituted at precise times for regularly broadcast TV spots. Purchases of households exposed to a commercial presumably would be compared with purchases of households not exposed.

At CBS, we're eager to see these new audience measurement systems develop and gain acceptance with advertisers and their agencies. We believe that current practices used in TV buying, that is, broad demographic analysis such as women 18-49, and the like, are inadequate in this era of fast and ever increasing information.

I'd like to show you how some of these recent developments in qualitative audience assessment can be used today in the media buying process. The CBS Broadcast Group Research team headed by Dave Poltrack, recently put together the following analysis entitled<sup>10</sup> "Toward The More Effective Targeting Of Network Television Campaigns" and presented it to a select group of advertisers and agency representatives at the 1984 ANA Convention in New York City. I think you'll find it interesting.

A problem that continuously frustrates network television programmers and salespeople in the persevering practice of most network television advertisers of basing their program evaluation simply upon the delivery of a specific narrow-based age segment and ignoring the remainder of the audience. These narrow audience parameters sought by most advertisers are most often younger adults 18-49 or sometimes adults 25-54 years of age. Adults over 54 are usually ignored.

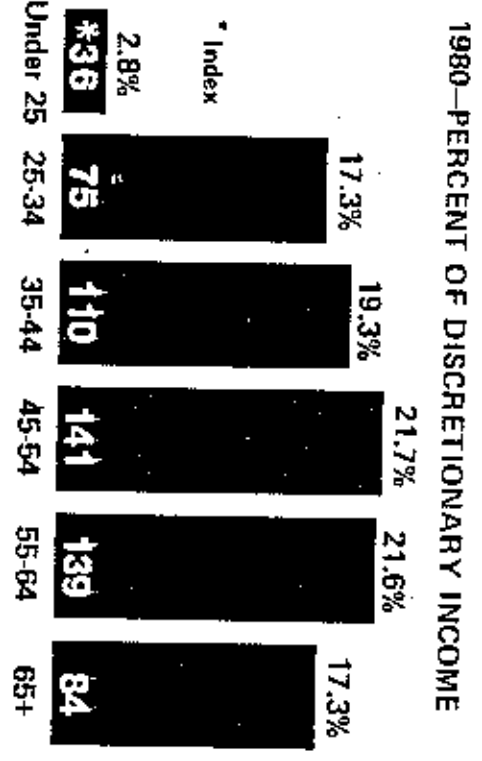
CBS Research set out to determine if there was any justification for ignoring potential consumers in a television program's audience simply because they had passed their 50th or 54th birthday. We not only found no justification, but in fact we found a substantial body of economic and marketing data directly conflicting with current marketplace assumptions.

Exhibit 1

When we examine discretionary income, the 55-64 age segment accounts for a greater percentage of discretionary income per capita than any age group other than 45-54. And the often ignored 65+ age group accounts for as much absolute discretionary income and more per capita discretionary income than the 25-34 age group. The "Under 25" adult segment represents only 2.8% of total discretionary income, just one-third of its representation in the adult population. When this income is translated into spending power, it is clear that the older adult is more active in the major consumer goods markets than his or her younger counterpart.

EXHIBIT 1

### Where The Spending Power Is



Source: Conference Board/U.S. Bureau of the Census

Exhibit 2

Whether it is for food,

Exhibit 3

personal care products and services

Exhibit 4

or housekeeping supplies, households headed by adults in the 55-64 age group outspend those headed by adults in the 25-54 age group and those with heads 65+ outspend those headed by adults under 25.

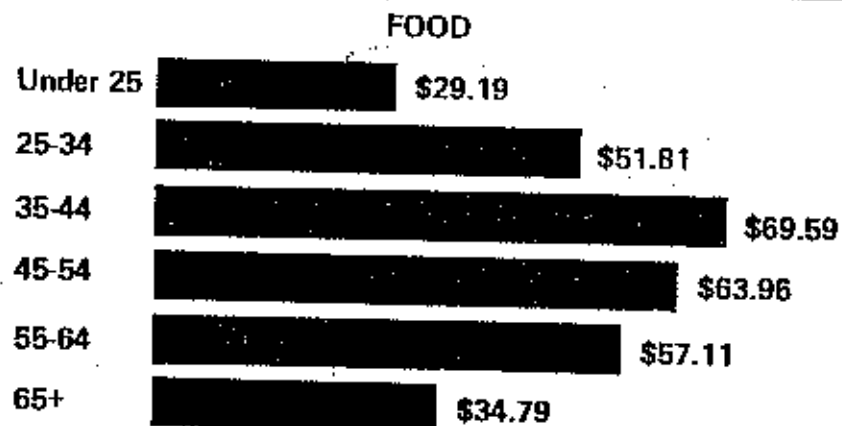
Exhibit 5

Only in the automotive supplies area do the younger households outspend the older households. Even the 55-64 age group outspends the under 25 group.

CBS Research suggests advertisers should include the 55+ market into the buying equation for most products and services. We suggest advertisers shift from narrow based age segmentation to a more comprehensive approach to television program audience evaluation. Two possible approaches would be the total adult approach and the weighted adult approach. We feel the weighted approach, in which adults in each discrete age are weighted by the relative per capita consumption of a given product or service accounted for by that age group is the most intelligent approach.

EXHIBIT 2

**Where the Spending Power is...**  
**Average Weekly Expenditures**



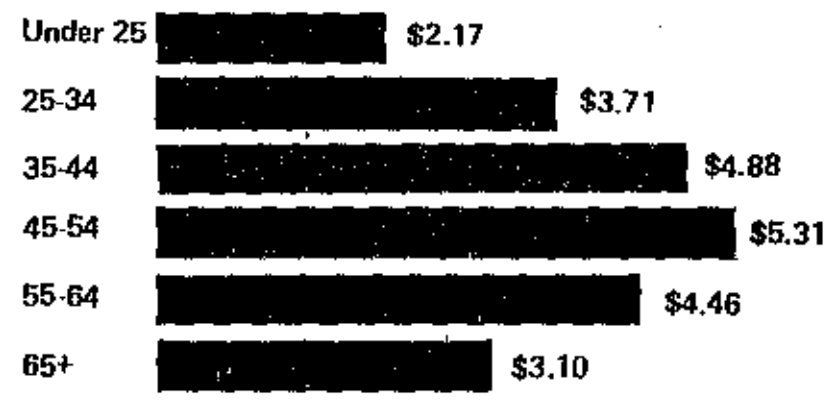
Source: U.S. Bureau of Labor Statistics

EXHIBIT 3

**Where the Spending Power is...**  
**Average Weekly Expenditures**

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**PERSONAL PRODUCTS & SERVICES**



Source: U.S. Bureau of Labor Statistics



EXHIBIT 4

**Where the Spending Power is...**  
**Average Weekly Expenditures**

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**HOUSEKEEPING SUPPLIES**



Source: U.S. Bureau of Labor Statistics

EXHIBIT 5

**Where the Spending Power is...**  
**Average Weekly Expenditures**

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**GASOLINE, MOTOR OIL & ADDITIVES**



Source: U.S. Bureau of Labor Statistics

Exhibit 6

Exhibit 6 illustrates this approach. The number of viewers in each cell is multiplied by the index of product usage for that age cell. The adjusted viewer totals are then added together. This age-weighted viewer total can then be placed over the unweighted viewer total to develop an overall index of product usage for the program audience. It can also be used to generate a weighted CPM.

We utilized this approach to audience measurement in our evaluation of the relative value of the audience of 84 primetime programs that aired last season to advertisers of products or services in 27 categories representing 40% of all primetime upfront market dollars.

These categories included

Exhibit 7

twelve household product categories that were analyzed on a female audience basis as well as

Exhibit 8

nine personal consumption product categories, plus automobiles, fast food restaurants and VCRs, all analyzed on a total adult basis.

In our analysis, we compared the audience of each program for the standard demographic breaks against the age-weighted audience of that program, after applying the Simmons indices of product usage for each age cell. In virtually every case, the broader total audience breaks

EXHIBIT 6

**THE WEIGHTING APPROACH**

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	<u>Women 18-24</u>	<u>Women 25-34</u>	<u>Women 35-49</u>	<u>Women 50-54</u>	<u>Women 55-64</u>	<u>Women 65+</u>	<u>Total</u>
Index of usage X	.94	1.07	1.22	1.06	.88	.70	
Program Audience (000) Equals	<u>x1390</u>	<u>x2560</u>	<u>x2060</u>	<u>x520</u>	<u>x1020</u>	<u>x1360</u>	<u>8910</u>
Weighted Audience	1306.6	2739.2	2513.2	551.2	897.6	952.0	8959.8
Overall program index =	$\frac{\text{wghted aud.}}{\text{unwghted aud.}} = \frac{8959.8}{8910.1} = 1.01$						

EXHIBIT 7

**HOUSEHOLD PRODUCTS  
FEMALE HOMEMAKER**

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- Salad Dressing
- Frozen Pizza
- Orange Juice
- Toilet Soap
- Breakfast Cereal-Cold
- Coffee-Ground
- Crackers
- All-Purpose Cleaners
- Paper Towels
- Potato Chips
- Laundry Detergents
- Garbage Bags

EXHIBIT 8

**NINE PERSONAL  
CONSUMPTION PRODUCTS  
ADULTS.**

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- Carbonated soft drinks
- Analgesics
- Shampoo
- Skin creams & lotions
- Beer
- Mouthwash
- Toothpaste
- Deodorants
- Yogurt

had the highest correlation with the weighted audience delivery, significantly higher than the 25-54 age breaks. The 18-49 age breaks produced the poorest correlations.

To move our analysis from a theoretical to a practical level, we developed a series of sample schedules. Ideally, these schedules would be compared on the basis of their relative cost to the advertiser. However, lacking firm price information for each program, we used as our efficiency measure the delivery of this target audience per home. Two generic schedules were constructed for women and adults respectively.

For women we constructed one schedule, Schedule A, consisting of the top twenty programs in the delivery of total women per home; and one schedule, Schedule B, consisting of the top twenty programs in the delivery of women 18-49 per home.

Comparison of these two schedules underscores the significance of choosing one method over the other as the method for program selection. Only one program made the top ten on both schedules and only six programs were common to both schedules.

For the personal consumption product categories, similar schedules were constructed on a total adult and adult 18-49 basis.

After constructing these schedules, we developed top-twenty schedules for each category based upon age-weighted audience delivery.

In general, the age-weighted schedules were closer in composition to the total women and total adult schedules than to the women 18-49 and adult 18-49 schedules. To take one example, potato chips -- the youngest skewing household product category -- we have the age-weighted schedule and the total women schedule containing 14 common programs, nine of which were not on the women 18-49 schedule...

and the age-weighted schedule and the total women 18-49 schedule containing nine common programs, only five of which did not also appear on the total women schedule.

Category-by-category, the two generic schedules were compared to each age-weighted schedule.

This analysis showed the age-weighted approach to be the clear-cut first choice as a method of program audience analysis, with the total women or total adult method a definitive second choice over the narrow-based young age segment approach. Why then do advertisers continue to stay with the young age segment approach?

Their reluctance to shift to the age-weighted approach might possibly be rooted in the fact that this approach is analytically cumbersome. If that is the case, perhaps now is the time to reconsider the use of this approach. The analysis we conducted for this presentation, covering 25 categories, took two weeks, utilizing a simple PC program and a readily available statistical package.

A more substantive reason for staying with the young adult approach revolves around assumed "qualitative" differences between the young



adult and the older adult. The reasoning goes as follows:

"The young adult is more experimental. He or she is just beginning to purchase various products or services. The young adult is, therefore, more likely to try many brands. Consequentially, the young adult is more likely to be open to the influence of advertising."

Since no one has, to our knowledge, presented definitive research supporting this theory, we decided to investigate for ourselves.

We began with the subject of brand loyalty. Are there significant variations in brand loyalty by age?

To answer this question, we asked INFORMATION RESOURCES, INC. to track brand purchase patterns by the age of the household head for their 7,876 panel households. IRI records purchases by these households via supermarket scanners. Purchase activity was tracked for a period of five and one-half months.

While the relative volatility of brand choice that we found would suggest that loyalty may be a misnomer, the results of this study suggest that brand switching is universal, with the older consumers as dynamic in their brand selection behavior as the younger consumers. I should note these data are available on a brand-by-brand basis for the product categories studied. So it would seem that relative brand loyalty does not justify any discrimination between the younger and the older adult product user.

How about the popular assumption that the younger adult is more responsive to advertising? This is certainly a much more elusive aspect of consumer behavior to measure. However, one firm, ERIC MARDER, did attempt to probe this area in its 1979 to 1981 TEC Audit Program.

Marder asked a large sample of respondents to complete a two-part questionnaire in their homes. In the first part of the questionnaire, to be completed on day 1, they were asked to record the brand they planned to purchase next for a variety of products.

In the second part, to be completed on the following day, they were asked to record each commercial they saw while watching TV and to answer whether or not the next time they bought the product advertised they would buy the advertised brand or another brand. To the extent that they stated that they would purchase the advertised brand, and that brand was different from the one they recorded on day 1, they were considered to have been persuaded by the advertising.

We asked Marder to provide us with the results they obtained by age, using the age breaks they had available. It turned out that data were available for two of the household products and two of the personal consumption products we were studying. Since we only have data on four categories, here I will be specific. The older adults were found to be the most persuaded by the advertising in every case.

For

Exhibit 9-A

cooking oil, salad oil,

Exhibit 9-B

ready-to-eat cereal,

Exhibit 9-C

pain relievers and

Exhibit 9-D

toothpaste

While these findings are certainly not conclusive, when combined with the brand loyalty findings, they make a strong case for the argument that the older adult, at the very least, is not a qualitatively inferior prospect for the advertiser than his or her younger counterpart.

There is one further qualitative dimension that merits consideration, purchase influence. In the case of the household products, our usage indices were based upon female homemakers, which are defined by Simmons as the lady of the house or major shopper; therefore, we can assume they closely parallel purchase decision-making influence. However, in the case of the personal consumption products, where Simmons data is usage based, the user may not, in all cases, be the brand decision-maker.

EXHIBIT 9-A

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PERSUASION

	<u>-35</u>	<u>35-49</u>	<u>50+</u>
Cooking Oil/Salad Oil	13%	17%	31%

Source: Eric Marler TEC Audit

EXHIBIT 9-B

**PERSUASION**

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	<u>35</u>	<u>35-54</u>	<u>55+</u>
Cereal	23%	29%	36%

Source: Eric Marder TEC Audit

EXHIBIT 9-C

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**PERSUASION**

	<u>Under \$0</u>	<u>50+</u>
Pain Relievers	20%	23%

Source: Eric Murder TEC Audit

EXHIBIT 9-D

PERSUASION

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	<u>Under 25</u>	<u>25-34</u>	<u>35+</u>
Toothpaste	11%	13%	17%

Source: Eric Marder TEC Audit

For some categories, Simmons does ask a specific purchase influence question: "Who decides which brands you use?"

We asked them to break out the "others" replies--excluding spouses--covering the five of our product categories--toothpaste, deodorants, headache remedies, shampoo and mouthwash--for which they asked this question.

#### Exhibit 10

Looking at the young and old ends of the adult age spectrum, we see that a substantial percentage of the youngest age group--roughly one-quarter--rely on someone else other than their spouse, to choose the brand they use in these categories while only a small percentage of the older adults do so. This year Simmons will launch a comprehensive purchase influence study covering all major product categories.

When we add all of these qualitative findings together, the balance swings to the more mature as opposed to the very young consumer.

But where is it written that age is the only demographic by which to measure television program audiences? Certainly, other demographic characteristics such as income and household size would represent better proxies for potential product usage than age. Why are negotiations focused on the age of the audience alone? Perhaps tradition or the ease of data collection.

Nevertheless, with Nielsen now providing breakouts of network audiences by income, education, occupation of the household head, household size



EXHIBIT 10

**Brand Chosen by Someone Else  
Other Than Husband/Wife**

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5 - CATEGORY AVERAGE

			Range
18-24	M	26.4%	34-16
	F	20.2%	27-15
55-64	M	7.4%	12-3
	F	9.6%	13-5
65+	M	4.6%	6-3
	F	6.8%	8-5

Source: Simmons 1982

and various geographical parameters, it would seem that the best approach to network program audience analysis would include going beyond the age dimension.

For example, income would be expected to be a better indicator of the consumption of a discretionary or luxury product than age, and household size would be expected to be a better indicator of usage of common household products than age.

Utilizing our on-line Nielsen home-by-home tape facility, we can analyze programs and campaigns based upon any of the demographic dimensions provided by Nielsen. When we looked beyond age in developing Simmons product user profiles, we found dramatic differences relative to demographic dimensions other than age. When we analyzed our age-based optimal schedules against these demographics, we found that substantial alterations--adding some programs, dropping others--were advisable.

With Nielsen now providing these types of demographic breakouts, there is no reason to stay with age as the sole demographic criterion for program audience evaluation. Indeed many advertisers have already moved beyond age into this second sphere of audience analysis. Yet, quite honestly, we are amazed at how few advertisers ask us for the type of multi-demographic analysis available--on both a total audience and reach/frequency basis--through our on-line home-by-home system.

With this range of demographics available to advertisers, could there be any reason to go even further in their analysis? We think so. Why?

Often these demographic characteristics, taken separately, do not provide the level of discrimination that advertisers would desire. Certainly, \$30,000+ income, Nielsen's highest break, does not constitute affluence--or even a significant level of discretionary income--today. Further breaks would strain the limits of the Nielsen sample base. Recently, new approaches, involving the combination of various audience dimensions, have offered the analyst the opportunity to go beyond demographics.

Broadly classified under the heading of Lifestyle Analysis, these composite audience descriptors include geo-demographic and direct lifestyle measurement.

P.R.I.Z.M. and Clusterplus represent the geo-demographic approach, first classifying consumer units by geographic areas such as zip-code, then combining all areas of similar socioeconomic composition. SRI International's VALS--Values and Lifestyle--program represents the direct lifestyle approach, classifying individuals by their responses to a battery of attitudinal and opinion-related questions.

First, how might an advertiser use the geo-demographic approach? We have chosen to look at P.R.I.Z.M. because, while both P.R.I.Z.M. and Clusterplus analysis of television audiences are available through Arbitron, only P.R.I.Z.M. is soon to be available in combination with Nielsen's 52-week national NTI service.

One popular surrogate for an upper socioeconomic audience profile is performance in A counties. Yet, we all realize that A counties consist of both lower socioeconomic and upper socioeconomic elements. P.R.I.Z.M. analysis allows us to separate out these elements.

Using the Arbitron combined national sweeps network program audience totals we analyzed all May and November, 1983 regularly scheduled primetime programs by P.R.I.Z.M. clusters. The results were illuminating. For example, a substantial number of programs with strong A-county indices were found to be reaching an A-county audience consisting of adults predominantly from the lower socioeconomic segments of the A-county markets while programs of lower relative A-county appeal did far better in the critical suburban upper socioeconomic segments of these A counties.

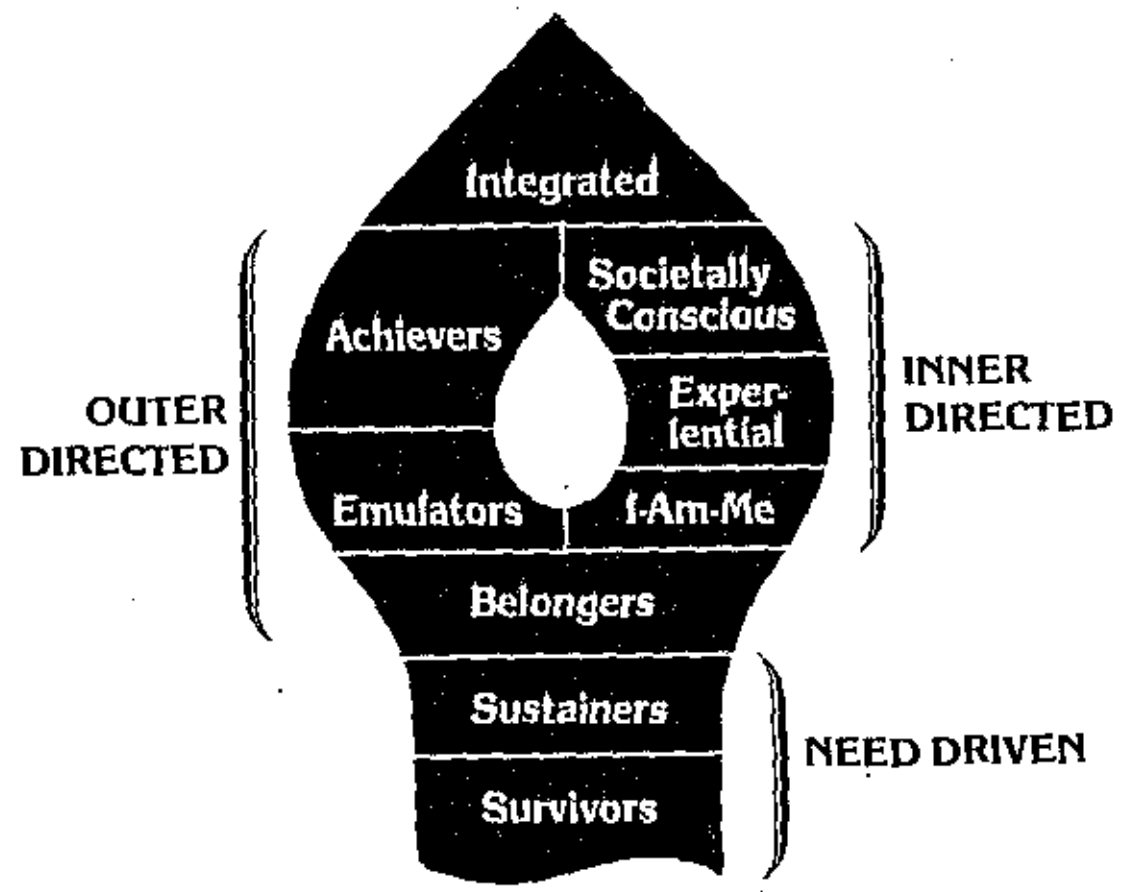
The SRI-VALS direct lifestyle measurement option allows us to analyze television audiences from a different perspective, a perspective that includes the attitudes and value systems of those audiences.

#### Exhibit 11

On this slide is a graphic depiction of the VALS model. As you recall, earlier I described the various lifestyle categories. The subcategories within each group are relative self-explanatory.

Unfortunately, at this time, VALS is not available in combination with either full-time television audience measurement service. We are, therefore, only able to obtain VALS profiles for the limited television program audiences provided by Simmons. Despite this limitation, where

EXHIBIT 11



we felt it was warranted, we also matched product user VALS profiles to the Simmons program audience profiles available.

Comparing program audience VALS profiles to product user profiles not only tells the advertiser which audiences might be conducive to advertising for a given product or service, but also offers the advertiser direction as to which creative approach is likely to work best with that audience.

We do not feel that VALS analysis is a necessary, or even productive, step for every advertiser. However, if an advertiser's product profile shows a substantial VALS type skew, it would prove to be a useful exercise.

From our research, we were able to develop the following four recommendations to our advertisers:

- A. Start your analysis with an age-weighted approach to television audience measurement using product usage indices for your product or service. If you find this too cumbersome, select the age demographic that best correlates with age-weighted audience. For almost all products and services advertised on primetime network television, this will be the broader total adult or total women demographic.
- B. Move from there to a second phase in your analysis, isolating other key demographics that differentiate your audience; and find the programs that perform best against these demographic groups, adjusting your schedule accordingly.

- C. Take your analysis one step further, fine-tuning your program selection procedure through the use of P.R.I.Z.M. analysis.
- D. Where applicable, go beyond these enumeration techniques, studying the attitudes, opinions and values of your product users through a lifestyle measurement technique such as SRI's VALS system. Use the Simmons television data to match this profile to the television program audiences available and also to direct specific creative messages to certain key program audiences.

In summary, let me say, we were able to demonstrate to our advertisers, that in going beyond the traditional analysis, and innovatively using some of these new research tools, can result in both more efficient media decisions for them, and happily for CBS, give some of the network's regular series the ad dollars they are worth. Everyone Benefits!

## FOOTNOTES

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