

**Functional Procedures for Implementing  
TAB EYES ON Metrics**

The practical move from DEC's to EOIs

July 26, 2010

## Executive Summary

EYES ON is a comprehensive measurement platform designed for buying and selling the out of home medium. It is clearly a departure from historical evaluation practices as methods for evaluating out of home media have been based on average circulation. EYES ON is based on delivering actual audiences using similar concepts and language common for other traditional media to evaluate and compare out of home against other mainstream media using a universal advertising metric, namely rating points. Starcom senior vice-president and TAB chairman, Jack Sullivan, believes, “EYES ON has leapfrogged over not just the old DEC measurement system but over most other measured media.”

The out of home industry will benefit from the integration of TAB’s EYES ON ratings<sup>1</sup> into common business systems used to make sophisticated buying decisions about various out of home formats and competitive operators. It can be used to ensure the core numbers applied by the out of home industry are consistent across buying and selling processes of planning, buying, execution, and post-campaign analysis. For this reason, it is essential that the industry develop simple and standardized operating functions that influence buying and selling activities.

Some third-party processors provide business function software, including planning, exchange, and charting tools with several of these third-party companies licensed to provide EYES ON data within their systems. The information, delivered through advanced software systems will help out of home practitioners understand where the medium fits into planning objectives and how out of home media fits those objectives.

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<sup>1</sup> EYES ON ratings are derived from multiple metrics including audience impressions, rating points, gross rating points, and reach & frequency analytics.

## **The Impact of EYES ON**

A media campaign enables marketers to reach thousands of consumers simultaneously with a uniform, focused message. For this reason, advertising has evolved into a sophisticated marketing tool used by both national brands and local business. Today, there is an ever-growing assortment of media channels and options available, with expanded out of home formats, digital and mobile platforms, and expanded cable networks, to name a few. Through the steady evolution of technological applications, marketers are presented with more effective ways to carefully target advertising budgets to reach the right audience at the right time.

Three big questions for any media plan remain the same today as in the past:

- What is the right media mix?
- Which specific media provides access to target markets?
- When and how often should advertisements run?

When the marketing, advertising, and media teams arrive at satisfactory answers to those three questions, what follows is a balancing act to make the most effective use of the marketing budget. Once the team has devised a media plan with the best chance for success, it is then passed along to buyers.

EYES ON has been designed in a manner that makes it easier for planners to assess out of home value compared to other media, helping buyers make better choices. Most importantly, EYES ON provides a new level of accountability that can generate more confidence and use of the medium. According to ANA media planning consultant, Steve Moynahan, "Perhaps the greatest benefit of the system is that it will finally allow outdoor to be incorporated into a given brand's overall media mix." EYES ON can facilitate market share growth for the out of

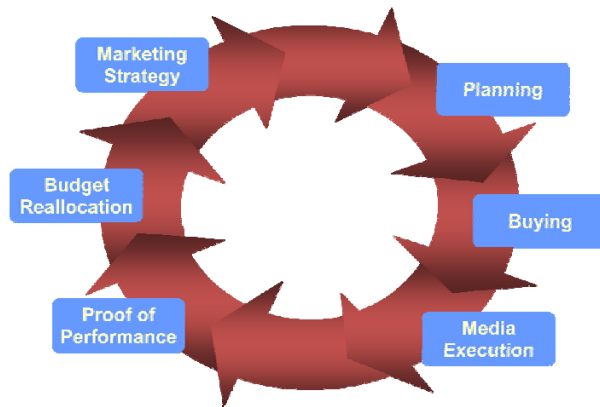
home industry by providing current buyers with more strategic information about the medium while attracting new users.

TAB members have direct access to the EYES ON database. Agencies and advertisers will probably want to confirm that media companies are TAB members in good standing and authorized to provide EYES ON data in their proposals and contracts.

While all out of home operators may not convert to EYES ON metrics immediately, the majority of industry billboard inventory has been converted. EYES ON currently measures bulletin, poster, junior poster, bus shelter, kiosk, and some wall mural inventory. In the future, EYES ON will be expanded to include digital billboards and some transit properties. Over time, EYES ON will expand to include even more out of home media coverage.

### **Tiered Operating Functions**

EYES ON metrics will be applied to four core operating functions used for common business transactions. The first is the incorporation of EYES ON into strategic marketing processes and media planning software. Second is the addition of EYES ON data into buying software. Third is the assimilation of EYES ON information into charting functions that are linked with other back-office systems for media execution. The last is creating an independent post-campaign delivery platform that provides proof of performance detail and budget reallocation guidance, among other services. Several third-party processors provide software applications for these functions. Some out of home specialists and a few media operators have developed proprietary software platforms.



Including EYES ON data in the various tiered operating functions used by out of home practitioners will ensure data is consistent at every level of a business transaction. From delivery of client data to the execution of a contract, audience metrics is the glue that holds a marketing strategy together during every phase of a campaign. They are used to identify goals, evaluate buys, and carry out performance validation.

**Planning.** The purpose of media planning is to create innovative and cost-effective advertising programs designed to fulfill media goals through the development of strategies and tactics. Media planning is a multi-step process:

- Goals are determined.
- Budgets are set.
- Media is selected.

Account planners combine research and strategic thinking to provide insights about a brand and consumers. It is a discipline that brings consumer attitudes, perceptions, and preferences into the process for developing advertising. A typical account planning cycle starts with a brief from the client and any available research. A planner then attempts to gather insights about target consumers.

It begins with the marketing objectives or what a brand is trying to accomplish in terms of sales goals, brand image or brand recognition, market share, or other business goals. Advertising is typically only one part of a company's overall marketing mix. In the most effective marketing campaigns, the advertising works in combination with other marketing initiatives such as distribution channel strategies or customer service programs to deliver a unified, focused message to consumers. The information is then funneled into a creative brief and presented to the creative team.

Ideally, brands will determine the elements of a marketing plan before the serious decisions about advertising strategies are made. Media objectives are an extension of the marketing plan. If media is part of the marketing strategy, planners must answer several key questions before media is selected:

- Who is the target audience?
- Where is the target audience?
- When should the marketing message launch?
- How long should the message run?
- How will the message be communicated creatively?
- How much will the media campaign cost?

At this point, planners begin to evaluate various media platforms to determine which media best match the overall strategic objectives of an advertising campaign. Planners are generally not interested in the specific attributes inherent with individual media formats. They are not looking at details. Planners are concerned with how a medium can contribute to the overall communication strategy of a campaign, often considering gross rating points or reach and frequency as core analytic metrics. Later in the process, the media buyers will convert the planning goals into attainable media choices.

A media plan needs to make sense within the context of the media objectives and media strategies. Creating a media plan is a three-step process:

- Determine the markets in which the media will run (based on DMA, CBSA or another definition).
- Create a framework for the media plan in terms of weight, length of time, and audience metrics.
- Determine the budget.

Advertisers will typically approve a level of weight, communication goals, timing of the schedule, markets, and budgets for a media campaign after many different plans are drawn up and considered. Planners may judge what gross rating points' levels might typically cost for various media to structure a plan.

In out of home, rating points are the percentage of a target audience a panel or group of panels deliver to a market. Gross rating points are the sum of the individual panel rating points each panel delivers in a schedule and represents the total “media weight” of a campaign. A general planner will most often want to understand the average reach and frequency a certain amount of media weight will deliver.

Many advertising agencies use syndicated software systems that compare the attributes and delivery metrics of mainstream media. Several companies provide long accepted strategic planning systems to the advertising community such as, IMS, Arbitron, and Telmar. Before EYES ON data became available, out of home metrics were generally not compatible with strategic planning systems used to measure other traditional media and therefore, out of home was often excluded from plans. Consequently, out of home advertising was rarely considered in early planning phases and was relegated as a budget line item, considered only if

supplemental funding was available in the late stages of advertising plan development.

Incorporation EYES ON metrics into strategic planning tools encourages out of home media consideration earlier in the planning process alongside other mainstream media. To accomplish this objective, EYES ON was designed to emulate the information media planners typically receive from broadcast and print media. When using EYES ON information, it is advantageous for out of home practitioners to provide information in a format consistent with other mainstream media.

**Buying.** Agency planners send approved media plans to buying departments where buyers will try to compile media schedules based on specifications outlined in the media plan. There are many specialized media buyers working at advertising agencies or as consultants. They include television and cable buying professionals, print buyers, online and mobile purchasers, and out of home specialists, among others.

Once an advertiser or its advertising agency has made the strategic decision to include out of home in a media plan, negotiations between buyers and sellers begin. The main task of media buying is the negotiation of price and placement of media space to ensure the best possible value is secured for an advertising campaign.

When planning what to buy, buyers evaluate numerous factors including rates, geographies, demographics, and psychographics related to an advertiser's target audience. Media buyers try to optimize what is bought and that can be dependent on budget, media channels and related characteristics, available inventory, and how much media space is required.

EYES ON provides consistent and meaningful measures to easily evaluate out of home against other media in a multi-faceted media plan. As a function of buying specific out of home units, the buyers analyze reach and frequency, rating point levels, and other factors based on media schedules using the available inventory provided by media operators. A buyer's performance is typically judged on whether their decisions satisfied the plan's strategic requirements, if the campaign actually ran as contracted, and if the out of home inventory was bought at a fair price.

EYES ON rating points, as in broadcast, measures the size of an audience reached by a media campaign. Target rating points are therefore the product of the percentage of a target audience reached by a campaign, and the frequency that a target audience sees the campaign.

Buying out of home media based strictly on rating points is a stark departure from how the medium was historically purchased. It was customary to buy out of home inventory based on DEC's (Daily Effective Circulation) which are taken from traffic counts. Consequently, a specific allotment of panels was purchased based on a plant's average DEC or the average circulation.

EYES ON metrics reflect audience, which relates to rating points. Buyers will make decisions about which out of home inventory is purchased based on how well each individual unit of inventory achieves an overall campaign audience objective. Buyers and sellers should not negotiate based on the attributes of panels but, on the delivery of gross rating points against an audience.

Aside from making general planning assumptions, defined panel allotments will have little importance in a negotiation. Buyers will most likely request proposals from media operators that identify a desired weekly rating point delivery level. At this point, a seller may have the opportunity to present several media options.

For example, a buyer may request a proposal that delivers 100 weekly rating points to adults 18+. The media operator might suggest a campaign using three bulletins on freeways and a second option using nine bulletins located on a combination of major arterials and surface streets. Because the proposal is based on achieving a specific level of weekly rating points, overall pricing would remain the same for both proposals. The three bulletins with higher rating points would achieve higher per unit rates compared to the nine bulletins with lower rating points. Therefore, the locations with higher EOIs (EYES ON Impressions) would be more highly valued and that fact would be reflected in the unit rate.

**Business Systems.** The integration of EYES ON data into business systems is critical for full scale acceptance of EYES ON by the general advertising industry. Without a new and revolutionary approach to the charting function, and ancillary administrative functions, EYES ON cannot be fully incorporated into the out of home sales process.

The release of EYES ON has offered the out of home industry a watershed opportunity to reengineer traditional business functions from a site assignment regiment to a flexible inventory management discipline. In essence, the often linear and routine charting function will be transformed into a complex and fluid decision-making process using a matrix of inventory elements. EYES ON provides the necessary unit details that can convert inventory into highly sophisticated media market channels with composite layers of convertible consumer insights.

Charting is how an out of home contract is executed and where the “rubber meets the road.” Charting personnel select specific out of home inventory for inclusion as part of a contracted campaign. In the past, charting staff selected locations based on a DEC plant average threshold. Predicated on a set allotment, locations were selected so that the campaign average DEC matched the plant average DEC, based on the Adult 18+ population, regardless of target

parameters. Campaigns were then charted based on gross impressions. The multi-dimensional and granular nature of EYES ON data allows media operators to chart campaigns based on detailed target audience compositions.

EYES ON provides a rich database with unique metrics assigned to specific units. Every location charted adds unique value to a campaign. Units should be selected for a campaign based on an understanding of the weekly rating points delivered against a specific audience and the percent composition each unit adds to an overall plan objective (to minimize media waste). To make this conversion, the charting function and related software packages used by media operators will change.

Charting software should be dynamic, allowing personnel the ability to review EYES ON data relevant to specific target audiences. For example, if charting against a Hispanic audience, the data available in the charting system should reflect Hispanic EYES ON information. Fields should refresh within charting programs each time a new campaign is charted, reflecting the metrics associated with a specific target audience.

Consequently, campaigns should be charted based on total weekly rating point's delivery against a target audience. The actual number of units delivered for a specific campaign might not be the same as rate card planning allotments since gross rating points delivery, not panels, should be the objective. Charting personnel will select specific units and sum all rating points to achieve a total weekly rating point's threshold for the charted campaign.

In the case of bulletin rotations, total rating points should reflect the total campaign objectives and could be accumulated over time. For example, a campaign objective of 100 weekly GRPs might deliver 95 weekly rating points for 8-weeks and 105 weekly rating points for a subsequent 8-weeks, after a rotation. The campaign total over 16-weeks would be 100 weekly rating points delivered.

However, to effectively meet an advertiser's strategic media objectives, it is advisable to chart a campaign with no more than a five weekly rating point's variation against total audience target delivery levels.

Charting systems will certainly need to maintain legacy functionality so advertisers still have the option to select units based on specific geographies or a precise location.

Rate basis and inventory programming are inextricably linked with a real-time basis. It makes sense to replace static annual rate structures with fluid pricing plateaus for flexible program packages which fluctuate in response to market forces. EYES ON ratings therefore, become the pivotal metrics of sale. Pricing plateaus will be sensitive to myriad rate variables (i.e. incremental creative rotations, timing requirements, format mix, cancellation options, and advertising strategies) and factored in terms of the media contracts between buyer and seller.

Backend administrative systems, including contracting and billing, will need to work seamlessly with enhanced charting systems. For example, rather than guaranteeing specific unit delivery in a contract, a media operator may guarantee total weekly rating points. Several third-party processors provide charting tools and other backend software systems, while some media operators use proprietary software platforms. A few prominent third-party software providers include Ayuda, Scala, The Siroky Group, and OOHsolutions. By instituting these necessary systemic changes to the charting function and related systems, media operators will evolve from selling units to selling rating points or audiences.

***Evaluating.*** After a media buy has been executed, agency research and planning departments, along with brand managers, will generally examine the results of return on advertising investment (ROI) models to aid planning for the

next campaign. Not all advertisers do this, but most national advertisers expect this type of evaluation and agencies are held accountable.

Broadcast, print, and online media segments commonly use post-campaign software tools to evaluate advertising results and determine budget allocations. Independent, third-party evaluations can add credibility to an advertising campaign by providing unbiased accountability. Historically, the out of home industry has not offered independent post-campaign evaluation. This is changing although the variances between contracted and delivered out of home media is typically less pronounced than with other media formats since out of home audiences and traffic patterns are generally stable over time.

Donavan Data Systems (DDS) is used by many large and moderate-sized advertising agencies for accounting functions and this includes the integration of post-campaign analysis or proof of performance reporting. Using post-campaign analytics for evaluating advertising effectiveness and ROI are common and these business functions for the broadcast and print media segments. The out of home industry will undoubtedly develop similar post-campaign analytics based on EYES ON metrics. Media planners will expect it.

Many advertising agencies along with broadcast and print media companies use third-party services to help evaluate advertising executions for future decision making. One company is Marketing Management Analytics (MMA) which helps marketers look “backwards” to determine the ROI for products or brands. Models are used to diagnose the reasons for changes in marketing effectiveness over time and media mix modeling is used to forecast future scenarios for response planning. Historical media buys are evaluated in this way, based on sales results, and that information is used to set future budgets. Media not part of post-campaign analysis could be excluded from future advertising budgets.

Some third-party processors have begun developing post-campaign analytics specific to the out of home industry. Ayuda and Intelligent Proof are two companies offering software systems that aggregate results of an out of home campaign using multiple media vendors to provide completion reports that show actual audience delivery and effectiveness analysis.

## **Embracing New Business Practices**

For the out of home industry to effectively incorporate EYES ON into buying and selling transactions, stakeholders will need to embrace the changes that will ensure consistent implementation of EYES ON metrics into common business functions. For a smooth transition, out of home professionals who opt to use EYES ON should convert quickly and completely to eliminate confusion in the marketplace. This means the book must be closed on historical nomenclature and practices, such as DEC's and showings.

***Influencing Company Cultures.*** Sales and marketing materials, administrative, and billing functions should be adapted, and personnel should become conversant in nomenclature to reflect a deep understanding of EYES ON measures.

***Planning, Buying, and Evaluating Systems.*** TAB is working closely with third-party processors to provide software tools for the out of home industry that maximize the benefits of EYES ON metrics. Buyer and sellers using EYES ON should support the development of these new systems through subscription and use.

***Business Systems.*** TAB is also working with third-party processors to provide enhancements to the tools already used for conducting business. Those media operators using EYES ON will want to update internal operating functions and

associated software to accommodate the data. This includes the integration of charting, billing, accounting, and other back-office systems.

***Standard Business Practices.*** Wherever feasible, it is critical that the out of home industry implement changes in a consistent manner across all companies, whether they are buyers, sellers, or suppliers. The OAAA Marketing Committee, working closely with TAB, will develop and recommend voluntary standard business practices related to EYES ON. These general practices will be developed to ensure EYES ON is implemented in a fashion comparable with the broader measurement practices of the advertising industry.