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John Singleton’s joint venture rocks TV adland P11

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READING BETWEEN THE LINES
How credible are Morgan’s readership figures?

MULTICULTURAL DIVIDE  MARK DAY ON THE ETHNIC PRESS SCANDAL P7
Industry figures claim Roy Morgan readership figures are wrong – because they ignore the complexities of today’s publishing. Mark Day reports

**Cover Story**

New year from March 2002 to March 2003, the newspapers of the Melbourne Sunday Herald Sun, with 2,258 copies, were the best-selling. At the same time, according to the latest Roy Morgan readership figures, the newspaper lost 22,000 readers. Over the same period, The Australian newspaper lost 25,000 readers by 2,258 copies, or 3.3 per cent, and it fell below 30,000 readers – a 2.9 per cent fall.

On the face of it, the problem appears to be a consequence of a growth in digital media consumption. However, according to Roy Morgan, digital media consumption is growing faster than print media consumption, so the fall in readership figures should not be surprising. But, according to Roy Morgan, digital media consumption is growing faster than in print media consumption, so the fall in readership figures should not be surprising. But, according to Roy Morgan, digital media consumption is growing faster than in print media consumption, so the fall in readership figures should not be surprising.

Roy Morgan researchers claim that digital media consumption is growing faster than print media consumption, so the fall in readership figures should not be surprising. But, according to Roy Morgan, digital media consumption is growing faster than in print media consumption, so the fall in readership figures should not be surprising. But, according to Roy Morgan, digital media consumption is growing faster than in print media consumption, so the fall in readership figures should not be surprising.

**A Call for more rigorous information, greater depth of data, and greater transparency**

Copies are being sold, readership is growing, and, to a significant extent, the same is true of digital media consumption. This is the information that advertisers need most. If they’re selling products or services, they don’t want to be advertising in publications that have no readers.

The print industry is divided about the value of the data published in Roy Morgan figures. While relations between Morgan and News Limited, publishers of The Australian, have been strained during the past year, the feuding at Fairfax and the state of the market is hostile.

But among publishers and advertisers alike, there are growing calls for a new approach to be taken to measuring readership through a new study to take on board advertising and other factors.

This was first suggested last year by the Media and Entertainment Employers Association. However, the plan was shelved when John Howard, in a speech to the Audit Bureau of Circulations at its 50th anniversary, said Morgan had not been able to present any number of samples that could be used. "We just want it to be a fair play.""
"We were shopping at each other, because he was on one side of the street and I was on the other. We are still on different sides of the street." According to another Morgan client, who would not be named, "No, research is perfect. It all can be improved. But you need people who want to try, rather than just bluster about it."

Gary Morgan has recently signed down his Roy Morgan Research involvement, with chief executive Michelle Leclerc-Lippman saying on a genuine role in dealing with publishers.

Anita White, News Limited's strategy planning manager, says Morgan now appears to be more willing to enter dialogue, but she is still not satisfied that all questions about methodology have been addressed. "The world is changing, and we can't be sure Morgan is changing with it," she says. "They still do face-to-face interviewing, and they do it on weekends only. This makes it hard for interviewers to get into high-rise apartments or high-security dwellings. There are more locked gates, and more gates to houses. The more inefficient they are, the less they tend to be at home, and the less willing they are to devote the minimum 45 minutes required to answer the endless questions or fill out questionnaires."

"This means it is very difficult to measure the effect of socio-economic variables which are highly sought-after by advertisers. Telephone surveys would work well for newspapers, but not for magazines, because they would be a problem with cover recognition. So it's a dilemma we're still trying to work our way through to get a win-win result."

Alan How, the editor of Sunday Herald Sun, says he believes Morgan's methodology is deeply flawed. Face-to-face interviews on weekends mean respondents are asked questions about their purchases, published at least six days earlier. According to Morgan's figures, by the time I am selling 750,000 copies of the Sunday Herald Sun, I won't have been out yet. So "Why should anyone trust figures that are gathered from face-to-face interviews with people who happen to be at home when a researcher visits?"

"How do you assume the habits of the rest of thousands of Melbourne living in large apartment blocks, to which Morgan's people have no access?"

"The world is changing, and we can't be sure Morgan is changing with it."

"Our dealings with Morgan have been a two-way street - they have educated us on what our expectations should be, and we've put our case. We're happy that they see the need for continuous improvement."

"In the office which Morgan's research is based, there is a large screen with a line of the words: 'We are independent. We are not aligned to the publishers, and advertisers make them that independent. And you have to ask could anyone else do a better job? Morgan were approached, but they couldn't do it. They had to walk away.'"

"How could it be better? We do the best job in the world. There is substantially better, but we're continuously improving." Agent-Editor (Mick Maddison)
DEFENDING MORGAN

Gary Morgan's readership figures are a pretty good performance in what is an imperfect art.

by Harold Mitchell

Just when I thought we were in for an easy time, suddenly there's a raging argument again about readership figures.

At the centre is Gary Morgan. On one side it seems newspaper publishers feel as if they've been badly done by and there's some thought of a new way of doing things, although I'm not sure anyone knows quite what it is. It's interesting to look back at the television survey system where the industry tossed out a method that seemed to be working and spent the next two years with the new system that caused turmoil at every level.

I should declare a history of having arguments with Gary Morgan that goes back for many years. They are always rigorous discussions. In fact, there's hardly any other kind you can have with Gary.

It seems at the moment that Morgan is at the centre of attack, generally by those who don't agree with his numbers. John Sintras, president of the Media Federation of Australia, says he believes the Morgan figures are "blunt instruments" that flatten the peaks and troughs of newspaper readership.

He goes on to call for more rigorous information, greater depth of data and greater transparency. I'd have to say I disagree entirely with Sintras. I've always found that Morgan is a completely open book. He'll discuss anything. Take "I'd have to say I disagree entirely with Sintras. I've always found that Morgan is a completely open book."

All interviewing is conducted face-to-face at weekends, although some editors have said "why should anyone trust figures that are gained from face-to-face interviews with people?" I'm not entirely sure what alternative would give a greater level of understanding.

The method of interview — "Which of these newspapers did you read or look at yesterday?" — understands the most recent reading experience. Methods are not used and therefore bias is taken out.

For weekly and monthly magazines, the technique is adjusted and has been refined over many years to be as close to perfect as any research can be.

Back to the comment by Sintras, who believes that the Morgan figures are "blunt instruments." I looked at the comparative data of the Sun-Herald, The Australian and the Australian Financial Review of readership and circulation over the last four years. Morgan and the circulation have great parallels.

It seems pretty hard to find a case of shooting the messenger or killing off Gary Morgan when you see data like this. Let's move on and consider the great strength of a single source database and the very great use that we as media people harness from the information.

Morgan offers:

- one of the largest samples (only China, India and Russia have larger samples)
- quarterly reporting
- coverage of all media consumption as well as extensive product and services usage
- extensive use by marketers, media and agencies
- checks with other data (eg sales) which show high accuracy.

Although the large questionnaire is often criticised particularly by Nielsen, similar questionnaires are accepted in the US and UK and have been proved to be accurate with little respondent fatigue. The argument that we need an OR TAM-type body is ridiculous.

One of the problems we have occasionally in Australia is not recognising something for what it is. Morgan is a pretty good performance at what is an imperfect art. I hope we don't get some people trying to throw the baby out with the bathwater. Not that Gary Morgan needs any defending — he's quite capable of doing that for himself. *

Harold Mitchell is chairman of Mitchell & Partners.
From: Gary Morgan
Sent: Friday, 16 November 2001 7:00
To: 'mday@ozemail.com.au'
Subject: Article in The Australian Media - "A very costly call"

To: Mark Day
The Australian Newspaper

Dear Mark,

Like anyone, you're obviously entitled to criticise me, my personality and the Morgan Poll.

However, your article in the Thursday, November 15 The Australian Media cannot go unanswered as it is mischievous and misleading - it is important to get the facts right. Given the recent reporting, as fact, of refugee boat people throwing their children overboard - are we to believe every other fact reported in the media is also wrong?

Firstly, your article would have been fairer if you had included our comment:

"There are two possibilities:
- The electorate changed in the last week; or
- The Morgan Poll got it wrong.

At this stage we don't know which is true. We surveyed on election day and, when collated, the results of this Australia-wide Morgan Poll will give us some indication. We will also be re-interviewing respondents surveyed a week before the election to see if they changed their mind in the last week, and if so why."

We will be preparing a full report on those findings when they are available - next week. Until then we can only hypothesise.

Secondly, you know or should know that your statement "the readership measurement contract comes up for renewal" is wrong and misleading. In Australia, there is no industry contract for a national readership survey - it is independent. Roy Morgan Research contracts independently with the publishers, advertising agencies and advertisers. The only other country in the world where there are independent readership surveys is the United States. In the USA it would be illegal for the media to get together and conduct their own readership (measurement) survey. The legality under Australian Trade Practices laws has not been tested. In most instances the industry seeks permission from the ACCC (Australian Competition and Consumer Commission). Hopefully, Prime Minister John Howard and his colleagues in Canberra will ensure the Trade Practices Act in Australia makes it impossible for the media in Australia to own the national readership survey.

If anyone doubts the importance of independence of measurement, they only need to look at the recent Canadian experience. The Canadian Joint Industry body (known as the Print Magazine Bureau) created a new print measurement method which increased the readership of magazines by an average of 140% (ie more than double) and created reader-per-copy estimates of up to 20.

Canadian magazine readership estimates comparing Print Magazine Bureau's new and old methodologies
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Healthwatch</td>
<td>842,000</td>
<td>4,949,000</td>
<td>+488%</td>
</tr>
<tr>
<td>Canadian Gardening</td>
<td>706,000 (r-p-c 5.0)*</td>
<td>2,842,000 (r-p-c 20.0)</td>
<td>+303%</td>
</tr>
<tr>
<td>National Post Business</td>
<td>436,000</td>
<td>1,620,000</td>
<td>+272%</td>
</tr>
<tr>
<td>R.O.B. magazine</td>
<td>397,000</td>
<td>1,326,000</td>
<td>+234%</td>
</tr>
<tr>
<td>Canadian House and Home</td>
<td>800,000 (r-p-c 4.5)</td>
<td>2,447,000 (r-p-c 13.9)</td>
<td>+206%</td>
</tr>
<tr>
<td>Toronto Life</td>
<td>341,000 (r-p-c 3.7)</td>
<td>1,034,000 (r-p-c 11.2)</td>
<td>+203%</td>
</tr>
<tr>
<td>Chatelaine</td>
<td>1,766,000</td>
<td>4,792,000</td>
<td>+171%</td>
</tr>
<tr>
<td>Reader's Digest</td>
<td>3,168,000</td>
<td>7,811,000</td>
<td>+150%</td>
</tr>
<tr>
<td>TV Guide</td>
<td>1,865,000</td>
<td>4,384,000</td>
<td>+130%</td>
</tr>
<tr>
<td>Canadian Living</td>
<td>1,986,000</td>
<td>4,498,000</td>
<td>+126%</td>
</tr>
<tr>
<td>Homemaker's</td>
<td>1,206,000</td>
<td>2,207,000</td>
<td>+88%</td>
</tr>
<tr>
<td>Maclean's</td>
<td>1,669,000 (r-p-c 3.3)</td>
<td>3,090,000 (r-p-c 6.1)</td>
<td>+85%</td>
</tr>
<tr>
<td>Time</td>
<td>1,706,000 (r-p-c 5.4)</td>
<td>3,074,000 (r-p-c 9.7)</td>
<td>+80%</td>
</tr>
<tr>
<td>Elm Street</td>
<td>710,000</td>
<td>1,010,000</td>
<td>+42%</td>
</tr>
<tr>
<td>Saturday Night</td>
<td>561,000</td>
<td>794,000</td>
<td>+42%</td>
</tr>
</tbody>
</table>

*r-p-c refers to readers-per-copy

Source: Print Measurement Bureau and Audit Bureau of Circulations

While those in the print media in Canada may seek to have the new figures accepted (by claiming the new figures to be correct and the old ones too low), it is important to look at reality.

The table above also shows as an example the calculated readers-per-copy for five of the titles.

It is clear that 20 readers-per-copy for Canadian Gardening is not real; nor is 9.7 readers-per-copy for Time.

If our readership survey were to use the UK "recency" method (as is used in the recent Canadian experiment), then you would expect the reader-per-copy estimate to be lower for newspapers and as shown above significantly higher for some magazines. (This can be seen by comparing Roy Morgan NZ readership estimates with those obtained by Nielsen NZ who use the UK "recency" method.)


In this paper, we point out that if you compare readers-per-copy estimates across the USA, New Zealand and Australia, you'll see the present USA and NZ readership estimates for many magazines are inflated. Because of this the data cannot realistically be used in any multimedia schedules, in optimising advertising expenditure in TV and/or radio with magazines and/or newspapers.

We demonstrate this by example by looking at the readers-per-copy of five well-known magazines in three markets (Australia, New Zealand and USA) - using the local readership currency (see table below). A media buyer using this data would believe that magazines are "passed-on" to a lot more people in the USA and NZ than in Australia. For instance, that an average copy of People is read by 9.8 people aged 18+ in the USA, and the same magazine (called Who in Australia and New Zealand) is read by 8.5 people aged 20+ in New Zealand, but only 4.3 people aged 18+ in Australia.

Similarly, that an average copy of Reader's Digest is read by 3.9 people aged 20+ in NZ, 3.4 people aged 18+ in the USA and only 2.4 people aged 18+ in Australia.
Similar differences are shown for Cosmopolitan, TIME and Newsweek (see below).

Readership currency reader-per-copy estimates across countries

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Australia (18+)</th>
<th>New Zealand (18+)</th>
<th>USA (18+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People / Who*</td>
<td>4.3</td>
<td>8.5</td>
<td>9.8</td>
</tr>
<tr>
<td>Reader's Digest</td>
<td>2.4</td>
<td>3.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>3.0</td>
<td>n/a</td>
<td>6.1</td>
</tr>
<tr>
<td>TIME</td>
<td>3.4</td>
<td>5.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Newsweek/Bulletin*</td>
<td>4.0</td>
<td>Not published</td>
<td>6.1</td>
</tr>
</tbody>
</table>

* In Australia and New Zealand, People is Who
* In Australia, Newsweek is included in The Bulletin

New Zealand: Nielsen Jul 99-Jun 00, Circulation: Jul-Dec 2000
United States: MRI Fall 2000 Circulation: Jul-Dec 2000

However, the next table below shows that when Roy Morgan Research applies the same measurement methodology across the different countries, the differences all but disappear.

People (or Who) has readers-per-copy, aged 18 and over of 4.3 in Australia, 4.7 in New Zealand, and 4.4 in the USA; and Reader's Digest has readers-per-copy of 2.4, 2.5 and 2.9 respectively. TIME has readers-per-copy aged 18 and over of 3.4 in Australia, 3.7 in New Zealand and 4.3 in the USA. A similar pattern of result is shown for Newsweek with slightly higher readers-per-copy in the USA (5.1) than Australia (4.0).

In other words, when we apply Roy Morgan's consistent proven methodology to different markets on the same magazines, we discover that the magazines attract very similar readers-per-copy despite the marketplace differences. Common sense would say this is correct.

Roy Morgan Research readers-per-copy (18+) estimates across countries

<table>
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<th>Magazine</th>
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</tbody>
</table>

* In Australia and New Zealand, People is Who
* In Australia, Newsweek is included in The Bulletin


The fact is only when all media are measured by a method which gets realistic audience measurements across different media is it possible for advertising agencies to compute multimedia schedules for buying advertising across media.

The Roy Morgan Readership Survey uses as the "gold" standard full "through-the-book" (for TIME, Bulletin, BRW, some newspaper supplements and magazines inserted in newspapers) and specific issues for monthly publications. This reduces confusion, replication, and telescoping.

In Australia, where the readership survey is independent, and the figures produced by Roy Morgan are believable and consistent, the readership survey is highly regarded.
Criticism is a fundamental element of any independent measurement or audit. The Roy Morgan Readership Survey, like any truly independent measurement, must be and is open to criticism, and questioning. Unlike in the USA, we have a clearly defined embargo period during which all media can review and query the results before they are published. We are answerable to all parties independently.

With the Industry Committee model, once the Committee have agreed - there is little room for querying - and no option to not subscribe.

Changing the readership survey methodology in Australia will result in significant changes in the currency for valuing advertisements in newspapers vs magazines vs TV vs radio. In Canada today if anyone believes the new readership currency, there will be a shift away from advertising in newspapers. Obviously, if Australia followed the Canadian method, there would be a significant decline in the advertising revenue available for newspapers. This is a consequence which I'm sure would not please our mutual friends at News and Fairfax.

The "Doyen of Pollsters"

Finally, it would be wrong not to answer "the doyen of pollsters", Rod Cameron's comment regarding Australians changing their minds in huge numbers - a comment which I agreed with until "border protection", a new euphemism for what used to be called "the race card" in political circles, was played on all Australia's media on the two/three days before the election and again by the Liberals at polling booths. Laurie Oakes' article in this week's Bulletin (with Newsweek) is important - it will concern many people and in particular, our neighbours.

Yours sincerely,

Gary Morgan

References:
