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MARKETPLACE

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HEADLINE: Martin Kaplan, USC, discusses new viewer tracking device

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BODY:

DAVID BRANCACCIO, anchor:

This is MARKETPLACE. I'm David Brancaccio. The first business day of the new year is prime time for incoming CEOs to take over the helms of their companies. Among them, Susan Whiting, the new president and CEO of Nielsen Media, the TV ratings and media research company. One of the big decisions she'll have to make: whether to throw Nielsen's weight behind a new technology being pushed by rival Arbitron to take the sizeable fudge factor out of tracking TV viewing habits. Martin Kaplan, associate dean at the Annenberg School for Communication at USC, what's all this about?

Mr. MARTIN KAPLAN (Associate Dean, Annenberg School of Communication): They still don't know what you saw on cable and broadcast, but they certainly make a good case; good enough so that advertisers spend \$60 billion, based on numbers which look like science, but are not much different from the I Ching. There are pagers that the Arbitron company has recently developed, testing in Philadelphia, which follow you around during the day. It's called passive measurement. Rather than requiring you to jot down in your Nielsen diary or touch a button on a set-top box, they follow you as you go to the gym, the office. And what your radio and television watching and listening habits are, are now automatically recorded and then sent via computer to the company. This does not include what you do on the Internet. It doesn't include the videotapes and the TiVo and Replay, which may be the thing of the future. But even so, what they're already discovering is that it's wildly more accurate than the current Nielsen system is.

BRANCACCIO: You'd think there'd be a chorus of voices screaming for this new technology, given the fact that lots of money hinges on these questions.

Mr. KAPLAN: Yes. And probably it'll come from the losers in each sweeps book, as they measure how stations are how doing. The winners, notoriously, are delighted with the way in which it's shown that they're winning the demographics races.

BRANCACCIO: Also makes one think of another audience-measuring problem, which is figuring out who we should elect as president.

Mr. KAPLAN: Yes, indeed. And, in fact, the last elections showed us that our hope that the election results were scientific, that every single vote counts, meets an enormous

roadblock in the reality of this clunky technology and inaccurate reporting, which in the end, is maybe 5 percent or 10 percent accurate. The same thing has happened to television.

BRANCACCIO: Now this new technology could have an interesting artifact. If it comes into use widely, this paging technology, it will no longer force local television stations to put lurid things on their air during specific ratings periods four times a year.

Mr. KAPLAN: No. Alas--alas, this may be the end of lesbian soccer mom cheerleaders...

BRANCACCIO: During sweeps.

Mr. KAPLAN: ...during sweeps, the four times a year period which the programmers use to attract audiences, because it may soon be possible on a 365-day-a-year basis to track what audiences are watching. On the other hand, the sad truth may be that if you give them naked cheerleaders all year long, they'll watch it just as avidly as they do during sweeps.

BRANCACCIO: Thank you very much, Marty. Martin Kaplan is also director of the Norman Lear Center at USC.

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