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ACCURACY'S IMPACT ON RESEARCH

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Accurate Measurement & Media Hype: Placing Consumer Media Technologies in Context

By David C. Tice

The quality of media technology research is crucial because, in the new world of cellphone advertising and videogame product placements, advertising and cutting-edge devices and services have merged as never before. Media companies, advertisers, and technology manufacturers all need authoritative measurements of consumer ownership of key devices – from DVRs to flat-panel TVs – as well as how people are using them in everyday life.

In addition, consumption of electronic "broadcast" media is being fragmented and parsed into smaller and smaller chunks.. In this environment, accurate measurement of evolving consumer behaviors is essential; companies know they need to leverage new media and devices – but which ones, and in what proportions? The investments in reliable metrics, if we stop to think about it, are (or should be) in the millions of dollars.

Since 1981, Knowledge Networks/SRI (formerly Statistical Research) has been providing the definitive measurements of media technology ownership and use. Most recently, these have been incorporated into The Home Technology Monitor, an ongoing service that is relied upon by a variety of high-profile clients.

DVRs: The "panic" and the reality

The importance of reliable data to making wise investments was readily apparent in the "DVR scare" of the early 21st century. The DVR, it was said, would represent the death of mass advertising, perhaps sooner than later; and the marketplace seemed unable to find ways to adapt, grasping at straws instead of moving with confidence and wisdom.

This fire was fueled by vastly incorrect measurement of how many DVRs were in households by television's audience measurement vendor – one published report declared that 16% of TV homes had a DVR in the first quarter of 2000 – and the fact that DVR homes were not even included in the television ratings audience sample until 2005.

Knowledge Networks/SRI – through its *Home Technology Monitor* service – also initially got relatively high numbers for DVR ownership; however, using our knowledge of the history of the media technology space, we were able to identify that something didn't look right. We checked the 10-K filings of the two main DVR companies; they had only shipped a few hundred thousand units, so we knew the incidence was much less than 1% of TV HHs. Using this information, we proactively recontacted all the members of our benchmark *Home Technology Monitor* sample to reconfirm DVR ownership through improved and detailed questions. It was now clear that consumers were confused about the whole concept of a DVR, and thus, if they even had one. The result was that in spring 2000, KN reported to its clients DVR ownership of less than 0.5% of TV HHs – far closer to the true number than the 16% being reported by the other source. (In fact, only about 16% of TV homes have a DVR today).

What factors were at work here? There was much more than met the eye.

- DVR questions from some vendors were not designed well, which led to misleading data; additionally, the results were not cross-checked against other sources such as DVR company SEC filings.
- The adoption of any technology by 16% of the population in less than half a year flew in the face of any previous media technology, including VCRs
- Many in the industry were apparently unaware that DVR companies were seeding interest by providing units to high-profile industry players, thus influencing coverage and industry attitudes in contrast to actual consumer behavior.

The lesson: As the media landscape changes, the importance of reliable measures grows, and the availability of speculative data increases exponentially. Relying on appropriate methodologies – even as we remain focused on changing with the times – gives us the key to separating reality from fantasy.

Taking a closer look at cell phones

Today we have cell phones that take pictures, record video, watch live TV, and play MP-3s. But it is interesting to note that the primary functions consumers want from their cell phones are extremely basic: To be able to make a telephone call with reasonable reception quality, and long battery life on each charge. KN research has shown that more than half of people with video cell phones never use that video function, because of the drain on batteries and the difficulty of video navigation and selection using the cell phone platform.

Among those more sophisticated consumers who do use their cellphones for video, we find that they use it for smaller chunks of time than people who use iPods or laptops for video on the go. Cellphone video users are looking for easy navigation, in terms of finding video or linking to marketing messages; and they also place more emphasis on "live" information, as compared to laptop or iPod users.

Once again, it is important to listen to an accurate read of consumers' real needs and wishes – part of which may involve simply writing a sound questionnaire that fleshes out the truth rather than the hype.

Recurring threads on quality

In our long work on technology ownership and use, KN/SRI has found several important threads in making sense of consumer technology use – and seeing if data stands the "reality check" test. They are:

Context. Speaking from a media perspective, there is no shortage of companies that measure technology ownership or provide forecasts – but these companies tend to have a "technology" rather than a "media" orientation, and there can be a disconnect between a technology focus and media realities. Tech-focused researchers have been much more likely to predict the end of "media as we know it."

Measurement. Perhaps the best key to context is access to quality measurements, whether measures of presence, use, or attitudes towards a new media technology. Check out the sample interviewed, the methodology employed, the ability to present findings in a historical framework. The use of "opt-in" (a.k.a., volunteer) online samples, for example, may very well be adequate for exploring issues with established users of specific products; but most products, services, or programs need to appeal outside of a niche group to be successful, and that is where the value of a truly projectable, RDD-recruited panel – like KnowledgePanel – comes into play.

Research in these new technologies is particularly difficult. Mainstream consumers are seemingly just as likely to over-report (confusing one technology for another) as under-report (they use technology but are unaware of the details) ownership of emerging technologies. And if the sample is limited to cutting edge adopters, they may know technology better but their interests and attitudes are typically much different from the mass of consumers.

Third-party sources and adoption of new media technologies. In many cases, it is easy enough to check the basics of a report against public documents – other published reports, company 10-Ks, and the like. KN/SRI has long relied on these as references for its own media and technology measurement; in fact, our original surveys of TV ownership picked up where the Census Bureau left off when it stopped tracking that statistic.

Changes in media patterns often take longer than the pundits imagine – but perhaps less time than changes in industry habits. The important thing is to stay attuned to consumers via methodologies that are at once sound and able to respond to changing lifestyles. This will allow you to keep a true understanding of the ebb and flow of consumers and media technology.

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