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2oceansvibe launches listenership pricing model

By Seth Rotherham

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It has been five months since SA's internet radio industry was <u>rocked</u> by revelations that quoted listenership figures were being incorrectly supplied by a JHB-based service provider. Since then, 2oceansvibe Radio has been hard at work. This is the result. (video)

In this new pioneering space of online radio, defining a reliable and fair measuring/pricing system is just as much a part of the job as creating quality content.

Ways to evaluate this audience would include measuring the number of plain 'sessions' or 'connections' which combines individual listeners and people making multi-attempts to connect - not very accurate. Then there is also the measurement of 'unique listeners,' which unfortunately records an office of 50 employees (all tuned in on separate devices), as one unique listener.

Listenership figures

Together with the world's biggest online radio service, Triton (DMMA approved), 2oceansvibe Radio will from now on be reporting listenership figures as 'Qualified Sessions.'

A 'Qualified Session' is the same as an 'Active Session,' which is what Triton's Webcast Metrics calls it. By definition, a 'Qualified Session' or an 'Active Session,' is a session which is unbroken for more than a full minute. These numbers are delivered to as by Triton, which is MRC (the US Media Ratings Council) Accredited and are audited by Ernst & Young.

The immediate advantage for advertisers is that they know this figure excludes people who tune in and decide it's not for them. They also know this figure eliminates listeners with bad/slow internet connections (constant buffering, attempting to connect) who could therefore miss portions of the show (and your 30 second ad, for example).

With an average listening time between 40 minutes and one hour, we also know that most people, who manage to stay tuned for over a minute, stick around.

So while larger figures could be reported, it makes sense that these Qualified Sessions should be the industry standard and is certainly the fairest to advertisers. If you can whittle it down to something so certain (i.e. connections to the show, which last longer than a minute), why wouldn't you?

And yes, of course mainstream radio will report bigger figures, because they're not able to do this. And even if they could,

would they want to? That's the advantage of digital over mainstream. This is what the industry needs. This is what advertisers want.

Pricing model

Much like advertisers can pay anything from R20 to R250 for a 'Qualified Email Lead,' we are placing a value on a 'Qualified Connection' - i.e. people who definitely, without a doubt, want to be tuned in to that programme at that time. You don't get greater, more qualified engagement than someone tuning in to an online radio station - they're definitely not there by mistake, especially for longer than a minute!

The time of the day becomes irrelevant, in terms of pricing. Because if someone is tuned in to that late night cycling show, for example, then they are a qualified listener who has chosen to be there and has a solid online streaming connection. There's your customer.

This figure can then be used to quote a price/value for exposure during a particular radio show. The exact metric used is CPQ (Cost Per Qualified Connection). Different elements will have different prices (per Qualified Connection). So if a certain show gets 1,000 Qualified Sessions in a month, then a 30 second ad played once every hour, during that show, for the month, will cost you R15,000. That is because a 30 second ad has a CPQ of R15.

Compare that to a once-off 30 second ad on some of the bigger local stations, which can often cost R10,000. Just to flight a 30 second to play. Once.

Show sponsorships, live-reads and other elements, will have a set CPQ on our price list - some higher/lower than others.

This new pricing model has been approved by the <u>DMMA</u> and SA internet pioneer, <u>Arthur Goldstuck</u>, found it to be a "fascinating approach" and a "pioneering way forward."

The industry moving forward

<u>2oceansvibe Radio</u> has done tests using other popular methods and metrics and we could very easily be publishing listenership figures 10X higher than these Qualified Sessions. But what would be the point?

We are excited about this next chapter and we encourage other online radio stations to make the most of this available technology, to give the advertisers an accurate, more honest look into who they are talking to.

For more:

- Bizcommunity search: Internet radio listenership
- 2oceansvibe Radio: Ex-Primedia Employee Exposes FM Radio Listenership Methods
- 2oceansvibe Radio: More Primedia Employees Come Forward With Listenership Figures Revelations
- 2oceansvibe Radio: South Africa's Fundamentally Flawed FM Radio "Listenership"

ABOUT SETH ROTHERHAM

Seth Rotherhamis Founder and CEO at 2oceansvibe Radio. 2oceansvibe launches listenership pricing model - 26 Nov 2012

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