

WHICH MEASUREMENT TOOL?

By

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Dear Clients and Colleagues,

There has been dramatic expansion in the **TV Viewing Market in Pakistan** over the last five years as indicated by our latest research. And yet it's turned into a tricky wicket for professional media planners due to the looming recession that's showing its signs. The evaluation and selection of **Measurement Tool for TV Media Research** therefore becomes critical in terms of both its accuracy and economy.

The attached article "Which Measurement Tool?" (also available at www.gallup.com.pk) published in the latest May-June '09 issue of Aurora of Dawn Group discusses the existing scenario and relates the Gallup Pakistan's view on why Gallup TV Ratings is the most viable measurement tool in this scenario.

We will be happy to make a presentation to a meeting or seminar organized by the industry to share the same thoughts. Should colleagues from the industry need further elaboration on the above points or wish to discuss them in more detail please call Gallup Pakistan at (021) 454 4519 or write to us at mcpd@gallup.com.pk.

With best regards from Gallup Pakistan,

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WHICH MEASUREMENT TOOL?

A Must Read For Media Planners

Pakistan's Current Media and Advertising Scene:

The last few years have been very active and promising for the TV industry. As our data has consistently shown the advertising revenue, the number of channels, the size of audience, the variety and independence of media content, have all seen progress and development. Thus one hopes that the current recessionary trend in the global market that is affecting everyone will not damage the general direction of our development, even though there might be temporary setbacks.

It is in this context that research can play a crucial role. Quoting from a recent marketing conference, recessionary times call for the effective allocation of resources even more than normal or booming times do. These are also the times to think out of the box. Research is an important tool to help bring about 'ignored efficiencies' and 'new paradigms'.

Rising Size of Audience:

Our latest research shows that TV audiences have risen dramatically since 2004. From an estimated number of 63 million viewers in 2004,

audiences have risen to an estimated number of 86 million by 2009. Most of this increase has happened in the rural areas, many of which were previously excluded from TV viewing due to lack of electricity. Despite the poor quality of supply, the electrification of rural areas has moved rapidly in the last five years (*in fact some of the quality problems were caused by rapid expansion*).

Has Rural Viewership Overtaken Urban Viewership?

In the new scenario there are 52 million TV viewers in the rural areas of Pakistan, 16 million in small and medium size cities and 18 million in large and metropolitan cities, adding up to a total of 86 million viewers of age 10 years and above.

Who Has The Purchasing Power?

The distribution of purchasing power is not far behind in proportionate terms. Poverty has risen due to recent developments, but for a variety of reasons the poor in Pakistan are dispersed in both urban and rural areas. Similarly, the groups which have benefited from various sources of growth and development, including foreign remittances, are distributed in villages, towns, small and large cities and not too

disproportionate relative to their size in the national population.

Should We Be Concerned?

These data and analysis has a direct bearing on the media and our industry. The majority of TV audiences and potential buyers of goods and services advertised on TV are in the villages and towns as well as in small and medium sized cities of Pakistan. They constitute nearly 80% of TV audience in the country. They also constitute nearly 70% of the purchasing power of goods and services advertised on TV. The remaining 20% of TV audience and around 30% of purchasing power lies in the metropolitan and large cities of the country.

Gallup TV Ratings:

When we provide Gallup TV Ratings to the market we stick to the basic principle of research. At much effort and cost we have been expanded our TV Diary Panel to cover the new, emerging and dominant segment of TV audience i.e. those outside the traditionally known audience in the larger metropolitan cities, which although important re small in number as well as in share of

purchasing power. Also, we know more about them than we do about the new audience in the small towns and villages. **In the past two years we have more than doubled our panel, going from about 2,000 panel members to 5,000 panel members.**

We appreciate the efforts made by TV advertisers through their society to promote traditional audience measurement meters in the metropolitan and large city markets. This is a step in the right direction. But this is not a substitute for providing comprehensive and policy relevant measurement of TV audiences in present day Pakistan. It can perhaps complement nationwide audience measurement, but it cannot substitute it. When it begins to cross the threshold of capturing at least two-thirds (approaching 70%) of TV audiences, only then can its role as the only measurement tool should be seriously debated. Presently it is much too early for that. As businesses face a financial crunch they also face a crucial choice: if they were to choose between one of two audience measurement tools, which one would they discontinue and which one would they adopt?

Do Unrepresentative Audience Measurements Help or Hurt; Lead or Mislead?
In our view the choice is relatively clear. **Audience measurement among a**

somewhat unrepresentative 20% of TV audiences constituting only 30% of the marketing revenue cannot be a substitute to a nationwide audience measurement system; should that happen, research can begin to mislead rather than support decision making.

It is a hard choice, but decision makers have to be much firmer and smarter in making that choice, especially in recessionary times.

Looking to the Future:
Gallup Pakistan introduced its TV rating system in 1996. At the time we captured a small part of TV audience. It has now grown from a panel of few hundred to a nationally representative panel 5000 TV viewing men, women and children.

Due to the small size of the total advertising revenue in Pakistan, the industry cannot afford to spend much on audience measurement. As a result, Gallup Pakistan has continued to invest both capital and human resources in this crucial professional activity. Our professional interest outweighs material or monetary gain. We consider it a shared interest with the media industry and would like to work with them to continue its upward growth.

How Important is 'Independence'?

Among other things audience research is a third party independent exercise. We find it only natural to face competing pressure from competing partners in the industry, the media and the

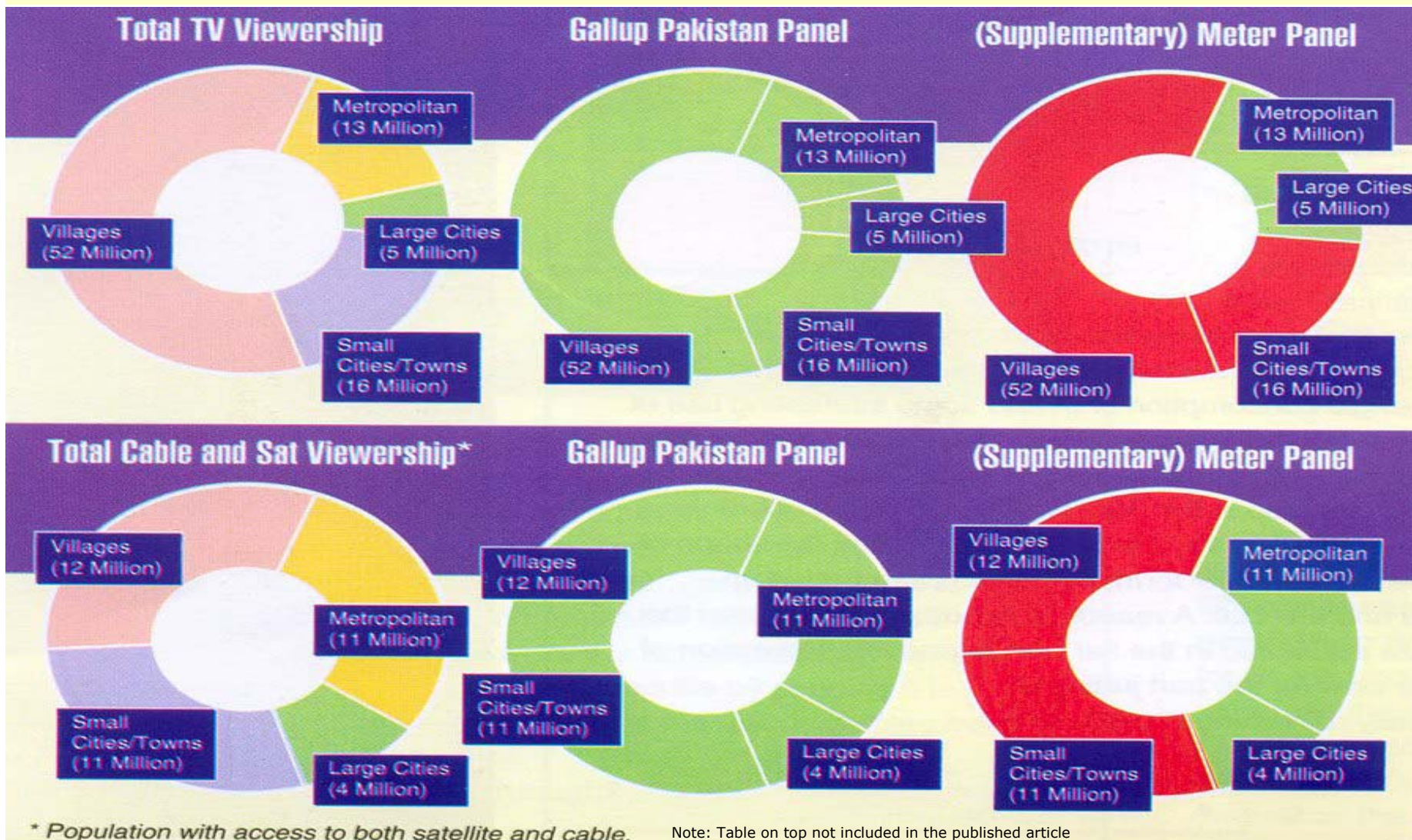
advertisers, and of course competing businesses. This is part of competitive economic systems within the framework of legitimate practices and transparency. We continue to hold firm to scientific and personal integrity. In fact we consider challenges on the way as one of the most rewarding part of this venture.

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TV Viewing Universe & Coverage

	Universe	Coverage	
		Gallup Pakistan Panel	(Supplementary) People Meter Panel
Total TV Viewers in the Country	86 million	100 %	20 %
Total Cable&Sat TV Viewers in the Country	38 million	100 %	40 %



* Population with access to both satellite and cable.

Note: Table on top not included in the published article