

The Roy Morgan Research Centre Pty. Ltd.

Australia's Nation-wide Research Organisation

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REF:M:GCM:Subscribers[ANZA March 31]

March 31, 1994.

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New Zealanders fail to heed Neil Shepherd-Smith's cry to "put the poor beast out of its misery"

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Neil Shepherd-Smith's paper of November 1, 1993 to the M.R.G. Conference in Amsterdam "Average issue readership - there is something wrong!" ended with the statement: "*The recency method has had a good run, but surely it is now time to put the poor beast out of its misery.*"

Perth:

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Over the last few years we have been trying to explain to New Zealand media and agencies that the AGB/MRS readership survey results based on the "recency" method are significantly inflated. In addition, due to the confusion of the NZ Woman's Weekly, Australian Women's Weekly and English Woman's Weekly, the AGB/MRS readership estimates show inconsistent relativities.

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Attached is a paper sent to all Members of the Association of New Zealand Advertisers Inc., the latest Roy Morgan and AGB/MRS readership estimates and a comparison of readership and circulation figures for NZ Woman's Weekly, Woman's Day (NZ) and New Idea (NZ).

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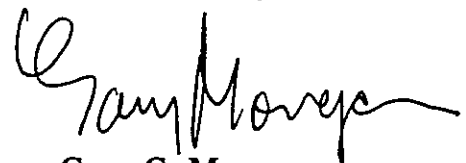
NEW ZEALAND

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Because New Zealand media buyers are unwilling to approach readership measurement rationally, the country is essentially without an acceptable readership "currency".

Yours faithfully,



Gary C. Morgan,
EXECUTIVE CHAIRMAN.

HONG KONG

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Attach/1

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March 28, 1994.

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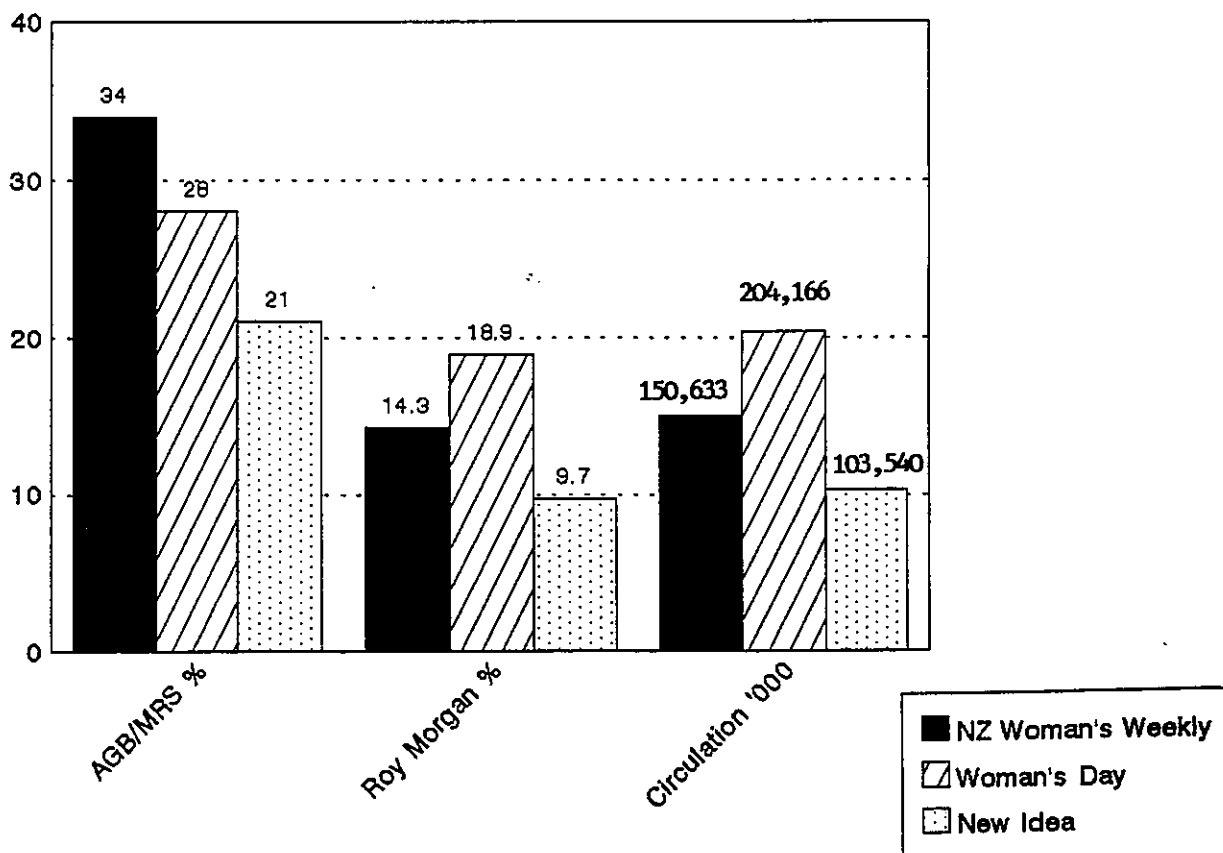
To All Members of the Association of New Zealand Advertisers Inc.

AGB/MRS Agree They DON'T Measure Average Issue Readership

The contract for the National Readership Survey was to measure average-issue readership. At the ANZA meeting last week AGB/MRS agreed that their survey measures something significantly different from average issue readership. The term "reading occasions" was used by AGB/MRS - however this description is not strictly correct either. The survey measures reading and re-reading of any issue in the particular time period. However, while a person who reads a particular issue of a weekly publication once, and then again within the next week is counted twice, a person who reads a weekly publication on each of seven days in the interviewing period is counted only once. Obviously what is measured is a "blancmange" of replicated reading and confusion.

The following chart shows clearly why the AGB/MRS "recency" methodology has failed, and why there was a need for the "Great Debate".

NZ Weekly Magazine Readership and Circulation Relativities



The AGB/MRS attempt to understand and rationalise their unrealistic figures for NZ Woman's Weekly (6.5 readers-per-copy) using something they called "primary" readership was interesting but unearthed even more problems with the AGB/MRS inaccurate "recency" method.

It will be recalled that critics of the "recency" method point to two problems:

- inflation; and
- confusion

The AGB/MRS "primary" readership experiment provided an excellent demonstration of both.

1. Inflation

Primary readers or purchasers number twice the circulation, ie. according to AGB/MRS there are two buyers (not readers) for every copy printed.

Clearly there is inflation.

We ignore the "fix up" provided whereby AGB/MRS tried to sell the notion of using only "primary" readers who were regular readers (ie. readers of the last 4 issues) to compare against circulation.

2. Confusion

AGB/MRS demonstrated that according to their data NZ Woman's Weekly had substantially more secondary and tertiary readers than Woman's Day and New Idea. This is simply restating exactly the problem their database has. There is no reason why NZ Woman's Weekly should have more secondary or tertiary readers - a more rational explanation is that confusion is likely to be greater among "secondary" and "tertiary" readers than "primary" readers or "regular primary" readers.

The AGB/MRS "blancmange" readership estimates have no place in media planning. They do NOT measure average issue readership nor, as mentioned earlier, is it clear what they measure. National Advertisers who buy NZ Woman's Weekly using AGB/MRS figures are paying too much.

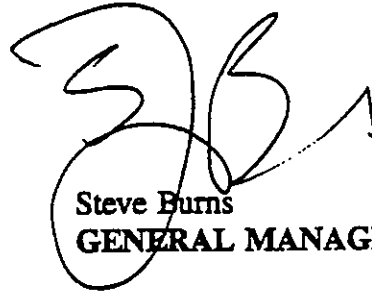
AGB/MRS have, through their experiment, demonstrated clearly that a problem exists. We await eagerly and with great interest their proposed means of solving the problem. We were unsure from the presentation whether the proposed solution was to use "regular primary readers" as the New Zealand readership currency, or whether AGB/MRS have returned to the drawing board to try again.

AGB/MRS gave those attending the ANZA meeting a paper by Timothy Joyce titled "Recent Reading". On page 7 it states:

"Full through-the-book was developed over a number of years as a highly rigorous procedure. It has a number of great merits. It establishes the audiences of specific magazine issues directly. It uses a recognition procedure which should, ideally, minimize confusion between different magazines and different issues. It is easy to see how it would seem especially suitable for a highly graphic weekly magazine such as the old Life..... it certainly is regarded as an ideal technique by those who do favor a recognition approach."

No more needs to be said!

Yours faithfully,

A handwritten signature in black ink, appearing to be 'SB' with a flourish extending to the right.

**Steve Burns
GENERAL MANAGER**

Latest Roy Morgan and Media Research Services Readership Estimates

New Zealand Magazine Readership

Publication:	Roy Morgan				AGB:McNair		Media Research Services (Conducted jointly by AGB & NRB)	
	<u>Apr'91-Mar'92</u>		<u>Oct'92-Sep'93</u>		<u>Jul '91-Jul '92</u>		<u>Feb-Dec'93</u>	
	Reader -ship (^{'000s}) 14+ years	% of popu- lation	Reader -ship (^{'000s}) 14+ years	% of popu- lation	Reader -ship (^{'000s}) 10+ years	% of popu- lation	Reader -ship (^{'000s}) 10+ years	% of popu- lation
Australian Women's Weekly	660	25.0	557	20.3	968	33	831	29
Cleo	104	3.9	117	4.3	182	6	191	7
Cosmopolitan	102	3.9	114	4.2	NA	NA	192	7
Family Circle	91	3.5	66	2.4	153	5	117	4
Fashion Quarterly	180	6.8	103	3.8	274	9	291	10
Little Treasures	151	5.7	115	4.2	183	6	160	6
More	271	10.3	168	6.1	410	14	318	11
New Idea	310	11.7	267*	9.8*	617	21	616	21
New Woman	45	1.7	27	1.0	32	1	22	1
Next	110	4.2	134	4.9	128	4	192	7
NZ Woman's Weekly	605	22.9	394*	14.4*	1,038	36	972	34
Woman's Day	479	18.2	520*	19.0*	767	26	811	28
English Woman's Weekly	72	2.7	64	2.4	210	7	162	6
Grapevine	243	9.2	172	6.3	352	12	285	10
Metro	185	7.0	161	5.9	332	11	258	9

NA - Not asked

* Specific-issue result conducted September-November 1993

Continued.....

New Zealand Magazine Readership

Publication:	Roy Morgan				AGB:McNair				Media Research Services (Conducted jointly by AGB & NRB)			
	<u>Apr'91-Mar'92</u>		<u>Oct'92-Sep'93</u>		<u>Jul '91-Jul '92</u>		<u>Feb-Dec'93</u>					
	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation
	14+ years		14+ years		10+ years		10+ years		10+ years		10+ years	
North & South	270	10.2	299	10.9	400	14	366	13				
National Geographic	290	11.0	270	9.8	NA	NA	455	16				
NZ Geographic	131	5.0	153	5.6	361	12	283	10				
Air New Zealand Pacific Way	163	6.2	133	4.9	187	6	184	6				
Reader's Digest	487	18.5	392	14.3	798	28	685	24				
Signature	71	2.7	46	1.7	91	3	78	3				
Ansett Southern Skies	50	1.9	50	1.8	77	3	80	3				
Style	91	3.5	50	1.8	99	3	93	3				
Time	114	4.3	125	4.6	268	9	245	9				
Bulletin	25	1.0	25	0.9	NA	NA	NA	NA				
NBR	65	2.5	64	2.3	114	4	106	4				
Listener TV & Radio Times	387	14.6	289*	10.6*	625	22	477	17				
TV Guide	606	22.9	494*	18.0*	919	32	834	29				
Skywatch	NA	NA	NA	NA	NA	NA	258	9				
Dolly	67	2.5	72	2.6	92	3	112	4				
Rip It Up	92	3.5	69	2.5	106	4	88	3				
RTR Countdown	173	6.6	140	5.1	280	10	NA	NA				
Tearaway	-	-	87	3.2	178	6	186	6				

NA - Not asked

* Specific-issue result conducted September-November 1993

New Zealand Newspaper Readership

Newspaper:	Roy Morgan				AGB:McNair			
	<u>Apr'91-Mar'92</u>		<u>Oct'92-Sept'93</u>		<u>Jul'91-Jul'92</u>			
	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation	Reader -ship (^{'000s})	% of popu- lation
	14+ years		14+ years		10+ years		10+ years	
New Zealand Herald (Auckland)	579	21.9	642	23.4	655	23		
Dominion (Wellington)	198	7.5	180	6.6	213	7		
Evening Post (Wellington)	181	6.9	184	6.7	194	7		
Christchurch Press	251	9.5	238	8.7	257	9		
Dominion Sunday Times (Wellington)	168	6.4	145	5.3	283	10		
Sunday News (Auckland)	330	12.5	359	13.1	512	18		
Sunday Star (Auckland)	257	9.7	258	9.4	330	11		