

# **Financial Times' Average Daily Global Audience (ADGA): Methodology May 2011**

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## **1) Background**

Prior to 1996, the Financial Times operated as a print-only global newspaper circulated across Europe, Asia and the Americas. This global expansion from being solely a UK national title had begun in the 1970's with the establishment of a print site and distribution network in Germany and continued over the following two decades, adding print sites in three continents. Hand in hand with this international expansion was the development of audience measurement surveys designed to quantify and qualify the readership of the FT and other international print titles. Most notable of these were the Business Readership Surveys of Europe then Asia (now known as BE: Europe and BE: Asia) and surveys such as the Pan-European Survey (PES) and more latterly the European Media and Marketing Survey. These surveys were (and indeed still are) widely supported by the print media industry and well accepted and used by the media planning and buying community as the currency for trading international print media advertising space.

With the development of digital media in the mid to late 1990's, the Financial Times, along with many other print media owners, began exploring the development of new channels to their business audience and established FT.com, their own website. As digital media grew, both as a content delivery channel and as an advertising medium, new developments in digital audience measurement were necessary to both quantify and qualify media owner's audiences and to act as trading currencies with media buyers. These tended to be individual web log based metrics focusing on unique users and page impressions and an industry-wide metric (in the UK) was only launched in early 2011. The need for, and importance of, more insightful digital metrics has grown in pace over the past eighteen months with the explosion in mobile internet access and the growth in application ("app") usage alongside browser-accessed content.

Alongside survey-based print readership surveys, the Audit Bureau of Circulation (ABC) provides a service to audit publishers' printed copy distribution, and, more latterly, has started to provide audit services for online media owners to audit unique user/ browser measurement. The print and online services of ABC however have developed separately to each other and as yet figures are not combined together to produce one joint audience metric.

In today's increasingly digital world, with the existing multitude of different data points for both off- and online channels, it is difficult for a media owner to effectively understand, quantify and communicate their now genuinely multi-channel audience and therefore to have meaningful discussions with the media buying community and broader stakeholder set such as journalists, investors etc.

## 2) The FT's Average Daily Global Audience (ADGA) Project

In 2009 the Financial Times set out to develop a model to produce a credible measure of the average daily de-duplicated (ie. net) audience of its content globally. For the May and November 2009 and 2010 waves, the model tracked the two main channels of content distribution: the Financial Times print newspaper and the FT.com (browser-accessed, desktop) website. From May 2011 the ADGA model has been expanded to incorporate both smart-phone and tablet app users and so has gone from two to four channels.

The model to quantify the FT's average daily global audience (known as ADGA) is based on recognized and accepted industry sources to ensure credibility in the marketplace:

- Syndicated readership surveys by third party research companies;
- Unique User / Unique Browser data from Site Intelligence web analytics;
- FT's own research based on large samples of its reader/ user base; and
- ABC print circulation data.

The ADGA model has been developed by the Financial Times Research Department, working with internal stakeholders from around the business and aims to express:

*The Financial Times' best estimate of the de-duplicated number of people across the globe who, on an average day, consume FT content via the print newspaper or digitally via the FT.com browser-accessed website or the FT tablet application or the FT smart phone application.*

In order to arrive at the ADGA figure, a best estimate of daily global print readership has first to be produced using a combination of both national and regional readership surveys and circulation data. All of these sources are in the public domain. To this is added the daily global readership for FT.com browser-accessed website, the FT tablet application and the FT smart phone application, all derived from one single web analytics source. Any duplicated consumption within these four channels must then be removed to produce one final figure. A full breakdown of the methodology follows.

Going forward, the Financial Times will produce updated ADGA figures twice per year and make both the model and resulting figures available to the industry. In order to assure our commercial partners of the credibility of the model, PricewaterhouseCoopers LLP has been engaged by the Financial Times to conduct an assurance engagement on each wave of data. Their statements, together with our calculations and ADGA figures are available on [www.FT.com/advertising](http://www.FT.com/advertising).

### 3) Steps Taken in Calculating ADGA for the Financial Times

#### i) Calculating Daily Global Print Readership

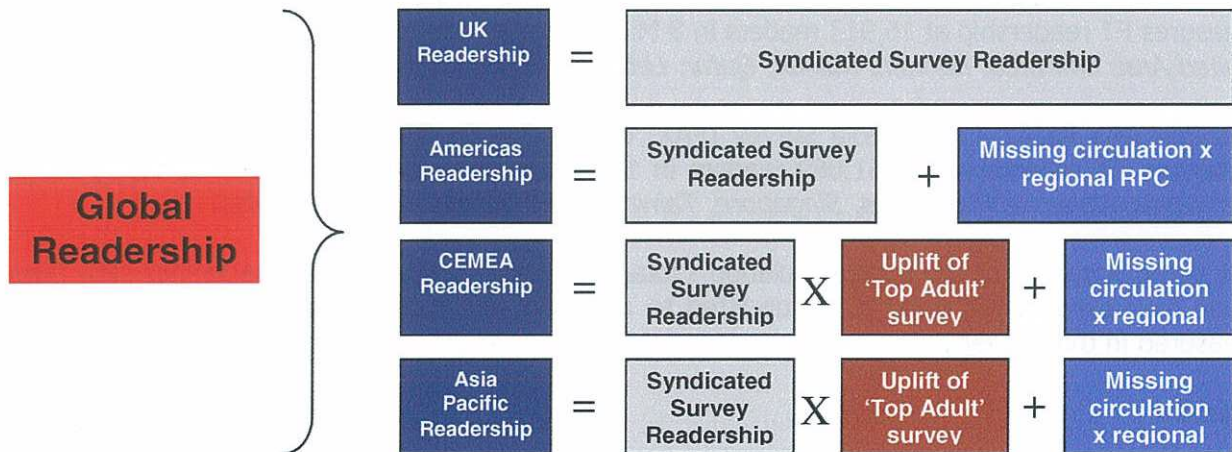
##### a) Definition of Print Readership

There is only one accepted industry measurement of print readership: "Average Issue Readership" (known as AIR) and this has been used in the media buying and selling arena for around 50 years. The definition of average issue readership is "read within the last publication period" and is based on probabilities generated from either one or both of the following two questions:

- 1) When did you last read publication x?
- 2) How often do you read publication x?

In other words, the definition of "what is a reader" is consistent across regions and time. A reader, for the sake of audience research, is *someone who has read a given publication within its publication period*: for dailies therefore in the past day; for weekly titles, within the past 7 days; for monthly titles, within the past 4 weeks and so forth. Definition of a reader is never based on any other questions (proportion of a publication read; the source of their copy; the length of time spent reading; the minimum number of issues read; engagement with editorial etc) though these questions may also be asked to better bring to life the reading experience.

The visual representation of the steps taken to calculate the daily global print readership of the FT is demonstrated below.



## **i) Calculating Daily Global Print Readership (continued)**

### **b) Syndicated Surveys used for this calculation**

The National Readership Survey (NRS) in the UK and Mediamark Research Incorporated (MRI) survey in the USA are the only two surveys available for the Financial Times to look at readership amongst the total adult population of a country.

NRS (April 2010 – March 2011) measures UK FT readership at 367,000 readers.  
MRI (2008) measures FT US FT readership at 485,000 readers.

These two countries account for 58.3% of the FT global circulation.

Four of the survey sources used (for Europe, Central Europe, Middle East and Asia) look at the top 13% of the region's population ('top adults survey'). The universe definition of the audience is "the top 13% of main income earners in households, based on household income in the region."

The European Media & Marketing Survey (EMS) Summer 2011 (January - December 10) measures FT readership at 432,000 readers in 15 Western European countries (*Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxemburg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Republic of Ireland*).

The Central European Media & Marketing Survey (CEMS) Summer 2011 (January - December 10) measures FT readership at 89,000 readers in 4 Central European countries (*Poland, Czech Republic, Hungary, Russia*).

The Middle East European Media & Marketing Survey (EMS:ME) 2008 (June 08 – September 08) measures FT readership at 15,913 readers in 8 Middle Eastern countries (*Kingdom of Saudi Arabia, United Arab Emirate, Bahrain, Kuwait, Qatar, Lebanon, Jordan, Egypt*).

The Pan Asia Pacific Cross-Media Survey (PAX) Q2 2010 – Q1 2011 (April 2010 – March 2011) measures FT readership at 161,069 readers in 10 Australasian countries (*Thailand, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Taiwan, South Korea, India, Australia*).

Not being a survey of the total population ('total population surveys'), the readership data from these four surveys will need to be up-lifted to represent the total populations of the countries measured in the surveys.

### **Results**

<b>Daily UK Print Readership</b>	<b>= 367,000</b>
<b>Americas Syndicated Survey Readership</b>	<b>= 485,000</b>
<b>*CEMEA Syndicated Survey Readership= 432,000 + 89,000 + 15,913</b>	<b>= 536,913</b>
<b>Asia Pacific Syndicated Survey Readership</b>	<b>= 161,069</b>

\*Excluding UK

## i) Calculating Daily Global Print Readership (continued)

### c) Uplifting Syndicated Surveys

For the UK and USA, there are both top adults surveys and total population surveys available for analysis. This gives us the opportunity to estimate the proportion of total population readership demonstrated through a 'top adults' survey.

To derive an uplift figure, the ADGA model combines firstly the UK and USA full population surveys (NRS and MRI) and secondly combines the 'top adult' surveys (EMS UK and Mendelsohn). The proportion of the former accounted for by the latter allows us to calculate the "missing" proportion of data.

#### Total population surveys

NRS (UK) = 367,000 readers  
MRI (USA) = 485,000 readers

#### Top adults population readership

EMS (UK) = 389,000 readers  
Mendelsohn (USA) = 426,000 readers

Combining the 2 sets of (complete) full population readership against the 2 sets of 'Top Adults' population readership

$\frac{852,000}{815,000} = 1.05$   
(NRS + MRI)  
(EMS UK + Mendelsohn)

On this basis, we estimate that 5% of readership is missing from countries where only "top adults" surveys are available. Applying these estimates to syndicated survey readership:

Source	FT Readership	x 1.05	= Uplifted totals
EMS	432,000	x 1.05*	= 451,612
CEMS	89,000	x 1.05*	= 93,041
ME:EMS	15,913	x 1.05*	= 16,635
PAX	161,069	x 1.05*	= 168,381

### Results

**CEMEA Uplifted Readership = 451,612 + 93,041 + 16,635 = 561,288**  
**Asia Pacific Uplifted Readership = 168,381**

\* While this has been documented to two decimal places, the full fraction 852/815 has been applied to all the calculations.

## i) Calculating Daily Global Print Readership (continued)

### d) Missing readership measurements for countries in which the FT has circulation

The six surveys utilised in the calculations above do not cover all of the countries in which the FT newspaper circulates, therefore there is a gap in developing a global readership figure that can only be filled by reference to circulation data. One copy of the newspaper can be read by more than one person so circulation figures (from ABC) will need to be up-lifted with a Readers Per Copy (RPC) figure to establish the readership in these regions.

May 2011 ABC Circulation	= 362,685
UK Edition May 2011 ABC Circulation*	= 104,699
UK Edition May 2011 ABC Circulation covered by NRS readership	= 104,646
CEMEA Edition May 2011 ABC Circulation**	= 118,699
CEMEA Edition May 2011 ABC Circulation covered by EMS, CEMS, & EMS:ME	= 110,095
CEMEA Edition May 2011 ABC Circulation not covered by readership surveys	= 8,604
Asia Pacific Edition May 2011 ABC Circulation	= 35,829
Asia Pacific Edition May 2011 ABC Circulation covered by PAX	= 26,883
Asia Pacific Edition May 2011 ABC Circulation not covered by readership surveys	= 8,946
Americas Edition May 2011 ABC Circulation	= 103,510
Americas Edition May 2011 ABC Circulation covered by MRI	= 100,880
Americas Edition May 2011 ABC Circulation not covered by readership surveys	= 2,630

\*UK edition adjusted for 'Republic of Ireland copies' (deducted), 'UK copies delivered in CEMEA' (deducted) and 'CEMEA copies delivered in the UK' (added back).

\*\*CEMEA Edition Circulation adjusted for 'Republic of Ireland copies' (added back), 'UK copies delivered in CEMEA' (added back) and 'CEMEA copies delivered in the UK' (deducted).

### Results

<b>CEMEA Edition Circulation not covered by readership surveys</b>	<b>= 8,604</b>
<b>Asia Pacific Edition Circulation not covered by readership surveys</b>	<b>= 8,946</b>
<b>Americas Edition Circulation not covered by readership surveys</b>	<b>= 2,630</b>

## i) Calculating Daily Global Print Readership (continued)

### e) Applying Readers Per Copy (RPC) to remaining circulation

The formula for RPC =  $\frac{\text{Readership}}{\text{Circulation}}$

Apply RPC to the uplifted syndicated surveys and remaining America's circulation

CEMEA Surveys (EMS, CEMS & EMS:ME)

$\frac{\text{Readership of uplifted EMS+CMS \& EMSME}}{\text{Circulation for countries covered in surveys}} = \frac{561,288}{110,095} = 5.1 \text{ RPC}$

8,604 copies not covered by surveys x 5.1 RPC\* = 43,865

561,288 (readership of uplifted EMS+CMS & EMSME) + 43,865 = 605,153

Asia Pacific Survey (PAX)

$\frac{\text{Readership of uplifted PAX}}{\text{Circulation for countries covered in surveys}} = \frac{168,381}{26,883} = 6.3 \text{ RPC}$

8,946 copies not covered by survey x 6.3 RPC\* = 56,033

= 168,381 (readership uplifted of PAX) + 56,033 = 224,414

Americas (excluding USA) circulation:

$\frac{\text{MRI USA Readership}}{\text{USA Circulation}} = \frac{485,000}{100,880} = 4.8 \text{ RPC}$

2,630 copies not covered by survey x 4.8 RPC\* = 12,644

= 485,000 (US MRI readership) + 12,644 = 497,644

### Results

**Daily CEMEA Print Readership = 605,153**  
**Daily Asia Pacific Print Readership = 224,414**  
**Daily Americas Print Readership = 497,644**

\* While this has been documented to two decimal places, the full fraction 852/815 has been applied to all the calculations

## i) Calculating Daily Global Print Readership (continued)

### f) Daily Global Print Readership by region

As has been calculated via steps a) through e) above, the Financial Times best estimate of global print readership is as follows:

<b>Daily UK Print Readership</b>	<b>= 367,000</b>
<b>Daily CEMEA Print Readership</b>	<b>= 605,153</b>
<b>Daily Asia Pacific Print Readership</b>	<b>= 224,414</b>
<b>Daily Americas Print Readership</b>	<b>= 497,644</b>
<b>Daily Global Print Readership</b>	<b>= 1,694,211</b>

