Questions about Metrics Undermine Media Business Models

By Karen Petruska

4 minutes

Media metrics have been big news this fall, exemplified by stories about new audience measurement possibilities and the relative reliability of both longstanding and emerging measurement methods. Broadly, these stories address the variety of ways the media industries are updating approaches to metrics to maintain the lucre of media content.

Metrics are a financial tool, and this is true across media. Within the television industry, for example, ratings have traditionally formed the basis for determining the advertising rates that finance television production and distribution. Stories about the ratings boons enjoyed by long-in-the-tooth *Breaking Bad* and relative newbie *Scandal* testify to the persistent importance of traditional measurements. Metrics also remain a crucial marker of success for the film industry, with opening weekend box office hauls lauded as a marketing strategy to generate buzz and sustain theater traffic.

As new technologies increase the ways consumers access media content, however, older metrics are starting to look outmoded. *Indiewire* attests that film metrics based on theatrical box office numbers are “outdated and increasingly irrelevant,” and press dedication to reporting box office profits obscures the increasing value of additional windows, like Video On Demand. For television, *Wired* has announced the death of the Nielsen family, and the *Associated Press* has explored lessening relevance of traditional ratings.

New measurement techniques pose their own problems for media industries eager to benefit from new, web-based, forms of consumption. *Forbes* published a critique of cross-platform viewing metrics, noting that web analytics read consumer engagement on separate platforms as discrete, rather than continuous, sessions. For instance, if you begin reading an article on your phone, then continue reading it on your tablet, and ultimately purchase something on your laptop as a result of the article, current measurement techniques cannot “connect the dots” between those related activities.

Streaming media companies further complicate the value of metrics by failing to deliver data sets comparable to traditional television ratings or box office receipts. Netflix does not report clear viewership data about their streaming video content, even to the producers of the content they license. Yet, Netflix employs a wide range of metrics based on significant algorithms in their programming choices and the ways they market this content to subscribers. Amazon poses another set of challenges. Amazon Prime Video subscribers also are, necessarily, subscribers to its two-day Prime shipping service. It is therefore difficult to parse which element Prime subscribers consider the most attractive feature: the streaming or the shipping. With Amazon, therefore, convenience, more than content, may be king.

As consumers access content in new ways across a range of platforms, metrics become a reminder of scholar Ien Ang's finding that ratings are a "convenient fiction," sustained only by an agreement among industry stakeholders as to their legitimacy. Digital technologies are disrupting traditional audience measurement techniques, but the importance of industry players agreeing to a common set of data has never been greater.