

# Media Selling, 4<sup>th</sup> Edition

## Chapter 16 – Media Research

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Your job as a salesperson for a radio or television station, a magazine, an Internet website, or any other medium is to sell time or space to display an advertiser's message. But what you are really selling is an estimate of the number of people who will be exposed to that message. The more people who see the advertising, the more money you get. Media sales is one of the few professions where the product you are selling is made by someone else—the research company that produces those estimates. To be an effective salesperson, you need to understand what the numbers mean, where they come from, their strengths and weaknesses, and the simple math that drives how you use them.

This chapter begins with research concepts that apply to all media—the general principles of media research that media planners and buyers use when they talk about a media plan. Then we will see how these concepts apply to each of the major media. We will take a brief look at the five “impossible” questions that every salesperson encounters in the course of their work - questions that media research cannot definitively answer. The chapter wraps up with an annotated list of media research resources available free on the Internet.

### General Principles Of Media Research

**Target Audience:** All media planning begins with a statement of the target audience, which is a description of the people an advertiser is trying to reach. The target audience is the most important marketing decision an advertiser will make because it drives all of an advertiser's subsequent decisions, and all of your decisions as you sell your medium. Which programs have the largest audience for this target audience? Which programs have the greatest percent of the target audience among its viewers? When is the best time to reach them? What promotional materials, what colors, what style will be most appealing to this target group?

This core marketing decision is not always obvious; an advertiser may need your help. For example, everyone with a house needs carpets, but the carpet store's target audience is usually the person who makes the purchase decision. Customer research you have access to may reveal that women are the first to notice that the old carpet needs replacing, but it is a joint decision between husband and wife about which store to go to and which carpet to buy. The same research may find that the majority of carpet buyers are between the ages of 35 and 54. So the primary target audience for this advertiser might be adults between the ages 35 and 54, expressed in media shorthand as A35-54.

**Geography:** When we think about where people live, it is usually in political or even postal terms: states, cities, counties and perhaps Zip Codes. For media sales, what matters is the geographic area where the advertising can be seen or heard, although for research purposes, that area must be adjusted to reflect the counties reported in the U.S. Census. For national television on the broadcast networks, cable or syndication, the coverage area is the entire country. For local radio it is the counties that are covered by a station's signal, generally the

Standard Metropolitan Statistical Area (SMSA). For local television, it is the counties in the Designated Market Area (DMA), which Nielsen defines as all the counties where the stations of a given city get the plurality of viewing. More about DMAs later.

**Target Audience Universe:** Media coverage areas are defined in terms of counties because we need the census data to tell us how many people live there. This Universe Estimate (UE) is the denominator that will be used to calculate ratings. Knowing that 75,000 people watch the early news on a television station is interesting, but to be meaningful for comparison purposes, it must be expressed as a percent of the people living in the area. Rating services such as Nielsen and Arbitron report this UE for every age/sex demographic. So, for instance, in 2007 there were 2,027,006 men between the ages of 25 and 54 living in television households in the Chicago television market (DMA). The age breaks are defined by the Census Bureau, so, for instance, there is no UE (and, therefore, no rating) for men age 27 to 42 – an group not defined by the Census Bureau. The television UE is expressed as the number of people living in households with a TV set because most, but not every, home has one.

**Advertising Impressions:** An advertising impression is a single exposure of a message to one person in the target audience. This sounds simple, but the exact meaning of exposure is different for each medium, and is governed by the way the medium is measured by the research companies. For television, it can mean the people who push a button on Nielsen's People Meter to indicate they are watching television. But, are they paying attention to the set? Do they watch every minute? Do they remember to punch out of the meter when they go to the bathroom or put the kids to bed? Do they continue watching during commercials? These are the kind of questions that are discussed at industry conferences, but the only thing that matters to you as a salesperson is the number reported by Nielsen.

In smaller markets, a television impression means the viewer wrote in a time-formatted diary that he/she was watching a channel during a given quarter-hour of the day. The diary cannot hope to accurately reflect the channel surfing usually associated with TV viewing, but this is the best Nielsen can do for smaller markets that cannot afford the expensive people meter methodology.

Radio is measured by the Arbitron company with a quarter-hour formatted diary where listeners record the station they were listening to. Over the next few years, the radio diary will be replaced by the Portable People Meter that detects an inaudible code to identify the station. Note that the definition of impression will change from "listening to the radio" to "being within earshot of the loudspeaker."

**Gross impressions:** Just as cooks never talk about one bean or one pea in a recipe, advertisers never talk about one impression. The concept of gross impressions begins with the total number of people watching a television program or listening to a radio station at a given moment. This can easily number in the millions. In the average minute of the 2007 Super Bowl, 24.3 million men age 25-54 were watching the action. Thus, a single commercial in the Super Bowl was seen by 24.3 million men 25-54 and that commercial received 24.3 million impressions.

But the concept of gross impressions is more than that. It is the simple addition of the impressions every time an ad is displayed.

**GROSS IMPRESSIONS** = The simple addition of impressions every time an ad runs.

In the 2007 Super Bowl, a Bud Light commercial ran 6 times. Each time it was watched by 24.3 million M25-54. By the end of the evening, Bud Light had accumulated 145.8 million gross impressions ( $6 \times 24.3 = 145,800,000$ ). Note that this does not account for duplication. Surely some of the men saw the commercial several times, but gross impressions reflect the total *media weight* for the game. The same concept applies over any period of time and any number of programs. Planners typically think in terms of weekly media weight. **Rating:** Talking about hundreds of millions of impressions is mind-boggling. It is much more meaningful to think of the impressions as the percent of the target audience universe. This percentage is called a rating. To calculate it, simply divide the impressions by the target universe and multiply by 100 to get the percentage.

RATING = The percent of the universe that is watching or listening to a given program.

According to the Nielsen national UE, 60.4 million men age 25-54 live in United States television households. And we know that 24.3 million of them watched the average minute of the 2007 Super Bowl. So, 24.3 million divided by 60.4 million = 40.3 percent. Ratings are always expressed in terms of the appropriate demographic, so a salesperson might say that the Super Bowl got a 40.3 rating against men 25-54. Expressed more precisely, 40.3 percent of men age 25-54 were watching (had their People Meter button pushed) during the average minute of the 2007 Super Bowl. This is the Average Minute or Average Audience (AA) rating.

Note that this 40.3 rating is for the Super Bowl, which is about the only program on television to get such a high rating. The rating of most prime time network TV programs is less than 5, and cable ratings are generally less than 1.

The same concept works in a local television market; although, because of the way a diary is formatted, ratings are expressed as an average-quarter-hour (AQH) audience instead of the average minute. As noted earlier, the Chicago DMA has 2.03 million men age 25-54. According to Nielsen, 951,000 of them watched the average-quarter-hour of the 2007 Super Bowl. So  $951,000 / 2.03$  million is a 47 rating. Expressed as a sentence, 47 percent of Chicago men 25-54 watched the average-quarter-hour of the 2007 Super Bowl. Since the Bears were playing, it's not surprising that the Chicago rating was higher than the national rating.

Because radio is still measured with a diary in most markets, a radio rating is also expressed as an average-quarter-hour (AQH) audience. Also, because local radio is sold by daypart instead of by program, a rating refers to an average-quarter-hour of the broad time period. So if a Chicago radio station gets a 1.3 AQH M18-34 rating in morning drive time, it means 1.3 percent of the men age 18-34 who live in the Chicago metro area have written in their diary that they listened to that station during the average-quarter-hour (the average of the 80 quarter hours) Monday-Friday from 6-10 A.M. Because radio advertisers buy spots that are evenly rotated through all the days and times in the daypart, the average is the most practical measure of a station's audience.

Magazine advertising is sold issue by issue, but there are several different ways of measuring how many people will see the advertising. MRI shows its respondents a black-and-white rendering of the magazine's logo and asks if they are sure they have "read or looked into" it during the last publication period (a week for weeklies, a month for monthlies, and so forth). Because this question can apply to any particular issue of the magazine, the

result is a measure of how many people read the average issue – called the Average Issue Audience or AIA. Newspaper readership is also defined in terms of AIA (weekday or weekend/Sunday), but the measure is less important as a sales tool because newspapers are primarily evaluated in terms of the geographic area they serve. Although the math of an AIA is the same as for a rating, the word “rating” is reserved for broadcast audiences. Another word for a magazine or newspaper’s Average Issue Audience is its coverage.

The concept of a rating is different when it comes to the Internet. When an advertiser runs a commercial in a television program, instantly millions of people see the ad. By contrast, Internet advertising is bought one impression at a time at a price often based on cost-per-thousand impressions. An advertiser may decide to buy 500,000 impressions on ESPN.com. That can be divided by the universe to get the same thing as a rating, but unlike broadcast, an Internet website’s rating is determined by how many impressions the advertiser wants to buy, not by the medium.

Unlike broadcast, where advertisers must use a sample to estimate how many people are exposed to an ad and then what effect it has on sales, Internet advertisers know with great precision how many times an ad was served, how many times an ad was clicked on, and how many times people bought something after clicking on an ad, even if they don’t know who saw or clicked on it. Internet advertising is sold based on two different models, as you will learn in Chapter 20 — an impressions model and a performance model. For the time being, the term that has the most meaning for Internet advertising is gross impressions.

**Gross Rating Points:** For planning purposes, advertisers add the ratings of all the programs where the advertising appears to get gross rating points or GRPs. This is the same concept as gross impressions, only expressed as the sum of the rating points.

**GROSS RATING POINTS** = The addition of rating points every time an ad runs.

Gross rating points are typically used to describe the message weight per week or per month, although it can be used for any period of time. Following is an example of a schedule that will deliver 120 gross rating points a week:

Three commercials, each with a 15 rating	=	45 GRPs
Five commercials, each with a 10 rating	=	50 GRPs
Five commercials, each with a 5 rating	=	<u>25 GRPs</u>
Total weekly GRPs		120 GRPs

Is it possible to have more than 100 GRPs? Sure. Since GRPs are the simple addition of the ratings, there is no limit to the number of points that can be scheduled. Quick-serve restaurants, movies, and other heavy promotional advertisers typically run at least 250 GRPs in a week. Occasionally a television advertiser will run four or five hundred GRPs a week, giving viewers the feeling that they see the commercial every time they turn on a television set.

Although it would be nice, no advertiser is going to buy all the planned GRPs on one station. As a salesperson, you are concerned with getting your share of the buy. You will probably not be told how many total GRPs are being bought or what the total budget is. But those numbers exist, and are at the top of the buyer’s mind as she works to buy the required GRPs for the budget she has been given.

The GRP concept can be extended to other media such as radio, magazines, and newspapers. In magazines, for example, gross rating points equals the average issue audience times the number of ad insertions. For example:

*People* magazine's average issue audience (coverage) of Women age 18+ = 25.4%  
 Number of ads to be placed in *People* = 5, thus gross rating points (GRPs) = 127.0

An advertiser who runs a single insertion in several magazines would calculate gross rating points by adding the target audience coverage of each insertion.

W18+ coverage of <i>People</i>	= 25.4%
W18+ coverage of <i>Reader's Digest</i>	= 19.6
W18+ coverage of <i>Shape</i>	= 4.5
W18+ coverage of <i>New Yorker</i>	= <u>1.7</u>
Gross rating points	51.2 (rounded to 51 GRPs)

For many years the Outdoor Advertising Association of America has used a showing as its basic unit of sale for the outdoor industry. A showing is defined as the number of poster panels needed in a market to produce a daily effective circulation (daily vehicular traffic past any of the boards) equal to a certain percentage of its population. So a 100 showing would equal the number of billboards needed so that the daily effective circulation is equal to the market's population, 100 percent, or 100 GRPs per day. Other units of sale would be expressed as fractions of this basic unit: a 75 showing is 75 gross rating points daily, a 50 showing is 50 gross rating points daily, and so on.

The outdoor industry is working to replace the showing concept with impressions based the number of people passing each billboard in a market every day. This would allow outdoor to be planned the same as other media; however industry observers expect it will be several years before such a fundamental change is implemented.

**Reach and Frequency:** It should be obvious that gross rating points do not account for duplication. In the magazine example, a reader of both *People* and *Reader's Digest* would be exposed to the ad twice, while a reader of all four magazines might see the ad four times.

REACH = The percent of a target audience that is exposed to an ad at least once.

FREQUENCY = The average number of times that a person who was reached sees an ad.

These three concepts are bound together with the equation:

$$\text{GROSS RATING POINTS} = \text{Reach} \times \text{Frequency}.$$

For example, a television schedule of 200 W25-54 GRPs in prime time is a collection of spots whose W25-54 ratings add up to 200. Computer models based on Nielsen data tell us this schedule will be seen by (will reach) 61 percent of these women an average of 3.3 times ( $61 \times 3.3 = 200$ ). Some will see the commercial only once, others will see it many times, but the average woman who was reached will see it 3.3 times. Conversely, 39 percent will never see the commercial.

Table 16.1 illustrates the concepts of reach and frequency using a hypothetical schedule of four television programs in a market with ten households, thus when a program is seen in only one home, it gets a 10 rating.

**Table 16.1 Frequency Distribution**

**Reach/Frequency of a One-Week Television Commercial Schedule—4 Commercials**

<u>Home</u>	<u>“American Idol” 6/22, 8:05 P.M.</u>	<u>“Two-and-a-half Men” 6/24, 8:27 P.M.</u>	<u>“CSI Miami” 6/28, 9:15 P.M.</u>	<u>“Boston Legal” 6/29 10:22 P.M.</u>	<u>Total Impressions</u>
#1		X	X		2
#2					0
#3				X	1
#4	X	X	X		3
#5	X			X	2
#6					0
#7			X		1
#8					0
#9	X		X		2
#10					0
<b>Ratings</b>	30	20	40	20	0 = 40%
<b>GRPs</b>	30	50	90	110	1 = 20%
<b>Reach</b>	30%	40%	50%	60%	2 = 30%
<b>Frequency</b>	1.0	1.25	1.8	1.83	3 = 10%

Reading across Table 16.1, the first home has received two impressions (“Two-and-a-half Men” and “CSI Miami”), but is counted only once toward reach. The second home did not see any of the telecasts or commercials. The third home was exposed once, the fourth home three times, and so on. By the end of the week, the four telecasts have accumulated 110 GRPs, reaching 60 percent of the homes one or more times, and the average home that was reached saw the commercial 1.83 times. Other terms that are sometimes used to describe net reach are cumulative audience (referred to as cume), net unduplicated audience, or net reach. Each is correct, but in popular usage media buyers are more likely to say, “The reach of these four programs is 60 percent.” Note how GRPs and reach increase with each telecast. Frequency is calculated as GRPs divided by reach. So, in the last row of the table,  $90 / 50 = 1.8$  and  $110 / 60 = 1.83$ .

The numbers at the lower right of the Table show the percent of homes exposed different number of times (a frequency distribution). Four homes (40 percent) never saw the commercial—were never reached. Two homes (20 percent) saw the commercial only once. Three homes (30 percent) saw it twice. And one home saw it three times.

**The sales unit and media efficiency:** Everything that is sold comes in some kind of unit. Meat is sold in pounds, gasoline in gallons, fabric in yards, and so forth. In television and radio the unit of sale is typically the 30-second commercial; in magazines, the page; and in newspapers, the column inch. But the unit itself is meaningless without the associated audience that tells us how many people will see it. By long-standing convention, advertisers use cost-per-thousand impressions as the measure of media efficiency. It is calculated by simply dividing the cost of the ad by thousands of impressions. Here is an example:

A 30-second spot on “Boston Legal” costs \$160,000  
 The average minute W25-54 impressions = 2,800,000  
 Cost-per-thousand (CPM) W25-54 = \$160,000 / 2,800 = \$57.14

At the same time, another channel is running “Law & Order: Criminal Intent.” A 30-second spot on this show costs \$152,000 and is watched by 2,221,000 W25-54. This is less money but proportionally even fewer target viewers. The CPM for this spot is \$152,000 / 2,221 = \$68.44. The program has a higher CPM and so is less efficient in reaching W 25-54 than “Boston Legal.”

**Broadcast planning with cost-per-rating-point (CPP):** CPM is useful for comparing the efficiency of different programs, schedules, or media, but for planning purposes the cost-per-rating-point (CPP) metric is more practical. CPP is used when planning spot television or radio. As we saw earlier, the 2.221 million W25-54 impressions for “Law & Order: Criminal Intent” can be expressed as a rating. There are 62.1 million women age 25-54 in the United States. The show’s rating among this group is 2.221 million / 62.1 million = .0357, or expressed as a percent, or rating, 3.57.

So the CPP of this network program is \$152,000 / 3.57 = \$42,577. This seems like a lot of money, but for perspective, a 30-second commercial in the 2007 Super Bowl cost \$2.4 million and was watched by 33 percent of W25-54, giving a CPP of almost \$72,300. But that’s the Super Bowl, and as they say, “If you have to ask how much it costs, you can’t afford it.”

Local market cost-per-rating-point information is provided by SQAD, Inc (www.squad.com), as seen in Table 16.2. Household CPP’s are reported by market and by daypart in *Brandweek’s* annual “Marketer’s Guide to Media,” a low- cost, handy reference to common media statistics that is for sale online at: [http://www.brandweek.com/bw/directories/mgm\\_index.jsp](http://www.brandweek.com/bw/directories/mgm_index.jsp). The household CPP gives a general idea of the cost of a schedule, and is used here for illustration, but most planning is based on demographic costs-per-point that SQAD sells to its subscribers.

**Table 16.2 Cost Per TV Household Rating Point**

Ranked DMAs	First Quarter 2007 :30 Spot (\$)			
	Daytime	News Avg.	Prime Time	Fringe Avg.
1. New York	700	1,142	4,149	1,191
2. Los Angeles	827	1,295	4,478	1,352
3. Chicago	284	683	1,874	485
4. Philadelphia	174	598	1,784	328
5. Boston (Manchester)	195	362	1,662	478
6. San Francisco-Oakland-San Jose	268	616	1,985	637
7. Dallas – Ft. Worth	181	359	884	253
8. Washington, DC (Hagerstown)	268	487	1,826	389
9. Atlanta	108	322	796	230
10. Houston	181	450	921	279
Total Top 10	3,186	6,314	20,359	5,622

Source: SQAD INC. 10/2006 Issue, Level = Average, Target = Household CPP, 1<sup>st</sup> Qtr 2007  
Used with permission.

In Table 16.2, using Chicago as an example, prime time costs \$1,874 per household GRP. A schedule of 200 GRPs per week for 4 weeks costs \$1,499,200 (200 x 4 x \$1,874).

Note that the cost varies by market size. This is because there are more people in one percent (one rating point) of New York than there are in one percent of Atlanta. Although the CPM may be similar, the CPP reflects this population difference.

Also note that the cost varies by daypart. Prime time programming has broad appeal and sets the tone for popular culture in America. Daytime television has a narrower range of program types. The audience is much smaller and demographically less diverse. As a result, the cost-per-rating-point is lower. This is not unlike differences in the cost-per-pound for different cuts of beef.

### **Research Accuracy: Understanding Where the Numbers Come From**

Research accuracy is determined by the size and representativeness of the sample and the methodology that is used to gather the data. As we consider these, we should keep in mind that research companies are first and foremost businesses. They must find buyers for their products and at the same time make a reasonable profit for their investors. This forces them to balance quality with cost as they determine the size of the sample, the way the sample is recruited, and in the way the data are collected. To a large extent, research is as accurate as the suppliers' customers can afford.

**The Sample:** Since a census (counting everyone) is not affordable or practical for marketing purposes, research companies take a sample and project the findings to the entire population, or the universe. This is totally acceptable as long as the sample is representative of the universe, that is, as long as the people in the sample behave in the same manner as the universe to which they are being projected. There are three broad types of samples, presented here in order their cost.

The *random sample* is the most expensive. It is used as the basis for ratings that serve as the currency for radio, television, and magazines. It is the only type for which researchers can calculate a statistical margin of error. In a random sample, ideally everyone in the universe has an equal chance of being included—light viewers, heavy viewers, young, old, men, women, rich, poor, city, suburban, rural—people from all parts of the universe have an equal chance of being a respondent.

Conceptually, a random sample could be obtained by getting a list of everyone in the universe (the sample frame), sorting them by a random number, contacting every Nth name and then asking for their participation. But getting an all-inclusive list is difficult, and then making contact is even more of a challenge these days with answering machines, gated communities, do-not-call lists, and general hostility to market research. Companies such as Nielsen Media Research use especially trained Membership Representatives who make multiple attempts to contact selected homes and convince them to join a sample. Detailed rules govern the selection of alternate homes if the first, randomly chosen home, continues to refuse.

Despite all the care taken to recruit a random sample, its final composition may still not look like the universe, because peoples' willingness to participate in a survey varies by age, income, ethnicity, and other factors. Young adult males are especially hard to recruit.

To correct for this problem, research companies weight the results to bring the sample demographics in line with the census. If the sample has a smaller percentage of young adults than is found in the general population, each person who does agree to participate will be given a larger weight (will count for more people). At the same time, easily recruited older adults, who are over-represented, will be given a smaller weight. The sum of all the weights is the number of target audience people in the universe.

The *representative sample*, sometimes called a quota sample, is a less expensive alternative to the weighted random sample. From the Census, the researchers know what percent of the sample should fall into each demographic cell. The cells (quotas) for older adults are easy to fill. But the quota for young men is extremely difficult and may require contacting hundreds of candidates before enough are found. Although the demographic cells may match the proportionality of the U.S. census, the shortcoming of a quota sample is that those people who quickly agree to participate may have different viewing/listening habits from those who only agree after multiple attempts to gain their cooperation.

The least expensive, and least accurate, sample is the *volunteer* or *convenience sample*. It is made up of people who respond to a mass mailing, are intercepted in a mall, or respond to an Internet solicitation. Recruitment attempts are generally accompanied by some form of reward or payment for their participation. Because of its low cost, the Internet is becoming a popular convenience sample for research that does not require the discipline and accountability of research that will be used as currency for media sales.

### **Error In Media Research**

There are two kinds of error in survey research: Sampling error and Non-sampling error.

*Sampling error* exists solely because the research uses a sample instead of a complete census. It is based on statistics and the mathematics of probability. The margin of error can be precisely calculated for surveys that take a random sample and project audience estimates to a universe. By projection, we mean that if 5 percent of the women age 25-54 in a Nielsen sample watch “Boston Legal,” then Nielsen will report that 5 percent of all the 25-54 year-old women in America watch “Boston Legal.”

The sampling error does not depend on the size of the universe (the market) being measured. Just as a nurse doesn’t need to draw more blood from a tall man than from a short one to identify their blood type, a researcher does not need to talk to more people in a large market than a small one to know how many watch a given television program. From a statistical point of view, a sample of 5,000 people in Missoula, Montana has the same margin of error as a sample of 5,000 people in New York City. This is true as long as the samples accurately reflect the population.

Sampling error is also affected by the size of the rating being measured. For surveys with a given sample size, the relative margin of error (the margin of error divided by the rating) is smaller for high rated programs than for low rated ones.

Sampling error can be reduced by recruiting a larger sample—the more people in the sample, the smaller the margin of error. But it follows the square root law—it takes a sample four times as large to cut the sampling error in half. Since most of the cost of research is in recruiting the sample, this can be a costly option. Sampling error can also be reduced by averaging the rating over a longer time period or more telecasts. The more measurements there are, the smaller the margin of error. The least accurate rating is for a single low rated broadcast.

Researchers acknowledge the statistical margin of error, but in practice it is viewed as a simple fact of life. Although the theoretical true rating can be larger or smaller than what is reported, it is of little day-to-day concern because the resulting rating estimate is satisfactory for media planning and buying purposes.

*Non-sampling error* is much more important because its bias, while understandable, cannot be quantified. It is caused by the messy reality of the research process. Evaluation of research suppliers focuses on how well they control the four kinds of non-sampling errors.

*Sample frame bias.* The sample frame is a list with the name, address, phone number or other way of contacting anyone in the universe from which the sample is drawn. Bias exists if some members of the universe are not listed, and so have no chance of being selected for the sample, and if their behavior is different from the average person. For example, not so long ago researchers commonly used the list of numbers in a telephone exchange (the phone book) as the sample frame. That is no longer acceptable because it excludes cell-phone-only households that tend to be younger, have higher income, and are more technologically sophisticated. Because of these consistent demographic differences, people in cell-phone-only homes are likely they have different media habits from those in wired homes, and as a result, the survey will undercount programs that appeal to that group.

Sample frame bias can be overcome by using an Area Probability Sample that divides a market into groups of addresses—perhaps one or two city blocks. These areas are numbered and randomly chosen. Then an interviewer goes to the neighborhood and literally walks door to door in an attempt to recruit every Nth home. Alternatively, letters are sent to every address in the selected area. With an Area Probability Sample, selection does not depend on the characteristics of the household. This methodology is used by Nielsen, Mediamark Research & Intelligence LLC (MRI) and other research services whose reports are used as currency for media sales. *Non-response bias.* This bias results from households that have been selected at random but are unable or unwilling to cooperate with the survey. It results from simple refusals, language barriers, long-term not at home, access barriers such as apartment buildings or gated communities, unsafe neighborhoods, and incomplete questionnaires. As with sample frame bias, non-response bias is important to the extent that the non-responders are different from the people who do cooperate. By definition, it is impossible to know the demographics of people who refuse to provide that information, though researchers can get an idea by comparing the behavior of people who readily cooperate with those who require multiple visits from the recruiter before they will join. There is an industry campaign to improve response rates, but it is an ongoing challenge.

*Response bias.* This bias results from answers that do not reflect true behavior, and there is a systematic effect. Examples are inaccurate diary keeping, channel confusion, magazine title confusion, and poor memory. Modern electronic systems like Nielsen's people meter are subject to response bias if people fail to punch out when they leave the room, and if there are differences between demographic groups. Another example of response bias is seen in respondent's reluctance to accurately report their income, race, or education. Like the other forms of non-sampling error, this type of bias is impossible to quantify.

*Processing errors.* These errors occur during the mechanical processing of the data. They include data entry errors, editing mistakes, and errors in the software when calculating or printing the reports. These errors occur more frequently these days as a result of new calculations that account for the effect of TiVo and other types of digital video recorders (DVRs) on the ratings. An example of processing error occurred after Hurricane Katrina with

the failure of the telephone system that transmits viewing data to Nielsen's Technology Center in Florida. In another now classic example, a research company double printed one page of the report book and omitted the next. The embarrassing error was discovered at a sales call as the research sales rep was showing the rating report to a client.

### **The Media Rating Council**

This discussion of research errors is not to imply that the ratings are deeply flawed, but to demonstrate that nothing is perfect. The research suppliers take great pains to minimize non-sampling error. Their efforts are audited in detail by the Media Rating Council ([www.mediaratingcouncil.org](http://www.mediaratingcouncil.org)). The MRC is a non-profit industry organization that was established at the behest of Congress in 1964 to maintain standards in media ratings through the oversight of methodologies and implementation. Its mission is to, "secure for the media industry and related users audience measurement that is valid, reliable and effective." It accomplishes this mission by setting standards and conducting detailed audits that are performed by an independent CPA firm to verify compliance. Membership includes more than 100 broadcast and cable networks, magazine publishers, radio station groups, radio networks, advertising and media buying agencies, and other users of research data. The research firms themselves are not allowed to be members.

The key to the MRC's success is its stringent policy of non-disclosure. The audited research companies (Nielsen, Arbitron, and MRI, for example) allow complete access to their proprietary processes with the understanding that they will remain secret. Upon completion of an audit, the MRC will only report that the service is accredited or not. In the latter case, no reason is given for the denial. The mere existence of the MRC and its accreditation process gives the industry assurance that the research is being conducted properly.

### **Media Research Concepts Specific To the Major Media**

Up to now we have presented audience and research concepts that are common to all media. But in addition to these generalizations, each medium has its own research that salespeople will use every day as the tools of their trade.

#### **Television**

The broadcast ratings industry has been evolving for more than seventy-five years. In the early 1930s, radio advertisers decided they needed to know how many people were listening to their commercials, so they formed the Cooperative Analysis of Broadcasting (CAB). This group commissioned the Crossley Company to conduct a survey of station listening. Crossley used a telephone recall methodology in which randomly telephoned individuals were asked to recall the stations that people in their household listened to over the past day. In the 1930s, most radio listening occurred in a household or family setting; today's radio ratings are calculated for individuals and not households.

In 1942 the A.C. Nielsen company announced it would begin measuring commercial network radio audiences with a mechanical device, the Audimeter, which purportedly removed human error. The result was the Nielsen Radio Index. This device used a stylus to make a scratch on a moving role of film that was mailed back to Nielsen's headquarters, then in Skokie, Illinois. The original Audimeters are on display today in many Nielsen offices.

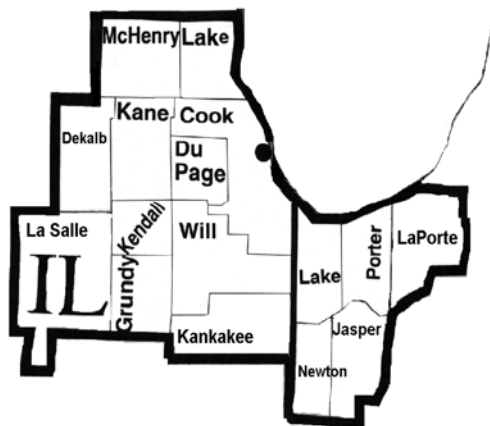
The Nielsen Television Index began in 1950 using paper diaries. The Recordimeter, a mechanical device similar to the Audimeter, was introduced in 1956 to supplement the diary

and record which channel the set was tuned to. This combination of a television set meter to record what program was playing, and a diary to identify who was watching, continues to this day as one of the three ways Nielsen measures television audiences.

**Television Geography: The Designated Market Area (DMA)**

The most commonly used geographic area for local television is the *Designated Marketing Area* (DMA). There are 210 DMAs in the United States. Each is made up of all the counties that spend the plurality of viewing hours tuned to the TV stations of a given market. Exhibit 16.1 shows a map of the Chicago DMA.

**Exhibit 16.1 Chicago DMA**



Source: Nielsen Media Research  
Copyrighted information of The Nielsen Company, licensed for use herein.

The majority of DMAs consist of whole counties, though some are split if a topographic feature such as a mountain range creates different viewing patterns. For instance, the Sierras split El Dorado County between the Sacramento, CA and the Reno, NV DMAs. County assignments to DMAs are updated annually, resulting in minor revisions, mostly in the fringe counties where a few viewers can swing the audience.

The *Total Survey Area* (TSA) counts all viewers to the stations in a market, including viewers who live in counties outside the DMA. For local television sales, stations typically report DMA ratings and TSA (000) thousands of viewers.

Television time is sold either by program or by time periods know as dayparts. The most commonly used dayparts are shown in Table 16.3.

**Table 16.3 Television Dayparts Cume % Homes**

<u>Daypart</u>	<u>East/West Time Zone</u>	<u>Central/Mountain Time Zone</u>	<u>Cume % Homes</u>
Early Morning	Mon.-Fri. 7-9 A.M.	Mon.-Fri. 7-9am	70%
Morning	Mon.-Fri. 9A.M.-Noon	Mon.-Fri. 9am-Noon	72%
Afternoon	Mon.-Fri. Noon-3 P.M.	Mon.-Fri. Noon - 3pm	72%
Early Evening	Mon.-Fri. 5-8 P.M.	Mon.-Fri. 5-7pm	90%
Prime Time	Mon.-Sun. 8-11 P.M.	Mon.-Sun. 7-10pm	97%
Late News	Mon.-Fri. 11-11:30 P.M.	Mon.-Fri. 10-10:30pm	88%
Late Fringe	Mon.-Fri. 11:30 P.M.-1:00 A.M.	Mon.-Fri. 10:30-Mid.	52%

Source: Nielsen Station Index, *Chicago Viewers in Profile*, Oct, 2007.  
 Copyrighted information of The Nielsen Company, licensed for use herein.

In Table 16.3 the Cume % Homes shows that almost every household (97 percent) watches prime time, while a little over half watch television after 11:30 P.M.

### **Nielsen Methodology**

Nielsen uses three methodologies to measure television viewing:

- Nielsen People Meter (NPM) for national television and the largest local markets
- Integrated set meter/diary – mid-size markets – due to be replaced by the People Meter
- Diary only – small markets

The Nielsen People Meter (NPM) is the most precise and accurate method for measuring television audiences, and is used for broadcast network, cable, syndication, and spot TV in the top ten DMAs. The NPM consists of two parts. The human interface is a small box that sits on top of each set in the house that has a screen five inches or larger. Household members use this to record who is watching. A row of lights on the front blinks red when the set is first turned on. Each person is assigned a button, and there is space to identify the age/sex of visitors. Go to the *Media Selling* website, <http://mediaselling.us/NielsenPeopleMeter.htm>, to see a picture of the Nielsen People Meter.

Household members are instructed to push their button if they are “watching television.” So if Dad is watching the football game, he would punch his button and his light would change from red to green. Mom, who may be in the room but is doing something else, would not punch hers. Her looking up from time to time, and even watching a commercial, would not be recorded. From the moment when someone’s button is pushed, every channel the set is tuned to is recorded and sent by telephone to Nielsen’s computers. The meter reports viewing in one-minute increments, allowing Nielsen to report the number of viewers in the average minute of the program (the AA rating).

The second part of the People Meter is another, larger box off in a closet somewhere that identifies to which channel the set is tuned and sends the data by telephone line to Nielsen’s computers in Florida. This is a challenge in today’s 500 channel television environment. The Active/Passive or A/P meter identifies the station being watched with an inaudible code imbedded in its audio signal (the “active” part). A wire carries the signal from each set’s loudspeaker or audio output jack to the meter. Passive digital signal matching is

used to identify channels that are not encoded. Together they achieve almost 100 percent accuracy in identifying what the viewer is watching. The A/P meter was specifically designed to handle today's digital environment, including cable boxes, satellites, digital video recorders (DVR) like TiVo, high definition television (HDTV), video games, PC viewing, and other forms of video delivery that have not even been invented.

The largest DMA's below the top ten are measured by a combination of a meter (the Recordimeter) that electronically records how long the set is turned on and what channel it is tuned to. Respondents write down who is watching in a diary. This meter/diary integration is the same methodology that has been used since 1956, and is scheduled to be replaced with the A/P meter in 56 markets (70 percent of U.S. TV households) by 2011. Although they are known popularly as Local People Meter (LPM) markets, the hardware and all of the procedures are identical to the way Nielsen measures national television – the only difference is that the sample is weighted to represent the local market's population instead of the nation's. The LPM has minute-by-minute granularity that would allow reporting the average minute (AA) audience, but by long-standing practice all spot markets, even LPM markets, continue reporting the average-quarter-hour (AQH) audience.

Nielsen is working on simpler, less expensive versions of the A/P meter for markets rank 57 to 125. But until it is released, and indefinitely for markets ranked 126 and above, all viewing will be captured in a diary. Respondents write down what station/program they are watching in quarter-hour increments, causing ratings to be defined in terms of the number of viewers during the average-quarter-hour (AQH) of a program or daypart.

While researchers are quick to admit that Nielsen's diary is the least accurate methodology, especially in today's world, it is also the least expensive. Like all media research, the bulk of the cost is borne by the media that use the data to support their sales efforts. Buying agencies pay relatively little. As markets get smaller, the fixed cost of research becomes a bigger burden on stations that have limited ability to raise their ad rates. So, while the diary methodology is deeply flawed, it is all that stations in the smaller markets can afford.

**Exhibit 16.3 Nielsen Diary**

STEP 4

Please write down these three pieces of information any time the TV is watched for 5 minutes or more.

1	2	3	4	5	6	7	8	9
Male Head of House	Female Head of House							TV on but no one Watching/Listening

**Station/Channel**

Please indicate if the TV is OFF or ON, and the station name and channel number to which it's tuned.

**Program**

Please write in the name of any program that is watched or listened to for 5 minutes or more.

**Audience**

Please put an X and draw a line down for anyone watching or listening for 5 minutes or more.

Time Quarter-Hours	TV SET OFF ON	Station or Channel Name	Chan. No.	Name of Program or Movie	Audience													
					1	2	3	4	5	6	7	8	9					
5 PM	X	WAAA	1	Children's Spotlight			X	X										
				News Highlights	X	X			X									
				Movie-Desert Story		X	X	X	X									

Source: Nielsen MediaResearch  
 Copyrighted information of The Nielsen Company, licensed for use herein.

On the other hand, the diary has the advantage of providing a direct link to the viewers in the form of written comments on the last page. These are a popular source of information for station managers who make an annual visit to specially provided reading rooms in Nielsen's Technology Center near Tampa, Florida.

**Research In Support Of Selling Television**

Television's unit of sale is the 30-second spot, but what you are really selling is an estimate of how many people will watch a program at some time in the future. Television sales are all about predicting future ratings and coming to an agreement between the buyer and seller. The following describes the process, the research, and the judgments that go into that prediction. The core arithmetic is:

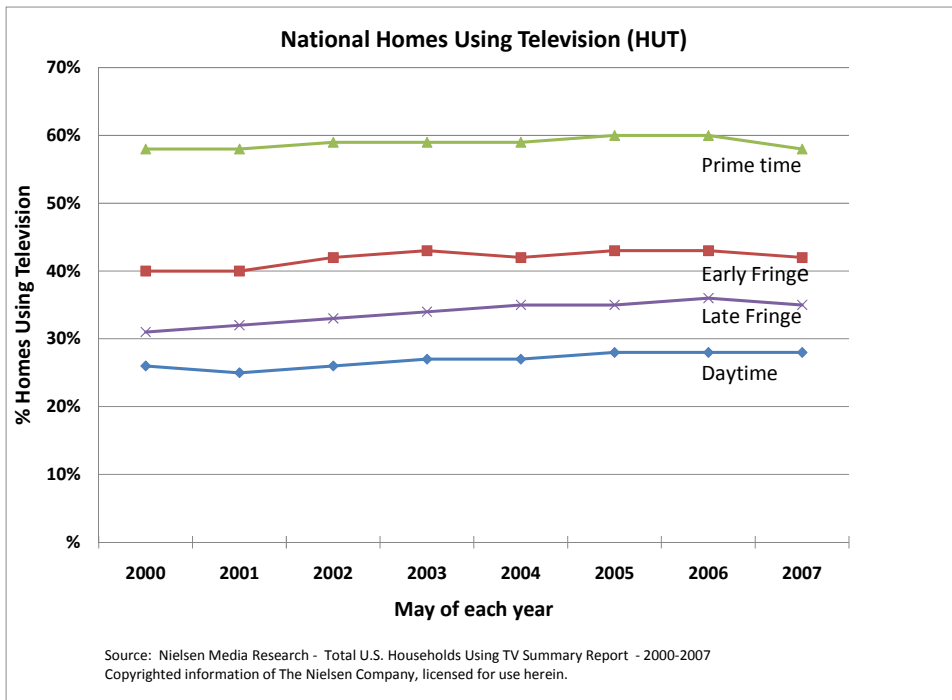
**RATING = HUT x Share**

*Homes Using Television (HUT):* By convention, the following refers to the HUT which would be used to calculate a generic household rating. The same logic and arithmetic applies to Persons Using Television (PUT) which is used to calculate a demographic target (persons) rating. Almost all media sales are based on persons ratings. (e.g. W25-54).

HUT = The percent of homes using television.

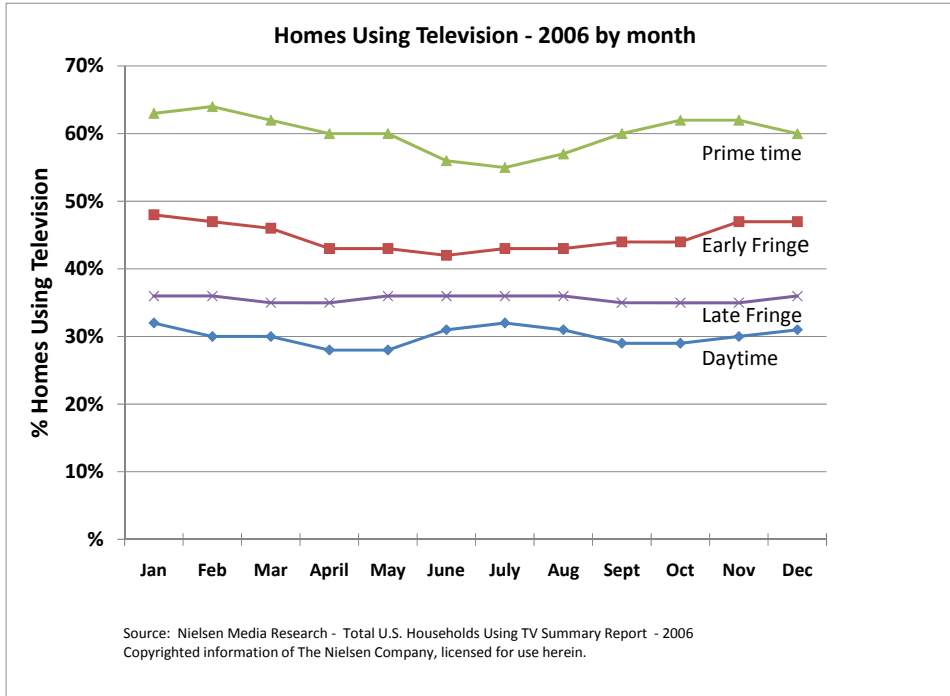
It turns out that the percent of homes or persons watching television on a given day and time is relatively stable from year to year. Changes, if any, are slight, as seen in Exhibit 16.3.

**Exhibit 16.3 Yearly Trends in Homes Using Television (HUT)**



The HUT level does change from month to month, especially in prime time and early fringe when people are out of the house in the early evening hours of summer. Daytime and late fringe are much less affected, as seen in Exhibit 16.4.

**Exhibit 16.4 Monthly Trends in Homes Using Television (HUT)**



Each market has its own pattern of HUT level changes. In Phoenix, for instance, the HUT level goes up in the summer when people stay indoors to avoid the extremely hot weather. But whatever the market, buyers and sellers generally agree on what the future HUT will be for any given daypart and month.

*Share and Rating:* In Exhibit 16.4 we see that 61 percent of homes were watching prime time television on the average night in November, but their viewing was divided across the 100+ channels available in the average home. That division of the pie is quantified as each station's share.

**SHARE** = The percent of HUT/PUT that are tuned to a given program.

You know from the earlier discussion that a rating is the percent of the homes or persons in a market who are watching a program. The sum of the ratings from all the programs on air at a given time equals the HUT. And the sum of the shares is 100 percent. Table 16.4 shows what that might have looked like one Sunday in November in Chicago from 8:00-9:00 P.M. Central Standard Time.

**Table 16.4 Hypothetical HUT, Shares and Ratings**

<u>Station/Network</u>	<u>Program</u>	Household <u>Share</u>	Household <u>Rating</u>
<b>WLS-ABC</b>	“Desperate Housewives”	18%	12.4
<b>WBBM-CBS</b>	“Cold Case”	13%	9.0
<b>WMAQ-NBC</b>	“Sunday Night Football”	17%	11.7
<b>WGN-CW</b>	“America’s Top Model”	1%	0.7
<b>WGBO-Univision</b>	“Cine Especial”	2%	1.4
<b>WCPX-ION</b>	“Sunday Night Movie”	1%	0.7
<b>WTTW-PBS</b>	Various	2%	1.4
<b>Cable</b>	All channels combined	<u>46%</u>	<u>31.7</u>
<b>Total Share/HUT</b>		<b>100%</b>	<b>69.0%</b>

Sunday is a heavier-than-average night for viewing television. On this particular Sunday, 69 percent of the homes were watching television from 8-9 P.M. Eighteen percent of the homes using television were watching “Desperate Housewives,” or 12.4 percent of all homes were watching the program (69.0 x 0.18). The same logic applies for all the programs on air at that time. These metrics are reported for national television in the Nielsen Television Index, and for each market by the Nielsen Station Index “Viewers In Profile” report. They are available for purchase in hard copy or from online systems provided by Nielsen and other suppliers.

*Projecting next year’s ratings:* If a spot on this November “Desperate Housewives” telecast in Chicago cost \$32,000, the cost-per-rating point (CPP) would be \$2,580 (\$32,000/12.4). Note that this is more than the \$1,874 average CPP for Chicago prime time reported earlier. “Desperate Housewives,” as a high-rated appointment viewing program, carries a higher-than-average CPP. How much should the station charge for that spot next June when the prime time HUT is 56.0 percent?

It comes down to a judgment of how well the program will perform next year – that is, what share it will get. If the share stays the same, the rating will be  $56 \times 18\% = 10.08$ . At the same CPP, the station should charge \$26,006 ( $10.08 \times \$2,580$ ). But it is a judgment call to suggest that the share will stay the same.

The Chicago ABC station salesperson would point to the growing success of the program in Chicago, the introduction of exciting new characters, and the weakness of the competition. “Our research people project “Desperate Housewives” will get a 20 share next year – well worth the \$28,896 we will charge.” ( $56 \text{ HUT} \times 20 \text{ share} = 11.2 \text{ rating} \times \$2,580 \text{ CPP} = \$28,896$ ).

The buyer, of course, sees it differently. “Oh, give me a break! By next June ‘Desperate Housewives’ will have gotten tired. The show may have new talent, but that’s because they’re replacing two of the favorite characters who are leaving to make a movie. And besides, next June the show will be in reruns. I don’t think it will do better than a 14 – it won’t be worth more than \$20,227.” ( $56 \text{ HUT} \times 14 \text{ share} = 7.8 \text{ rating} \times \$2,580 \text{ CPP} = \$20,227$ ).

This example is simplistic in the sense that advertising is sold as packages of spots that are evaluated against the bottom-line cost and target audience GRPs. But the concept and the

math are the same, and a judgment must be made about the future share and rating of each program in the package.

### **Radio**

In all but the smallest markets, radio audiences are measured by Arbitron, Inc. ([www.arbitron.com](http://www.arbitron.com)). Rural America is surveyed by Eastlan Ratings ([www.eastlanratings.com](http://www.eastlanratings.com)) which provides low cost radio ratings based on a telephone survey. Unlike the television DMA whose composition is determined by viewing patterns, the geographic unit of radio ratings is the Metro Survey Area. This is a commercial construct that generally corresponds to the U.S. Government's Metropolitan Area. As a convenience to marketers who plan television on a DMA basis, Arbitron will report the number of listeners in counties that make up the DMA, but the primary geographic unit for radio is the Metro.

Listening estimates are obtained from a one-week Arbitron diary placed in households by way of a random sample, as seen in Exhibit 16.5.

# You count in the radio ratings!

No matter how much or how little you listen, you're important!

You're one of the few people picked in your area to have the chance to tell radio stations what you listen to.

This is *your* ratings diary. Please make sure you fill it out yourself.

Here's what we mean by "listening":

"Listening" is any time you can hear a radio – whether you choose the station or not. You may be listening to radio on AM, FM, the Internet or satellite. Be sure to include all your listening.

Any time you hear radio from Thursday, Date 1a, and Wednesday, Date 1b, write it down – whether you're at home, in a car, at work or someplace else.

**When you hear a radio, write down:**

**TIME**

Write the time you start listening and the time you stop. If you start at one time of day and stop in another, draw a line from the time you start to the time you stop.

**STATION**

Write the call letters, dial setting or station name. If you don't know, write down the program name. If you listen over the Internet or to a satellite radio service, please include the station name or channel number.

**Mark AM or FM.**

AM and FM stations can have the same call letters. Make sure you mark  the right box.

**THURSDAY**

	Time		Station	Mark <input type="checkbox"/> one		Mark <input type="checkbox"/> one		
	Start	Stop	Call letters, dial setting or station name <small>Don't know? Use program name.</small>	AM	FM	At Home	In a Car	At Work/Other Place
Early Morning <small>(from 5 AM)</small>	5:45	7:15	KGTU		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
	7:15	7:40	108.5		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
	9:30		KEM	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
Midday		2:00						
	2:15	2:35	Alpha Satellite - Ch 288					<input checked="" type="checkbox"/>
Late Afternoon	4:20	4:25	Internet - WGXP				<input checked="" type="checkbox"/>	
Night <small>(to 5 AM Friday)</small>	7:05	9:50	Jo Cauvery Show	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
	11:30	12:15	Robin 87.5		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
If you didn't hear a radio today, please mark <input checked="" type="checkbox"/> here.								

**PLACE**

Mark where you listen:

- at home
- in a car
- at work
- other place

Write down *all* the radio you hear. Carry your diary with you starting

**Thursday, Date 1a.**

**No listening?**  
If you haven't heard a radio all day, mark  the box at the bottom of the page.

**Questions?** Call us toll-free at 1-800-638-7091. Visit our Web site: [www.arbitronratings.com](http://www.arbitronratings.com)

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Unlike a Nielson television diary that is formatted by quarter-hour, an Arbitron radio diary is unformatted. Nevertheless, audiences are reported as an average-quarter-hour (AQH) rating. This is the same rating concept that was discussed earlier. A 1.0 M18-34 rating of a Chicago radio station in morning drive time means that the during the average-quarter-hour of that time period, the station is listened to by 1.0 percent of the men age 18-34 who live in the Chicago Metro Area.

In addition to AQH estimates (rating, persons and share), Arbitron reports each station's cumulative audience – the estimated number of people who listened to the station during one or more quarter-hours over the days included in the daypart listed in the rating

report. These two estimates, the AQH rating and cume are the principal metrics of radio research. Although Arbitron reports the audience for each season, buyers generally use a four-book average because radio audiences are far more stable than television programs. Exhibit 16.6 shows a partial page from a Radio Market Report as delivered on Arbitron’s website – the company no longer prints hard-copy reports.

**Exhibit 16.6 Arbitron Radio Market Report**



**Target Listener Estimates**

Persons 12+

	Monday-Friday 6AM-7PM				Weekend 6AM-MID				Saturday 6AM-10AM				Saturday 10AM-3PM				Saturday 3PM-7PM			
	AQH (00)	Cume (00)	AQH Rtg	AQH Shr	AQH (00)	Cume (00)	AQH Rtg	AQH Shr	AQH (00)	Cume (00)	AQH Rtg	AQH Shr	AQH (00)	Cume (00)	AQH Rtg	AQH Shr	AQH (00)	Cume (00)	AQH Rtg	AQH Shr
<b>WAAA-AM</b>																				
SU '07	733	10650	.9	5.0	364	6529	.5	4.2	742	2640	1.0	7.5	384	1874	.5	2.8	333	1275	.4	3.3
4-Book	735	10521	1.0	4.8	403	6754	.6	4.6	717	2710	1.0	7.2	420	1910	.6	3.0	313	1291	.4	3.1
<b>WAAA-FM</b>																				
SU '07	434	9512	.6	3.0	286	6002	.4	3.3	172	1019	.2	1.7	512	2457	.7	3.7	436	1617	.6	4.3
4-Book	435	9150	.6	2.9	312	5996	.4	3.6	240	1112	.3	2.4	529	2334	.7	3.8	442	1774	.6	4.3
<b>WBBB-FM</b>																				
SU '07	62	1123	.1	.4	41	581	.1	.5	46	180	.1	.5	91	263	.1	.7	49	158	.1	.5
4-Book	68	1124	.1	.5	47	700	.1	.5	42	171	.1	.4	92	281	.1	.7	66	206	.1	.6
<b>WCCC-FM</b>																				
SU '07	237	2143	.3	1.6	42	552	.1	.5	81	219	.1	.8	81	168	.1	.6	41	96	.1	.4
4-Book	215	2100	.3	1.4	39	600	.1	.5	68	197	.1	.7	78	215	.1	.6	63	174	.1	.6

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Buyers divide the cume persons by the AQH persons, to get an indication of the station’s audience turnover. For WAAA, an all-news station, listeners tune in for a few minutes to get the latest headlines, weather and sports, and then move on. The M-F 6a-7p 4-book turnover is 14.3 (10521/735) compared to 9.8 (2100/215) for WCCC, a soft music station, that has much longer time spent listening, a lower cume compared to the AQH, and so less turnover. It takes more spots per week on stations with high turnover (shorter time spent listening) to achieve its cume potential. Note that Arbitron reports radio audiences in hundreds (00) compared to television audiences shown in thousands (000). The time spent listening varies for different demographic groups and different seasons.

In addition to the AQH, Cume and Time Spent Listening, Arbitron reports an Exclusive Cume (people who only listen to a single station for the whole week), place of listening (home, work, car, other), the audience duplication between stations, and the demographic/ethnic composition of each station’s audience.

As it is for television, the diary is an imperfect methodology to report radio listening due to frequent dial switching and human error in reporting to what station the radio is tuned. After many years of testing, Arbitron has developed the Portable People Meter (PPM), a cell-phone sized device that “hears” an inaudible code in the audio signal. A motion detector

ensures the device is being worn. At night, the respondent puts the device in a docking station that charges the battery and at the same time transmits the day's data to Arbitron's computers.

The PPM changes the definition from "listening to the radio" to being within earshot of the loudspeaker. It has been in use as the currency in Philadelphia and Houston since 2007 and has been accredited by the Media Rating Council in Houston. Arbitron plans to replace the diary with the PPM in the top 50 markets, but there have been bumps in the road that may delay these plans. Any change in methodology changes the numbers produced. Stations measured by a PPM report fewer average-quarter-hour listeners but more cumulative listeners than were recorded in the diary. This difference is due to listening picked up by the PPM that a respondent may have failed to enter in a diary.

Since a station's price is based mainly on the AQH audience, the lower PPM numbers are causing stations to scrutinize the sample's age/sex and ethnic composition compared to the census, and the respondent's compliance with Arbitron's rules. The station's reaction is a reminder that media research is a bread and butter issue for them.

Local radio is sold by daypart in each market. National radio (network radio) is sold by both daypart and program. The network radio audience is reported by Arbitron in a service called RADAR (Radio's All Dimension Audience Research). The report is essentially a roll-up of the local diaries from each market. RADAR reports the audience to individual networks for the daypart AQH, the audience to all commercials aired on network-affiliated stations, and the audience to commercials broadcast within network programs. Aside from these differences, the core metrics of network radio are the same as local.

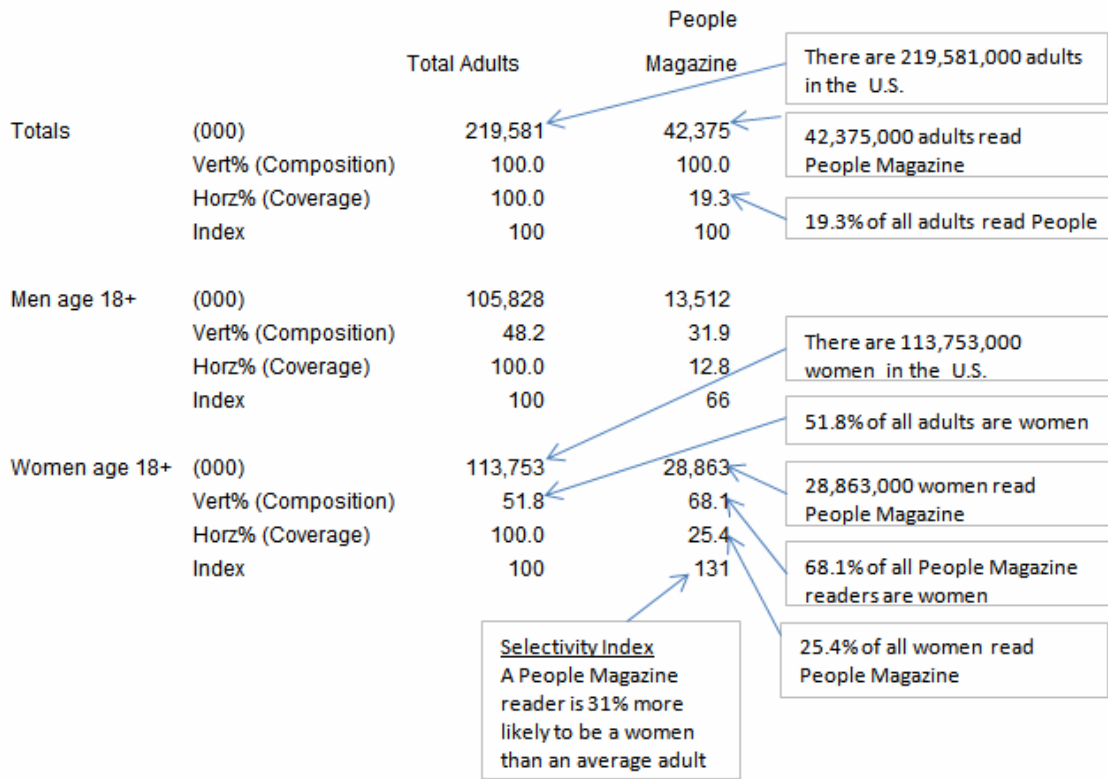
## **Magazines**

The currency of consumer magazine media sales is circulation, or the number of copies printed. While not every magazine has subscribers, all the major books (industry jargon for a magazine) are audited by the Audit Bureau of Circulations ([www.accessabc.com](http://www.accessabc.com)). The ABC was created in 1914 by advertisers, advertising agencies, and publishers as an industry organization to independently verify circulation. Its audits provide detailed information about how many copies are sold and the characteristics of those sales. The ABC pink sheet publisher's statement is a standard element in the media kit of every audited magazine.

Guaranteed circulation may be the basis for rates, but advertisers want to know how many people read the magazines and their demographic composition. A number of research companies provide this information, but the two largest (and intensely competitive) services are Simmons ([www.smr.com](http://www.smr.com)) and MRI ([www.mediamark.com](http://www.mediamark.com)). Both survey a random sample of 25-30,000 people/year – Simmons by mail, MRI by personal interview. These single source surveys capture media exposure, product use, attitudes about a wide variety of subjects, and a broad range of demographics for each respondent. See their websites for methodological details.

Agency buyers use research to determine which magazines should carry the advertising of a given product. The key concepts for magazines are coverage and composition. Coverage is analogous to the broadcast rating – it is the number or percent of the target audience that is exposed to the medium – in this case, the percent of the target universe that reads the magazine. Composition is the percent of the magazine's readers who fall into various demographic groups. The surveys are accessed with standard industry software that yields the report shown in Exhibit 16.7.

**Exhibit 16.7 People Magazine Reader Composition**



Source: 2007 MRI Spring, Weighted by Population

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This example shows that *People* magazine is read by 19.3 percent of all American adults (42,375 / 219,581). It is read by 12.8 percent of men and 25.4 percent of women (28,863 / 113,753). The magazine covers 25.4 percent of all women age 18+ which is the same concept as a rating. Those 28,863 female *People* readers are 68.1 percent of all adult readers (28,863 / 42,375).

These numbers are interesting, but they are only meaningful when put in the context of total adults. This is the value of the Selectivity Index. 51.8 percent of all adults in America are women, but 68.1 percent of *People's* readers are women. If you saw someone on the street reading *People*, chances are that person is a woman. Put another way, a selectivity index of 131 means that a *People* magazine reader is 31 percent more likely to be a woman than the average adult (68.1/51.8). Conversely, the reader is 34 percent less likely to be a man.

This example used simple demographics, but the same concept applies to product users. For example, instead of gender we could have used medium-heavy users of bottled water. A research report would tell us that 48 percent of all adults are M-H users of bottled water. 55 percent of *People* magazine readers are M-H users. And so, *People* magazine readers are 15 percent more likely to be M-H bottled water users than the average adult.

The Selectivity Index is a key metric. It tells a buyer how well the magazine delivers against a target audience compared to the base of total adults. This, in combination with the

magazine's ABC circulation analysis, coverage and composition, its CPM target audience, and the magazine's contribution to total schedule reach/frequency form the primary research considerations in a magazine buy.

### **Specialized Research Services (National Base Only)**

MRI and Simmons are broad single-source services that have been characterized as a mile wide and an inch deep. While they cover virtually every product and service used by American consumers, they do not go into much detail, and they do not report on niche markets that take a special effort to recruit a sample. Other services are available that focus just on narrow target audiences.

- Monroe Mendelsohn surveys homes with \$85,000 household income

([www.mmrsurveys.com](http://www.mmrsurveys.com)).

- IPSOS US Business Elite surveys corporate senior management ([www.ipsos.com](http://www.ipsos.com))

- KMR-Group's MARS studies the media behavior of persons with various ailments for pharmaceutical advertisers (<http://www.kmr-group.com/americas/gateway.asp>)

- Erdos & Morgan's Opinion Leader study reports the media behavior of opinion leaders classified by industry such as immigration, the environment, healthcare, and aerospace ([www.erdosmorgan.com](http://www.erdosmorgan.com))

### **Qualitative Measures: Engagement**

In addition to the previously mentioned metrics, research services publish a wealth of data on various *qualitative* aspects of a magazine's circulation and the reading experience. The Audit Bureau of Circulations (ABC) reports newsstand versus subscription sales, the number of copies sold at full price versus at a discount, the number of copies sold for one year versus longer terms, copies distributed to public places, and many other characteristics of the circulation that *may* be related to the value that a reader places on the magazine. One assumption is that the more a magazine costs readers, the more likely they are to be engaged with it, and presumably the more likely they are to be influenced by its advertising.

MRI offers a number of measures of reader quality, including: number of issues read out of four, place of reading, actions taken as a result of reading the magazine, time spent reading, interest in advertising, and overall evaluation of the magazine as "one of my favorites."

While all of these are *plausibly* related to involvement/engagement, there have been virtually no studies that connect these measures to the effectiveness or memorability of the advertising. The few studies that do exist have failed to show any consistent relationship. At the most, these measures of engagement should be used as tie-breakers between publications that are comparable on the key metrics.

### **Newspapers**

Readership of the national newspapers (the *Wall Street Journal*, *USA Today*, the *New York Times*) is reported by MRI and SMRB using the same measures as national magazines, their natural competitors. Local newspapers are typically chosen on the basis of their coverage of a local advertiser's sales territory. However, in addition to geography, advertisers want to know how well papers reach people who shop at certain stores, visit local malls, or attend home games of the city's professional sports teams.

Scarborough Research (www.scarborough.com) provides this information in 81 DMAs. It uses a 16-minute telephone interview followed by a mailed self-administered questionnaire and TV diary. Another local service, Media Audit (www.themediiaudit.com), competes with Scarborough, however it uses a telephone interview exclusively. Exhibit 16.8 shows an example of a Scarborough report. Note that it is in the same format as the MRI example except that Scarborough reports the audience in hundreds (00), not thousands (000).

**Exhibit 16.8 Chicago Scarborough Report**

		Total Chicago adults	Daily/Sunday Chicago Tribune Combo	Daily/Sunday Chicago Sun- Times Combo
Total Adults	Unwgt	4,285	1,785	1,028
	(00)	72,918	27,696	18,064
	Vert%	100.0	100.0	100.0
	Horz%	100.0	38.0	24.8
	Index	100	100	100
Attended Chicago Cubs baseball game last 12 months	Unwgt	717	326	190
	(00)	13,665	5,740	3,755
	Vert%	18.7	20.7	20.8
	Horz%	100.0	42.0	27.5
	Index	100	111	111
Attended White Sox baseball game last 12 months	Unwgt	816	371	232
	(00)	15,197	6,358	4,288
	Vert%	20.8	23.0	23.7
	Horz%	100.0	41.8	28.2
	Index	100	110	114
Attended Chicago Bears football game last 12 months	Unwgt	272	119	81
	(00)	5,139	2,113	1,563
	Vert%	7.1	7.6	8.7
	Horz%	100.0	41.1	30.4
	Index	100	108	123

Source: Scarborough Research, Chicago Local Market Study, Release 2 2007  
Used with permission.

## **Internet**

The currency of print advertising is circulation. For the Internet, advertisers buy a certain number of ad impressions that are served to a user's computer browser. For example, one element of an online campaign may be 500,000 impressions served to visitors to [www.espn.com](http://www.espn.com). These impressions might be purchased at a CPM of \$20.00 per thousand. A total ad buy is often tens of millions of impressions scattered over literally hundreds of websites. Delivering those impressions is the job of companies that are referred to as third party ad servers, such as DoubleClick, that keep track of which sites should get how many impressions. The ad-serving companies deliver (serve) ads as they are requested by users' browsers, and then bill an advertiser when the required number of impressions has been reached.

Just as circulation doesn't tell a print buyer about the demographics of a magazine's readers, a count of impressions doesn't say anything about the demographics of the people who are moving the mouse – the website's visitors.

Two research companies provide this information: Nielsen NetRatings, a division of Nielsen Online, ([www.nielsennetratings.com](http://www.nielsennetratings.com)) and comScore ([www.comscore.com](http://www.comscore.com)). Both use a panel of respondents who agree to allow the research companies to put tracking software on their computer. The respondent logs into the computer when first sitting down, then every keystroke is recorded and included in the tabulations.

A visitor to a website can go in and out many times, even in the same session. Each time will be recorded as an impression to the site, yielding a very large but inherently useless number. Web publishers such as [www.espn.com](http://www.espn.com) use NetRatings or comScore to show the number of unique visitors, or simply uniques, over a 30-day period, counting each visitor only once. This is roughly comparable to a cume in other media.

Unlike other media where the base is essentially the total population in the geographic area served by the medium, an Internet rating can be calculated from three different bases:

1. Total U.S. population. This base should be used when comparing an Internet rating to other media.
2. Internet Universe. Persons age 2+ who had access to an Internet-accessible computer, whether or not they actually went online in the last month – roughly 85 percent of U.S. population.
3. Active Universe. Persons age 2+ who have used an Internet-accessible computer in the last 30 days – roughly 65-70 percent of the U.S. population.

Typically Web publishers will report their audience in terms of the Active Universe in order to show the largest percentage.

Exhibit 16.9 shows an example of a NetRatings NetView report and the many ways of looking at the visitors to a website. These include the number of page views (screens) seen by each unique visitor, the number of sessions over the month, the time spent with the site per person, and other metrics. Note that the report can be broken down by home and work samples. Active Reach is computed against the Active Universe. Universe Reach is computed against the Internet Universe. NetView does not calculate reach against the total U.S. population.

## Exhibit 16.9 Nielsen Online, Net View

The screenshot shows the Nielsen NetView interface. At the top, it displays the browser window title 'NetView US | Category - Microsoft Internet Explorer' and the address 'http://nreports.netratings.com/pls/webus/nv\_main\_frame.build\_frame'. The main header includes 'Nielsen//NetRatings NetView' and 'United States'. Below this, there are navigation tabs for 'Sites', 'Category', 'Demographic', and 'All Sites'. The current category is 'Entertainment - Sports (Subcategory)'. The report is for the 'Latest Month (Oct 2007)' and 'Home and Work' panel. The table below lists various sports-related websites with their respective metrics.

Brand or Channel	Unique Audience (000)	Active Reach (%)	Universe Reach (%)	Rank	Total Sessions (000)	Sessions Per Person	Total Minutes (000)	Time Per Person (hh:mm:ss)	Total Web Page Views (000)	Web Pages Per Person
<input type="checkbox"/> Sports	71,884	45.23	33.13	n/a	675,080	9.39	5,484,741	1:16:18	8,549,280	119
<input checked="" type="checkbox"/> ESPN	20,184	12.70	9.30	1	142,911	7.08	910,557	0:45:07	1,277,051	63
<input type="checkbox"/> Yahoo! Sports	19,730	12.41	9.09	2	156,960	7.96	987,131	0:50:02	1,956,480	99
<input type="checkbox"/> FOX Sports on MSN	14,002	8.81	6.45	3	85,221	6.09	336,077	0:24:00	506,496	36
<input type="checkbox"/> CBS Sports/CSTV Network	13,206	8.31	6.09	4	89,139	6.75	774,609	0:58:39	1,076,625	82
<input checked="" type="checkbox"/> NFL Internet Network	13,047	8.21	6.01	5	50,261	3.85	384,869	0:29:30	526,129	40
<input checked="" type="checkbox"/> MLB.com	11,358	7.15	5.23	6	45,487	4.01	223,134	0:19:39	246,335	22
<input type="checkbox"/> eBay Sports	8,987	5.65	4.14	7	28,479	3.17	136,879	0:15:14	271,610	30
<input type="checkbox"/> AOL Sports	7,304	4.60	3.37	8	25,422	3.48	130,033	0:17:48	77,642	11
<input type="checkbox"/> SI.com	6,290	3.96	2.90	9	31,303	4.98	155,899	0:24:47	236,704	38
<input checked="" type="checkbox"/> Fantasy Sports Ventures Network	4,754	2.99	2.19	10	24,008	5.05	143,318	0:30:09	212,724	45
<input checked="" type="checkbox"/> Turner Sports New Media	3,808	2.40	1.76	11	17,773	4.67	88,103	0:23:08	96,452	25
<input type="checkbox"/> JumpTV Sports	3,356	2.11	1.55	12	8,756	2.61	31,960	0:09:31	37,131	11
<input type="checkbox"/> USATODAY.com Sports	3,233	2.03	1.49	13	9,726	3.01	30,266	0:09:22	29,179	9
<input type="checkbox"/> Cabela's	3,060	1.93	1.41	14	6,119	2.00	44,107	0:14:25	83,393	27

Source: Nielsen Online, NetView, October 2007, US Home and Work. Used with permission.

By clicking on the website name, you can see the demographic composition of those visitors, as seen in Exhibit 16.10.

Exhibit 16.10 Nielsen Online, NetView Demographics

**Detail Demographics for Brand: ESPN**  
Month of October, 2007, Home and Work

Category	Target	Unique Audience (000)	Unique Audience Composition (%)	Composition Index by Unique Audience	Web Page Views Composition (%)	Composition Index by Web Page Views	Coverage (%)
ALL	Total	20,184	100.00	100	100.00	100	12.70
GENDER	MALE	13,724	68.00	140	85.88	166	17.76
	FEMALE	6,460	32.00	62	14.12	29	7.91
PERSONS - AGE	2 - 11	551	2.73	30	0.46	29	3.76
	2 - 17	1,803	8.93	44	8.39	95	5.61
	6 - 11	539	2.67	36	0.43	29	4.52
	12 - 17	1,252	6.20	56	7.93	110	7.15
	12 - 24	2,215	10.97	58	12.52	105	7.41
	12 - 34	5,480	27.15	85	36.48	135	10.80
	18+	18,381	91.07	114	91.61	100	14.50
	18 - 24	963	4.77	61	4.59	97	7.78
	18 - 34	4,228	20.95	100	28.55	144	12.73
	18 - 49	12,989	64.36	135	77.73	132	17.08
	21+	17,954	88.95	117	91.00	102	14.92
	21 - 24	536	2.65	71	3.98	154	9.02
	21 - 34	3,801	18.83	112	27.94	158	14.19
	21 - 49	12,562	62.24	142	77.12	136	18.05
	25 - 34	3,265	16.18	123	23.96	159	15.67
	25 - 49	12,027	59.58	149	73.14	135	18.90
	25 - 54	14,395	71.32	142	80.21	121	18.06
	35+	14,153	70.12	119	63.06	88	15.13
	35 - 49	8,761	43.41	161	49.18	126	20.47
	35 - 64	13,206	65.43	131	61.24	93	16.69
	45+	8,116	40.21	96	23.01	51	12.15
	55+	3,023	14.98	69	6.81	34	8.72
	55 - 64	2,076	10.29	81	4.99	35	10.25
	65+	947	4.69	52	1.82	31	6.56

Source: Nielsen Online, NetView, October 2007, US Home and Work. Used with permission.

These reports give the buyer a complete picture of the size and demographics of a website's visitors, but there is a big difference between this information and a television rating. When a commercial appears on a television program with five million viewers, we know that when it is finished, five million people will have seen it (or at least will have had the commercial displayed on their television set).

The Internet is different. Using the report on [www.espn.com](http://www.espn.com) as seen in Exhibit 16.10 as an example, over the course of a month, 20,184,000 different people will have visited the website at least once. But that number is meaningless to the Internet advertiser who decides to buy only one million impressions. And, unlike television that delivers the impressions all at once, it takes time for the impressions to be delivered on the Internet. As each browser requests a page of content from [www.espn.com](http://www.espn.com), the third-party ad server sends it an ad. But the server handles many advertisers, so those one million impressions do not all go to the first million browsers. It takes time, days or even weeks for less popular sites, before there will be enough requests for pages that the server can deliver the one-million impressions an advertiser wants. In short, television exposures are immediate; Internet exposures are delivered over a period of time, possibly several weeks.

The proper evaluative metric of a website for an advertiser is determined by the number of impressions that are bought, not by the total number of visitors. Media buyers use the NetRating's WebRF program or comScore's PlanMetric Reach/Frequency system to show the net reach of an Internet campaign across many websites. Note that as a salesperson, you probably will not be privy to what other sites an advertiser is buying or how much the advertiser is paying.

## Exhibit 16.11 IMS Media Solutions Report

S	Name	Type	Opt	Profile Index	Reported Page Views (000s)	Page Views (Required)	Months	Reach (000s)	Reach (%)	OTS	Scaling Factor	View Time (000s sec)	Time Per View (s)	Time Per Person (s)
<input checked="" type="checkbox"/>	Sportsline.com	Brand	<input type="checkbox"/>	64	26366	1000	3	376	2.28	2.66	3	51423	51.42	136.71
<input checked="" type="checkbox"/>	Majorleaguebaseball.com	Brand	<input type="checkbox"/>	75	32399	12000	3	976	5.91	12.29	37	493245	41.10	505.33
<input checked="" type="checkbox"/>	NBA Internet Network	Brand	<input type="checkbox"/>	175	11857	6000	3	688	4.17	8.72	50	322148	53.69	468.42
<input checked="" type="checkbox"/>	ESPN	Brand	<input type="checkbox"/>	178	110842	30000	3	2028	12.29	14.79	27	1423831	47.46	702.07
<input checked="" type="checkbox"/>	NHL.com Network	Brand	<input type="checkbox"/>	136	2688	500	3	211	1.28	2.37	18	22234	44.46	105.50
<input checked="" type="checkbox"/>	NFL.com	Channel	<input type="checkbox"/>	206	3663	500	3	182	1.10	2.75	13	22405	44.80	123.33

Budget :	Selected Rows	Page Views (000s)	GRP	Average Rating	Reach (000s)	Reach (%)	Eff Reach 2+ (000s)	Eff Reach 2+ (%)	OTS	CPR	CPT
600000	6 / 6	50000	302.88	50.48	3,367	20.40	2,630	15.93	14.85	1,916	11.80
Cost : 580,197											
Remaining : 19,803											

Source: Nielsen Online, IMS WebRF. Used with permission.

In the example shown in Exhibit 16.11, an advertiser is buying 50 million page views (impressions) against a target of M18-34, focusing on sports websites. Note the reported number of page views for each site in Exhibit 16.11 and the number that the advertiser is buying (Page Views Required). The computer system tells the reach of that number of impressions on each site and the combined campaign statistics in terms of GRPs, reach and average frequency (OTS = Opportunities To See) to the base of the Active Universe.

### Measuring the Audience Of Emerging Media Platforms

It seems every day there is an article in the trade press about a new media form that has the potential to revolutionize electronic communications. We hear about video-on-demand, mobile advertising on cell phones, ads in cell phone video, advergaming (ads in video games), streaming video on the Internet, podcasting, advertising walled gardens on digital video recorders like TiVo, and others that will likely be developed after this book has gone to press. All of these (yes, *all* of these) have research and developmental issues that go beyond the non-sampling errors discussed earlier. The particulars differ from medium to medium, but they include:

- Irregular geographic coverage
- Privacy concerns
- Need for regulatory approval

- Technical limitations
- Copyright restrictions
- Competitive conflicts among similar services
- Lack of demographic data (impressions counted by the hardware, not by the person using it)

Salespeople cannot expect the definitive sort of research for these emerging media that is available for the traditional media. The research that is available can be used to *imply* advertising exposure, but most advertisers would not accept it as a currency measure.

As noted earlier, research companies are businesses that must deliver a profit to their investors. As each new medium appears, a research company's first consideration is whether it will draw enough advertisers to be successful. Only then will the research firms begin the long process of developing a service to measure its audience.

### **The Top Five Impossible Questions That Media Research Cannot Answer**

Up to now we have discussed the general concepts and methodologies of media research and the concepts that are unique to each of the major media. The methodologies that are based on a random sample have a statistical margin of error. All methodologies have non-sampling error caused by the real world challenges of producing research. But these sources of error can be identified and accounted for.

In the course of a salesperson's work, other questions come up for which there is no simple answer. These are the most important questions in media because they involve subtle judgments about what is best.

The following frequently asked questions cannot be definitively answered because they depend on what is happening in the mind of each consumer. They are presented here to characterize them as "impossible" questions, to sensitize salespeople to the inevitable day when one of them comes up in the course of their work, and to provide something to say and ways to think about helping the advertiser make a reasonable judgment.

**How much is enough?** This is the most common question, and it takes many forms. What is the least I can spend and still have an effective campaign? If I have X number of GRPs against my primary target, am I delivering enough weight against the secondary target? My last campaign was wildly successful. I ran XX number of GRPs and actually had to turn away customers. Next time, how much weight can I cut back and still be successful?

There are several approaches to answering the question that will put the advertiser in the ball park. If the advertiser has competitive sales and spending information, it is common to match the share of voice to the share of market. An advertiser with a 10 percent share of a market should be spending at least 10 percent of the media dollars spent in that industry. Certainly an advertiser should look back at the experience with comparable products. For example, some industries have an historic advertising to sales ratio. Go to [www.mediaselling.us/downloads/adsalesratios.xls](http://www.mediaselling.us/downloads/adsalesratios.xls) to see the ad-sales ratios for 200 industries as published by *Advertising Age*.

An industry rule of thumb is that an ad must be seen three or more times for it to be effective. While this sounds like a reasonable prescription, it finesses the question, "How many people can I afford to reach 3+ times?" In the end, and unfortunately, many advertising budgets are simply what remains after all other costs have been accounted for.

**Which medium is most effective?** Effective at doing what? Different media have different

strengths. Effectiveness is heavily dependent on the creative quality. Many people think television is the most effective medium, but the question comes up when television is not appropriate or affordable. There are virtually no independent, public domain studies of cross-media effectiveness. Advertisers who do conduct these studies treat the results as highly confidential. What publicly available research does exist comes from industry associations whose studies are designed to promote the value of their medium. As they say, “Don’t ask your barber if you need a haircut.” The best advice is to ensure the advertiser has matched the strength of the media to the marketing objectives.

**What is the best environment?** This question assumes there is a rub-off effect between the medium and the advertising message; however, as noted earlier, numerous studies have failed to quantify that effect, or even to confirm that it exists. We know that high-rated television programs attract more light viewers, but there is a heavy cost premium for these iconic programs. The first position in a commercial break has a larger audience than mid-break positions, but pod position is usually beyond a buyer’s control.

In magazines, an ad on the back cover is more likely to be read than one inside the book, but advertisers pay a premium for that position. Some advertisers believe a magazine ad near the front of the book is preferable, but since most insertion orders request “Far forward, right hand page” these (assumed to be) desirable positions are more likely to be given to advertisers running a heavy schedule. At the least, salespeople should ensure that advertisers running multiple insertions are given a fair rotation.

**Which is better: flighting or continuity?** This age old question concerns how a limited advertising budget should be scheduled over the year: in short bursts of heavy media weight followed by hiatus weeks of no activity, or continuous advertising at low weight. If the budget allows the advertiser to buy 1,600 GRPs a year, should they be scheduled in four 4-week flights (total 16 weeks on-air) of 100 GRPs/week? Or would it be more effective to run for 40 weeks at 40 GRPs/week?

For products that are sold more or less evenly throughout the year, advertisers are guided by the “recency theory of advertising” that was proposed by media guru Erwin Ephron. In contrast to the theory that three exposures are needed, the recency theory is based on research that shows a single exposure close to purchase is most effective. Since there is a steady demand for non-seasonal products, the advertiser should maintain a continuous presence on-air. The goal should be to maximize the total weekly reach points (the annual sum of each week’s reach points). This is achieved by continuity scheduling.

However, this ignores the effect of competitor’s advertising that may be flighted. Also, there is a need for synergy between the advertising and seasonal consumer or trade promotions. Finally, there is a reluctance to go below a perceived minimal level of about 50 GRPs per week. Most advertisers appreciate the importance of continuity, but given this minimum, they find continuity scheduling to be an ideal that is beyond their brand’s budget.

**When is my commercial worn out?** It is hard enough to know what a commercial “does” when it is fresh. Commercial wearout is really a variation of the “How much is enough?” question. An industry rule-of-thumb is that a commercial is worn out when the heaviest viewers are exposed 26 times – somewhere around 1,000-1,500 GRPs. This has become a benchmark against which to judge a given situation, but many questions remain. Does that rule apply to a single execution or to an entire campaign of similar but different creative executions? Over what period of time? What is the effect of hiatus periods? Is that target rating points or household points which are usually larger?

One researcher sees a political agenda behind the question. The agency wants to make a new commercial and the advertiser doesn't, or vice versus. People who are closely involved with the lengthy creative process may be so close to the commercial that they will think it is worn out when in fact it hasn't even been on air.

It should be clear by now that there is no simple answer to these "How much is enough" questions of effective frequency, flighting versus continuity, minimum GRP levels, maximum hiatus weeks, media effectiveness, wearout, and so forth. Research can provide guidance, but in the end, it requires buyer and salesperson judgment to apply these general findings from the past to specific plans for the future

## **Media Research Resources On The Internet**

There is a wealth of information available on the Internet. The research companies, the media, and industry associations all have websites that offer helpful information about their service, methodology, and the media they cover. This is provided at no charge, although some require registration with name, company, and e-mail address. What they do not give is current information about the audience to specific media vehicles – television programs, magazines, radio stations, and so forth. This data, the product they sell, is password protected and limited to paying clients.

### **General Media Planning Sites**

**Advertising Media Internet Center.** ([www.amic.com](http://www.amic.com)) This site is produced by Telmar, a worldwide provider of media planning software. It provides links to media industry associations, media terminology, and a broad range of other planning services in the Ad Info section. The "Media Guru," accepts questions from site visitors. A searchable database provides his answers to over 7,000 questions since 1995.

**MediaBuyerPlanner.** ([www.mediabuyerplanner.com](http://www.mediabuyerplanner.com)) This website is for professional media buyers and planners but it also provides up-to-the-minute news about the major media—invaluable for keeping up with industry news.

**Mediapost.** ([www.mediapost.com](http://www.mediapost.com)) This site is an online newspaper that covers the media industry. It daily feeds of the latest developments from a cadre of more than fifty writers and reporters. Subscription is available for a no-charge registration.

**World Advertising Research Center.** ([www.warc.com](http://www.warc.com)) WARC.com provides the largest single source of intelligence for the marketing, advertising, media, and research communities worldwide, drawn from more than 40 international sources including the UK publication ADMAP, the Advertising Research Foundation, and other organizations. The website offers a trial membership, but there is a charge for long-term access.

### **Broadcast**

**Nielsen Media Research.** ([www.nielsenmedia.com](http://www.nielsenmedia.com)) The unprotected areas of the site offer an overview of the TV rating service, a description of how television audiences are measured, and occasional free reports on current topics. The password protected section gives Nielsen clients access to virtually all of their resources, in .pdf and Excel formats that were formerly only available in hard copy.

**Arbitron, Inc.** ([www.arbitron.com](http://www.arbitron.com)) This service is the primary source of audience ratings for network and local radio stations throughout the United States. The company's website provides information about its reports, market populations, an overview of radio listening

patterns, and a broad range of special reports that can be downloaded at no charge. The site offers a high resolution map of the entire United States down to the county level, with radio metro areas highlighted. This site is must reading for anyone in radio sales.

**SQAD, Inc.** ([www.squad.com](http://www.squad.com)) SQAD is the primary source of local market radio and television costs per rating point in all 210 DMA's, as well as national television CPP. The website gives an overview of the company's methodology and tips on how to use the data, but usable cost information is only available to clients, or can be purchased online.

**Cabletelevision Advertising Bureau.** ([www.onetvworld.org](http://www.onetvworld.org)) The CAB is a trade association that exists to promote cable television as an advertising medium. The website presents the strengths of cable television in comparison to broadcast network and syndication. Numerous reports and special tabulations are available, all at no charge. It also contains detailed audience information, program schedules and other material about more than 95 advertiser supported cable television networks.

**Television Bureau of Advertising.** ([www.tvb.org](http://www.tvb.org)) The Television Bureau of Advertising is the not-for-profit trade association of America's spot television industry. TVB provides a diverse variety of tools and resources to support its members and to help advertisers make the best use of local television. The website provides a broad range of information about the television industry, viewing trends, advertising expenditures in all media (not just television), and useful facts about the television market. Because the TVB is supported by local stations, there is only limited information about cable and network television. Some areas of the site are limited to TVB members. This site is must reading for anyone in local television sales.

**Radio Advertising Bureau.** ([www.rab.com](http://www.rab.com)) The RAB is a trade association that exists to promote radio as an advertising medium. The website has extensive information on radio listening habits and the strength of the medium compared to other broadcast and print alternatives. The "Radio Marketing Guide and Fact Book for Advertisers" is especially valuable. Like the other association websites, it contrasts the strengths of radio to the weaknesses of other media.

**National Association of Broadcasters.** ([www.nab.org](http://www.nab.org)) The NAB is the principal trade association of the television industry. Its work focuses mostly on the business of broadcasting and governmental relations. The website contains reports on the current events in the industry, regulatory issues, and technical advances. Although there is only limited information about advertising sales, the site provides useful background information.

## **Print**

**Mediamark Research & Intelligence, LLC.** ([www.mediamark.com](http://www.mediamark.com)) This website describes the MRI service and provides audience information for magazines and Internet websites. It is mostly useful to MRI subscribers.

**MRI Plus.** ([www.mriplusonline.com](http://www.mriplusonline.com)) This site provides rates, circulation information, top-line MRI readership estimates, editorial calendars, and promotional media kits for more than 5,500 consumer magazines and business publications. The website includes audience composition information for more than 90 cable networks. This massive amount of information is provided for free (with no-cost registration) by the publications. The only drawback is that information from some copyrighted reports is a few years old. This is a useful website for all media professionals.

**Audit Bureau of Circulations.** ([www.accessabc.com](http://www.accessabc.com)) The Audit Bureau of Circulations verifies the circulation statements made by major consumer magazines and newspapers.

Although the audit data is password protected to subscribers, the site contains free reader profile reports for dozens of magazines, and other useful data. The Industry Resources tab contains links to numerous media-related web sites.

**BPA Worldwide.** ([www.bpaww.com](http://www.bpaww.com)) BPA Worldwide is the global industry resource for verified audience data and media knowledge. After no-cost registration, users can get audit reports for more than 2,500 media properties in more than 25 countries. These include business publications that are supported by advertising and distributed free to qualified subscribers, websites, events, email newsletters, databases and other advertiser supported media.

**Magazine Publishers of America.** ([www.magazine.org](http://www.magazine.org)) The MPA exists to promote the value of magazines as an advertising medium. The website provides a wealth of free information about the magazine industry and how people read magazines. Because it is an industry group, however, it does not have data on individual titles that might be used to sell one over another. The annual Magazine Handbook in the Resources/Research section provides especially useful information for salespeople about the medium.

**Newspaper Association of America** ([www.naa.org](http://www.naa.org)) The NAA is a non-profit organization that represents over 1,800 newspapers in the U.S. and Canada. The website Information Resource Center provides information about newspapers and readership. The “Resources Toolbox” contains dozens of articles that help sell the value of newspapers, all offered at no charge, without registration.

## **Outdoor**

**Outdoor Advertising Association of America.** ([www.oaaa.org](http://www.oaaa.org)) The OAAA is the lead trade association representing the outdoor advertising industry. Founded in 1891, the OAAA is dedicated to promoting, protecting and advancing outdoor advertising interests in the U.S. With nearly 1,100 member companies, the OAAA represents more than 90 percent of industry revenues. The website’s “Marketing Resources” section presents information about the medium and various creative units available. Links to outdoor companies can be used for local market information and to request price quotes.

**Eller Media Company.** ([www.ellermmedia.com](http://www.ellermmedia.com)) Eller is one of the largest outdoor companies in the U.S. Its website has links to suppliers of all media including television, radio, interactive, and many different forms of out-of-home media.

## **Internet**

**Internet Advertising Bureau.** ([www.iab.net](http://www.iab.net)) Founded in 1996, the Interactive Advertising Bureau represents over 300 leading interactive companies that actively engage in and support the sale of interactive advertising. The website provides general information about Internet advertising, industry standard ad sizes, and tools to aid in selling online advertising.

**Technology news services.** Three companies compete to provide detailed news of the emerging media platforms: Jupiter ([www.jup.com](http://www.jup.com)), Forrester ([www.forrester.com](http://www.forrester.com)) and eMarketer ([www.emarketer.com](http://www.emarketer.com)). All three provide strategic analysis and insight about commerce on the Internet. They track industry trends, make forecasts of future business activity, and provide useful background information for sales. The websites list the titles of all the studies they have conducted, but a subscription is required to access the full reports.

## **Advertising Publications**

**Advertising Age.** ([www.adage.com](http://www.adage.com)) Advertising Age is the weekly trade publication of the advertising industry. It covers all phases of advertising, media, creative, and Internet communication. Current feature stories are displayed online, but past articles and detailed information requires a subscription.

**Adweek.** ([www.adweek.com](http://www.adweek.com)) Adweek is a weekly trade publication that covers the advertising industry. The company's Internet website, Adweek Online, provides daily headlines and excerpts from its trade magazine. Subsidiary publications include MediaWeek and BrandWeek

## **Advertising Terms/Glossaries**

**Advertising Terms.** (<http://www.knowthis.com/general/marketing-terms-and-definitions.htm>)

**Internet Terms.** ([www.matisse.net/files/glossary.html](http://www.matisse.net/files/glossary.html))

**Internet Glossary.** ([www.adglossary.com](http://www.adglossary.com))

## **Test Yourself**

1. What is the difference between a rating and a share?
2. What is a DMA?
3. What is a HUT level?
4. How are gross impressions and GRPs calculated?
5. What is a cume?
6. What is the difference between reach and frequency?
7. What is the major rating company in television? In radio?
8. What is more important in determining the accuracy of a rating, the size of the population sampled or the size of the sample?
9. How do you calculate campaign CPM and CPP?
10. What is a unique?

## **Project**

Using Table 16.2, Cost Per TV Household Rating Point, create two network television schedules of 12 spots each, distributed in all four dayparts. One 12-spot schedule should be for Chicago and one 12-spot schedule should be for Atlanta, and both schedules should show cost-per-spot and total schedule costs. Assume the following ratings for each daypart: Day Time = 2.0, News Avg. = 4.0, Prime Time = 8.0, and Fringe Avg. = 2.0. Go to "Chapter 16 Project Format" in the Downloads area of [www.mediaselling.us](http://www.mediaselling.us) to see an example of how the schedules in this project should be formatted. You can distribute the 12 spots among the four time periods any way you want.

## **References**

Jack Z. Sissors and Roger B. Baron. 2002. *Advertising Media Planning, Sixth Edition*. New York. McGraw-Hill.