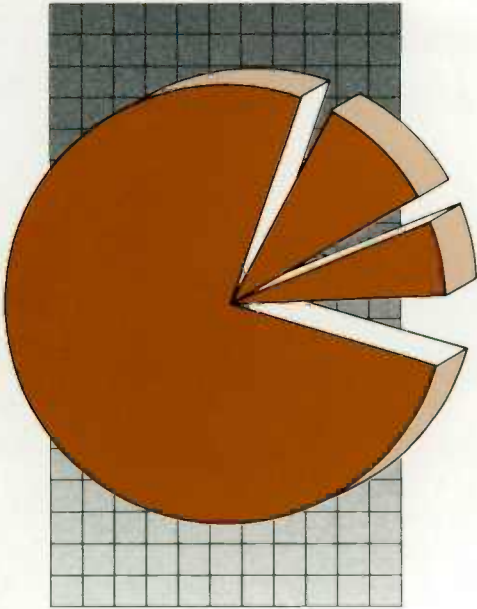


Turning the Numbers

into

*Sales Strategies*



A  
Sales  
Guide  
to  
Radio  
Ratings

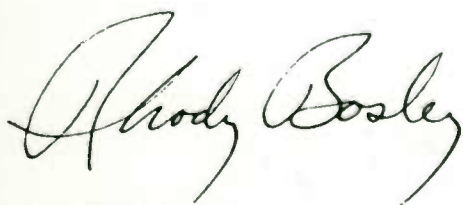
**ARBITRON**

World Radio History

# Contents

- 1** Arbitron's  
Commitment
- 2** Some Basic  
Terms and  
Definitions
- 6** Equations
- 14** Solutions to  
Sales Situations
- 24** What You  
Can/Can't Do  
with the  
Numbers
- 28** Arbitron's  
Family of  
Services
- Back  
Cover** Arbitron  
Sales Offices

**T**he Arbitron Company is committed to serving the radio industry by providing the most reliable listening estimates for audience analysis. We also offer assistance through a professional staff of account executives and client service representatives. A host of training manuals and informative selling tools is also available. *Sales Strategies* is another Arbitron Radio guide packed with ways to help you generate greater billing for your station and find solutions to your sales and research needs.



Rhody Bosley  
Vice President  
Sales & Marketing  
Radio Station Services

# Some Basic Terms and Definitions

## **METRO SURVEY AREA (MSA)**

An MSA always includes a city or cities whose population is specified as that of the central city together with the county (or counties) in which it is located. The MSA also includes contiguous or additional counties when the economic and social relationships between the central and additional counties meet specified criteria. Metro Survey Areas generally correspond to the Metropolitan Statistical Areas (MSAs) defined by the U.S. Government's Office of Management and Budget. They are subject to exceptions dictated by historical industry usage and other marketing considerations.

## **TOTAL SURVEY AREA (TSA)**

A geographic area that encompasses the Metro Survey Area and certain counties located outside the MSA. The TSA is defined by those counties which meet certain listening criteria of stations located in the Metro area.

## **ADI (AREA OF DOMINANT INFLUENCE)**

The ADI is a geographic survey area, created and defined by Arbitron, based on measurable patterns of television viewing. Each county in the 48 contiguous United States is assigned exclusively to one ADI. ADIs may be used to compare radio's reach against TV or to document extended coverage of your station.

## **AVERAGE QUARTER-HOUR PERSONS (AQH PERSONS)**

The average number of persons listening to a particular station for at least five minutes during a 15-minute period.

## **AVERAGE QUARTER-HOUR RATING (AQH RATING)**

The Average Quarter-Hour Persons estimate expressed as a percentage of the population being measured. This estimate is available in the MSA and ADI. It can also be computed for the TSA.

$$\frac{\text{AQH Persons}}{\text{Population}} \times 100 = \text{AQH Rating (\%)}$$

## **CUME PERSONS**

The total number of *different* persons who tune to a radio station during the course of a daypart for at least five minutes.

## **CUME RATING**

The Cume Persons audience expressed as a percentage of all persons estimated to be in the specified demographic group.

$$\frac{\text{Cume Persons}}{\text{Population}} \times 100 = \text{Cume Rating (\%)}$$

## **RATING (AQH or CUME)**

The audience expressed as a percentage of the total population.

$$\frac{\text{Listeners}}{\text{Population}} \times 100 = \text{Rating (\%)}$$

## **SHARE**

The percentage of those listening to radio in the Metro who are listening to a particular radio station.

$$\frac{\text{AQH Persons to a Station}}{\text{AQH Persons to All Stations}} \times 100 = \text{Share (\%)}$$

## **GROSS IMPRESSIONS (GIs)**

The sum of the Average Quarter-Hour Persons audience for all spots in a given schedule.

$$\text{AQH Persons} \times \text{the number of spots in an advertising schedule} = \text{GIs}$$

## **GROSS RATING POINTS (GRPs)**

The sum of all rating points achieved for a particular spot schedule.

$$\text{AQH Rating} \times \text{the number of spots in an advertising schedule} = \text{GRPs}$$

## **COST PER RATING POINT**

The cost of reaching an Average Quarter-Hour Persons audience that's equivalent to one percent of the population in a given demographic group.

$$\frac{\text{Cost of Schedule}}{\text{GRP}} = \text{Cost Per Rating Point}$$

## **COST PER THOUSAND (CPM)**

The cost of delivering 1,000 gross impressions.

$$\frac{\text{Cost of Schedule}}{\text{GI}} \times 1,000 = \text{CPM}$$

## **EXCLUSIVE CUME**

The number of different persons who listen to only one station during the daypart reported.

## **NET REACH**

The number of different persons reached in a given schedule. Available only through Radio Arbitron Information on Demand (AID). For single-station and multiple-station schedules.

## **FREQUENCY**

The average number of times a person is exposed to a radio spot schedule.

$$\frac{\text{GI}}{\text{Net Reach}} = \text{Frequency}$$

## **TIME SPENT LISTENING (TSL)**

An estimate of the number of quarter-hours the average person spends listening during a specified time period.

$$\frac{\text{Quarter-Hours in a time period} \times \text{AQH Persons}}{\text{Cume Audience}} = \text{TSL}$$

## **TURNOVER**

The total number of different groups of persons that make up a station's audience.

$$\frac{\text{Cume Persons}}{\text{AQH Persons}} = \text{Turnover}$$

# Equations

Here are some equations you can use for answers in most sales situations. They're helpful bits of information to aid you in developing your station's sales story. To illustrate these principles, we'll use the following stations, rates and audience estimates from the Local Market Report and rates reported in SRDS. Remember that radio estimates are reported in hundreds. Two zeros must be added to all AQH and Cume audience figures.

## Sample Data

<b>M-F 6A-10A</b>				
<b>Persons 12 + /Persons 25-54</b>				
	<u>P 12 +</u>	<u>P 25-54</u>	<u>P 25-54</u>	<u>Cost Per</u>
	<u>AQH</u>	<u>AQH</u>	<u>Cume</u>	<u>Spot</u>
	(00)*	(00)	(00)	
<b>WAAA</b>	<b>508</b>	<b>391</b>	<b>1836</b>	<b>\$195</b>
<b>WBBB</b>	<b>142</b>	<b>88</b>	<b>504</b>	<b>\$110</b>
<b>Metro Survey Area</b>				
<b>Total Listening</b>		<b>2715</b>	<b>8612</b>	
<b>Metro Survey Area Population</b>				
<b>Persons 25-54 = 985,200</b>				

\* Population data is shown in full in the population section of the Local Market Report. Be sure to drop the last two zeros in working the formulas unless otherwise indicated.

## AQH RATING

Expressing your AQH Persons as a percentage of the population in the geographic/demographic area.

$$\frac{\text{AQH Audience}}{\text{Population of age/sex cell}} \times 100 = \text{AQH Rating (\%)}$$

WAAA's AQH Rating among Persons 25-54:

$$\frac{391}{9852} = 0.0397 \times 100 = 4.0 \text{ (rounded to nearest tenth)}$$



A spot in this daypart will reach four percent of the Persons 25-54 in "Your Town" Metro.

WAAA's AQH Rating is 4.0, or, on the average, four percent of Persons 25-54 listen to WAAA in an average quarter-hour.

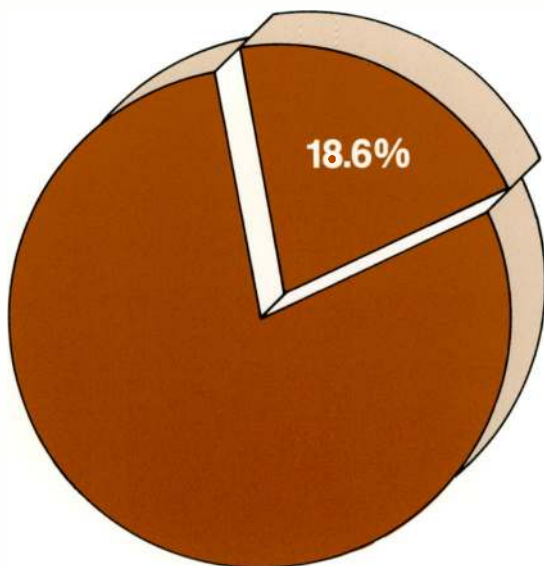
### **CUME RATING**

Expressing the Cume Persons for a demographic group as a percentage of that population in a geographic area.

$$\frac{\text{Cume Audience}}{\text{Population of age/sex cell}} \times 100 = \text{Cume Rating (\%)}$$

WAAA's Cume Rating:

$$\frac{1836}{9852} = 0.1863 \times 100 = 18.6$$



*WAAA reaches 18.6% of  
Persons 25-54 in the Metro area!*

## AQH SHARE

A station's share of the Metro listening for a specific demographic during a daypart.

$$\frac{\text{Station's AQH Persons}}{\text{Metro Total Avg. Persons}} \times 100 = \text{Share (\%)}$$

(located at the bottom of the page in each Local Market Report)

WAAA's AQH Share (P 25-54):

$$\frac{391}{2715} = 0.1440 \times 100 = 14.4$$

WAAA's AQH Share is 14.4, or, on the average, 14.4 percent of Persons 25-54 who are listening to radio are listening to WAAA.

## TIME SPENT LISTENING (TSL)

Discover how much time the average person spends listening to your station.

$$\frac{\text{AQH Persons} \times \text{Quarter-Hours in a Daypart}}{\text{Cume Audience}} = \text{TSL}$$

First find the number of quarter-hours in a daypart.

Daypart M-F, 6A-10A

$$6A-10A = 4 \text{ hours} \times \frac{4 \text{ quarter-hours}}{\text{in an hour}} = 16$$

$$\frac{16 \text{ quarter-hours}}{\text{hours}} \times 5 \text{ days (M-F)} = \frac{80}{\text{in this daypart}}$$

$$\frac{391 \times 80}{1836} = 17 \text{ quarter-hours per week (M-F)} \quad \text{(rounded to nearest whole number)}$$

To express TSL in hours and minutes, divide this result by four.

$$\frac{17}{4} = 4.25 \text{ hours (4 hours, 15 minutes per week, M-F)}$$

Note that the digits following the decimal point *must* be multiplied by 60 in order to determine the minutes.

WAAA's audience spends approximately 4 hours, 15 minutes a week during the daypart M-F, 6A-10A with the station.

## GROSS IMPRESSIONS

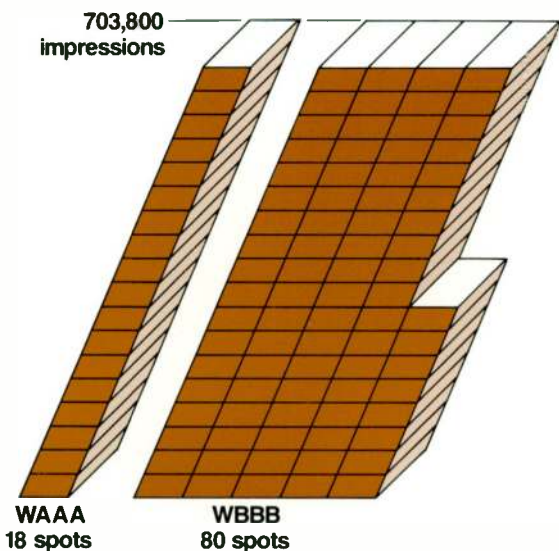
The total number of impressions or impacts that have been sold or purchased. Remember, this figure represents the number of impressions, not people.

$$\text{AQH Audience} \times \text{Number of Commercials} = \text{Gross Impressions}$$

WAAA's Gross Impressions:

$$391 \times \underset{\text{commercials}}{18} = 7,038 \times 100 = 703,800$$

An 18-spot schedule on WAAA will deliver 703,800 advertising impressions.



*WAAA delivers 703,800 impressions with 18 commercials. WBBB must broadcast 80 commercials to deliver the same number of impressions.*

## REVERSE GROSS IMPRESSIONS

A term often used when calculating the number of spots needed on a competing station to match your station's GIs.

$$\frac{\text{Your Gross Impressions}}{\text{Competitor's AQH Persons}} = \text{Spots}$$

$$\frac{\text{WAAA } 7038(00)}{\text{WBBB } 88(00)} = 80$$

## COST PER THOUSAND GROSS IMPRESSIONS (same as Cost Per Thousand, CPM)

The cost of each 1,000 impressions delivered by the schedule.

$$\frac{\$ \text{ Cost of Schedule} \times 1,000}{\text{Gross Impressions}} = \text{CPM/GI}$$

WAAA's CPM/GI:

$$\begin{aligned} & \text{Cost of Schedule} = \\ & 18 \text{ commercials} \times \$195 \text{ each} = \$3,510 \end{aligned}$$

Gross Impressions taken from example above.

$$\frac{\$3,510 \times 1,000}{703,800} = \$4.99$$

The advertiser needs to invest just \$4.99 to deliver 1,000 impressions on WAAA.

## LISTENERS PER DOLLAR

The number of people who can be reached (or number of impacts) with a single advertising dollar.

$$\frac{\text{AQH Audience}}{\text{Spot Cost}} = \text{Listeners Per Dollar}$$

$$\text{WBBB } \frac{142}{\text{P12+ } \$110} \times 100 = 129 \text{ Listeners Per Advertising Dollar Invested}$$

This calculation may be used to effectively demonstrate radio's advantage over direct mail.

## GROSS RATING POINTS (GRPs)

The number of rating points a schedule will deliver.

$$\text{AQH Rating} \times \text{number of commercials} = \text{GRPs}$$

WAAA's Gross Rating Points:

$$4.0 \times 18 = 72$$

WAAA's contribution to the Gross Rating Point goal is 72 Gross Rating Points.

### **COST PER GROSS RATING POINT**

The cost of each GRP:

$$\frac{\text{Cost of Schedule}}{\text{Gross Rating Points}} = \text{Cost Per Gross Rating Point}$$

WAAA's Cost Per GRP:

$$\frac{18 \times \$195}{18 \times 4.0} = \frac{\$3,510}{72} = \$48.75$$

Each Gross Rating Point will cost \$48.75 by running the above schedule on WAAA during M-F, 6A-10A.

Cost Per Point is based on Rating Points which are derived from a station's AQH Rating  $\times$  the number of spots.

Reach and frequency takes into account both AQH and Cume to show how many *different* people will be reached and the number of times they will hear the spot. In order to calculate reach and frequency, statistical models are available through Radio FasTraQ and other services. Actual reach and frequency analysis is available only on AID.

### **REVERSE COST PER THOUSAND**

This tells you the maximum rate per commercial your competition can charge to be as cost efficient as your station.

$$\frac{\text{Your CPM} \times \text{Their AQH}}{1,000} = \text{Reverse CPM}$$

$$\frac{(\text{WAAA's CPM}) \times (\text{WBBB's AQH})}{1,000} = \$43.91$$

$$\frac{4.99 \times 88(00)}{1,000} = \$43.91$$

WBBB could charge no more than \$43.91 per spot to be as efficient as WAAA at \$195 per spot.

A second application with the Reverse CPM formula lets you calculate what your station should be charging to achieve the same efficiency as your competition.

$$\frac{\text{Competition's CPM} \times \text{Your AQH}}{1,000} = \text{Reverse CPM for your station}$$

First calculate competition's CPM:

$$\begin{aligned} \text{WBBB's schedule cost} &= \\ 18 \times \$110 &= \$1,980 \end{aligned}$$

$$\text{WBBB's GIs} = 88(00) \times 18 = 1584$$

$$\frac{\$1,980 \times 1,000}{158,400} = \$12.50 \text{ WBBB's CPM}$$

Next, apply the competition's CPM to your AQH audience:

$$\begin{aligned} \$12.50 \times 391(00) \text{ (WAAA's AQH)} &= \\ \frac{488,750}{1,000} &= \$488.75 \end{aligned}$$

WAAA could charge \$488.75 per commercial to achieve the same efficiency in audience delivery as WBBB does when charging \$110 per spot.

## **AUDIENCE COMPOSITION (Target Audience Efficiency)**

This demonstrates your coverage of the target audience. Sales points that might be made: target coverage wastes no advertising dollars; target coverage may support a higher CPM; or, when deciding between two alternatives, the more precisely targeted station is more efficient. This formula also applies to TSL and Cumes.

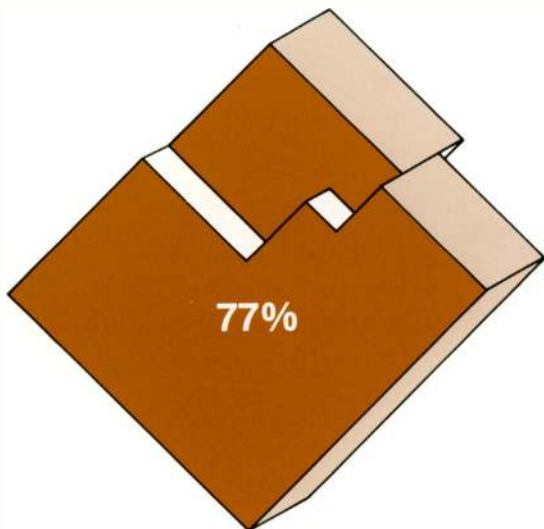
$$\frac{\text{Your Target AQH Audience} \times 100}{\text{Your Total Persons 12+ AQH Audience}} = \text{TAE}$$

WAAA's Target AQH audience is Persons 25-54. Their M-F, 6A-10A AQH

Metro delivery of that audience is 39,100. Their AQH Metro delivery of all Persons 12+ during M-F, 6A-10A is 508(00).

$$\frac{391}{508} \times 100 = 77\%$$

In other words, 77 cents of every dollar spent on WAAA will be directed at the target audience of Persons 25-54.



*77% of WAAA's morning drive audience lies within the target demographic!*

### **PERCENT EXCLUSIVE CUME**

The percent of a station's total Cume audience which listens only to that station. "Mr. Advertiser, X percent of your target customers can be reached only on WAAA."

$$\frac{\text{Your Exclusive Cume Audience} \times 100}{\text{Total Cume Audience}} = \% \text{ Exclusive}$$

Both Exclusive Cume figures and Exclusive Cume Audience percent appear in every local Radio Market Report.

# Solutions to Sales Situations

The following techniques offer possible solutions to typical sales problems.

## NEWSPAPERS

***Problem:*** A daily newspaper has obtained a larger portion of one of your advertiser's ad dollars because the advertiser is unsure of radio's value.

***Solution 1:*** Demonstrate how much time a typical Metro listener spends with radio in your market and what percent of that Metro population radio reaches in a week.

***Formula A:*** Use the P12+ Metro AQH (000) totals found at the bottom of the page (M-S, 6A-12M) in your Local Market Report to calculate time spent listening to radio in your market. The time spent listening (TSL) equation is on page 8 of this guide.

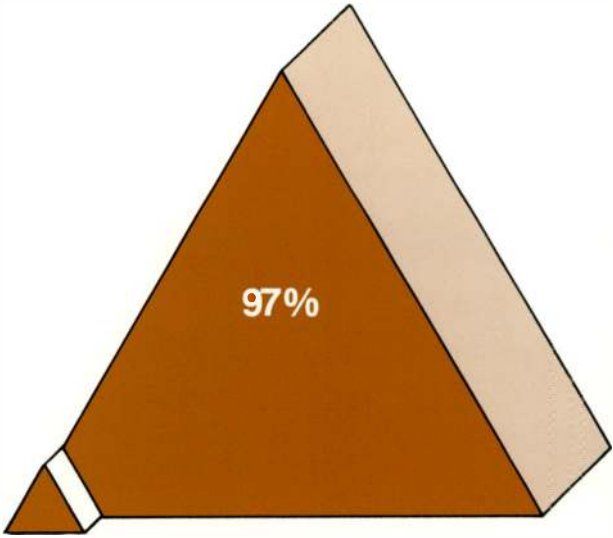
***Formula B:***

$$\frac{\text{Metro Total Cume}}{\text{Metro Population}} \times 100 = \text{\% reached by radio}$$

***Solution 2:*** Compare radio's reach by demographic with other media.

For example: Using Persons 25-54 in the Metro, radio delivers 955,600 (Metro total) of them over the course of a week. The Persons 25-54 population of one Metro is 985,200. By dividing these two figures we learn that radio delivers better than 97 percent of this vital market segment. These figures can be found in the Metro total section (Cume column) in the target demographic section of the book.





*Radio delivers 97% of the target demographic over the course of a week!*

Radio reaches nearly everyone in the target demographic during the course of the week!

*Solution 3:* Compare the print media's circulation to radio's reach.

How?

The Local Market Report offers vital information about newspapers. The Metro Market Data section shows newspaper circulation and what percent of the households in the Metro are reached by print.

### **SELL BEYOND DRIVE TIME (Tap the Potential of the Total Weekend Audience)**

*Problem:* Your advertisers only want drive time.

*Solution:* Even out your inventory by selling other time periods, especially weekends.

1. Use Cume subtractions to show weekend-only listeners. Show an advertiser the value of using these audiences to build reach by hitting *new* and *different* potential customers.

Remember, retail stores are open on Saturday, and many on Sunday.

Formula: Subtract M-F, 6A-12M from M-Su, 6A-12M to isolate weekend-only listeners.

**KAAA's 12 + Metro Cume**

M-Su, 6A-12M	734,300
M-F, 6A-12M	<u>- 598,900</u>
Sa-Su, 6A-12M only	135,400

There are 135,400 KAAA listeners who can be reached only on the weekend. Take analysis one step further by showing percent composition.

$$\frac{\text{KAAA's Weekend Audience } 135,400}{734,000 \text{ KAAA's Total Audience}} = 18\%$$

2. Show evening-only listeners.

Formula: Subtract M-F, 6A-7P Cume from M-F, 6A-12M to isolate evening-only audience.

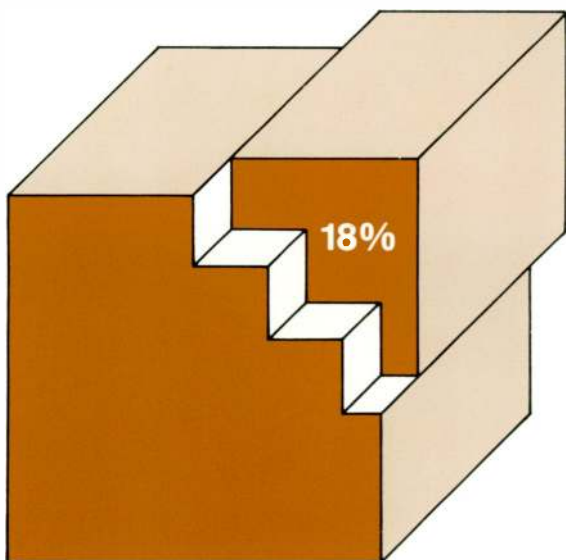
**KAAA's 12 + Metro Cume**

M-F, 6A-12M	598,900
M-F, 6A-7P	<u>- 506,100</u>
Evening Only (7P-M)	92,800

So 92,800 people listen to KAAA only in the evening, and in NO other daypart. Again, take analysis one step further by showing percent composition.

**KAAA 12 + Metro Cume**

$$\frac{\text{Evening Only} \times 100}{\text{M-F, 7P-12M}} = \frac{92,800}{427,600} \times 100 = 21.7\%$$



*18% of KAAA's total audience can be reached only on the weekend!*

can see, Mr. Advertiser, I have a substantial number of listeners who tune in only in the evening or on weekends. To reach them, you should allocate spots to these dayparts to provide maximum reach for your schedule.”

### **NUMBERS DROPPING? MAYBE NOT! AVERAGE SHARE TRENDS — METRO SURVEY AREA**

On the surface, it seems WCCC has lost some of its share of Persons 18-34. But actually, this listenership has remained stable. The secret lies in the Metro totals at the bottom of the Metro Audience Trends page in the redesigned Local Market Reports.

Notice the increase in total radio listenership from Fall 1989 to Winter 1990, from 21.0 to 22.5. To make accurate survey comparisons, use actual Average

## Metro Audience Trends

PERSONS 18-34

	MONDAY-FRIDAY			10AM-3PM	
	SPRING	SUMMER	FALL	WINTER	SPRING
	89	89	89	90	90
WAAA					
SHARE	6.9	4.7	4.9	6.3	3.2
AQH (00)	174	116	119	156	73
CUME RTG	4.4	4.9	4.5	4.2	3.2
+ WBBB					
SHARE	6.0	5.6	8.7	7.5	6.9
AQH (00)	152	140	203	185	156
CUME RTG	6.1	6.4	8.3	5.1	7.6
WCCC					
SHARE	2.3	4.4	2.7	2.6	2.8
AQH (00)	57	110	59	58	64
CUME RTG	3.0	4.5	5.5	4.9	4.0
WDDD					
SHARE	3.1	4.5	5.2	3.7	2.7
AQH (00)	78	112	127	81	69
CUME RTG	4.2	5.3	6.4	3.8	3.0
WEEE					
SHARE	.6	2.1	0	0	0
AQH (00)	14	1	0	0	0
CUME RTG	.6	.9	.4	.4	.6
WFFF-FM					
SHARE	.2	.4	.1	0	0
AQH (00)	4	10	2	0	0
CUME RTG	.5	.8	.6	.8	.8
WGGG					
SHARE	4.0	3.7	2.5	3.0	2.3
AQH (00)	102	92	58	74	53
CUME RTG	10.0	9.1	9.3	8.4	7.9
<b>TOTALS</b>					
SHARE	22.9	22.6	21.0	22.5	22.2
AQH (00)	2519	2486	2329	2477	2273
CUME RTG	65.2	68.7	64.6	69.7	66.3

Quarter-Hour Persons estimates instead of shares.

Locating the corresponding demo and daypart in both columns for WCCC demonstrates both Average Quarter-Hour Persons are equivalent (6300 and 6400, respectively). Therefore, WCCC actually increased its AQH, but in relationship to the Total Metro, the increase wasn't as large.

You can utilize the share trends section in another way.

Let's examine WDDD between Summer 1989 and Fall 1989. Its AQH Persons 18-34 rose from 11,200 to 12,100. This represents an increase of 900 AQH Persons or eight percent.

By searching for the corresponding demo and daypart, we discover that

WDDD had an audience share of 4.5 in the summer report and 5.2 in the fall sweep. That's a difference of .7 share or an increase of almost 16 percent — double what they originally thought. This story partially reflects the drop in *total* listeners between summer and fall.

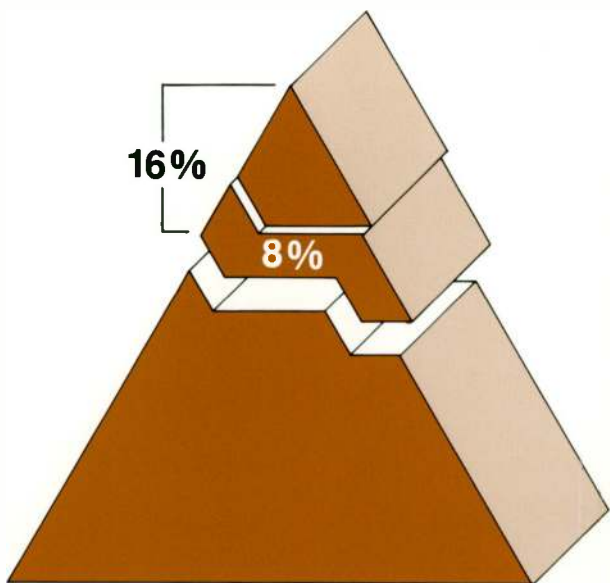
$$\frac{\text{AQHPersons}}{\text{Metro Total}} = \frac{11,200}{248,600} = 4.5 \text{ Share}$$

Summer 1985

$$\frac{\text{AQHPersons}}{\text{Metro Total}} = \frac{12,100}{232,900} = 5.2 \text{ Share}$$

Fall 1986

In addition, it is statistically possible for a radio station's share to remain constant or decrease while its Average Quarter-Hour Persons might increase (as shown by WCCC).



*For WDDD, an 8% AQH Persons increase is actually a 16% share increase!*

## LOW RANKING IN YOUR TARGET DEMO?

**Problem:** “Help! I’m KBBB, targeted for Persons 25-54, but I’m third place in that demographic!”

**Solution 1:** Document efficient delivery of the target audience through percent composition.

**Formula:** Divide the target audience by Persons 12+ or Persons 18+.

**Example:** KAAA is a dominant #1 with Persons 25-54. KBBB shows its strength through use of *percent composition*.

KAAA’s Persons 25-54 percent composition:

$$\frac{\text{Persons 25-54}}{\text{Persons 12+}} = \frac{26,200}{70,400} = 37\%$$

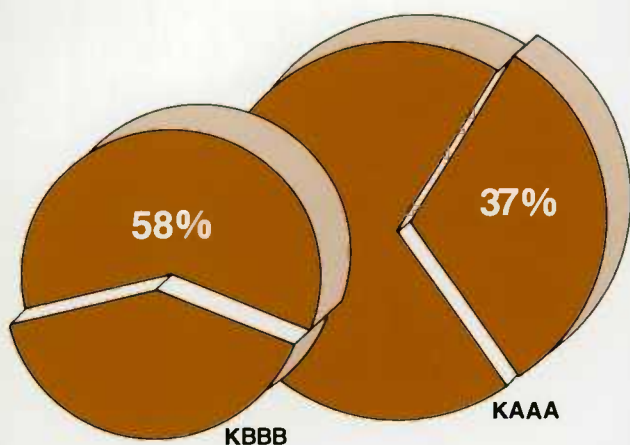
KBBB’s Persons 25-54 Percent Composition:

$$\frac{\text{Persons 25-54}}{\text{Persons 12+}} = \frac{12,500}{21,600} = 58\%$$

The one-dollar analogy: For KAAA, 37 cents on the dollar will reach the target; for KBBB, 58 cents on the dollar will reach the target.

Who’s more target efficient?

**Solution 2:** Calculate your reach of a demographic. Sell the value of Cume. By dividing KAAA’s Persons 25-54 Cume audience of 349,200 into the population of the demographic group



*While KAAA has a much larger audience, only 37% of that audience is composed of Persons 25-54; 58% of KBBB's audience is within the target demographic!*

(931,600), we can demonstrate this single station's ability to deliver nearly 40 percent of the market. This is the Cume Rating.

If you use persons instead of ratings, you might want to relate your audience size to the capacity of the largest stadium/arena in the marketplace. Show the number of times you can fill up that stadium/arena with your cume audience. This analogy is also appropriate to use in conjunction with your exclusive cume.

Also: Calculate the demographic's TSL. High TSL means greater frequency for hearing the advertiser's message.

## NON-METRO AREA = "BONUS" AUDIENCE

Formula: Total Survey Area –  
Metro Survey Area = Non-Metro  
Area. Divide Non-Metro Area by  
Metro Area to get percent of Bonus  
Audience.

Example: KAAA/Persons 25-54/Total  
Broadcast Week

**Average Quarter-Hour:**

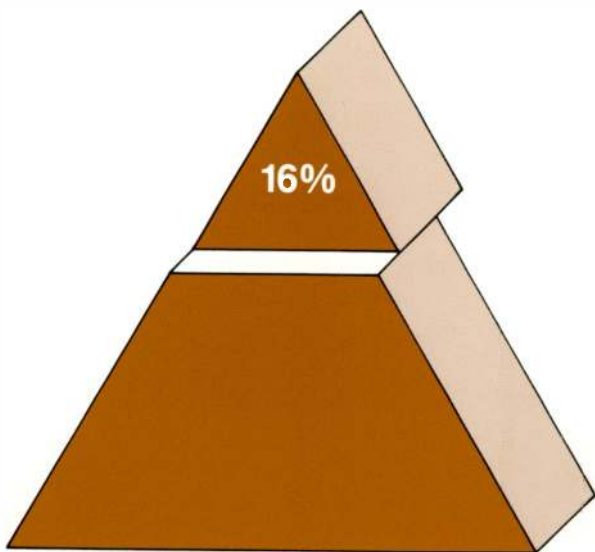
$$30,500(\text{TSA}) - 26,200(\text{MSA}) = \\ 4,300(\text{Non-Metro})$$

$$\frac{4,300}{\text{Metro}} \times 100 = 16\% \text{ Bonus Audience}$$

**Cume Persons:**

$$413,800(\text{TSA}) - 349,200(\text{MSA}) = \\ 64,600(\text{Non-Metro})$$

$$\frac{64,600}{\text{Metro}} \times 100 = 19\% \text{ Bonus Audience}$$



*Bonus Audience: KAAA  
delivers 16% more AQH  
audience outside the Metro  
Survey Area!*



Now that you have an Average Quarter-Hour and Cume estimate, you can perform all the standard calculations on this unique geography.

This represents an ideal positioning statement to advertisers who:

- Have locations outside the Metro
- Use a retail trading zone (even larger than the Metro)
- Are interested in marketing their products to a more rural area
- Desire to penetrate adjacent markets

The ADI may be considered a bonus audience or a primary audience depending on your sales competition. It allows you to compete with television/print in a larger geography. ADI estimates are printed in Radio Local Market Reports for the top 50 ADIs.

# What You Can/Can't Do with the Numbers

*Reasons why you can't perform certain combinations*

**C**ertain estimates can be added together and others cannot. Since it's often difficult to remember which estimates are compatible, we've developed the following chart.

## Do's and Don'ts

	Stations + Stations	Demographics + Demographics	Daypart + Daypart
AQH Persons	<b>Yes</b>	<b>Yes</b>	<b>No</b>
AQH Ratings	<b>Yes</b>	<b>No</b>	<b>No</b>
AQH Shares	<b>Yes</b>	<b>No</b>	<b>No</b>
Cume Persons	<b>No</b>	<b>Yes</b>	<b>No</b>
Cume Ratings	<b>No</b>	<b>No</b>	<b>No</b>

This chart assumes a constant geography and nonoverlapping demographics/dayparts. (Metro compared to Metro.)

## AQH PERSONS, RATINGS, SHARES

Dayparts: Daypart AQHs (Persons and Shares) *cannot* be added together because adding one average to another average does not give you a larger average; it merely totals two averages. Also, the number of quarter-hours in each daypart may be different, meaning that each AQH was figured using a different base. To add two or more AQH estimates for different dayparts would be meaningless.

Demographic: Demographic AQH Ratings and Shares *cannot* be added together because the base figure for each demo is different. To get a *Rating*, divide the AQH Persons estimate by the *population*. Since the population is different for each demographic, each AQH Rating is calculated from a different base. To add a Teens AQH Rating to a Persons 18-34 AQH Rating would give you a meaningless Rating for Persons 12-34.

To get a Persons 12-34 AQH Rating, *add* the *AQH Persons* estimate for Teens *to* the *AQH Persons* estimate for Persons 18-34. Then divide the AQH Persons 12-34 estimate by the population of Persons 12-34.

$$\frac{\text{AQH Persons 12-34}}{\text{Population 12-34}} \times 100 = \text{AQH Rating for Persons 12-34}$$

To get a *share*, divide the AQH Persons estimate for a single station by the AQH Persons estimate for all stations, or the *Metro Total* of AQH listeners. Since the total AQH listeners is different for each demographic group, each respective share is calculated using a different base. To add a Teens share to a Persons 18-34 share would give you a meaningless share for Persons 12-34.

### COMBINING DEMOGRAPHIC SHARES

To get a Persons 12-34 share, *add* a station's *AQH Persons* estimate for Teens *to* the *AQH Persons* for Persons 18-34. Do the same with the Metro Total AQH listeners. Then divide the station's AQH by the Metro's AQH.

$$\frac{\text{WAAA AQH Persons 12-34}}{\text{Metro Total Persons 12-34}} \times 100 = \text{WAAA Metro Share among AQH Persons 12-34}$$

### CUME PERSONS, RATINGS

Stations & Dayparts: Cume estimates for persons and ratings *cannot* be added together for stations and for dayparts *because of duplication*. The definition of a Cume is the number of *different* persons listening in a daypart. Most people listen to more than one radio station and in more than one daypart. If you add Cumes for two or

more stations or dayparts, you might be counting some listeners more than once. In both cases, the result would *not* give you a true Cume, but an inflated projection.

*Demographic:* You cannot add Cume ratings for different demographics together for the same reason you *cannot* add AQH Demographic Ratings. Each rating is calculated using a different population base.

# Arbitron's Family of Services

**A**rbitron leads the broadcast industry in reporting how America listens to radio. We have developed a wide range of services enabling stations to analyze their audience to *sell more* in their markets.

## **RADIO MARKET REPORT**

Arbitron reports radio listening estimates for 262 local markets, with about 100 markets measured year-round. Each report contains key target audiences, various dayparts and market profiles. The Radio Market Report also contains audience composition, exclusive cume percentage, in-car listening and overnight listening.

## **AID**

Arbitron's computerized bank of all reported diary information allows you to customize reports. The AID database contains nearly five times as much information as the Radio Market Reports and can be used to tailor your sales strategies to your advertisers. This is available to you printed or on-line.

AID features include:

- Custom geography (counties/zip codes)
- Isolated time periods
- At-home, in-car, or some-other-place listening
- Ethnic audience compositions
- Customized demographics (age/sex)
- Working women (persons) audience composition

- Audience duplication
- Real diary-based reach and frequency analyses

### **QUALIZIP<sup>SM</sup>**

An enhancement to PC AID, this system matches radio listening to socioeconomic information for individual zip codes.

### **TARGET AID**

This is a powerful tool that provides ClusterPlus qualitative lifestyle data. In addition to standard age/sex demographics, you can describe how your listeners live, what they buy and how advertising can reach them. Target AID is a sophisticated market segmentation system combining databases from Arbitron Radio, Donnelley Marketing Information Services and Simmons Market Research Bureau.

### **PROGRAMMER'S PACKAGE**

Use this AID product to identify your strongest zip code areas, your most listened-to dayparts and your closest competitors. It analyzes quarter-hour-by-quarter-hour flow and audience recycling between dayparts. Because it uses unweighted data, the Programmer's Package is used primarily as a programming tool.

### **RADIO FASTRAQ<sup>®</sup>**

Radio FasTraQ, a microcomputer application system, is an electronic look through the book. It lets you quickly find sales stories for your station through the use of colorful and professional-looking graphics.

## **CROSSTRAQ**

Part of the Radio FasTraQ system, CrossTraQ provides qualitative information about your station's audience. It combines Simmons Market Research Bureau product usage data and local market information from International Demographics with Arbitron ratings data.

## **ARBITRENDS**

Audience estimates are delivered monthly from Arbitron's computer to yours. Two types of reports help you plan station strategy:

*Quarterly Report:* Your station's regular Radio Market Report is delivered to you by computer before it's printed. It comes in four formats: Trend, Demo, Percent Change and Daypart Comparison Reports.

*Rolling Average Report:* The most recent survey month plus the two previous months are combined to produce one report (which is processed similar to the quarterly report). It can be produced in three formats — Trend, Demo, or Daypart Comparison Reports — and can be customized to suit your station's needs.

## **COUNTY COVERAGE STUDY**

County Coverage is a yearly report of county listening throughout the nation. This publication reports audience estimates based on one year of listening information available for every county in the United States.



## **NATIONWIDE**

The Nationwide report provides ADI audience estimates for wired and unwired networks. This report is based on diary information from all spring surveys and is produced annually.

## **MECHANICAL DIARY**

This is an easy-to-read computer print-out of all daily listening entries from each diary in which your station is included. It can be used when you conduct your diary review in our facility in Laurel, MD.

Raw diary information included in this service is:

- Respondent's exact age
- Zip code/county
- Sequence of listening
- Total and individual lengths of events listening
- Race/nationality
- Location of listening

## **RADIO USA**

This booklet, published four times annually, provides listening estimates for every Arbitron radio market in one compact volume. You can compare your station with others of similar formats in other markets around the country.

## **MARKETING RESEARCH SERVICES**

Arbitron will design studies to your specifications when you need specialized information about your market or audience.

## THE LIBRARY

Arbitron offers several publications to assist stations in learning more about their markets, audience listening patterns and the broadcast industry in general. Simply contact your Arbitron representative for any of these:

*Description of Methodology*: The set of statistical and sampling procedures Arbitron employs to produce the Local Market Report. It explains diary placement, survey area determination, ratings reliability, research terminology and more. It is updated annually (RD-6410).

*Radio Market Report Reference Guide*: A handbook to reading the Radio Market Report, it gives you useful examples to help you understand and use the book (RD-6510).

*Radio Programmer's Guide to Arbitron*: For radio station programming decision makers, this handbook gives definitions to Arbitron terminology that will help them use Arbitron information in setting up their program schedules (RD-7520).

*Market Survey Schedule and Population Rankings*: A pocket guide of scheduled surveys in each market, ranked by Metro, ADI and TSA population.

*Beyond the Ratings*: Arbitron client-service magazine highlights the Company's involvement in the radio industry and discusses current trends and how others use Arbitron ratings information to their advantage.

*RadioTutor*: A PC-based tutorial which takes you step by step through the Local Radio Market Report and how to use radio research.

## Radio Today

Arbitron conducts studies on a regular basis to describe how Americans listen to radio. Some of the more recent studies are:

*Radio Today — The Hispanic Listener*: Reports the listening patterns of the Hispanic audience (1985).

*Radio for the '90s*: Includes information on radio listening by season, format and demographics. This piece replaces *Radio Year-Round and Radio Today*.

*Black-Formatted Radio*: Examines the profile and habits of the black-formatted-radio audience.

## PRESENTATIONS

An Arbitron representative can speak to your station staff on many topics, including discussions on how to use the ratings to their full advantage, results of recent Arbitron studies and how to read the Local Market Report. Please call your account executive to arrange a presentation. Among some of these presentations are:

*Beyond Cost Per Point*: How to effectively sell radio using reach and frequency with qualitative data.

*Radio Forecast: Hot in the '90s*  
A look at the promise of radio for the new decade.

*The Value of Arbitron*: This presentation provides an overview of Arbitron services available to radio stations.

Additional publications are available. Many Arbitron brochures are available as slides or videotapes. These are particularly dynamic tools to help inform advertisers, agencies and the general public of the value of radio today.

# **ARBITRON**

## **New York**

142 West 57th Street  
New York, New York 10019  
(212) 887-1300

## **Chicago**

211 East Ontario, Suite 1400  
Chicago, Illinois 60611  
(312) 454-3444

## **Atlanta**

300 Embassy Row  
Atlanta, Georgia 30328  
(404) 399-2115

## **Los Angeles**

3333 Wilshire Blvd., Suite 712  
Los Angeles, California 90010  
(213) 736-0700

## **San Francisco**

One Maritime Plaza, Suite 825  
San Francisco, California 94111  
(415) 393-6925

## **Dallas**

One Galleria Tower  
13355 Noel Road, Suite 1120  
Dallas, Texas 75240  
(214) 385-5388

## **Washington**

The Arbitron Building  
Laurel, Maryland 20707  
(301) 497-4742

*A Control Data Company*