wanted more information. Research proce-dures were then designed to study lifestyle patterns and how they affect media use and buying behavior. Such information is valu-able in designing advertising campaigns: If advertisers understand the lifestyle patterns of the people who purchase their products, they can design commercials to match those lifestyles.

Electronic media research studies today fall into two broad categories: ratings and nonratings research. The remainder of this chapter discusses these two areas.

**RATINGS** [**RESEARCH**](#page10)

When radio became popular and adver-tisers began to grasp its potential for at-tracting customers, they were faced with the problem of documenting audience size. The print media were able to provide cir-culation figures, but broadcasters had no equivalent “hard” information, just unsub-stantiated estimates. The early attempts at audience measurement failed to provide adequate data. Mail and telephone calls to the radio station from listeners were the first sources of data, but it is a well-known fact that mail and telephone calls from a handful of listeners or viewers do not rep-resent the general audience. A myth that someone started long ago, that many people still believe today, is that one letter or one telephone call to a radio station represents 10 listeners. Advertisers and broadcasters quickly realized that more information was urgently needed.

Since 1930, when a group called the Cooperative Analysis of Broadcasting con-ducted one of the first audience surveys for radio, several companies have attempted to provide syndicated audience information, but two companies have survived and pro-vide the bulk of syndicated ratings informa-tion for radio, television, and cable: Nielsen Media Research for television and Arbitron

for radio. The United States is divided into about 363 metropolitan area or markets. Nielsen conducts TV ratings in 210 of the markets; Arbitron conducts radio ratings in 287. In many markets, both companies provide ratings data throughout the year, known as *continuous measurement*, not just during certain times of the year as in the past.

**Nielsen**

Nielsen Media Research is located in Northbrook, Illinois, and is a subsidiary of The Nielsen Company (see [*www.nielsen.com*](www.nielsen.com) and [*www.nielsenmedia.com*). The](www.nielsenmedia.com) original company (A. C. Nielsen) was founded in 1945 and was purchased by VNU (a Netherlands company; see *www.vnu.com*[) in](www.vnu.com) February 2001. The Nielsen Company is the world’s largest market research company.

Nielsen Media Research is involved in television ratings in several countries throughout the world, and includes ratings and research for “national broadcast and cable networks, regional networks, syndi-cators, television stations, local cable TV systems, satellite distributors, advertising agencies and advertisers, program produc-ers, station representatives and buying ser-vices” [*(www.nielsenmedia.com).*](www.nielsenmedia.com)

Nielsen Media Research uses two types of data collection methods: diaries and elec-tronic meters. The information is divided into two broad categories: *national* and *local.* This brief summary of Nielsen is fromthe company’s website:

**Meters & Diaries**

Electronic metering technology is the heart of the Nielsen Media Research ratings pro-cess. We use two types of meters: Set meters capture what channel is being viewed, while People Meters add information about who is watching. Diaries continue to be a valu-able instrument in our measurement toolbox

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and are used to collect viewing information from sample homes in almost every televi-sion market in the United States. Each year we process approximately 2 million paper diaries from households across the country for the months of November, February, May and July—also known as the “sweeps” rat-ing periods. This local viewing information provides a basis for program scheduling and advertising decisions for local television stations, cable systems, and advertisers. In some of the larger markets, diaries provide viewer information for up to three addi-tional “sweeps” months (October, January and March).

Over the course of a sweeps month, diaries are mailed to a new panel of homes each week. At the end of the month, all of the viewing data from the individual weeks is aggregated.

**People Meter Samples**

Our national sample, composed of a cross-section of representative homes throughout the United States, is measured by People Meters, a technology that has been in place since 1987. These meters give us informa-tion about not only what is being viewed on the set, but also exactly which members of the household are watching.

The People Meter is a “box”—about the size of a paperback book—that’s hooked up to each television set and is accompa-nied by a remote control unit. Each family member in a sample household is assigned a personal viewing button, which is matched to that person’s age and sex. Whenever the TV is turned on, a light flashes on the meter, reminding viewers to press their as-signed button and to indicate that they’re watching television. Additional buttons on the People Meter enable guests who are also watching to participate in the sample by entering their age, sex and viewing status into the system.

In addition to our national measure-ment, Nielsen also measures some of the nation’s largest local markets (such as New York, Los Angeles and Chicago) with Local People Meter Technology.

**Set Meter Samples**

Large to mid-sized local markets (such as Seattle, San Antonio and Memphis) are measured by a different type of meter—one that gives information about set-tuning only. In these markets, demographic infor-mation is provided by a separate sample of people who fill out seven-day paper diaries (or eight-day diaries in homes with DVRs).

**Diary Samples**

Smaller markets . . . are measured by paper diaries only. These seven-day diaries (or eight-day diaries in homes with DVRs) are mailed to homes to keep a tally of what is watched on each television set and by whom.

Nielsen produces a variety of audience measurement reports, such as the *National* *Television Index* (NTI) for national mea-surements and the *National Station Index* (NSI) for local measurements. These publi-cations, as well as other information from Nielsen, are discussed on the company’s website (see the section titled “Reports A to Z”). In addition, we urge you to search Nielsen’s website to find additional materials on television ratings’ procedures, particularly the section titled “Inside TV Ratings.”

The metered data are used for NTI and NSI reports and for **overnights**, which are preliminary ratings data gathered to give network and station executives, program producers, advertising agencies, and others an indication of the performance of the pre-vious night’s programs. Because the sample

1. Part Four *Research Applications*

sizes involved in overnights are small, the actual ratings for the programs do not ap-pear until several days later, when an addi-tional sample is added to increase statistical reliability.

In addition, Nielsen is also involved in Internet research with two products. First, Nielsen produces Nielsen Online, a variety of measurement services for the Internet, including audience measurement, Internet marketing, and online advertising (see *www.* *nielsen*[*-online.com*.) Second,](www.nielsen-online.com) *Nielsen’s* NetRatings is a panel study to investigate In-ternet users’ surfing along with consumer surveys designed to provide business and websites with consumer information (*www.* [*nielsennetpanel.com/pnl/us/home*).](www.nielsennetpanel.com/pnl/us/home)

Finally, Nielsen also produces research for the music industry through its product called SoundScan*,* described by Nielsen as:

1. . . an information system that tracks sales of music and music video products throughout the United States and Canada. Sales data from point-of-sale cash registers is collected weekly from over 14,000 re-tail, mass merchant and non-traditional (on-line stores, venues, etc.) outlets. Weekly data is compiled and made avail-able every Wednesday. Nielsen *SoundScan* is the sales source for the *Billboard* music charts.