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.

**Arbitron**

Arbitron [*(www.arbitron.com)* was](www.arbitron.com) founded in 1949 as The American Research Bureau (ARB). The company name was changed to The Arbitron Company in 1972, then to The Arbitron Ratings Company in 1982, back to The Arbitron Company in 1989. It is now **Arbitron, Inc**. Arbitron’s headquarters are in New York City. For more information about the history of broadcast ratings, see Beville (1988).

Information from Arbitron’s website says:

Arbitron Inc. is a media and marketing research firm serving the media—radio, television, cable, online radio and out-of-home—as well as advertisers and advertis-ing agencies in the United States. Arbitron’s core businesses are measuring network and local-market radio audiences across the United States; surveying the retail, media and product patterns of local-market con-sumers; and providing application software used for analyzing media audience and marketing information data. The company has developed the Portable People Meter™, a new technology for media and marketing research.

Through its Scarborough Research joint venture with The Nielsen Company, Arbitron provides additional media and marketing research services to the broad-cast television, newspaper and online industries.

Until 1995, Arbitron provided ratings for local television, but it now focuses only on radio by collecting information via diaries and the **Portable People Meter (PPM)**, which is discussed later in this chapter.

Although Arbitron continually measures most of the larger markets in the United States, the most important ratings period, historically called “books,” are produced in the winter, spring, summer, and fall, which are identified in Arbitron materials as WI, SP, SU, and FA. Arbitron also produces net-work radio ratings with its service called RADAR (Radio’s All-Dimension Audience Research, with a complete explanation located at [*www.arbitron.com/downloads/*](www.arbitron.com/downloads/RADAR_Accountability.pdf) *RADAR*[*\_Accountability.pdf*).](www.arbitron.com/downloads/RADAR_Accountability.pdf)

We urge you to visit the Arbitron’s web-site at [*www.arbitron.com* for](www.arbitron.com) extensive in-formation about Arbitron products, services, and methodologies. We especially suggest

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that you print the publication titled *Arbitron* *Radio Market Report Reference Guide*,more commonly known as *The Purple Book*, which is located at [*www.arbitron.com/*](www.arbitron.com/downloads/purplebook.pdf) [*downloads/purplebook.pdf.* This](www.arbitron.com/downloads/purplebook.pdf) *41*-pagereference guide provides an excellent sum-mary of Arbitron’s methods and procedures.

Finally, Arbitron also conducts online ra-dio listening surveys with its Online Radio Services product. Arbitron ([*www.arbitron.*](www.arbitron.com/onlineradio/home.htm) [*com/onlineradio/home.htm*) states:](www.arbitron.com/onlineradio/home.htm)

Since 1998, Arbitron has been tracking consumer attitudes and use of online radio. Our annual studies generate publicity for the growing medium and have become the benchmark for the industry.

The comScore Arbitron Online Radio Ratings service, our latest entry into this industry, provides online radio broadcast-ers with audience estimates that are the closest yet to traditional broadcast ratings. The service provides subscribers and adver-tising agencies with Average Quarter-Hour and Cume audience estimates for standard dayparts and demographics. This is the first major online radio ratings service to measure people—not computers.

The ratings service is based on ap-proximately a quarter of a million U.S. participants within the comScore global consumer panel. Using proprietary and patent-pending technology, comScore pas-sively and continuously captures the online behavior of these panelists regardless of whether they are listening at home, work or school.

The interest in gathering audience in-formation for Internet radio stations, either streamed from terrestrial radio stations or Internet-only radio stations, is increasing dramatically. Anyone involved in media re-search should keep up-to-date with develop-ments in this audience research area.

**Ratings Controversy.** Broadcast ratings cre-ate controversy in many areas. TV viewers complain that “good” shows are canceled; radio listeners complain that their favorite station changed its format; producers, ac-tors, and other artists complain that “num-bers” are no judge of artistic quality (they are not intended to be); radio and television station owners and operators complain that the results are not reliable; and advertisers balk at the lack of good information. Al-though there may be merit to some of these complaints, one basic fact remains: Regard-less of the amount of criticism about radio, television, and cable ratings, the basic proce-dures as they currently exist will remain the primary decision-making tool in program-ming and advertising.

Since ratings will continue to be used to make programming and nonprogramming decisions, it is important to understand two important facts: (1) Ratings are only ap-proximations or estimates of audience size— the data do not measure either the quality of programs or opinions about the programs and (2) Not all ratings are equally depend-able because each company uses it own methodology.

Since broadcast ratings are only esti-mates, they are not error free. The data must be interpreted in light of several limitations, which are always included in all Arbitron and Nielsen publications, such as this dis-claimer from Arbitron’s PPM website:

PPM ratings are based on audience esti-mates and are the opinion of Arbitron and should not be relied on for precise accuracy or precise representativeness of a demo-graphic or radio market.

Keep this in mind: Interpreting radio and television ratings as though they are facts (that is, 100% error-free) is a misuse of the data.