

PPM IS SUPERIOR TO DIARY-BASED AUDIENCE MEASUREMENT, AND ELECTRONIC MEASUREMENT IS ESSENTIAL TO THE FUTURE COMPETITIVENESS OF RADIO; PPM DOES NOT DISCRIMINATE AGAINST MINORITY BROADCASTERS, AND WILL NOT LEAD TO THE DIRE CONSEQUENCES PREDICTED BY THE PPM COALITION

- **Arbitron’s PPM technology is superior to the recall-based Diary system.**
 - PPM measures what advertisers and broadcasters have requested – actual exposure. PPM data already have yielded important information for advertisers: panelists are exposed to more radio stations, at more varied start times, and have more episodes of listening than what had been reported in the diary, though the episodes are typically shorter in duration. Exhibits 1, 2 & 3.
 - PPM’s objective, passive, electronics-based system is not subject to the same risk of conscious or unconscious deviation from actual exposure due to a host of subjective factors associated with the diary-keeper’s recall.
 - Radio’s competitors (such as television, on-line, and outdoor) already utilize electronic audience measurement. Without the objective, passive measurement of exposure demanded by advertisers, who are working with limited budgets, radio will suffer competitively.

- **PPM’s “Radio First” methodology does not have a disproportionately negative impact on minority-owned broadcasters or minority-targeted formats.**
 - PPM has not had a disproportionate negative impact on minority-oriented stations. Independent analysis from RadioCrunch concluded that stations targeting Hispanics and Blacks are more than holding their own under PPM. Exhibit 4. Recent data from BIA, the authoritative source of information on radio advertising revenues, for both Houston and Philadelphia show no significant changes in revenues for Hispanic and Urban-formatted stations compared with the market as a whole.
 - Experience shows that several Urban-formatted and Spanish-language stations in Houston and in Philadelphia used PPM data to identify new opportunities to attract and hold listeners, allowing those stations to compete successfully in the marketplace, regaining their pre-PPM ratings positions following an initial decline immediately after introduction of PPM, without changing their formats.
 - There is substantial variability within and across format categories in each market where PPM has been deployed. Some general-market-formatted stations and stations with minority-targeted formats have experienced increased Average Quarter Hour (“AQH”) Persons with PPM data, while other stations within the same formats have experienced decreased AQH Persons. Exhibit 5. These variations within formats establish that PPM is recording exactly what it was developed to measure – listener exposure, not listener recall or loyalty.
 - As the Executive Director and CEO of the Media Rating Council (“MRC”) has noted, the two techniques – Diary versus PPM – measure differently, and audience changes can occur purely as a result of differences in measurement mode. These audience measurement changes occur across the board, affecting all broadcasters and all formats.

- **There are no material differences between the PPM service in Houston and Radio First in terms of the demographic representation of their respective panels, panelist compliance, or methodologies that affect outcomes.**
 - PPM samples effectively represent Blacks and Hispanics, including young adults in the 18-34 age group, and in many cases, PPM samples include these demographic groups in higher proportions than in the diary. Additionally, PPM sampling includes cell phone only households, whereas the diary does not.
 - Panelist compliance rates between Houston (which has been accredited by the MRC) and Radio First markets (Philadelphia and New York, which are pursuing accreditation) are comparable, regardless of whether panelists were initially recruited exclusively by telephone (as in Philadelphia or New York) or in part in-person (as in Houston). These recruitment differences do not, empirically, lead to material differences in panel compliance. Exhibit 6. Apart from these contrasts in recruitment, there are no significant differences between the PPM methodology in Houston and Radio First's methodology. The PPM equipment is the same, it is installed the same way, it uses the same instructions, the panel members participate for the same length of panel service, and most importantly, the ratings results are remarkably consistent.
- **The Commission has no jurisdiction to regulate Arbitron or to initiate an investigation under Section 403.**
 - The Commission's precedents and relevant case law establish that the Commission lacks statutory authority to regulate Arbitron or audience measurement. Since the Commission's authority to initiate a Section 403 inquiry is bounded by its statutory authority, a Section 403 investigation would be unlawful.
 - Both Congress and the Commission have expressly stated that the investigation and auditing of audience ratings services are best left to private industry groups. The MRC was founded over 40 years ago to fulfill this role, and unlike the Commission, the MRC has expertise and experience in media audience survey methodologies to make appropriate determinations, including accreditation.
 - Arbitron has cooperated fully with the MRC audit and accreditation process and has been in compliance with the minimum requirements of the MRC's Voluntary Code of Conduct. Houston has been accredited, and the accreditation process is proceeding for Radio First in Philadelphia and New York. A complete audit of Radio First in those latter two markets has been performed. Contrary to the assertions of the PPM Coalition, there is no requirement that accreditation must precede commercialization. Indeed, any such requirement could affront fundamental principles of antitrust law, as the Department of Justice has previously advised the MRC.
 - Disputes regarding the alleged discriminatory impact of audience measurement techniques have recurred periodically over the last 30 years. These allegations were the subject of a petition requesting the FCC to investigate audience ratings services that was denied by the FCC in 1980. Similar allegations resurfaced when Nielsen's Local People Meter ("LPM") technology faced significant opposition from minority-oriented television broadcasters, who predicted drastic reductions in minority programming or ownership resulting from LPM. Those predictions proved to be baseless.

Diaries Overreport Habitual Listening

Black Listener
Female, Age 39

Hispanic Listener
Male, Age 24

“Other” Listener
Male, Age 28

WEDNESDAY									
	Time		Station	Mark <input checked="" type="checkbox"/> one		Mark <input checked="" type="checkbox"/> one			
	Start	Stop		AM	FM	At Home	In Car	At Work	Other Place
Early Morning (from 5 AM)	05:30	06:30	WBLS	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
	6:30		W	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
Midday			B						<input checked="" type="checkbox"/>
			L						<input checked="" type="checkbox"/>
			S						<input checked="" type="checkbox"/>
Late Afternoon	2:00			<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
	2:30	4:20	WBLS	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
Night (to 5 AM Thursday)									

If you didn't hear a radio today, please mark here.

JUEVES/THURSDAY									
	Hora/Time		Estación/Station	Marque uno <input checked="" type="checkbox"/> Mark one		Marque uno <input checked="" type="checkbox"/> Mark one			
	Comience/Start	Termine/Stop		AM	FM	En su casa/At Home	En su auto/In Car	En el trabajo/At Work	En otro lugar/Other Place
Temprano en la mañana (desde 5 AM/ from 5 AM)	8:30		97.9				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Early Morning (desde 5 AM/ from 5 AM)									
A mediodía (Midday)	12:00		97.9			<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
En la tarde (Late Afternoon)	6:00		97.9			<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
De noche (Night (hasta las 5 AM viernes/ to 5 AM Friday))									

Si usted no oyó la radio hoy, por favor, márchelo aquí.
If you didn't hear a radio today, please mark here.

TUESDAY									
	Time		Station	Mark <input checked="" type="checkbox"/> one		Mark <input checked="" type="checkbox"/> one			
	Start	Stop		AM	FM	At Home	In Car	At Work	Other Place
Early Morning (from 5 AM)									
Midday	9:00								
Late Afternoon	3:00		Sean Hannity ✓						<input checked="" type="checkbox"/>
			5:00 ABC TALK 770 ✓						<input checked="" type="checkbox"/>
Night (to 5 AM Wednesday)	6:00	8:00	Mark Levin ✓						<input checked="" type="checkbox"/>
			ABC TALK						

If you didn't hear a radio today, please mark here.

PPM Captures Actual Listening

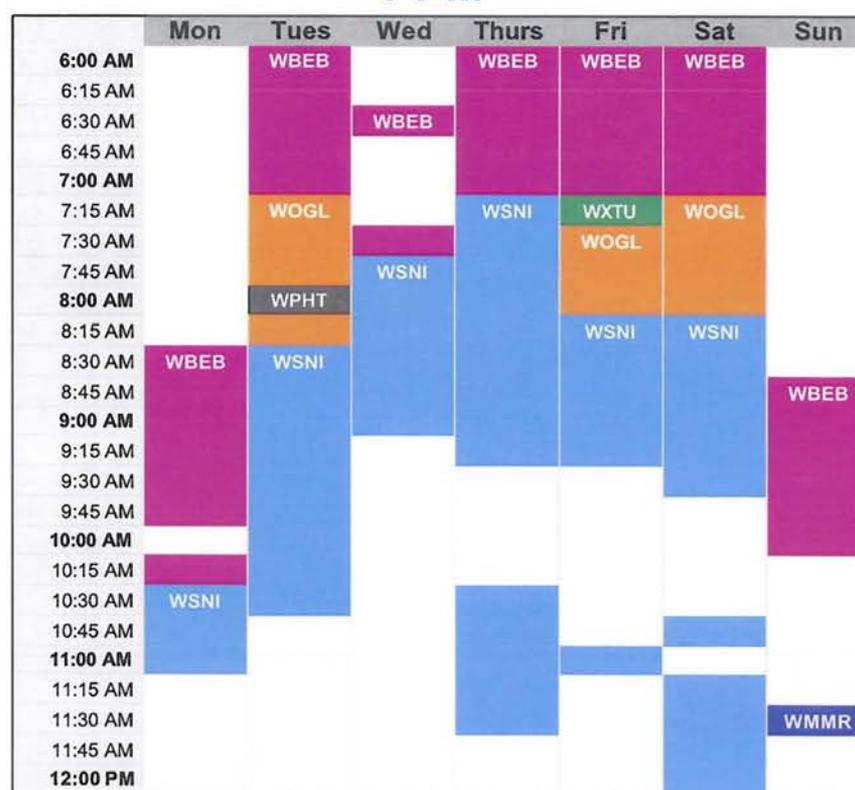
Survey records from same respondent: white male
(one year apart)

Diary



Winter 2004

PPM



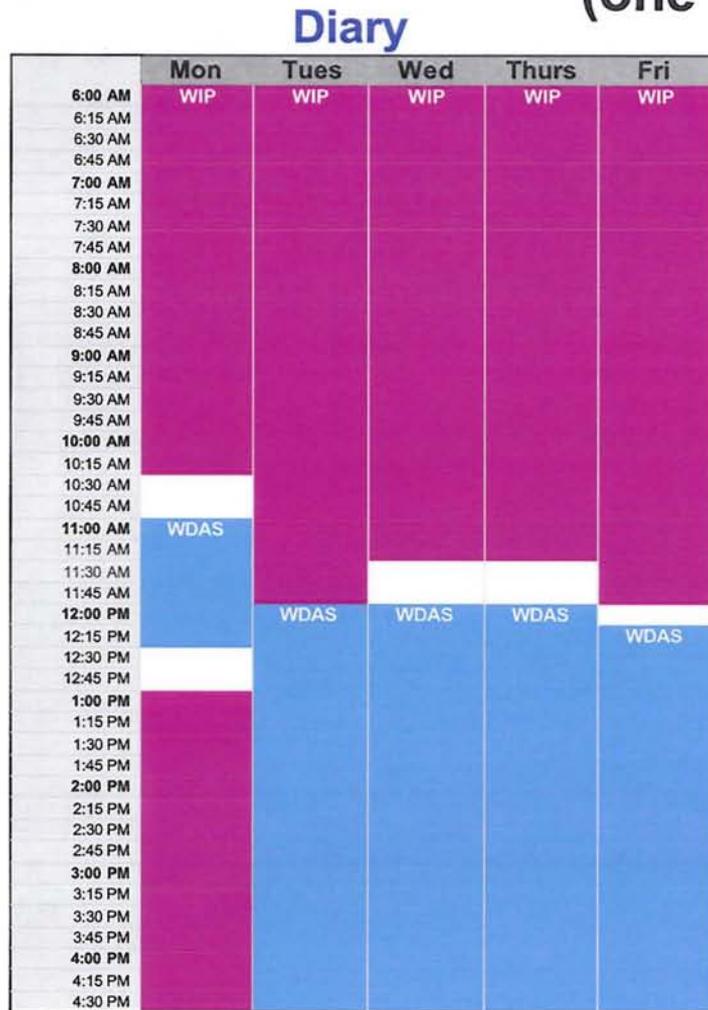
Winter 2003

Source: Philadelphia Radio Metro

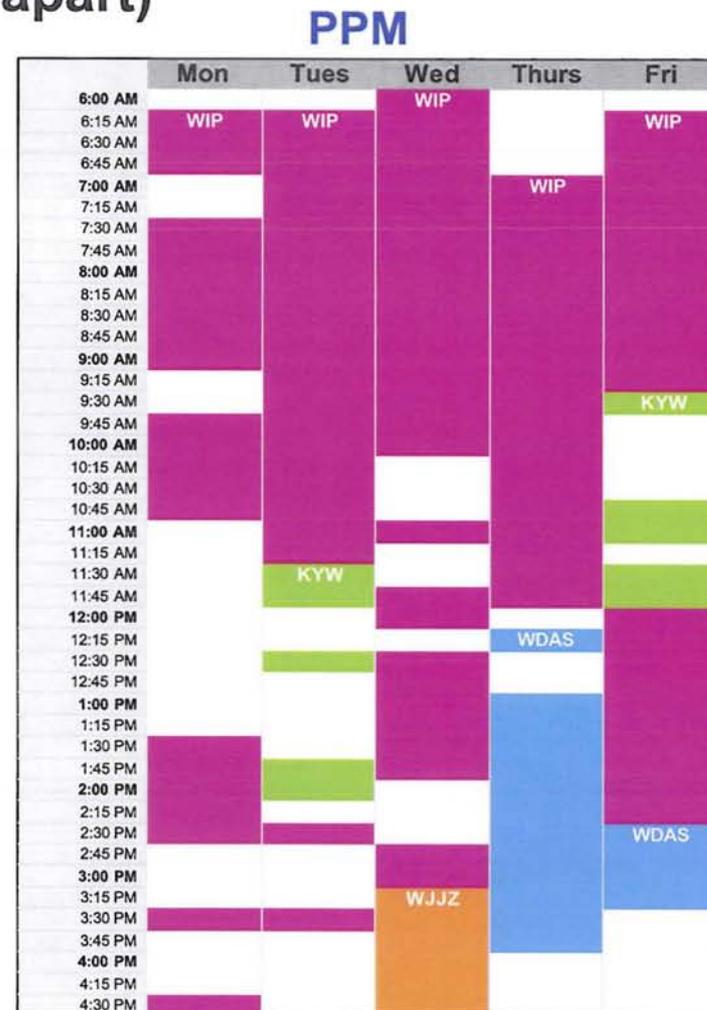


PPM Captures Actual Listening

Survey records from same respondent: black male
(one year apart)



Winter 2004



Winter 2003

Source: Philadelphia Radio Metro



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Analysis: NY AG PPM Allegations Not Reflected In Ratings



The Eye Of The Hurricane

When NEW YORK Attorney General ANDREW CUOMO filed suit against ARBITRON last FRIDAY ([NET NEWS, 10/3](#)) for rolling out PPM despite what he asserts are "design flaws that will disproportionately impact minority communities, broadcasters and businesses," RADIOCRUNCH principals KEVIN McCABE and ANTHONY ACAMPORA crunched the ratings numbers to see if the allegation held water.

Their analysis: Not so much.

"Technology is sometimes met with challenge," McCABE commented, "That doesn't change the fact that the PPM is going to be great for the industry. The proven PPM technology combined with its ability to produce quality audience measurement data will affect many positive changes. We eagerly anticipate the markets that ARBITRON plans to commercialize this week."

"Our company works with clients in all formats -- which includes Hispanic and African-American-targeted stations," added ACAMPORA, who also does ratings analysis for ALL ACCESS. "If you look at the data from NEW YORK, CHICAGO, LOS ANGELES, RIVERSIDE and SAN FRANCISCO from AUGUST, we believe stations targeting Hispanics and African-Americans are more than holding their own. In fact, if you look closely at the data, there is a strong argument that Spanish-language stations and Urban outlets are still doing well in PPM."

* NEW YORK: The three Urban stations (WRKS, WBLS, and WWPR) are all in the top 10 25-54. Two of them are top 10 18-49 (WBLS is #11). With adults 18-34, WWPR is #2. Having stations consistently ranked top 10 in major advertiser demographics makes them extremely viable. SBS Tropical WSKQ ranks 4th 18-34, and 6th 18-49 and 25-54.

* LOS ANGELES: Spanish-language stations account for four of the top-eight stations 25-54, 18-49 and 18-34 -- and six of the top 10 18-34 (if you include bilingual KXOL). In L.A., the Urban shares are not necessarily non-existent. The African-American audience has chosen more mass-appeal stations like CLEAR CHANNEL Rhythmic AC KHHT, CBS Smooth AC KTUV and EMMIS Rhythmic KPWR, which have always had strong African-American compositions.

* CHICAGO. Major Regional Mexican stations (WOJO and WLEY) are both in the top 5 18-49 and rank #1 and #3 18-34, while ranking 3rd and 8th 25-54, respectively. There are some challenges for Urban outlets WGCI and WVAZ.

* SAN FRANCISCO: Regional Mexican rivals KSOL and KRZZ rank #3 and #4 18-34. They are #3 and #5 18-49, and #4 and #12 25-54. Meanwhile, CLEAR CHANNEL Rhythmic KMEL, which has always had a heavy African-American component, is #1 18-34 and 18-49, and #7 25-54. INNER CITY Urban AC KBLX was a very competitive 8th 25-54 in AUGUST.

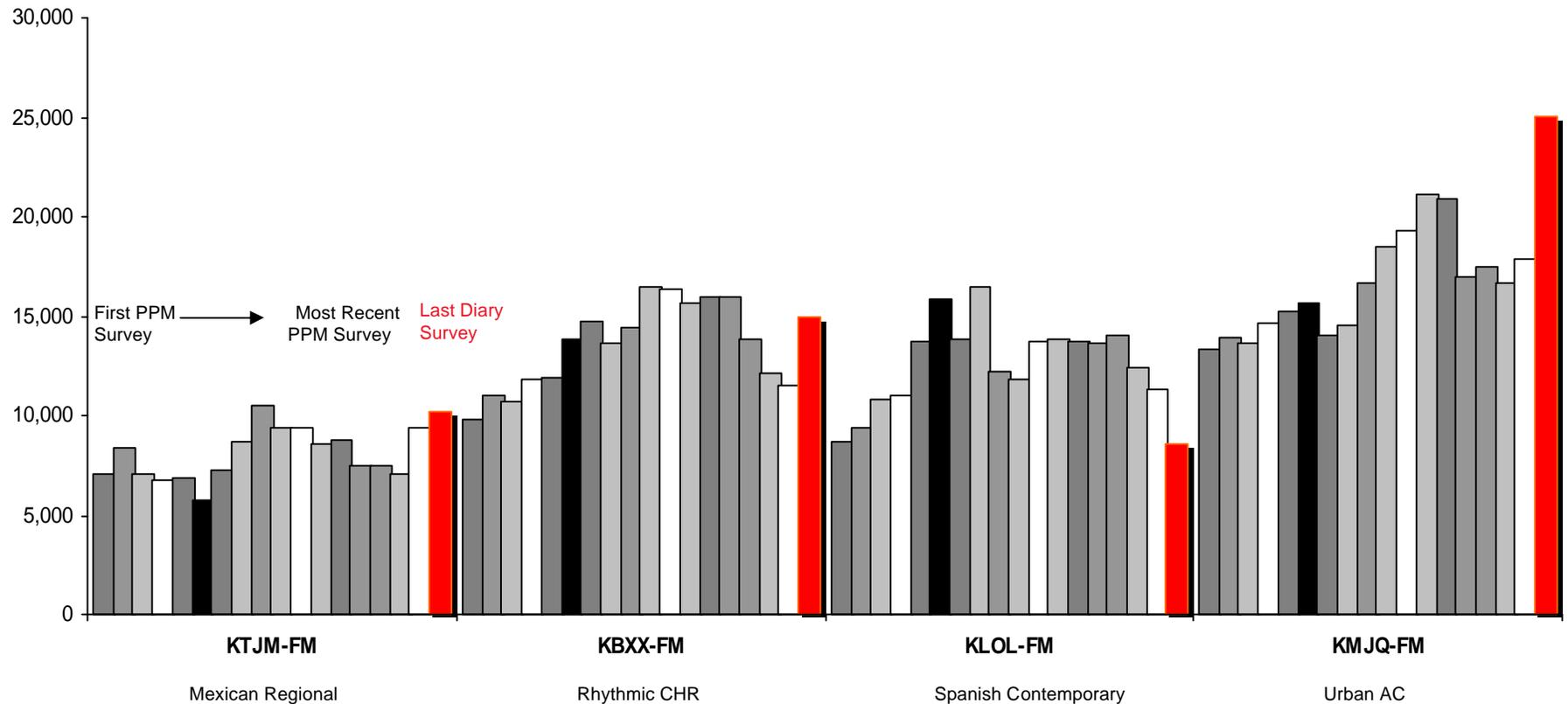
* RIVERSIDE: We've seen Spanish-language shares grow 30% 12+ from the diary to meter, and nearly double in some of the younger cells - especially 18-24 - so there doesn't seem to be any issue there.

You can reach ACAMPORA at anthony@radiocrunch.com or McCABE at musiccrunch@rocketmail.com.

“In fact, if you look closely at the data, there is a strong argument that Spanish-language stations and Urban outlets are still doing well in PPM.”

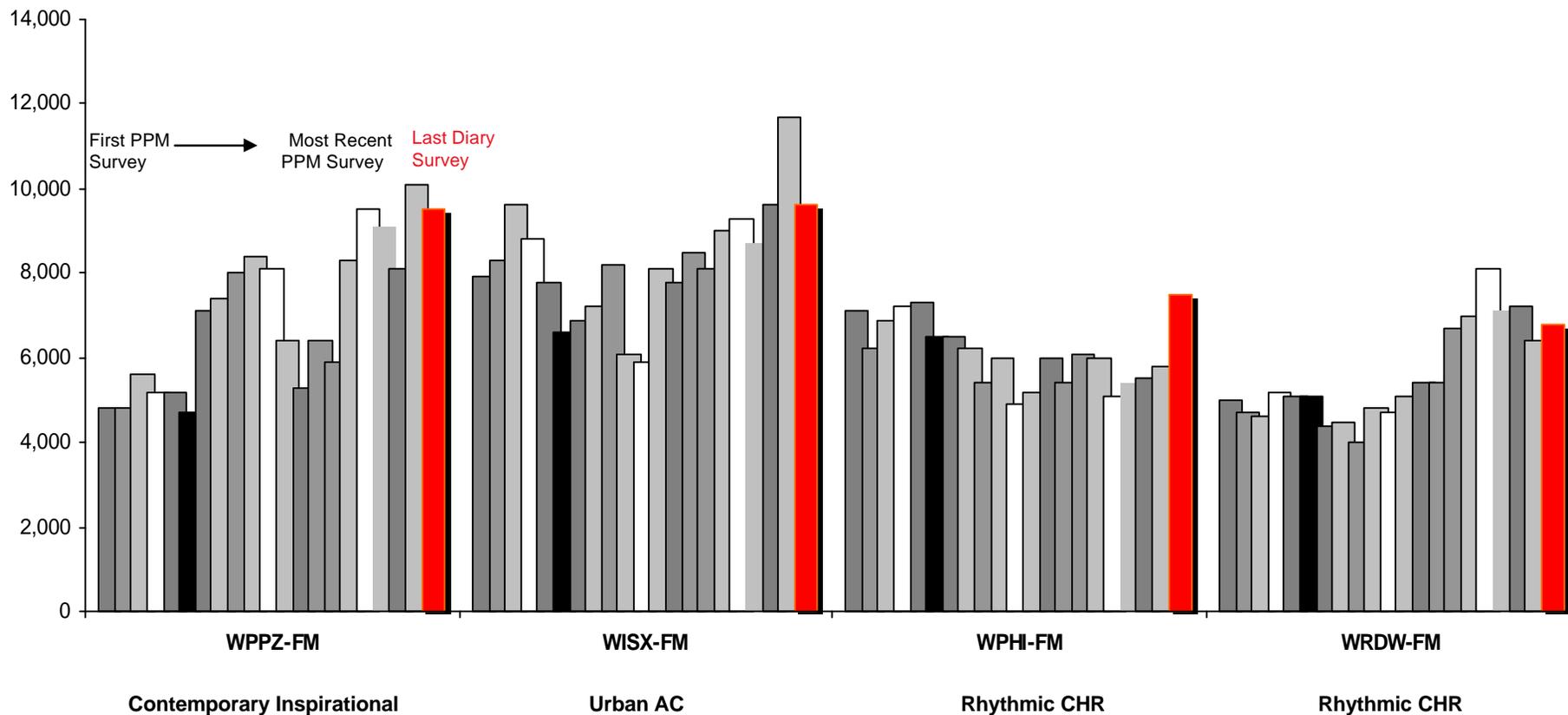
Exhibit 5

Many of the Houston Stations Which Attract A Black or Hispanic Audience Have Grown Close Or Now Exceed Their Diary Estimate



Persons 25-54, AQH Persons, Mon-Sun 6a-12m
 PPM first survey, June 2007, Diary last survey, Winter 2007

Many of the Philadelphia Stations Which Attract A Black Audience Have Grown Close Or Now Exceed Their Diary Estimate



Persons 25-54, AQH Persons, Mon-Sun 6a-12m
 PPM first survey, March 2007, Diary last survey, Fall 2006

Exhibit 6

Comparison of the Houston, Philadelphia, and New York PPM Panel Sample Quality and Compliance Metrics:

August 2008	Houston	Philadelphia	New York*
Average Daily In-tab**	1,392	1,595	3,997
SPI***	16.0%	14.5%	13.9%
P6+ DDI****	102	104	105
P18-34 DDI	100	92	99
Black 6+ DDI	118	121	105
Black 18-34 DDI	99	103	90
Hispanic 6+ DDI	101	95	138
Hispanic 18-34 DDI	107	*****	136
Spanish dominant 6+ DDI	107	*****	136
P6+ In-tab Rate	72%	73%	76%
Black 6+ In-tab Rate	72%	67%	74%
Hispanic 6+ In-tab Rate	70%	77%	76%
Spanish dominant 6+ In-tab Rate	73%	*****	81%
P18-34 In-tab Rate	66%	64%	67%
Black 18-34 In-tab Rate	66%	60%	65%
Hispanic 18-34 In-tab Rate	67%	*****	72%
P6+ Daily motion time (hrs:mins)	14:49	14:53	15:01
Black 6+ Daily motion time	14:46	14:43	15:14
Hispanic 6+ Daily motion time	14:40	15:02	14:47

* DDIs, In-tab Rates, and Daily motion times are for the unembedded portion of the New York market, which does not include Nassau and Suffolk Counties in suburban New York, nor Middlesex, Somerset, and Union Counties in suburban New Jersey.

** In-tab refers to the number of panelists who are in compliance with the PPM's requirements on a given day.

*** Sample performance indicator ("SPI") is a percentage of the total originally-selected sample of persons who remain in the panel and who cooperated on a given day. The daily SPI results are then averaged over the course of the 28-day reporting period. For example, if 100 persons are included in the original sample, and 20 of them cooperate on July 1, the SPI for July 1 is 20%. That result will then be averaged for the period from July 1 through July 28.

**** Designated delivery index, a panel measure of sample delivery (*i.e.*, the daily in-tab sample size averaged over the 28-day reporting period) against the theoretical target based upon the designated population segment's share of population (100 = perfect sample target delivery). For example, if the demographic segment of interest (*e.g.*, Hispanic males aged 18 to 34) represent 10% of the market population, and the total sample delivery target is 1,000 persons, a perfect DDI would result if sample delivery of Hispanic males aged 18 to 34 equal 100. "P6+" refers to persons of all races/ethnic groups aged six years and older.

***** Metric either not available or not reported due to low Hispanic population penetration (6.1%) in Philadelphia.