Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Impact of Arbitron Audience Ratings	)	MB Docket No. 08-187
Measurements on Radio Broadcasters	)	

COMMENTS OF ICBC BROADCAST HOLDINGS, INC.

ICBC Broadcast Holdings, Inc. ("ICBC"), by its attorneys, hereby submits its Comments in the above-referenced proceeding in order to inform the Commission about the far-reaching consequences of changes in audience ratings measurement techniques by Arbitron Inc. ("Arbitron") which have been caused by deployment of Arbitron's Portable People Meter™ ("PPM"). ICBC is the operating parent company of the licensees of seventeen full-power broadcast radio stations in several markets, including two markets in which PPM has been deployed. ICBC, which is owned and managed by African Americans, applauds the Commission's foresight and integrity in examining the effects of PPM on the radio industry, and especially, minority-owned radio. In these Comments, ICBC demonstrates the harm caused by Arbitron's monopoly activities and asks for FCC oversight and relief.

I. The Switch To PPM Has Harmed ICBC.

Many broadcasters and broadcast organizations have complained to the Commission, other agencies and courts of law, about the devastating effects that PPM has caused to many radio broadcasters. Most, but not all, of those broadcasters are minority-owned, as is ICBC, which is a member of the National Association of Black Owned Broadcasters ("NABOB"). While ICBC supports the NABOB position concerning PPM, it provides these comments from a real-world, radio operator's perspective, and will not repeat the well-taken comments of NABOB.

Audience rating data are the financial life-blood of commercial radio broadcasters. Such data are the foundation of a radio station's ability to attract advertisers and set competitive advertising rates. In this regard, audience ratings strongly influence programming choices of radio stations. To prosper, indeed to survive, commercial radio stations must offer programming of interest to the public—the listeners. The single most powerful tool to determine what listeners enjoy and want to hear is audience ratings, including the ability to determine the tastes and interests of subparts of audiences by demographic factors. Ratings data directly influence programming choices, and thus, have an effect on First Amendment principles.

For decades, Arbitron has been the monopoly provider of radio audience ratings services, including in all markets in which ICBC operates radio stations. There is no other choice. Over almost all of that time, Arbitron collected audience rating data through a "diary" system, which in effect, was a sample of listeners who agreed to write-down their listening choices over time and provide them to Arbitron. Starting a few years ago, Arbitron began developing a new, electronic system, which eventually resulted in the PPM. ICBC was pleased and excited about Arbitron's decision to improve and automate its data collections. Arbitron's diary system, while providing accurate audience preferences, had lagged behind available technology in comparison to other research techniques.

Unfortunately, while the concept of a modern and electronically-based rating system was good, the PPM reality, due to Arbitron's insistence to rush an unproven technology to market, has been disastrous in many respects, especially for minority-owned and programmed radio stations. ICBC can prove this reality easily. ICBC radio stations in the New York City and San Francisco markets have been rated under the PPM technology since the fourth quarter of 2008. After switching to PPM, the ICBC stations serving in New York and San Francisco declined

dramatically in ratings. In New York, the ratings decline was 25% to 50%, and for San Francisco, the ratings decline was 40% to 60%. The new PPM ratings dropped ICBC's adults 25-54 rank for WBLS(FM) from the 3rd ranked station in the New York market to the 8th ranked; and KBLX dropped from the 3rd ranked station in the San Francisco market to the 13th ranked station.[1]

Losses of audience ratings translate into loss of advertising business. After switching to PPM, WBLS revenue declined approximately 13% to 44% and KBLX revenue declined approximately 7% to 42%.[2]

To be sure, audience ratings fluctuate over time but ICBC did not make any significant changes in its formats or programming choices. It has never before experienced such enormous and rapid ratings declines. Either the audiences in New York and San Francisco dramatically changed their listening tastes, by the tens of thousands at exactly the time that Arbitron deployed PPM <u>or</u> the PPM ratings mechanism misfired substantially as compared to the Arbitron diary system.

Revenue losses reflect many factors, including the current poor economy. But the devastating losses of revenue experienced by ICBC necessarily reflect the ratings deficiencies following the change-over to PPM to a substantial extent.

The Commission must find that ICBC's long-established, successful and popular programming formats were not coincidentally abandoned by the public at the moment PPM

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[1] Attachment No. 1 to these Comments includes copies of spreadsheets which compare the Arbitron ratings for these ICBC stations under PPM as compared to the most recent ratings under the diary system.

[2] The facts are demonstrated in Attachment No. 2 to these Comments, which includes charts based on Arbitron's ratings for the Monday-Sunday, 6 am-12 midnight, Adults age 25-54 demographic, which is the primary revenue generating ratings category for the ICBC stations and their Adult Urban programming format.

arrived. Arbitron's PPM mechanism has worked a distortion which is highly detrimental to ICBC and many other broadcasters. ICBC cannot sustain these losses indefinitely. Because Arbitron is a monopoly provider of a service essential to radio broadcasting, ICBC has no choice but to seek government intervention in order to survive.

II. PPM Has Been Plagued With Problems.

The obvious failure of PPM to replace the diary system and accurately determine ratings for ICBC stations serving New York and San Francisco is not an isolated problem. For example, at the same time, Spanish language stations in the New York market lost about half of the their audience under PPM as compared to the preceding diary system.[3] PPM's performance has been dismal and riddled with documented problems. Attachment No. 3 to these Comments is a collection of industry news reports of numerous problems associated with PPM. They include reports of the following:

- As reported by the *Washington Post* today (July 1, 2009), the House Committee on Oversight and Government Reform has initiated an inquiry into PPM and its disproportionate effects on minority radio.

- On June 30, 2009, the Miami-Dade Board of County Commissioners adopted a resolution urging Congress, the Florida legislature, and federal and state officials to ensure that PPM ratings methodologies do not underrepresent minority radio listeners.

- In May 2009, Arbitron's average daily cume estimates did not match in Arbitron's PPM Analysis Tool and Arbitron's Weeklies service, affecting data for Los Angeles, Chicago, Riverside, Miami, Phoenix and San Diego. Arbitron contended that Los Angeles was the only market "substantially affected."

- In May 2009, Arbitron delayed the release of New York PPM ratings because of an incorrect population estimate, with similar errors in October 2008 and December 2008 to March 2009.

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[3] *Spanish stations continue to struggle under Arbitron's Portable People Meter (PPM) system. The morning show at WSKQ (97.9 FM), which used to draw 5% or more of the audience, now is said to get half of that. When Luis Jimenez was on La Mega, he sometimes topped 6% of the audience. Now, on WCAA (105.9 FM), he clocks in below 2% - with a show that's just as good.* www.nydailynews.com/entertainment/tv/2009/06/22.2009-06-22_radio_ratings_arbitron.

- In May 2009, Arbitron admitted that PPM has sampling problems among African Americans in the 18-34 age range. Arbitron initiated an "action plan" to improve African American proportionality in Los Angeles, Riverside-San Bernardino, Detroit and Dallas, with similar efforts under consideration for Atlanta and Washington, DC.

- At the same time, Arbitron admitted that cell phone only households skew heavily to urban and young persons. Arbitron hopes to have 15% of PPM sample taken from cell phone only households by the end of 2009. However, that is undercounting. Surveys show that more than 20% of US households are cell phone only and more than a third of young people aged 18-29 are wireless-only. More than 60% of adults that share a house or apartment with roommates, nearly 40 percent of all renters, and 25 percent of Hispanics are wireless-only.

- In April 2009, PPM failed to reach Arbitron's own minimum sample sizes for minorities in several markets, such as Los Angeles and Detroit.

- PPM failed to meet its benchmark in April 2009 in Long Island, part of the New York City market.

- As reported in May 2009, Univision, the largest Spanish language broadcaster is refusing to rely on PPM ratings in Los Angeles, the largest Spanish language market.

- As reported on June 15, 2009, Spanish Broadcasting System, another large Spanish language broadcaster, will not sell in New York in reliance on PPM.

- In the first PPM ratings for Philadelphia and Houston, in August 2007, there were ratings fluctuations of 30%-50% as compared to the previous diary system.

- On December 27, 2008, the *Washington Post* reported that an almost unknown noncommercial radio station in the Washington market vaulted to the top ranks of the market immediately after Arbitron shifted ratings services to PPM.

Other agencies have found severe problems with the PPM system which are disproportionately harmful to minorities. As was widely publicized, the Attorneys General for the States of New York, New Jersey and Maryland investigated Arbitron due to PPM and New York and New Jersey instigated litigation against Arbitron. Early in 2009, Arbitron settled with all three Attorneys General, including payments made by Arbitron and its commitments to

correct PPM deficiencies.[4] Clearly, the Attorneys General took action based upon clear evidence of disproportionate harm caused by PPM to minority broadcasters.[5]

In order to settle, Arbitron made a number of commitments to improve the PPM system, including: greater recruitment of racial and ethnic minorities in its sample groups; increased use of cell phone only households; completion of a bias study; reports to the Attorneys General; and greater transparency. Unfortunately, as the news stories collected under Attachment No. 3 establish, Arbitron has not yet kept its promises or adequately corrected the PPM methodology. The Attorneys General retained enforcement rights against Arbitron, which they may have to invoke.

III. The Commission Must Supervise Arbitron and Act to Protect Radio Broadcasting.

Until such time when radio audience rating services become a competitive line of business, with choices of providers, struggling radio broadcasters, such as ICBC, need government intervention to be protected from detrimental practices. The New York, New Jersey and Maryland Attorneys General have recognized that need but they are limited in jurisdiction to their states. The FCC should apply its expertise by helping to supervise Arbitron's promises to reform PPM nationwide. The FCC is the only expert agency available with national reach. It should ensure that Arbitron corrects PPM so that it accurately and fairly rates radio listening. Delay by Arbitron should not be tolerated by the Commission.

The Commission should direct radio stations not to subscribe to technology which has been shown to be harmful to the public interest. PPM already has caused some broadcasters to

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[4] *See NABOB and SRA applaud actions by NY and NJ Attorneys General*, Radio Business Report (Jan. 7, 2009) (available at http://www.rbr.com/radio/12163.html).
[5] *See New York files suit against Arbitron*, Radio Business Report (Oct. 6, 2008) (available at http://www.rbr.com/radio/new_york_files_suit_against_arbitron.html).

alter their programming, or to drop some formats altogether, in order to become "more PPM friendly" even if not audience friendly.

The Commission should direct Arbitron to take immediate actions to correct PPM problems before declaring it "currency." PPM has consistently suffered from sampling errors and underreporting of young persons and minorities. The Commission should order Arbitron to expand its sample population. Under current methodology, a small number of households can affect ratings drastically. Arbitron should be required to ensure that daily in-tab sampling of young and ethnic listeners achieve a minimum benchmark of at least 75%. Arbitron should at least double the number of cell phone only households reporting, to more closely reflect actual demographics and better represent minority and younger listeners.

Action is needed promptly. Radio broadcasters such as ICBC cannot continue to survive in the face of the financial declines directly attributable to PPM errors. Failure to act could doom minority radio broadcasting and foil more than fifty years of federal efforts to foster diversity.[6]

Arbitron has argued that the FCC has no legal authority over it. While ICBC believes that Arbitron is incorrect, there can be no doubt that the Commission has ample authority over radio broadcasters. If the harms caused by PPM continue, the Commission could order radio

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[6] *See Amendment of Sections 3.35, 3.240 and 3.363 of Rules and Regulations Relating to Multiple Ownership of AM, FM and Television Broadcast Station, Report and Order,* 18 FCC 288, 291 (1953) ("Fundamental purpose...was ...to promote diversification of ownership in order to maximize diversification of program and service viewpoints."); *Statement of Policy on Minority Ownership of Broadcasting Facilities,* 68 FCC 2d 979, 981 (1978) ("Ownership of broadcast facilities by minorities is [a] significant way of fostering the inclusion of minority views in the area of programming... [f]ull minority participation in the ownership and management of broadcast facilities results in a more diverse selection of programming."). As recently as 2008, the FCC undertook new steps to improve the diversity of media ownership and initiated new proceedings to expand its abilities and policies to improve minority ownership in media, including attempting to increase the participation of minorities in the broadcasting industry. *Promoting Diversification of Ownership in Broadcasting Services,* 23 FCC Rcd 5922 (2008).

broadcasters to cease participation in the PPM system, cease broadcasting the identification code necessary to the PPM technology, in order to support the public interest in curbing harmful monopoly practices and promoting a diverse, financially sound and independent radio industry. Such an action would be a last resort in the event that Arbitron refuses to cooperate with the FCC.

Respectfully submitted,

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July 1, 2009

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ATTACHMENT NO. 1

ICBC Broadcast Holdings, Inc.
Arbitron Ratings - Diary vs. PPM
New York & San Francisco

PPM

Arbitron Metro Shares (Adults 25-54)

Call	Fall 06	Win 07	Spr 07	Sum 07	Fall 07	Win 08	Spr 08	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
WBLS	5.6	4.6	5.2	5.2	5.5	5.4	5.1	4.4	4.8	4.8	5.3	6.0	5.1
WLIB	0.4	0.8	0.9	1.0	0.6	0.6	0.6	0.7	1.2	1.3	0.7	1.1	1.1

Arbitron Average Rating (Adults 25-54)

Call	Fall 06	Win 07	Spr 07	Sum 07	Fall 07	Win 08	Spr 08	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
WBLS	0.9	0.8	0.9	0.8	0.9	0.9	0.8	0.4	0.5	0.5	0.5	0.6	0.5
% Chg from Sp '08 Diary								**-50.0%**	**-37.5%**	**-37.5%**	**-37.5%**	**-25.0%**	**-37.5%**

(a) Sep 08 through Apr 09 represent PPM monthly share and rank data.

PPM

Arbitron Metro Shares (Adults 25-54)

Call	Fall 06	Win 07	Spr 07	Sum 07	Fall 07	Win 08	Spr 08	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
KBLX	3.5	2.9	2.6	3.9	2.5	3.1	3.8	3.2	2.6	3.3	2.8	2.6	2.7

Arbitron Average Rating (Adults 25-54)

Call	Fall 06	Win 07	Spr 07	Sum 07	Fall 07	Win 08	Spr 08	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
KBLX			0.4	0.5	0.3	0.4	0.5	0.3	0.2	0.3	0.2	0.2	0.2
% Chg from Sp '08 Diary								**-40.0%**	**-60.0%**	**-40.0%**	**-60.0%**	**-60.0%**	**-60.0%**

(a) Sep 08 through Apr 09 represent PPM monthly share and rank data.

ICBC Broadcast Holdings, Inc.
Arbitron Ratings - Diary vs. PPM
New York & San Francisco

PPM

Arbitron Metro Rank (Adults 25-54)

	Fall 06	Win 07	Spr 07	Sum 07	Fall 07	Win 08	Spr 08	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
WBLS	3	3	2	1	3	3	3	8T	5T	1T	1T	2	3
WLIB	31T	28	26T	25	26T	25T	25T	20T	24	22T	21T	22T	22T

Arbitron Average Rating Rank (Adults 25-54)

	Fall 06	Win 07	Spr 07	Sum 07	Fall 07	Win 08	Spr 08	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
	3	3	1T	1	3	1	2T	8T	3T	1T	1T	1T	3T

(a) Sep 08 through Apr 09 represent PPM monthly share and rank data.

PPM

Arbitron Metro Rank (Adults 25-54)

	6	Win 7	Spr 7	Sum 7	Fall 7	Win 8	Spr 8	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
KBLX	4	7T	9	4	11T	5	4	8T	14	10	14T	17T	16
	Fall												

Arbitron Average Rating Rank (Adults 25-54)

	Fall 6	Win 7	Spr 7	Sum 7	Fall 7	Win 8	Spr 8	Sep 08 (a)	Dec 08 (a)	Jan 08 (a)	Feb 09 (a)	Mar 09 (a)	Apr 09 (a)
KBLX						4T	3			7T	14T	17T	16T

(a) Sep 08 through Apr 09 represent PPM monthly share and rank data.

ATTACHMENT NO. 2

ICBC Broadcast Holdings, Inc.
Financial Impact of PPM
New York & San Francisco

San Francisco
Average Unit Rate-KBLX-FM
Mon - Fri, 6A - 12M

Oct. 07		Oct. 08	
	$197.10	$155.13	-21.3%
Nov 07		Nov 08	
	$219.72	$155.04	-29.4%
Dec 07		Dec 08	
	$188.72	$120.44	-36.2%
Jan 08		Jan 09	
	$145.09	$115.14	-20.6%
Feb 08		Feb 09	
	$185.02	$107.70	-41.8%
Mar 08		Mar 09	
	$182.56	$105.15	-42.4%
Apr 08		Apr 09	
	$167.75	$111.80	-33.4%

San Francisco
% of Revenue Decline
KBLX-FM

Oct 08 -Oct 07	-7.3%
Nov 08-Nov 07	-30.3%
Dec 08-Dec 07	-21.6%
Jan 09-Jan 08	-2.3%
Feb 09-Feb 08	-50.4%
Mar 09-Mar 08	-42.7%
APR 09-APR 08	-35.9%

New York
Average Unit Rate-WBLS-FM
Mon - Fri, 6A - 12M

Oct. 07		Oct. 08	
	$407.00	$424.00	4.2%
Nov 07		Nov 08	
	$450.00	$305.00	-32.2%
Dec 07		Dec 08	
	$364.00	$254.00	-30.2%
Jan 08		Jan 09	
	$328.00	$225.00	-31.4%
Feb 08		Feb 09	
	$376.00	$219.00	-41.8%
Mar 08		Mar 09	
	$374.00	$226.00	-39.6%
Apr 08		Apr 09	
	$351.00	$226.00	-35.6%

New York
% of Revenue Decline
WBLS-FM

Oct 08 -Oct 07	-13%
Nov 08-Nov 07 3	-40%
Dec 08-Dec 07	-30%
Jan 09-Jan 08	-35%
Feb 09-Feb 08	-44%
Mar 09-Mar 08	-35%
APR 09-APR 08	-26%

ATTACHMENT NO. 3

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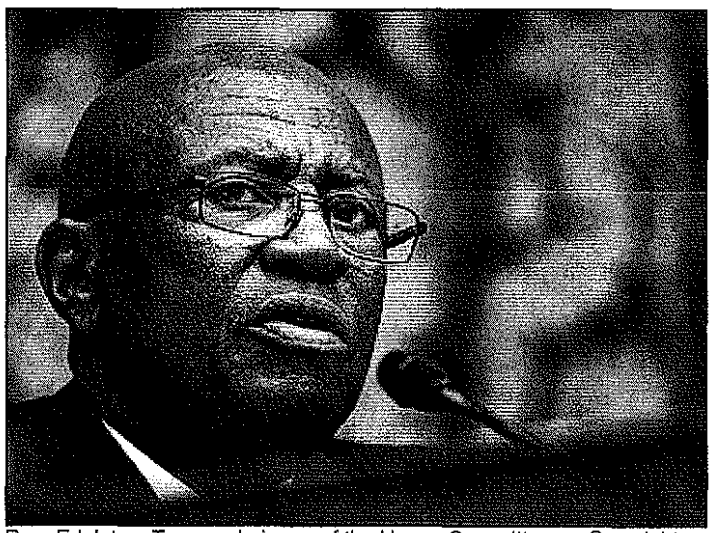
By Mike Musgrove
Washington Post Staff Writer
Wednesday, July 1, 2009



Rep. Edolphus Towns, chairman of the House Committee on Oversight and Government Reform, voices concern about use of Portable People Meter. (By Joshua Roberts -- Bloomberg News)

A congressional committee has launched an inquiry into a local company's new system for gauging listenership of radio stations and whether it leaves out minority households.

Rep. Edolphus Towns (D-N.Y.) chairman of the House Oversight and Government Reform Committee, said some radio companies are complaining that a high-tech approach used by Columbia-based ratings company Arbitron to measure the size and demographics of listenership, does not adequately represent minority listeners.

During the past two years, Arbitron has switched how it measures listenership. Where survey participants once wrote down their radio-listening habits in paper journals, they now carry an electronic device, called the Portable People Meter, to do it automatically.

The new system has caused turmoil in the radio industry; many stations that were popular under the former system have seen their ratings plummet under the new one. Arbitron says the devices give advertisers a

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more accurate and detailed look at a radio station's audience size, but some radio companies are complaining that the PPM service fails to include minority listeners.

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"The increased used of the PPM may unfairly threaten the financial viability of minority-targeted radio stations whose advertising revenues depend on the size of their rated audience," Towns said.

In a letter to interim Federal Communications Commission Chairman Michael J. Copps, Towns voiced some radio industry complaints that Arbitron fails to sufficiently train non-English-speaking households in how to properly use the device. Towns also wrote that Arbitron doesn't recruit from cellphone-only households, a methodology that may leave out minorities.

Arbitron maintains that the system is an accurate gauge of radio listenership. "Arbitron welcomes any opportunity to discuss the importance of electronic measurement," Arbitron president and chief executive Michael Skarzynski said in a statement.

This is not the first time the PPM system has come under scrutiny. In May, the FCC initiated an inquiry, inviting comments and complaints about the new ratings system. The deadline for submitting comments is today; as of yesterday afternoon, 54 comments had been filed.

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One typical comment, from attorneys for organizations such as the National Association of Black Owned Broadcasters, accused Arbitron of using "smoke and mirror figures" to determine how to best represent the sizes of various demographic markets.

"Minority broadcasters cannot survive with such precipitous declines in their audience measurement," the letter concluded.

With paper journals, participants in Arbitron surveys tended to round their listening times up or down, and they tended to favor their preferred stations, Arbitron spokeswoman Jessica Benbow said yesterday.

The PPM device, which picks up inaudible signals transmitted by each radio station for use by Arbitron, has shown that people don't listen to their favorite radio stations for as long as they think they do, and they're also hearing more stations than they realize.

"The information you get in a PPM is much more granular than what you'd get in a paper diary," Benbow said.

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Florida Lawmakers Weigh In On PPM

MIAMI -- June 30, 2009: The Miami-Dade Board of County Commissioners has adopted a resolution on the Portable People Meter, urging Congress, the Florida legislature, and federal and state officials to "ensure that the ratings methodology used by the Portable People Meter ratings system designed to measure radio station listenership does not underrepresent minority radio listeners."

County Commissioner Dennis Moss said, "The PPM system seriously undercounts the listening habits of minority consumers, does not present a valid and fair representation of the diversity of radio markets in different states, thereby it causes an improper decline in ratings for minority stations leading to reductions in advertising revenue. Such reductions in advertising revenue put the viability of many minority radio broadcasters at risk; consequently, it harms the overall broadcast diversity."

The text of the resolution asserts that the PPM system "contain methodological flaws" and "serious shortcomings in the accuracy and reliability of the system given its inadequate representation of Hispanic, African American, and other minority listeners." It also says the PPM, "by significantly undercounting the listening habits of minority consumers," doesn't represent "a valid and fair representation of the diversity of radio markets in different states, thereby causing an improper decline in ratings for minority stations leading to reductions in advertising revenue."

The resolution refers to Arbitron's settlements with the attorneys general of New York, New Jersey, and Maryland; with the PPM rolling out in Florida, the county commissioners are urging Florida's attorney general to investigate the PPM "to determine whether it is being improved and

corrected pursuant to the benchmarks established by settlement agreements reached by the Attorneys General in New York, New Jersey, and Maryland with Arbitron and to ensure that the terms secured by those states that have settled with Arbitron also benefit radio markets in Florida."

The commissioners are also urging Congress to pass laws and the FCC to enact rules to "ensure that the ratings methodology used by the PPM system does not underrepresent minority radio listeners, and also asks for laws from the Florida legislature and rules from the Florida Public Service Commission for the same purpose -- and to "also make certain that PPM sampling procedures obtain Media Research Council accreditation in Florida to prevent them from negatively affecting minority broadcast stations."

H.W. Bush administrations. Texas Senator Kay Bailey Hutchison (R) has been championing her nomination and says Baker — who is destined for a minority party seat — will "be a strong, independent voice" at the FCC.

Human error causes another PPM snafu. Last month, Arbitron pledged to remove humans from much of its PPM data processing. That effort didn't get done in time to avoid another mistake. The company says May Week 1 and Week 2 AQH Persons and average daily cume estimates did not match in Arbitron's PPM Analysis Tool and Arbitron's Weeklies service. That caused mix-ups in Los Angeles, Chicago and Riverside — as well as pre-currency markets Miami, Phoenix and San Diego. Arbitron says L.A. is the only market "substantially affected." It tells customers in an email alert that May monthly numbers were not impacted, nor were other individual weeks. Correct numbers will arrive next week with the release of June data. In the meantime, customers should use the PPM Analysis Tool. Arbitron adds, "Process upgrades are in place designed to avoid further instances of this error."

Jon Zellner's move to Clear Channel is a symbolic reversal. It was nearly a decade ago when the launch of Sirius and XM led to a talent drain on radio, as both satcasters lured away successful programmers and personalities with promises of big paychecks and stock options. But in the year since the two firms merged, hundreds of employees have been laid off and the company's stock now trades for 46 cents. So the decision of Sirius XM's chief programmer for its music channels to become SVP of programming for Clear Channel may signal a reversal. Zellner is "humbled" by the opportunity to work with program directors in 25 major and mid-size markets and will report to EVP of operations Mark Kopelman. Before joining XM Radio in 2005, Zellner was a senior programmer at CBS Radio.

HD Radio Alliance's summertime message is portability. With listeners using radio at the beach, park and on the road more during warm weather months, the HD Radio Alliance's new marketing campaign will focus on portability. Humor is used in the creative which introduces listeners to a character named "Jean Luc Tuner" who hammers the "if you don't have an HD Radio, you're not hearing HD Radio" message. Alliance president Diane Warren says, "It maintains the momentum built over the last few years educating consumers about new free stations and the many HD Radio devices available in retail and in cars." The ad campaign began airing this week.

"The Queen of Nice" gives radio a shot. Rosie O'Donnell's television talk show was wildly successful but she had a stormy tenure as part of ABC-TV's "The View." She'll return as a solo act in a late-morning show for Sirius XM Radio. When it launches in the fall, "Rosie Radio" will blend pop culture and serious issues. She says, "This is an exciting new adventure - two hours of talk show entertainment, without having to wear makeup — perfection." O'Donnell is the first big-ticket talent added to the Sirius XM line-up since the two companies merged and began looking for ways to cut costs.

Public will decide who gets the Hall call. Names (and programs) of this year's 16 National Radio Hall of Fame nominees have been released and contain some real superstars. "Nomination of worthy radio professionals who represent various formats combined with public input into the selection process will result in a wide consensus on eventual inductees," comments National Radio Hall of Fame Steering Committee chairman Bruce DuMont. Among those in the "Local or Regional Pioneer" category are former WLW, Cincinnati afternoon driver Gary Burbank; Los Angeles icon Art Laboe - heard nightly on Los Angeles' urban AC "Hot 92" KKHT and several other west coast stations; veteran Buffalo Bills play-by-play announcer Van Miller; and longtime Washington, DC talent (WMAL and WAMU) Ed Walker. Featured in the "National – Pioneer" category are weekend cult sensation Dr. Demento; "Chickenman" himself — and inventive commercial voice – Dick Orkin; CBS Radio's 20-year "Suspense" program; and WLS, Chicago's "Barn Dance," which debuted in April 1924. Included in the "Local or Regional — Active" group are Beatles authority and former WXRT, Chicago morning drive personality Terri Hemmert; Michigan native Tom Moffatt who gained on-air notoriety in Hawaii on KGU, KPOI and is currently on oldies KKOL; 30-year Miami veteran ("Uncle") Neil Rogers who just this week relinquished his WQAM mid-day

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Story

Arbitron Misses Minority Sample Goals

Erik Sass, May 31, 2009 11:06 PM

In another setback for the beleaguered radio ratings firm, in April, Arbitron failed to hit its own minimum sample sizes for measuring African-American and Hispanic audiences with the Portable People Meter -- a passive electronic measurement device -- in a number of top markets. The shortfalls doubtless provided additional ammunition to PPM critics -- including minority broadcasters, industry organizations, and the Federal Communications Commission -- who say Arbitron's PPM ratings underrepresent key minority demos.

Per Arbitron's promise to subscribers last year, the minimum sample size in each market (a certain proportion of the target sample size) increases over time, with targets rising incrementally depending on how long PPM has been in service. In April, Arbitron failed to meet scheduled goals in Los Angeles, Chicago, Detroit, and Long Island (Nassau-Suffolk County). In Los Angeles, the 18-34 African-American sample size was 64% of the target, versus a minimum goal of 75%. In Detroit the sample size for the same demo was 59% of the target, when Arbitron hoped to achieve at least 70%. In Nassau-Suffolk, the 18-34 Hispanic sample size was 57% of the target, versus a minimum of 80%.

Arbitron has made a number of moves to increase sample sizes for minority audiences, including bigger incentives for panelists, recruiting more panelists from cell phone-only households (to achieve higher penetration among young people) and replacing non-participating panelists.

Nonetheless, it can ill afford more shortfalls in minority audience measurement. After months of criticism from minority broadcasters, who claim that underrepresentation of these demos is resulting in steep drops in their apparent audience sizes, earlier this month the Federal Communications Commission opened an inquiry into Arbitron's PPM ratings. Democratic commissioners ominously hinted that the FCC may be empowered to take regulatory action against the company -- perhaps to the extent of enforcing an indefinite embargo on the use of PPM ratings.

This isn't Arbitron's first run-in with the powers that be. Last year the same complaints prompted the attorneys general of New York, New Jersey, and Maryland to bring lawsuits against Arbitron, alleging that the flawed sample methodology constituted a violation of various civil rights statutes. These lawsuits were all eventually settled out of court, with Arbitron promising to improve sample accuracy.

To round out the bad news, last week Arbitron revealed that it will delay the release of ratings from New York City for April because an incorrect population estimate was manually entered during the ratings calculations. Furthermore, similar errors apparently occurred in ratings for October 2008 and for the period from December 2008-March 2009. New figures for the last period will be issued on June 8.

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Data Entry Error Affects More New York PPM Results

Last week, Arbitron said it would delay the New York PPM for one week after a data-entry error was discovered. On Tuesday, the company told subscribers that the error, manually entered population data, was transposed, and occurred during preparation for the October, 2008 report processing. Now it appears to have affected New York estimates from Holiday 2008 through March 2009.

"Please note that we are taking additional quality-control measures for future reports," Arbitron told subscribers in an e-mail. "These measures include the replacement of manual processes that rely on clerical data entry with automated processes where possible. We appreciate your patience and apologize for the inconvenience."

April's PPM number will be released on Wednesday, May 27 and the revised data for Holiday, 2008 through March, 2009 will be released June 8. (05-26-09)

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Arbitron says it is working on Detroit demo problem

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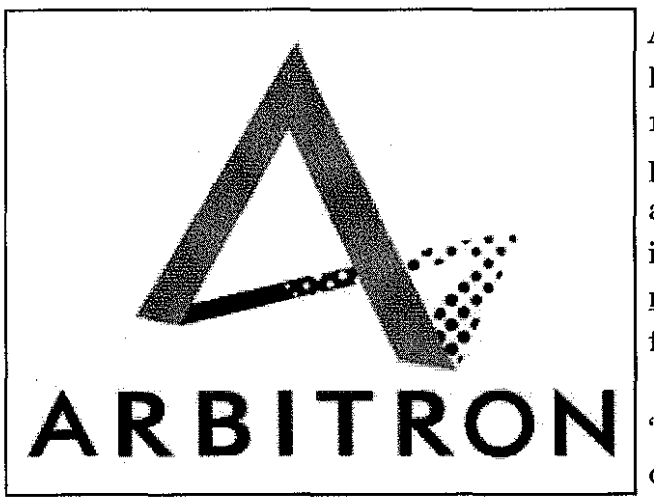

Arbitron officials tell RBR/TVBR they detected problems with the Black 18-34 sample for the Portable People Meter (PPM) panel in Detroit in mid-March and that initiatives are underway to improve performance. But sample improvements do not come overnight. As we reported Friday, the metrics for that demo went from bad to worse in April.

"In March we noticed that several different metros, one of which is Detroit, were trending down" in the Black 18-34 demo, Arbitron Exec. VP/Customer Solutions Bob Hendrick said on Friday. The company then began efforts to improve performance in the demo.

Detroit is a relatively new PPM market, where the new ratings methodology became currency in December. In total, it was oversubscribed in PPM panelists, but the panel was put in place before Arbitron began using its current recruiting initiatives to get better demographic segmentation of panelists. Also, Hendrick noted, people in certain demos tend to stay in PPM panels longer, before they quit or get removed for poor compliance.

Thus, as our previous story noted, the Detroit PPM panel over-indexed for Black 6+, with an April Designated Delivery Index (DDI) of 103, while the Black 18-34 DDI fell to 59.

Arbitron says it has initiated an "action plan" to improve Black 18-34 proportionality in selected markets. Los Angeles, Riverside-San Bernardino, Detroit and Dallas are being targeted, with similar efforts under consideration for Atlanta and Washington, DC.

Beginning in mid-April, Arbitron's panel recruitment began selecting more Black 18-34 households in those targeted markets. Beginning last week, the ratings company is accelerating expiration of panelists in an effort to wash out older skewing households and get a more proportional PPM sample.

In an attempt to get more young black panelists in-tab, Arbitron now provides personal compliance coaching to all Black 18-34 households in PPM markets with in-tab rates below the benchmark of 70%.

Additional carry accessories are being offered to get Black 18-34 panelists more comfortable with carrying their meters. Older meters are also being replaced with a new model featuring longer battery life (60 hours) between charges. Various financial incentives are also being used to encourage meter-wearing in the first month of panel participation (to establish good compliance) and over holiday periods where in-tabs typically decline.

Also, Arbitron has begun increasing its cell phone only (CPO) targets beyond what it had agreed to in its settlements with various state attorneys general. Address-based recruiting is being used to get CPO households to 10% of the PPM sample by July and to 15% by the end of 2009. "The cell phone only recruitment skews heavily urban and young," noted Henrick.

Seeing the impact of the various initiatives in the PPM data is expected to take 30-60 days. "So we are on the cusp of Detroit, in particular, of these initiatives coming in and showing realizations" of their impact on the Black 18-34 demo, said Hendrick. He said, though, that the company is already seeing some evidence of the recruitment effort in weekly data, but the major impact is expected to be in the June and July survey periods. Beth Webb, Arbitron VP/Research, echoed that, saying there is already some improvement evident in May for Los Angeles, Dallas and Detroit.

Arbitron officials say future PPM markets will benefit from the recruitment of more proportional samples right from the start. Miami, Seattle, Phoenix, Minneapolis-St. Paul and San Diego are all due to begin using PPM as ratings currency with the release of June data. That will bring the PPM market count to 20.

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Survey: one in five US households are cellphone only

Americans continue to cut the landline in favor of wireless telephony. When money is tight, like during our current recession, cutting wired voice services makes a lot of economic sense.

By Chris Foresman | Last updated May 10, 2009 3:00 PM CT

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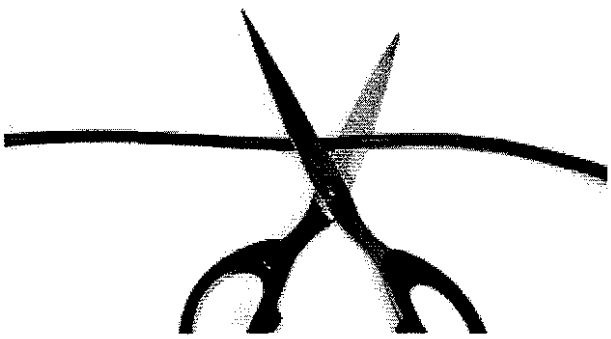
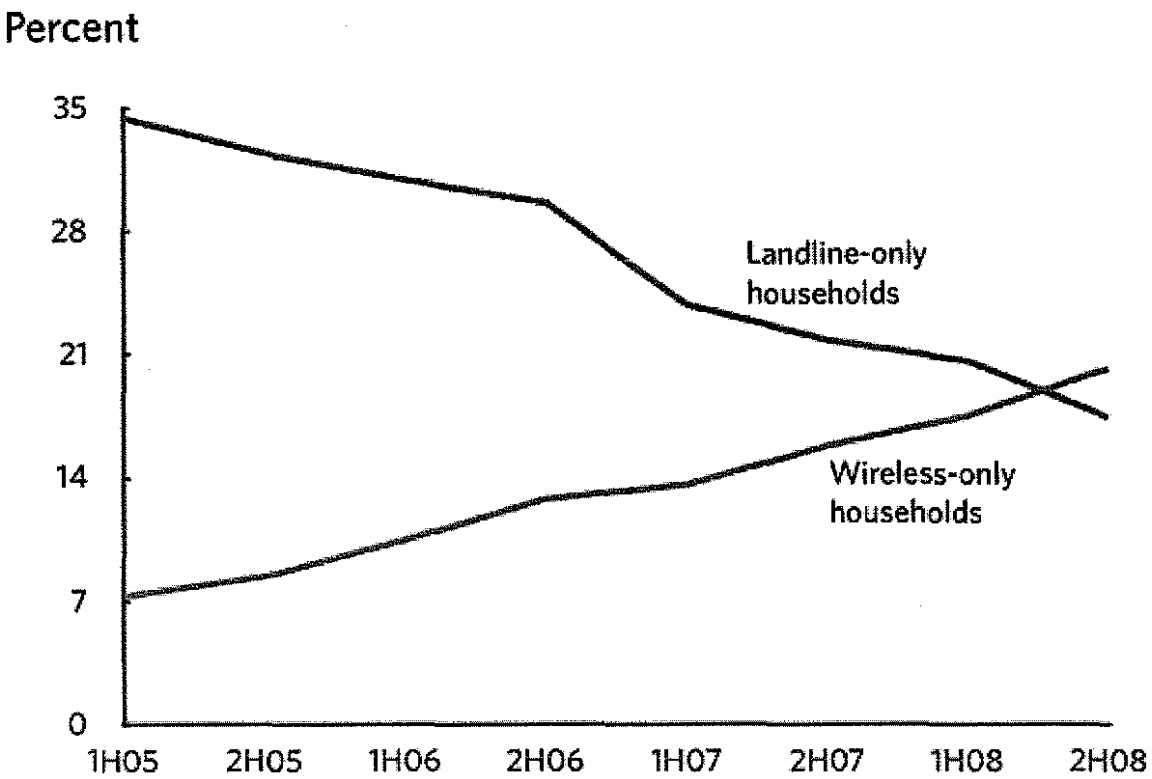


The latest results from the National Center for Health Statistics' survey on wireless phone use are in, and they reveal that just over 20 percent of all US households have now cut the wire and exclusively use cell phones for voice communication. That number is up from over 17 percent from the previous survey, and for the first time since the NCHS has been keeping track of wireless phone use, this number exceeds the percentage of households that rely on landline phones only—down to a little over 17 percent.

The NCHS collects this data as part of its twice-yearly National Health Interview Survey. Because phone numbers are collected during the interviews for follow-up questions, NCHS began asking questions about wireless phone use in 2003. The NCHS compiles this data since many telephone-based surveys use only landline numbers, and so potential respondents who rely solely on a cellphone would be left out, causing such a survey's results to be skewed and unreliable.

Not only has the percentage of wireless-only households exceeded the percentage of landline-only households, but wireless-only households increased 17 percent from the first half of 2008. That's the largest increase in wireless-only households since NCHS started collecting this data, according to the report. While nearly 60 percent of households use both wireless and landline phone service, one in seven households receive all or most calls via cellphone.



Source: National Center for Health Statistics

This trend has been ongoing for some time, but even early last year AT&T noted that landline customers were decreasing significantly. In its most recent quarter, for instance, the company got less than 30 percent of its revenue from wired voice customers, and over 40 percent from wireless customers. Likewise, Verizon saw landline subscribers decrease from 39 to 35 million, while wireless subscribers increased from 67 to 87 million.

Stephen Blumberg, senior scientist at the Centers for Disease Control and one of the authors of the report, believes the large jump is likely due to the recession. "We do expect that with the recession, we'd see an increase in the prevalence of wireless only households, above what we might have expected had there been no recession," Blumberg told the Associated Press.

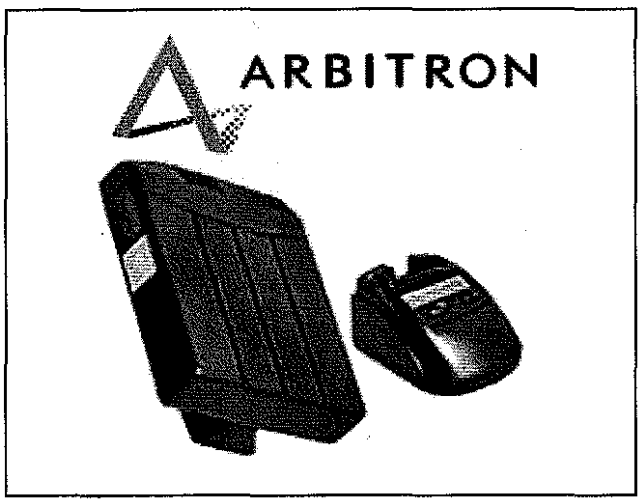
The demographic data that accompanies the report shows that large percentages of groups that might be associated with lower income live in wireless only households. Over a third of young people aged 18-29 are wireless-only. Over 60 percent of adults that share a house or apartment with roommates, nearly 40 percent of all renters, and 25 percent of Hispanics are wireless-only.

Though the convenience of an always available connection certainly appeals to tech-savvy and young people in general, it just doesn't make a lot of economic sense to pay for a landline when you can make and receive calls from your cellphone—especially when domestic long-distance

charges are often included. "The end game is consumers are paying two bills for the same service," John Fletcher, an analyst for the market research firm SNL Kagan,told the Associated Press "Which are they going to choose? They'll choose the one they can take with them in their car."

PPM comes up short in minority demos

2009-05-28 15:09:00



Critics of Arbitron's Portable People Meter (PPM) got plenty of new ammunition in the April PPM data metrics. The DDI for Black 18-34 in Detroit was 59, well below the 70 benchmark, let alone the "perfect" goal of 100. And Los Angeles wasn't much better.

The Designated Delivery Index got worse for the Black 18-34 demo in Detroit, dropping to 59 in April from an also-underperforming 62 in March. That demo is crucial in the Detroit Metro, which is 22.2% black. The PPM sample over-indexed for Black 6+, with an April DDI of 103, but that means the sample was overloaded with black participants outside the prime 18-34 demo.

The Black 18-34 demo is less crucial for most stations in Los Angeles, where the metro is 7% black. Even so, the DDI of 64, unchanged from March, is a major problem for stations with Urban formats. The Black 6+ DDI for April was 94.

Arbitron did show improvement in the Black 18-34 DDI in Dallas, moving from 60 in March to 97 in April. The Dallas Metro is 14% black.

The DDI numbers are better for Hispanics, except in the embedded Nassau-Suffolk market, which has always been problematic. The Hispanic 6+ DDI for the market was 78 in April, with the Hispanic 18-34 demo at 57.

Broadcasters and agencies targeting Hispanic audiences have complained that country of origin is important, as well as language preference. Arbitron conducted a three market study of whether country of origin data could be collected without harming the PPM sample, but there's no final decision yet on whether to include such a question in panelist recruiting.

Meanwhile, Arbitron tracks Hispanic DDIs based on language preference. In all PPM markets with large Hispanic populations, Spanish-dominant DDIs were greater than English-dominant, except for non-embedded New York, where it was at tie at 120.

RBR/TVBR asked to speak with an Arbitron PPM expert about the April data metrics. We were told that no one was available on Thursday, but they might be able to speak with us on Friday.

RBR/TVBR observation: How can anyone make a radio buy in Detroit off of those numbers? We certainly wouldn't want to.

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its wallet even wider to back the creation of Gap East, which will focus on buying stations east of the Mississippi River. Radio veteran Jim Donahoe is president of the newly-formed company and will be based in St Michaels, MD. "No stations are in our portfolio now, but the opportunity is there right now," says Donahoe, who last December exited as Millennium Broadcasting's CEO. Gap Broadcasting's other two divisions have typically focused on smaller markets, but Donahoe tells *Inside Radio*, "We may go up in market size more than they have." He says Gap East's target will be markets 25-150. Oaktree declined to disclose how much it will put into Gap East, although SVP Any Salter says the firm is "thrilled to have hired someone of Donahoe's ilk." Meanwhile, Gap Broadcasting says a system that will take its stations into new digital platforms is currently being tested in several markets. Specifics aren't being released, but if the program continues on its current course it's expected to rollout across all Gap markets later this year.

ESPN Radio inks Nielsen deal in a sign the ratings company will expand to big markets. ESPN Radio becomes the third broadcaster to sign a multi-year Nielsen deal. It joins Cumulus and Clear Channel which will get their first Nielsen ratings in 51 markets in August. ESPN's move also renews speculation Nielsen isn't likely to remain only in markets 101+. That's because all ESPN Radio owned-and-operated stations are in big markets — New York (WEPN), Los Angeles (KSPN), Chicago (WMVP), Dallas (KESN) and Pittsburgh (WEAE). ESPN Radio research guru Dr. Tom Evans notes WEPN has listeners in suburban Westchester County, which will be one of Nielsen's 51 radio markets. Evans says, "We have a long history of supporting innovative research and look forward to reviewing the first set of audience data when it is released in August." Nielsen says advertising agencies Schnucks Creative Services in St. Louis and Meridian-Chiles in Lexington, KY have also subscribed to receive the radio data. At a J.P. Morgan media conference two weeks ago, Arbitron CFO Sean Creamer said Nielsen's competitive threat is a "number one priority" for the company, telling investors, "We're going to spend what we need to spend to secure our flanks."

FCC sets PPM inquiry comment deadlines. The Commission last month launched a Notice of Inquiry into PPM's impact on minority broadcasters. Now that the notice has been printed in the Federal Register, comment deadlines have been set. Initial comments are due July 1 with reply comments due July 31. While Arbitron maintains the FCC doesn't have jurisdiction over its products, executives say they're pleased the agency has taken a more open proceeding to look into its methodology. The company says it will file comments detailing PPM's advantages over the diary-based system.

Long Island PPM panelists got an extended stay. The latest round of PPM results contained some unwelcome news for broadcasters in the embedded New York City market of Nassau-Suffolk. Already under-performing panelists gave an even worse performance in April — pushing analysis metrics to their lowest level in six months. Arbitron missed its benchmark for the overall 6+ population, posting a 92 DDI — instead of its targeted 95. Average daily in-tab targets were missed in several demos, but the most trouble remains among Hispanics. The Hispanic 18-34 DDI was 57, well below the 70 targeted — and worse than any metric of any market. Part of the problem is Arbitron had to keep some under-performing panelists in the mix longer than they preferred. VP Beth Webb explains, "When we discovered some sample that was going through recruitment was taking longer than expected, we slowed down the expiration process temporarily for about 20 days so we wouldn't fall too far below our total sample target." She tells *Inside Radio* once the sampling process was stepped up and new PPM panelists were getting into the pipeline the expiration process returned to normal. Webb expects to see Long Island's metrics begin to recover when the May data is released later this month.

Radio & Records stops the presses. Nearly three years after being bought by Nielsen Business Media, R&R will end publication of the 36-year old magazine with a final edition to be released tomorrow. Its website has already gone off-line. In a staff conference call, publisher Howard Appelbaum said there were several attempts to "salvage" the publication in recent months — including a large layoff in February. But advertising revenues remained weak and the paper once

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HispanicMarketWeekly

Is The PPM Killing Hispanic Radio?

A Hispanic Market Weekly Special Report

Published: May 25, 2009

It's not a great time to be a Spanish-language radio broadcaster. The four biggest companies targeting Hispanics across the U.S. with their AM and FM stations are facing rough financial challenges:

- **Univision Radio** saw its net revenue dip by 26 percent, to $66.5 million, during the first quarter of 2009.
- **SBS** experienced a 27 percent drop in its first-quarter 2009 radio revenue, to $24.2 million.
- **Entravision Communications'** radio division registered a 31 percent tumble in its first-quarter revenue, to $13.4 million.
- **Liberman Broadcasting** suffered an 11.4 percent decline in its radio division's net revenue, to $12.1 million.

Job cuts and expense reductions have been seen across the Spanish-language radio industry, as advertising challenges continue to put a damper on marketing activities...

But an end to the U.S. recession may not yield the rebound in advertising many of the radio companies targeting Latinos need to rescue themselves from a freefall in revenue.

For many a Hispanic broadcast executive, the reason for a prolonged advertising slump is as simple as three letters - PPM.

Much has been said about the Portable People Meter, the device Arbitron is now using in the nation's top markets to produce monthly ratings reports. The majority of Hispanic radio operators have been highly vocal in their objections to the PPM's continued rollout, citing response rate and compliance issues among those asked by Arbitron to become a PPM panelist.

In March 2009, Arbitron pledged to ensure the proper representation of multicultural listeners in all of its PPM markets. The ratings company's decision came after it settled lawsuits filed individually by the attorneys general of New York, New Jersey and Maryland - each of whom accused Arbitron of using a device that failed to accurately represent ethnic listeners.

The Spanish Radio Coalition (SRC) - a loose coalition of Hispanic radio broadcasters comprised of SBS, Entravision, Univision Radio and Texas-based Border Media - was unswayed by Arbitron's efforts. In a statement, the SRC insisted that the PPM data remain "skewed and unreliable."

From Gauge Rage To Rejection.- Univision Radio is the biggest Spanish-language radio operator in the U.S.

In Los Angeles, the nation's No. 1 market in terms of radio revenue, Univision Radio's Spanish Classic Hits KRCD/KRCV "Recuerdo" was the top choice among the market's Spanish-language radio listeners in the April 2009 ratings report (*HMW Hispanic Radio Ratings Watch 5/20/2009*). Co-owned Spanish adult contemporary KLVE "Radio Amor" finished in a tie for second place among all Latino-targeted radio stations, with SBS's regional Mexican KLAX "La Raza."

But Univision Radio's sales force won't brag about the fine showing of Recuerdo and KLVE in Los Angeles in the PPM-based ratings.

That's because the company has refused to use PPM data in markets that have not yet been accredited by the Media Rating Council (MRC), "due to issues with the PPM measurement process and sample."

Therefore, Univision is using PPM data in just one market - Houston.

"We have issues primarily with the sample and the source of the data," explains Ceril Shagrin, executive vice president of corporate research at Univision. "We don't believe in the accuracy, and don't believe in the numbers."

For Shagrin and her team at Univision, attracting PPM panelists whose first language is Spanish remains a big issue. "Even in the best of circumstances it is difficult to get a Spanish-dominant listener to participate," she laments. "But it's even more difficult to call someone on the phone to accept a meter for every member of their family - a meter they'll have to wear every day for a two-year period."

The other main issue for Shagrin and Univision centers on whether or not PPM panelists properly carry the device around all day -

including when they get out of bed and start their day.

"Morning drive-time ratings just about disappeared for both Spanish-language and English-language radio," Shagrin says. "Again, it is an issue of where the meter is."

For example, in the summer months a radio listener may be at the beach. "They aren't exactly wearing the PPM," she notes.

Univision Radio's frustrations over the PPM run so deep that it has not yet encoded its two AM and two FM stations in Miami, which received its first "pre-currency" ratings on May 21.

Shagrin declined to comment about her company's decision to forego encoding of its WAMR "Amor," WRTO "La Kalle," WAQI "Radio Mambí" and WQBA in Miami. However, when asked if Univision Radio would refuse to encode its stations in any market where a shift from diary-based measurement to the PPM is set to take place, she said, "That's going to happen. If you don't believe in the numbers, why put it out there?"

According to industry trade publication Inside Radio, Univision has also declined to encode its stations in San Diego and Phoenix - markets that also received their first pre-currency PPM data last week.

Arbitron spokesperson Thom Mocarsky refused to comment on Univision's decision to forego the inclusion of its two FMs and two AMs in Miami, saying that it was incumbent on Univision to explain its actions.

However, he explained that a station's average quarter rating and its cume rating, along with its "average weekly time exposed" data, are not affected by the omission of Univision's quartet of stations. What is affected is the audience share. "The more stations that encode, the smaller the shares get," Mocarsky notes.

With respect to the ongoing debate among Hispanic broadcasters over PPM, Mocarsky says, "We're committed to continuous improvement. We regularly report on the quality of our sample and we are committed to ongoing dialogue with all of our customers."

Client Commitment To Meaningful Medium.- Despite the ongoing debate among Hispanic radio broadcasters over the PPM, a presence on AM and FM stations is still of high value to advertisers.

"People still have to buy things, and radio provides direction on how to do that," says Tracy Chávez, director of channel integration at López Negrete Communications. "The radio listener can catch the message no matter where they are."

Radio's ability to connect Latino listeners to their culture is another reason why AM and FM outlets remain a top choice for many media buyers, Chávez says. Therefore, she believes few companies will trim Hispanic radio from their marketing budgets as a poor economy has led to increased scrutiny over where to place a company's Spanish-language media dollars.

One López Negrete client that has seen success through a radio-heavy Hispanic market effort is GRUMA tortilla brand Guerrero. By combining a radio campaign with an event marketing initiative, Guerrero's Mobile Kitchen coast-to-coast cooking demonstrations attracted nearly 12,000 people.

Other López Negrete clients who are big users of Hispanic radio include Wal-Mart and Sonic.

At Grupo Gallegos, budget strains have affected some of the media buying activity among its clients.

Ken Deutsch, media director at Grupo Gallegos, notes, "Like all other media we've seen a decrease in spending across the board. Radio has experienced declines that are greater than other media, but that doesn't mean that radio is a diminished strategy."

At Grupo Gallegos, spot radio activity has seen a hit. But so has spot television, Spanish-language newspapers and magazines and even social media outlets.

Why the dip in local activity at AM and FM stations targeting Spanish speakers? Deutsch has no quantitative data to back up his theory, but he believes that the answer lies in efficiencies.

"National media is a way to extend the marketing dollars being allocated to the Hispanic market," he says.

So what happens to the more niche-oriented Latino-targeted radio station, such as the all-ranchera AM or reggaetón-powered FM in a marketplace full of choices?

That's where the media planner needs to step in and make the educated - and calculated - decision on how to make the best buy for a client.

Chávez notes, "Each format is very different, and you have to understand within the media buy what the content on those stations are."

That's especially important when meeting with the client and explaining to them why buying Hispanic radio based on what stations are ranked the highest in the ratings.

"Ads for Dr Pepper, Crush or Squirt would not be on a Spanish-language oldies station," Chávez says, explaining that while such a station may be No. 1 among Latinos, it doesn't fit the advertiser's target consumer.

Reaching Out For Remedies.- On May 21, several leaders of the Association of Hispanic Advertising Agencies (AHAA) met with Arbitron's CEO, Michael Skarzynski, to discuss their concerns over PPM.

Arbitron's Mocarsky says the meeting was one of many the ratings firm has had with AHAA, and that Arbitron is committed to providing the most accurate and dependable data to Spanish-language radio broadcasters.

AHAA chairperson Gisela Girard - who is also president of Creative Civilization, the San Antonio-based advertising agency - is hopeful that Arbitron will address and resolve the many issues facing everyone involved with Hispanic radio - including the advertising community.

"Radio continues to be a viable medium in the Hispanic market, and will always be," Girard says. "But until we resolve some of the issues and the flaws surrounding the PPM, we are sort of in a quandary on how we best sell and position radio to our clients."

For Creative Civilization's clients, the belief is that Hispanic radio attracts nearly three times as much listening as has been measured in PPM-based markets. Like Shagrin, Girard has some major concerns over the accuracy of morning-drive radio listening.

"In Chicago the average time the Hispanic panelist undocks the PPM is 7:29am," she says. "That's late."

One theory is that the panelist doesn't take the PPM out of its dock until they leave home for the day.

A suggested solution is getting Arbitron to encourage its panelists to be more disciplined with the PPM. For Girard, Arbitron should develop its PPM technology by working with those it depends upon to make the data reliable.

Progress, On Pause.- For several Hispanic advertising agency representatives, the PPM represents a step in the right direction when it comes to measurement of AM and FM radio listening.

"The PPM is progress in some ways, but it is progress that still has some kinks to work out," Girard says.

David Queamante, group planning director at Bromley Communications, adds, "If and when Arbitron gets the kinks worked out, it's a tremendous opportunity for radio."

For Bromley's clients who use radio, planning hasn't been affected by the shift from diary-based ratings to electronic measurement in the nation's top markets.

"All of this debate over PPM is not going to lead us to change our schedules," Queamante says. "Our clients are still convinced that radio is a very viable medium. Yes, there are issues with the metrics. But those issues shouldn't necessarily cause us to be skittish about putting money into the medium."

Girard goes a step further in suggesting that Arbitron take a step backward and reintroduce diary-based methodology to markets that have recently shifted to the PPM and are not yet MRC accredited.

Girard's home market of San Antonio is scheduled to shift to PPM-based ratings in December. She's requested to Arbitron that they delay the change.

Financial concerns may prompt Arbitron to move forward with its fall abandonment of diary-based ratings. But Girard says Arbitron has few options.

"It could be time-consuming and costly to remedy, but until these issues are solved I don't think advertisers and agencies will believe PPM is accurately representing the marketplace," she says.

A Fruitful Future Awaits.- Understanding any methodology is a huge undertaking for an agency.

However, it is extremely important that an agency, especially one that demands accountability for how they spend the client's money, know the methodology, Deutsch says.

"It is a very long, labor-intensive job, but that is a responsibility we take on for our advertisers," he notes.

With PPM, based on his assessment of the technology, under sampling exists. However, Deutsch notes that this has always been the case with Arbitron's diary-based measurement.

For example, African-American males between the ages of 18 and 34 have repeatedly been undercounted in Los Angeles.

"These issues have existed in diary methodology for years," Deutsch says.

To overcome these obstacles - and the overall dissatisfaction with PPM metrics for Hispanic radio - Deutsch recommends broadcasters to focus on three things - programming, listener engagement and making sure your station is on target for the segment of the Hispanic community you wish to capture.

And despite the winds of discontent that are blowing from coast to coast, Hispanic radio is hardly dying.

"The PPM is not killing radio," says Deutsch. "If you look at radio listening, it is at an all-time high. On average, 95 percent of Americans listen to radio every week. We are all still listening to radio - and that very much includes Hispanics."

For Univision's Shagrin, there's no question as to whether Spanish-language radio's best days are in its past or in its future.

"If you bought Univision Radio and your cash register rang, you should buy us again," she says. "We are delivering to your customers."

Clear Channel has brought its successful "Mega" Spanish Contemporary pop brand to the Windy City. Smooth Jazz WNUA-FM 95.5 in Chicago - a format stalwart since 1987 - made the change to "Mega 95.5" on May 22. For full details on the change in programming, read our Breaking News coverage at HispanicMarketWeekly.com.

Do you have comments about this article? E-mail Associate Editor Adam Jacobson at *ajacobson@hispanicmarketweekly.com.*

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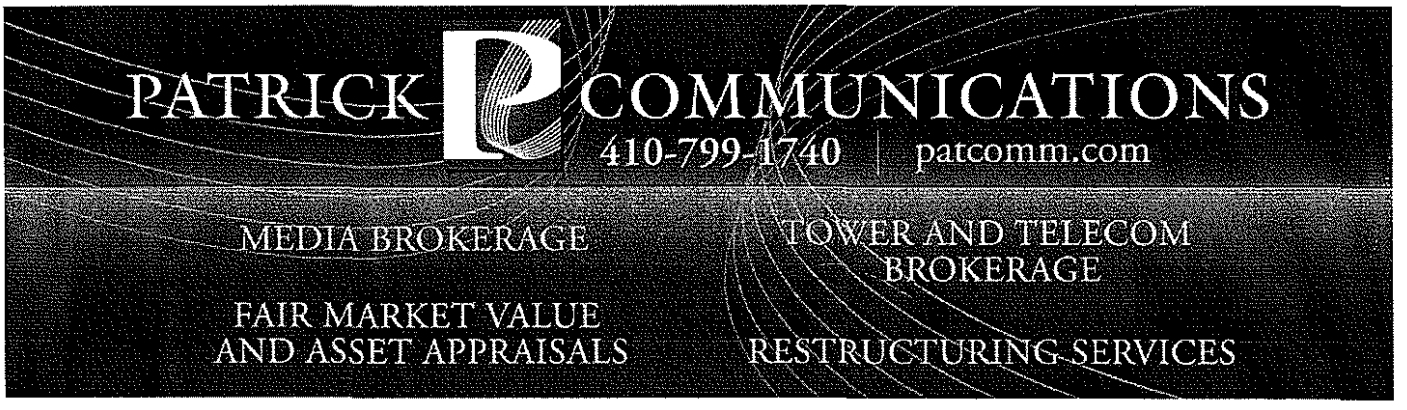
Arbitron's diary upgrades so far come without rate hikes. Cell phone-only households will be included in diary markets; the sample will be redistributed from older demos to 18-34s and a new second chance diary will go out to households that didn't submit their original diary. In addition, an eDiary will be created. Arbitron estimates it will cost $10 million to implement those and other improvements. Yet despite a 65% increase seen as markets switched from diary methodology to PPM, the ratings company is quietly telling customers it won't seek to recoup that through higher service rates. Arbitron declined to comment, but during a call with investors, Arbitron CEO Michael Skarzynski said that was behind recent restructuring and layoffs. "One reason we took decisive action to reduce our costs was to free up dollars so we can continue to invest in programs that will improve the quality and utility of our PPM and diary market services," he said. Arbitron's Radio Advisory Council pushed for diary upgrades. ARAC chair Lisa Decker applauds the company for ramping-up changes faster than first promised. "Cost did not even come up," she says. "They know they have competition in a lot of these markets so they have to make improvements even quicker." Nielsen has announced plans to enter markets 101+ and is expected to eventually expand into larger metros. In an earnings call, Arbitron CFO Sean Creamer noted the focus is "protecting and supporting" the existing customer base and the number one priority is remaining competitive on "price, quality and service."

Frustrated SBS refuses to use PPM numbers in some markets. Spanish Broadcasting System has been among the most-vocal critics of PPM methodology. Improvement Arbitron has made among several demos hasn't been enough to ease SBS' concerns. Chief revenue officer and New York market manager Frank Flores says, "Our sales teams in New York are not selling off PPM — we just don't believe the numbers." SBS is under contract and Flores tells *Inside Radio* they continue to encode the New York stations. The move mirrors actions taken by Univision, which not only refuses to sell off the ratings it's under contract to buy — it's also not encoding stations in pre-currency markets Miami, Phoenix and San Diego. Ad agencies are typically subscribers, so stations are bought on PPM results regardless of the SBS and Univision protests. Sales involving some smaller local advertisers are being done without ratings. Speaking at last week's Credit Suisse media conference, Arbitron CEO Michael Skarzynski told investors, "Arbitron believes that its audience measurement service is valid and is representative of the market. Certainly we're not perfect. But we believe strongly in our research methodology and we are providing a valid, accurate and reliable measurement service." Currently under discussion at SBS is whether the company will continue using PPM data for its Los Angeles and San Francisco stations.

Tampa to get revised ratings — Arbitron blames "media-affiliated" diarykeepers. Seven diaries from an off-limits household related to CBS Radio's "1010 Sports" WQYK-AM were returned during the third week of the spring survey. Those diaries were included in the already released Phase 1 Arbitrends. WQYK was a no-show in the winter book so some eyebrows were raised when it registered a 1.0 share (12+), putting it into a tie for 20th place. Arbitron will re-release the February-March-April Arbitrend tomorrow, telling the market in an email alert, "Audience estimates for WQYK-AM may be substantially affected." Other stations may also see their numbers slightly impacted as a result of sample balancing and reprocessing procedures.

North of the border, radio revenues just keeping going up. From mandatory newscasts to required inclusion of local artists, it's considerably different operating a Canadian station than running one in the U.S. Now there are two more



MEDIA LIFE

Research

Radio ratings tank with Arbitron PPM

Down 30 percent to 50 percent for top-tier stations

By Kevin Downey
Aug 17, 2007

A reasonable worry with the rollout of Arbitron's Personal People Meter was that the new measuring device would do the same for radio ratings that Nielsen's Local People Meter has done for local TV ratings: knock them down for the bigger stations.

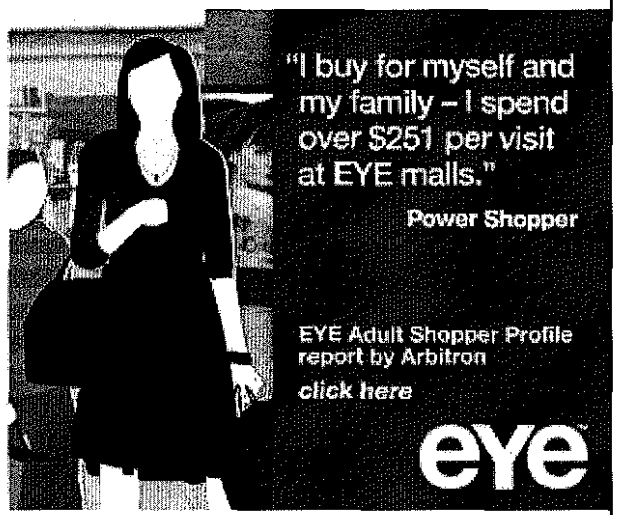
That's exactly what's happening, which becomes clear with the release this week of a new set of results from the PPM in Philadelphia and Houston, the first two markets to switch to the PPM.

The data are startling. Average quarter-hour ratings are off about 30 percent from those under the old paper-diary system, by Arbitron's calculations, and media buyers say the falloff can be as high as 50 percent or more for some stations.

As with Nielsen's LPMs when they began rolling out several years ago, buyers face the prospect of spending more client ad dollars to reach the same audiences they thought they were reaching under the diary system.

Lower ratings translate into lower ratings points, but also more expensive ratings points, since radio stations are not expected to lower prices.

Yet buyers say there's an upside to the new system, which tracks



radio listening electronically and passively, making it far more reliable than the diary system, which relied on listeners to remember and write down their radio listening.

They say the overall cost for a radio buy should not change much, if at all.

The reason: With the improved data, buyers can buy deeper down the list of stations and in more dayparts to achieve their reach and frequency goals. The lower costs of those mid-tier stations and lower-demand dayparts, notably weekends, largely offset the higher costs of the top-rated stations and dayparts that made up the bulk of previous buys.

As the PPMs reveal, those mid-tier stations and lesser dayparts are recording higher listening than under the diary system, which tended to favor the big stations and high-demand dayparts. That was because sample listeners were inclined to jot them in when they couldn't remember when they were listening or what station they were listening to.

"We're using more dayparts, possibly more stations, and certainly the weekend on some stations was a surprising turnaround," says Janice Finkel-Greene, director of futures and technology at Initiative, the media buying giant. "It makes sense that people were forgetting to enter weekend listening in diaries."

"We're doing projections for 2008 and I am projecting buying deeper," says Rhonda McLeod, senior local buying strategist at Empower MediaMarketing. "At the end of the day, that's the plan."

Finkel-Greene says buyers generally feel better prepared for the PPM because of their experience with the rollout of Nielsen's local people meter to replace its old diary system for measuring TV viewing in local markets. That process caused huge disruptions in local markets as buyers struggled to get their arms around the flush of new, more timely TV viewing data, but the result has been much more effective buying, again with deeper buys in many cases.

Arbitron plans to switch the 10 largest markets to PPM by the end of next year. New York is next, in October.

"I don't think this learning curve will be nearly as long as it was for television," Finkel-Greene says. "We got better at it."

Among its findings from the new data, Arbitron reports that while some highly rated stations are now slipping, there are more top-rated stations than in the past and that many are separated by only a fraction of a rating point. Stations ranging from No. 1 to No. 15 are sometimes separated by only 0.2 rating points.

In Houston in July, for instance, five stations tied for No. 1 on an all-day basis in the 25-54 demographic while four stations trailed at No. 2, separated by only a 0.1 rating point.

Meanwhile, Arbitron also reported this week that its survey sample is falling short of its goals for certain demographic groups, particularly young people.

Arbitron says it's working to improve its sample and notes that the shortfalls aren't affecting ratings.

While the move to PPMs is a challenge, media buyers have believed for years the electronic system is more accurate than diaries, which makes the transition, bumpy though it is, easier to accept.

"It's so much better," says Finkel-Greene. "How could anybody, with all the media options available now, possibly remember and accurately enter everything they listened to [into a diary]? It's too hard."

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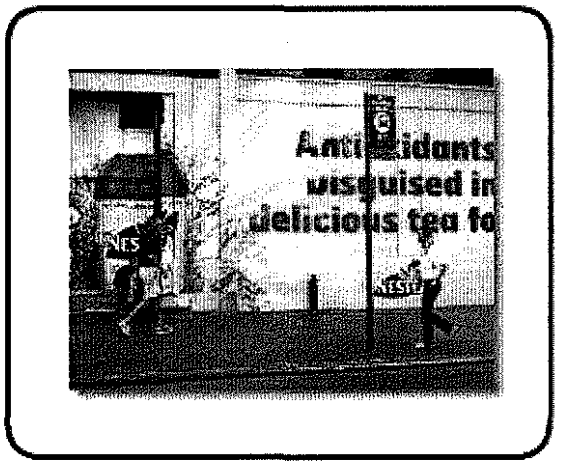
Kevin Downey is a staff writer for Media Life.



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New Ratings Tool a Blessing for Christian Pop WGTS

By Paul Farhi
Washington Post Staff Writer
Saturday, December 27, 2008; C01

WGTS-FM broadcasts from a converted World War II-era Quonset hut squeezed into a corner of Columbia Union College's shoe-box campus in Takoma Park. The building's roof leaks. Inside, the station's cramped offices are outfitted with enough hand-me-down furniture to stock a Goodwill store. Today, the general manager's German shepherd, Andy, is hanging out, wandering from room to room between naps.

Another funky college radio station? Not exactly. Or more accurately, not anymore. Ever since the radio industry changed the way it tracks listening trends a few weeks ago, little WGTS -- a noncommercial station that plays Christian pop music -- has become one of the most popular on Washington's airwaves.

Last month, according to audience-rating firm Arbitron, WGTS ranked sixth among the region's 40 or so radio stations. That means WGTS had a larger audience (about 20,000 listeners per hour, on average) than Washington's biggest rock station (DC 101), the top country station (WMZQ-FM) and the leading oldies outfit (WBIG-FM). It beat sports talk, classical music and conservative political talk stations, too.

What's more, over one recent three-week period tracked by Arbitron, WGTS (91.9) achieved what is surely a first for a religious station in Washington, and maybe in any major metropolitan area: It landed at the top of the ratings for an entire weekday time period (7 p.m. to midnight).

Not bad for an outfit with just eight full-time employees and an annual operating budget of just $2.5 million, most of which is supplied by listeners during biannual "Share-a-thons."

Not bad, too, considering that WGTS was on the verge of becoming a memory last year. The trustees of Columbia Union -- which is operated by the Seventh-day Adventist Church of Silver Spring -- considered selling the station's broadcast license to pad the college's meager endowment. On the table were two offers, both in excess of $20 million. After a barrage of e-mails and calls from listeners, however, the trustees rejected both of them.

Among the most relieved by the decision was John Konrad, WGTS's general manager and its longest-serving employee. Konrad, 39, started working part time at WGTS as a high school student, and has been its most constant presence ever since. He's performed just about every role at the station -- DJ, program director, fundraiser, engineer, etc. Of the sale that wasn't, he says, "We felt it was pretty much up to God."

Konrad and Program Director Becky Alignay are the masterminds of WGTS's "Christian contemporary" format. Contemporary, because the music is largely indistinguishable from what's heard on a secular pop station. Christian, because the songs' lyrics tend to mention Jesus and

salvation and other religious themes a lot. The overall tone is pleasant and unthreatening, like a Dan Fogelberg album on endless loop.

On a given day, WGTS is likely to crank up recordings by singer-songwriters like Chris Tomlin and Steven Curtis Chapman, and groups such as MercyMe ("You Reign," "God With Us") and the platinum-selling Casting Crowns. The soft-rock ensemble's biggest hit, "East to West," spent almost four months at No. 1 on the Christian music charts last year (sample lyrics: "In the arms of Your mercy I find rest, 'cause you know just how far the east is from the west, from one scarred hand to another").

WGTS (the call letters echo the school's motto, "Washington's Gateway to Service") promotes itself as "family-friendly," which means listeners won't hear anything controversial, rude or even remotely salacious from its on-air personalities. Edgy it isn't: The other morning, for example, DJs Angela Stevens and Brennan Wimbish debated the finer points of wrapping Christmas presents. The next day, the subject was talking to your pets. Periodically, Stevens offers a "positive thought" (example: "Quality is not an act. It's a habit").

Although its Christian message is unmistakable, the station doesn't harangue or proselytize. Music and banter fills almost all of the weekday schedule; heavier religious programs, including talk shows, are reserved for the weekend. On Saturdays (Sabbath for Adventists) the station broadcasts sermons and services from the Sligo Seventh-day Adventist Church.

But Konrad notes: "We're not a church, we're a radio station. It's about connecting with people. You want to encourage the notion that we're all part of a family and we're having a conversation with [the listeners]. It's really just about being a friend. You don't always uplift them. Sometimes you just listen to them."

In fact, the station employs a part-time chaplain, who takes listeners' prayer requests and makes referrals to local churches and charitable organizations. In another bit of outreach, the station whipped up a hailstorm of e-mails and phone calls this month by asking listeners to comment on why they believe in God. The campaign was inspired by bus ads placed by the American Humanist Association that read, "Why believe in a god? Just be good for goodness' sake."

Overall, says Alignay, "the idea is not to be like any other station in the market."

Some of this may help explain why WGTS's listeners -- about two-thirds of whom are women -- are so loyal. According to Arbitron, the average listener tunes in about 7 hours 45 minutes per week, the highest amount of any station in the area. Second place WAMU (88.5 FM), a talk and news station, isn't even close; its listeners tune in about six hours per week.

"What I like is the positive message they have," says Kelly Howell, 37, a Defense Department analyst who lives in Laurel. "I think that's something lacking these days." She doesn't mind, either, that she can turn the station on when her daughters, 6 and 4, are around. "It may sound hokey, but it is family-friendly," she says. "I don't have to worry about them hearing something off the cuff or bizarre."

The mystery is whether the station's audience is really growing or whether it always drew a big crowd without anyone really knowing it.

The question arises because WGTS's audience totals jumped sharply after Arbitron switched to a new way of counting listeners in mid-October. Under its old system, the company relied on sample panels of listeners to write down their daily listening habits in diaries. Under the new method -- considered more accurate by Arbitron -- people carry small electronic meters that automatically record what they're listening to.

Among the revelations of the new ratings system is that people actually listen to a far greater number of stations than they formerly reported under the diary method, said Thom Mocarsky, a spokesman for Arbitron. That means outlets like WGTS, which has an extremely loyal core of listeners, keep more of their audience from one hour to the next, boosting their relative position in the ratings.

Statistical quirks aside, Duane Dorch, a member of the station's and college's board of trustees, believes WGTS's audience will continue to expand. "In tougher times," he says, "I think people are looking for something that reflects their spiritual values. They're seeking things that are comforting to them in their entertainment."

Konrad is certainly pleased, but not for the reasons most radio managers would be. "I don't want more listeners for more money," he says. "Our goal is to be there for as many people as possible. That's the purpose of this radio station."