

television  
audience  
measurement  
- a guide

# Television Audience Measurement

## Who measures it?

Since 1996, AGB Nielsen Media Research have been providing the ratings measurement service in Ireland. The current contract runs up until the end of August this year. AGB Nielsen Media Research also won the most recent tender for the TV contract, which means they will continue to provide Irish audience measurement from September 2010.

## How does it work?



- AGB Nielsen Media Research gather information about Irish television viewing patterns from a representative panel of 670 homes. This equates to roughly 1,800 panel members each day
- A large household survey called the Establishment Survey is conducted 3 times a year to establish the size and nature of the television population in Ireland. AGB NMR use the Geo Directory for address details for the survey. The main grocery shopper (Housekeeper) is asked the questions but they are encouraged to get help answering from other members of the household  
CSO (Age / Region / Sex) and AIMRO (Social Class) data are then used to weight the responses
- Panel controls and universes are then derived from weighted data and updated 3 times a year. The panel is designed to be representative of the television population as defined by the Establishment Survey
- Households that meet the demographic requirements of the Nielsen viewing panel are invited to participate

## The Peoplemeter

- A device called a Peoplemeter is installed on every television set and VCR in the home. This monitors the viewing of everyone in the household (and guest viewing). The peoplemeter is a small box, which looks like a decoder. It sits on top of the television
- Every person in the home is assigned a button on a remote control which they use to login and logout of their viewing
- The Peoplemeter is connected to the telephone line in the household. In the early hours of the morning, (between 3.00 and 6.00am) the central computer in Nielsen Media Research dials each of the panel member households and collects the viewing data
- The data goes through a series of rigorous quality control procedures. Reports are then produced on the ratings for the previous night's programmes. Once the data has been checked, it is transferred via modem to advertising agencies and broadcasters

# Establishment Survey

Information derived from the Establishment Survey includes:

1. TV Universes
2. Station / Platform Penetration

Please note: the following figures are all based on the September 2009 Establishment Survey

## *Universes*

The universe figure tells us how many people there are in each target audience. This figure is expressed in thousands, e.g. the Individual universe is 4,118, which represents 4,118,000 people

Current universes for January - April 2010 for RTÉ Television trading audiences (National) are:

Adults	3432
Adults 15-24	564
Adults 15-34	1311
Adults 25-44	1396
Adults ABC1	1420
Men	1673
Men 15-34	640
Men ABC1	669
Women	1759
Women 15-34	671
Women ABC1	751
Housekeepers	1580
Housekeepers with Kids	534
Housekeepers ABC1	653
Kids	686

## *Station Penetration*

It is important to note that Station Penetration figures are based on the housekeeper's knowledge of what channels they have, and in some cases they may not be aware of all the channels they receive. When conducting the establishment survey interviews, the interviewer encourages the housekeeper to involve others in the household when answering this question. Current station penetration of commercial channels operating in the ROI are:

RTÉ One	98%
RTÉ Two	98%
TV3	95%
3e	
TG4	96%
Sky One	65%
Sky News	68%
Sky Sports 1	25%
Sky Sports 2	22%
Sky Sports News	29%
MTV	51%
Nickelodeon	42%
Nick Junior	31%
Comedy Central	41%
Comedy Central +1	11%
Living	57%
Setanta Ireland	32%
E4	60%

# Platforms

Platforms refer to a home's method of reception / how a home receives its television channels

## Irish Terrestrial (Dual)

In Ireland, four national television channels are currently available free-to-air through an analogue terrestrial television network. These include RTÉ One, RTÉ Two, TV3 and TG4

**There are currently 202,000 homes, which only receive the four Irish channels. This represents 13% of all TV households**

The four free-to-air national channels are a 'must-carry' obligation on all cable transmissions and on digital MMDS transmissions

## Multi-Total

Ireland has a strong demand for multi-channel television, driven largely by the popularity of UK channels

Multi-channel homes are homes, which receive more than just the four Irish channels, either by MMDS, Cable, Satellite or Digital

**There are currently 1,378,000 multi-channel homes in Ireland, which represents 87% of total TV households**

## Cable / Satellite Analogue

Represents homes which receive any Cable channels via an analogue signal (Basic UPC Cable homes)

**There are currently 248,000 Cable / Satellite Analogue homes in Ireland, which make up 16% of total TV households**

## Cable / Satellite Digital

Digital Penetration in Ireland has grown significantly in the past few years.

**There are currently 980,000 digital homes in Ireland, which represents 62% of total TV households**

## National

RTÉ sells 15 National audiences. National represents the entire TV household population, no matter how many channels they receive or how they receive them. As multi-channel penetration increases, there becomes less and less difference between national and multi universes

# Media Terms

## A-Z

### Average Minutes Per Person

The average minutes viewed per person for the time period selected calculated against the total universe of the target audience

### Average Minutes Per Viewer

The average minutes viewed per person for the time period selected calculated against only those viewing at the time

### Conversions

Conversions refer to how different target audiences relate to each other. Although an advertiser buys against a particular target audience, they can also measure the campaign against other audiences

Conversions can be worked out at station / programme / campaign level

e.g. To get a conversion from Adults 15-34 (bought audience) into Adults 15+:

$$\begin{aligned} &= \frac{\text{Adult Equivalent TVRs}}{\text{Adult 15-34 Equivalent TVRs}} \\ &= \frac{45267}{31734} \\ &= 1.43 \end{aligned}$$

This means that for every rating bought against Adults 15-34, an advertiser would also get 1.4 Adult ratings ... or for every 100 ratings bought against Adults 15-34, they would get 143 Adult TVRs

As well as looking at conversions from one target audience to another, this calculation can be used to measure overspill audience from the Republic of Ireland into Northern Ireland. The average Adult conversion for RTÉ Television from ROI into NI in 2008 was 8%

This means that for every Advertiser who bought 100 Adult ratings on RTÉ in the ROI, they got an extra 8 Adult ratings free in Northern Ireland

The Den on RTÉ Two converts very well for Kids

# Media Terms

## A-Z

### Coverage

Coverage expresses what % of a target audience an advertiser wants to see their advertising message. It is also a calculation of how many times people see an advertising message

- e.g. 1+ coverage measures how many people saw an ad at least once  
2+ coverage measures how many people see an ad at least twice

Generally the more ratings an advertiser buys, the greater the coverage will be.

### Cover Efficiency

Gives an indication of the effectiveness of a spot in increasing the coverage of a campaign. The higher the figure, the more effective the spot was. Cover Efficiency measures the efficiency of each spot compared to all the other spots in the campaign.

### Demographic

Basic descriptive classification of consumers in terms of personal or family characteristics such as age, sex, social class etc.

### Frequency

Frequency is closely related to coverage. It measures the amount of times the target audience sees the advertising message within a time period (campaign)

- e.g. A 3+ coverage of 50%  
The coverage is 50% and the frequency is 3+

*Average frequency* refers to the number of times the average person saw the ad. An example of an Adult campaign and the calculation of average frequency is shown below:

	Cover %	Cover 000's	
1+	55.1%	1829	
2+	24.6%	816	
3+	11.4%	378	
4+	4.9%	163	
5+	2.2%	73	
1 x 1829	=	1829	5613 / 3319 (Adult Universe) = 1.7  Average Frequency for this campaign was 1.7
2 x 816	=	1633	
3 x 378	=	1134	
4 x 163	=	652	
5 x 73	=	<u>365</u>	
		5613	

# Media Terms

## A-Z

### Impact

Unit measure of commercial audience delivery:

If a person is watching a programme or an ad break at a particular time, then 1 impact is recorded. When enough impacts are recorded to generate at least 1% of a target audience, a TVR is recorded

Commercial impacts show the total number of people in 000's (for the target audience) who have seen one or more spots in a campaign or on a channel. Each time a spot is viewed it contributes to the total impacts

### Share of Impacts

Share of Impacts are measured at station level in order to indicate what % of commercial impacts each TV station delivered within a given time period

e.g. If there were 39,938,838 commercial impacts delivered across all commercial channels within a given year and RTÉ accounted for 22,176,848 of these ... we would then say that we delivered a 56% share of impacts that year. These can be worked out for individual audiences using 30" equivalent impacts

### Ratecard Weighted Impacts / 30" Equivalent Impacts

30 second equivalent impacts or thousands (30" 000's) are used to adjust commercial impacts for each advertising spot to a standard 30" advertising spot interval

Ratecard Weighted Impacts (30" Impacts) are used to work out CPTs

Example:

Lets say that RTÉ publish a CPT for Adults of €10.00 for a given month and a buyer has a target of 100 TVRs for a campaign within that month. The buyer must take the CPT and firstly calculate the cost of 1 rating on the station within this month. The adult universe is 3,319,000, therefore he/she requires 33,190 impacts to achieve 1 TVR. Thus  $€10 \times 33.19 =$  the cost of 1 rating (€331.90). Now all the buyer has to do is multiply his/her cost by the number of ratings required: 100.

Total Cost of the campaign is €33,190 (BEFORE DISCOUNT)

This example assumes a spot length of 30 seconds. If the spot length is 20 seconds, then the buyer must be aware that the price conversion for a 20 second ad is 80% of the cost of a 30 second ad. If he/she were to buy 100 Natural or un-weighted ratings, then he/she would have to pay  $€31,030 \times 0.8 =$  €26,552 but of course, they would only receive 80 ratecard weighted ratings

# Media Terms

## A-Z

Conversely, if the buyer still wanted to receive 100 ratecard weighted ratings with the 20 second campaign, then they would have to pay  $100/80 \times \text{€}33,190 = \text{€}41,487$

### Index

A conversion figure between the base audience rating and the target audience rating

e.g. An Index of 126 for target audience Adults 15-34 against a base audience of Adults 15+ means Adults 15-34s performed 26% better

### Opportunities to See

In general, this refers to the average frequency of a campaign. Of all the people who saw an advertising campaign, it measures the average number of times they saw a spot belonging to it

### Profile

The % of the base audience, which is made up by the target audience

e.g. A profile of 26% for Adults 15-34 (target audience) means that 26% of the base audience (Adults 15+) were aged 15-34

### Reach

Reach is the cumulative percentage or total number of people (usually expressed in 000's) who have been counted as viewers at least once within a given time period (i.e. a day / programme). The person has to have tuned in for at least one minute in the case of programming / quarter hours

e.g. A 1+ reach is the total number of the target audience who have viewed for at least a minute - shown as either a % or in 000's

### Difference between Rating & Reach:

e.g. A programme gets an average adult rating of 20

20% of the population watched the first half and a completely different 20% of the population watched the second half. In this instance the total reach of the programme is 40% as 40% of the population watched some part of the programme

### Difference between a Campaign Rating and a Campaign Reach:

e.g. A campaign consists of 10 spots and each one gets a rating. Lets say the first spot gets a rating of 20 and the second a rating of 10. This doesn't mean a reach of 30% as 50% of the people

# Media Terms

## A-Z

watching the second spot also saw the first spot, therefore the reach in this case is 25% but the campaign total rating is 30

### Share of Viewing

A share of viewing represents a percentage of viewers to a station or programme at a particular time, out of all people watching TV at that time

e.g. An Adult share of 30% for a programme indicates that of all adults who were watching TV at that time, 30% of them watched the programme

TVR and Share are two of the most common figures we examine when looking at programme performance. The easiest way to decipher them is to remember that:

1. TVR is a % of all available audience, whether they are watching or not
2. Share of viewing is a % only of the audience who are watching

The two figures must be looked at in conjunction with each other when deciphering a station or programme performance

e.g. A programme could get an adult share figure of 40%, which seems like a good performance... however if the total TVR for all TV at the time was only 2.7, then it means the programme only achieved a 40% share of a very small audience to begin with

### Solus/Unique Cover

The AGB Nielsen Media Research software shows a unique cover figure for each spot within a campaign. The figure represents the percentage of the target audience who saw only this spot

e.g. A campaign of 400 adult TVRs ran across RTÉ One, RTÉ Two & TV3

The total Adult 1+ coverage was 75% but 25% of these adults only saw the ad once and only saw it on RTÉ One... then RTÉ One contributed a 25% unique 1+ cover

### Strike-Rates

Refers to the distribution of TVRs across the weeks of a campaign

e.g. 4 week campaign of 400 TVRs

The strike-rates could consist of 4 weeks at 100 TVRs per week or 2 weeks at 120 TVRs and another 2 weeks at 80 TVRs

### Target Audience

The target audience represents the nature of the group of people that an advertiser is trying to reach via an advertising campaign

# Media Terms A-Z

## Thousands (000's)

The average target audience who have viewed a programme, day-part, spot etc. expressed in thousands...

The 000's is linked to the TVR

e.g. An Adult TVR of 10.0 will equate to a 000's figure of 343 (Based on a National Adult 15+ universe of 3,432)

## TVR/Rating

A TVR or rating as it is commonly called, represents 1% of a target audience watching a programme or ad break at a particular time.

A person must be viewing for at least 15 seconds to be considered in the calculation of the rating

e.g. An average Adult rating of 15.0 for a specific programme indicates that, on average, 15% of all Adults watched the programme

## Rate-card Weighted TVR / 30" Equivalent TVR

RTE Price Conversion from 30" Rate

Sec	10	15	20	30	40	45	50	60
Ratio	50	67	80	100	133	150	167	200

e.g. A buyer wishes to buy 100 ratecard weighted Adult TVRs with a campaign that consists solely of 10 second spots. If we say that every break available has a rating of 10 Adult TVRs, then the buyer will have to buy 20 spots as each spot gets a ratecard weighted rating of  $0.5 \times 10 = 5$

## Total / Cumulative TVRs

The total TVR delivery of a schedule of advertising spots is equal to the sum of commercial TVRs / ratings across all the spots contained in a schedule

## Universe

The universe tells us how many people there are in each target audience. Universes are based on TV homes in Ireland

e.g. Individuals = all people over the age of 4 who live in a home with a TV (4,118,000)

# Television Costing

## Why do stations issue Cost Per Thousand and not Cost Per Rating?

The reason why is because universes change; essentially advertisers are paying for individuals to watch their ads and not a % of the population

e.g. If we were to sell 100 Adult ratings in October 2004, the advertiser would receive 310,030,000 impacts. In 2003, this would have been 305,100,000 impacts because of the universe at that time. Therefore year-on-year, a cost per rating does not represent the same amount of product (audience), whereas a cost per thousand always does

## Cost Per Rating Point

A cost per rating point refers to the cost of reaching 1% of a specified audience

## Working out a CPR (Cost Per Rating):

$CPT \times Universe = \text{Cost of 1 rating}$

To get the total cost of a campaign, multiply the figure above by the number of ratings being bought

e.g. Housekeeper, 400 ratings

$11.17 \times 15.80 = \text{€}176.49 \text{ (CPR)}$

$400 \text{ TVR Campaign} = \text{€}176.49 \times 400 = \text{€}70,596$

# Television Costing

## Cost Per Thousand (CPT)

CPTs represent the cost of reaching a thousand people

CPTs are the basic way of comparing one media's cost with another

## Working out a CPT:

$$\frac{\text{Total Spend}}{\text{Number of ratings} \times \text{Universe}} \quad \text{or} \quad \frac{\text{Total Spend}}{30'' \text{ Sec Impacts in } 000\text{'s}}$$

E.g. 40 Housekeepers ratings x Housekeeper universe of 15.80  
with a total spend of €6,000

$$\frac{6,000}{40 \times 15.80} = \frac{6,000}{632} = €9.49$$

e.g. I have €6,000 to spend on a HK campaign. How many ratings can I buy?

Divide 6,000 by the HK CPT (9.49), and then divide by the universe:

$$= \frac{6000}{9.49/15.80} = 40 \text{ TVRs}$$

# Why do CPTs fluctuate up and down?

Impacts	Revenue	CPT	Why?
↑	Static	↓	There is more available audience but the same amount of revenue buying that trading audience, so the cost goes down
↓	Static	↑	There is less available audience but the same amount of revenue chasing that particular target audience, so the cost goes up
Static	↑	↑	The available audience remains the same but the amount of revenue chasing it increases, so the cost goes up
Static	↓	↓	There is the same amount of available audience with less revenue against that target audience, so the cost of buying it goes down
↑	↑	Depends on how much they both go up	<p>If impacts and revenue go up by the same amount, the CPT remains the same as they balance one another out</p> <p>If impacts go up but revenue goes up more, the CPT goes up (by revenue % increase minus impact % increase)</p> <p>If revenue goes up but impacts go up more, the CPT goes down (by impact % increase minus revenue % increase)</p>
↓	↓	Depends on how much they both go down	<p>If impacts and revenue go down by the same amount, the CPT remains the same as they balance one another out</p> <p>If impacts go down but revenue goes down more, the CPT is reduced (by revenue % decrease minus impact % decrease)</p> <p>If revenue goes down but impacts go down more, the CPT goes up (by impact % decrease minus revenue % decrease)</p>

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