

## What TV Ratings Really Mean

Because a program or a commercial which is sent over the air, on a cable system, or direct from a satellite is available to be seen by millions of viewers, somebody has to count the viewers. Unlike a newspaper or a magazine, however, where the publisher can count how many copies are sold, there is no simple way to know exactly how many people are watching any given program. Nielsen Media Research estimates the audience by drawing a sample and then counting the number of viewers in the sample.

The way that Nielsen Media Research finds out about who is watching is to measure what a sample of television viewers are watching. For our national ratings estimates, we use a sample of more than 5,000 households, containing over 13,000 people who have agreed to participate. Since there are over 99 million households with TVs in the U.S., it might seem that a sample of 5,000 is just not big enough to represent the nation.

### Measuring TV sets

In a specially selected sample of homes, Nielsen Media Research technicians install metering equipment on TV sets, VCRs and cable boxes (and even satellite dishes). The Nielsen TV meters automatically and invisibly keep track of when the sets are on and what the sets are tuned to. These meters are connected to a central "black box," which is actually a very small computer and modem. Information from the meters is collected by the black box, and in the middle of the night all the black boxes call in their information to our central computers.

### Identifying TV programs

For us to know what is on the channel at the time it is tuned, we have to collect a large amount of information every day about what is on every TV station and cable channel all across the country. A program may be scheduled by a network, but some stations that usually carry that network may not carry that program, or may delay the program and show it at a different time.

Nielsen Media Research's primary source of information about which programs are airing for each station or cable channel comes from a very special coded ID number that is part of almost every TV picture—a series of lines and dots in the top edge of the picture which labels the program and episode.

Nielsen Media Research measures who is watching programs which reach the entire nation with the Nielsen People Meter. In our national sample, we install set meters which have an attachment called a "People Meter". The People Meter is a box, about the size of a paperback book, which is placed on or near each TV set.



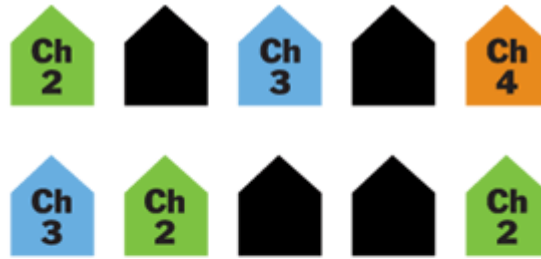
The box has buttons and lights which are assigned to each person who lives in the household (with additional buttons for guests). There is also a remote control to operate the people meter from anywhere in the room.

When a viewer begins watching TV, they push their button, changing their indicator light from red to green. When they finish watching, they push their button again and the indicator changes back to red. Periodically, the lights flash to remind people to check

to make sure that the information in the people meter is accurate. Information from the people meters is combined with set tuning information and relayed to Nielsen Media Research each night.

Participants in Nielsen's national sample are randomly selected. Every U.S. household with a TV theoretically has a chance to be a part of the sample. The sample is also compared to the general population, and at times Nielsen calls thousands of households to see if their TV sets are on and who is watching.

## Ratings 101



1) HUT  $\frac{6}{10} \frac{\text{Households Using TV}}{\text{Total TV households}} = \mathbf{60}$

2) Rating  $\frac{3}{10} \frac{\text{Channel 2 households}}{\text{Total TV households}} = \mathbf{30}$

3) Share  $\frac{3}{6} \frac{\text{Channel 2 households}}{\text{Households Using TV}} = \mathbf{50}$

or Rating=Share x HUT

### HUT

The percent of the Households Using Television (HUT) which are tuned to a specific program or station at a specified time.

### Rating

The estimate of the size of a television audience relative to the total universe, expressed as a percentage. The estimated percent of all TV households or persons tuned to a specific station. In the example below, three of the 10 homes in the universe are tuned to channel 2. That translates to a 30 rating.

### Share

Using the example above, channel 2 is being viewed in three of the six homes using television. That means it has a 50 share of audience.