

BUYING BASICS



WHO'S LISTENING

- Most major markets over 100,000 people are rated radio markets by a company called Arbitron. The St. Cloud market is a rated market. Arbitron's rates the St. Cloud market two times per year, in the spring and the fall. The Arbitron ratings provide much of the information desired by business owners who want to better understand how to best use their radio dollars. Arbitron's ratings are used by almost all major corporations and advertising agencies in deciding how to most cost effectively reach the target audience. Companies such as Ford, Chevy, Wal-Mart, Budweiser, Coke, Pepsi, Target, McDonalds all use Arbitron to decide on how to use their advertising



- Arbitron ratings can provide information on many of the foundation elements of radio buying.
 - **WHO** – Arbitron breaks down demographics into the following segments –
 - Age; 12-17, 18-25, 26-34, 35-44, 45-49, 50-54, 55-64, 65 plus.
 - Gender; Male, Female
 - These segments can be combined. For example, you could find the rating on All Persons (Male and Female) 25-49.
 - **WHERE** – Arbitron measures two areas of a market.
 - MSA
 - Metro Survey Area – MSA includes the direct area of economic and social relationship, includes eastern Streams County, Benton County and Northern Sherburne County.
 - Most St. Cloud businesses would be most interested in the MSA survey which reaches out 30 or so miles from St. Cloud.
 - TSA
 - Total Service Area - Represents a greater area outside the MSA in which has an economic and social relationship with the area, generally 60 or more miles.
 - TSA is used by businesses who generally have a unique product within the TSA area which would motivate people to travel to purchase the product.

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RATINGS

- Arbitron measures many things but the basic item that Arbitron measures is who is listening to what station via radio diaries sent out during the rating period. From these diaries Arbitron calculates the following basic measures.
- **Average Quarter-Hour**
 - **All radio buys should be made using Average Quarter Hour.**
 - This is the measure that is the basic measure for ALL radio buys. Other factors may be involved in the buy, but AQH provides the foundation and used exclusively by all major corporations and agencies to buy radio and ensure they are getting the most for their radio dollar.
- **Cume Person**
 - **Cume Persons is many times used by sales people to inaccurately represent a stations ratings and value to the advertiser. Researched buys are never made exclusively by the Cume Persons.**
 - Cume Persons: A term used for cumulative audience, which is the estimated total number of different people who listened to a Radio station for a minimum of five minutes during a particular time period.
 - Cume is NEVER used as the primary method for radio buys because Cume gives the radio advertiser absolutely no information on the chances of the commercial being heard by the audience. Cume merely indicates that someone listened to a certain station for five minutes and does not indicate any information on the time the spent listening. Many times Cume is a function of the stations format, Pop Music and News station generally have high Cume but low rating because people listen to a song or the news segment and move on.
- **Rating Period Averaging**
 - In smaller Arbitron markets, such as St. Cloud, while the number of persons each diary represents is often much lower than in larger markets, smaller overall diary samples limit the ability to “slice-up” audience data into some of the more discrete age/sex demo groups.
 - One of the most appropriate ways to increase confidence in results of ratings surveys is to use multi-book averages. A two-book average instantly increases the size of the sample for a targeted demo group. A three- or four-book average may be even more useful and in fact, Arbitron is looking to use rolling averages in the future to address some of the radical shifts in demographics.

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- **MISLEADING RADIO SALES METHODS**



Arbitron provides a very good measure of the value that radio station provides. However, Arbitron numbers can also be misleading when misrepresented by the Radio Sales Person. These practices generally occur in market where the buyer might not be as familiar with Arbitron and how it represents the radio audience. Listed below are some basic misleading methods that we have been used in many markets including the St. Cloud market.

- **Cume Person.** Presenting Cume Person as a measure of stations advertising value. Cume is NEVER used as the primary method for radio buys because Cume gives the radio advertiser absolutely no information on the chances of the commercial being heard by the audience. Cume merely indicates that someone listened to a certain station for five minutes and does not indicate any information on the time the spent listening. Many times Cume is a function of the stations format, CHR and News station generally have high Cume but low rating because people listen to a song or the news segment and move on. This measures gives the buyer no indication of the chances of the commercial being heard by the intended audience.
- **Eliminating Stations.** In order to be viewed as stronger in the market place versus the competition, there has been occasions where Radio Sales people have eliminated competing stations who may represent a better value. The St. Cloud market has 14 local radio stations, make sure all 14 are represented.
- **Eliminating ZIP Codes and Counties.** Radio stations have strengths in various ZIP codes and counties. A common method to make a station look stronger in relationship to the competition is to remove ZIP codes and counties. Make sure the Sales Person is properly representing the geographical area you would like to speak to the St. Cloud MSA or the larger TSA.
- **Eliminating Demographics.** Radio stations have strengths in various demographics; age, gender, etc. Another method to manipulate the data is to remove demographic another station that has a strong showing. Always make sure that your intended demographics line up with the demographics of the information being shown.
- **Selective Dayparts.** As we all know, people do not listen to radio the same amount at all times. Different dayparts have more listeners than others. In addition, different format have stronger times than others. A common misleading method is to just show the strongest daypart of the station which is trying to be sold and then put the actual commercials purchased into other dayparts. Make sure that commercials you are buying line up with the information that you were shown in the sales presentation.
- **Selective Arbitron Rating.** Arbitron measures the St. Cloud market each spring and fall. Over the past 50 years the popularity of stations have changed greatly. Make sure that the Sales Person is representing the latest information or at least an average of the latest information; It is common to use a two, three or four book average to gauge popularity trends. There have been cases in which 3 or 4 year old ratings have been used in which the station being sold had better ratings.

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RADIO WITH SALES INTEGRITY

- Tri-County Broadcasting, St. Cloud's oldest broadcast group, would like to thank you for taking the time to review this information and allowing us to help you become educated with the terminology and legitimate information used in the radio buying process. Please feel free to question "any" broadcast group representative that you may be working with as to the accuracy of this information provided. This document provides the very basics of radio purchasing, there are many additional areas Tri-County Broadcasting can help you with to better understand the radio buying process.
- Tri-County Broadcasting believes in selling with honesty and integrity. We match up the target audience our customers are trying to reach with a station that has demographics to match; in this process we are able to maximize our customer's advertising dollars and our relationship with them. We believe what works for the customer today also works for Tri-County Broadcasting. We take pride in over performing for our clients and maintaining long-term win-win relationships.
- Thank you from the owners and staff of Tri-County Broadcasting, if you have any questions regarding this information, please feel free to contact us at 320-252-6200.

