Audience Measurement Terminology and How to Make Sense of It

Media representatives often rely on jargon to make sales presentations. To the uninitiated client, the confusing array of audience terms can be daunting. This article outlines commonly used audience measures and explains how they are used. It also alerts potential advertisers to some common problems interpreting and using audience measures.

It is worth noting that some terms can take on slightly different meanings with specific media applications. It is well worthwhile consulting glossaries provided by local publishers and broadcasters for more detailed information. Given that measurement methodologies vary from country to country, it is wise to use local glossaries wherever possible.

This glossary is by no means exhaustive. New media give rise to new measurement methods and new jargon. Suggested links at the end of this section will guide you to additional glossaries and other useful audience measurement resources.

Average Frequency

Average frequency reports the average number of times a person is exposed to an advertising schedule. It is a basic measure of schedule intensity. Average refers to an observation, taken from survey and is calculated by dividing an advertising schedule’s gross impressions by its unduplicated reach.

By comparing average frequency with effective frequency (desired goals), advertisers are able to evaluate a schedule’s performance. For most FMCG, an average frequency of three is thought to be a “magic number.” Once the media expenditure reaches this target, there is little to be gained from additional exposures.

Average Audience

The average number of people tuned to a program per quarter hour within any given session. Average audience is the most commonly used measure of broadcast penetration.

Circulation

Circulation refers to the number of copies of an issue distributed or sold. Most publications have their circulation audited by an independent agency. A few minor publications do not participate in the audit. However, advertisers interested in attracting serious advertising dollars expect to participate in the audit. For their part, advertisers are sceptical about publishers’ claims for circulation that cannot be substantiated by audit figures.

Australian consumer titles are audited by the Audit Bureau of Circulations (ABC). Currently, there are two annual audit periods (January to June and July to December), however plans to audit high circulation titles four times per annum are expected to take effect this year. Audit figures provide advertisers with some level of confidence about a publication’s penetration.
Publishers rely on circulation figures combined with readership estimates, to establish advertising rates. Consequently, some publishers use promotional tactics such as special price offers and price bundling to inflate circulation figures. Such practices can be problematic because people who are attracted by a promotional deal may be atypical. In an effort to overcome some of the worst practices, the Audit Bureau now requires publishers to disclose the composition of sales and has established caps for the numbers of sales at exhibitions and trade fairs.

Potential advertisers need to be alert when relying on circulation figures. It’s a good idea to obtain the most recent figures and wherever possible, check the composition of sales.

**Click Through / Click Through Rates**

A term associated with Internet advertising, a click through occurs when a user clicks on an advertisement that is linked to the advertisers’ site. Click through rates refers to the proportion of ad impressions that resulted in a click through.

**Controlled Circulation**

Copies of a publication that are distributed free of charge to specific audiences. Examples of controlled circulation include community newspapers, most custom magazines and some trade titles. The Circulation Audit Board (CAB) audits controlled circulation.

**Cost Efficiency**

A measure of the relative cost of an advertising schedule. Although there are a number of ways of estimating cost efficiency, CPT is the most commonly used.

**Cost Per Thousand (CPM)**

The cost of reaching one thousand people with an advertising exposure. Note that the “M” is the Roman numeral for one thousand. For example, suppose the rate for a full-page advertisement is $30,000 and the readership is 2.5 million, then the CPM would be $12.00.

**Worked Example:**

\[
\begin{array}{c|c|c}
\text{Rate} & \times 1000 & \Rightarrow 30,000 \times 1000 \Rightarrow 30,000,000 \\
\text{Total Readers} & 2,500,000 & 30,000,000 \\
\end{array}
\]

Cost per thousand is a blunt measure of cost efficiency and is not widely used. Instead most advertisers prefer to use Cost Per TARP.

**Cost Per TARP (CPT)**

The cost of reaching one thousand members of a defined target market. Cost per TARP is the most widely used measure of cost efficiency.
Suppose a periodical has an ad rate of $30,000 and total readership = 2.5 million. But only 1.5 million readers match an advertisers target market definition of women 35+. The cost per TARP will be $20.00.

**Worked Example:**

<table>
<thead>
<tr>
<th>Rate</th>
<th>X1000 =&gt; 30,000 X 1000 =&gt; $20.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Readers</td>
<td>1,5000,000</td>
</tr>
</tbody>
</table>

**Coverage**

Coverage is a measure of a medium’s penetration. For broadcast media, coverage typically refers to a geographic catchment area. Maps of geographic coverage are readily available from market research agencies such as Nielsen Media (radio) or OZTAM (TV).

**Cumulative Reach or Cumulative Audience (CUME)**

CUME, a term associated with radio, refers to the number of different people in a defined segment exposed to a schedule over a given time period (usually 15 minutes). CUME counts a person once only, even when they may have been exposed to a message multiple times.

Cumulative audience figures need to be interpreted with some caution. For example, suppose Network X has a CUME of 1 million listeners for the breakfast session. This does not mean that 1 million listeners were tuned in for the entire session. Instead, it means that 1 million listeners tuned in at some stage during that time. In some demographic segments, especially younger age groups, where station hopping is normal, cumulative audience tend to overestimate actual audience size. Naturally, cumulative audience figures, reported for very long sessions, will result in higher estimates.

**Duplication**

Duplication of audiences occurs when audiences exposed to one medium are also exposed to another medium. Some media have high levels of duplication. For instance, people who watch Business Sunday are also likely to read Business Review Weekly. Other media have very low levels of duplication. For example, Vogue readers are less likely to read That’s Life resulting in low audience duplication.

A good understanding audience composition and duplication is most useful in campaign planning. Advertisers wanting to achieve high frequency schedule intentionally seek out media with high levels of audience duplication. Conversely, a schedule where reach is the objective would include media with low levels of duplication.

**Exclusive Readers**

The readers of one magazine (or newspaper) who do not read another magazine (or newspaper). Publishers frequently use exclusive readership as part of their sales presentations. The implication is that advertisers wanting to reach a defined audience
will need to include place some advertising with a title that has a high level of exclusive readers.

**Effective Frequency**

The number of exposures an advertiser deems necessary to achieve a desired effect. The desired response can be as simple as gaining attention or increasing awareness through to changing attitudes or prompting action.

Advertisers rely basic principles to establish optimal levels of effective frequency in which they evaluate a range of factors including: the type of product, its stage of maturity, the competitive environment, the communications objective and the market’s readiness to buy. For instance, a FMCG brand with relatively high levels of awareness and moderate competition may set an effective frequency objective of 3 exposures per purchase cycle.

**Effective Reach**

The number of people reached at or above the effective frequency level. For example,

- 1+ reach = audience members exposed to a media vehicle at least once
- 3+ reach = audience members exposed to a media vehicle at least three times
- 5+ reach = audience members exposed to a media vehicle at least five times

**Frequency and Frequency Distribution**

The number of times an audience member is exposed to a message in a given medium over a given time period.

A frequency distribution refers to the number of people reached at each level of exposure. It is designed to show how an audience builds when each additional exposure is added to a schedule.

To interpret the frequency distribution below, read the rows as follows:

(Row 1) 26% of men aged 18-54 years saw the advertisement in Program A once
(Row 2) 21% of men aged saw the advertisement in Program B once; 35% of them saw at least one of the advertisements in Program A or B; 12% of them saw both advertisements (2+ Reach)
(Row 3) 25% of men saw the advertisement in Program C; 45% of men saw at least one of the three advertisements and 5% of them saw all three advertisements (3+ Reach).

<table>
<thead>
<tr>
<th>Program</th>
<th>No of Spots</th>
<th>TARPs</th>
<th>Cumulative Reach</th>
<th>Average Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1</td>
<td>278</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>B</td>
<td>1</td>
<td>227</td>
<td>35</td>
<td>1.4</td>
</tr>
<tr>
<td>C</td>
<td>1</td>
<td>257</td>
<td>45</td>
<td>1.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1+ Reach</th>
<th>2+ Reach</th>
<th>3+ Reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>26</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>35</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>45</td>
<td>23</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency Schedule (Men 18-54 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>A</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>C</td>
</tr>
</tbody>
</table>
Gross Impacts (also known as Gross Impressions or Gross Reach)

The sum of all of the exposures provided by a schedule. Gross impacts can be estimated by adding the reach estimates for each exposure within a schedule. In estimating gross impacts, people will be counted more than once, when they have been exposed to a message multiple times.

**Worked Example**

<table>
<thead>
<tr>
<th>Advertisement</th>
<th>Reach (People)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1 million</td>
</tr>
<tr>
<td>B</td>
<td>1.5 million</td>
</tr>
<tr>
<td>Gross Impressions</td>
<td>2.5 million</td>
</tr>
</tbody>
</table>

**Gross Rating Points (GRPs)**

A term used in campaign planning, GRPS are a blunt measure of schedule intensity. GRPs are estimated by multiplying a schedule’s reach by the number of exposures. As with gross impacts, no allowance is made for audience duplication. The table below shows three different ways to achieve 100 GRPS, yet clearly each of these options represents very different schedules.

<table>
<thead>
<tr>
<th>Reach</th>
<th>Exposures</th>
<th>GRPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>50%</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>100%</td>
<td>1</td>
<td>100</td>
</tr>
</tbody>
</table>

**Involvement**

Involvement is a qualitative measure of how audiences engage with a medium. The Magazine Publishers Association, for example, conducts occasional research on magazine reader involvement. This type of research investigates such things as whether an audience member acts on information or advice – do they make the recipes, buy the ingredients, use the advice? For television, “must see” TV is another measure of involvement.

**Market Research and Marketing Research**

Although these terms are often used interchangeably, there are subtle differences. Market research refers to research on market segments. Marketing research refers to research about the total market environment and may include competitive intelligence. Thus, marketing research is a broader term.

**Net Reach** (See unduplicated reach)

**Opportunities to See (OTS)**

A generic term used to describe the number of times a target market is exposed to an advertisement. Use of the term “opportunity” allows for the possibility that some
audience members will fail to notice a message. Most audience metrics attempt to capture OTS.

**Peoplemeter**

A meter attached to a TV set. Peoplemeters are used in households that comprise the sample. That is households must agree to have a meter installed and to participate in the TV survey. Approximately 3,000 homes participate in the Australian metropolitan free to air survey.

**Population**

A population is also known as a “potential” or “universe.” It refers to number of people or objects that could be included in a survey. Population refers to the base group that a sample is designed to represent. In audience research, the term population has a technical meaning and should not be confused with a more general reference to the country’s population. For instance, suppose that a survey was designed to capture the attitudes of adult males. In this case, the population or universe would be defined as men aged 18+. At last census, this definition would give a population of 6.9 million adult males.

**Potential** (See population)

**Primary & Secondary Readers**

Readers who have purchased an issue of a magazine or newspaper. Secondary readers who have read or looked into someone else’s issue. Secondary readers are also known as “pass along” readers. It is assumed that primary readers spend more time reading an issue and therefore have more opportunities to see advertising.

**Profile**

Profile refers to the composition of a medium’s audience. It is a detailed analysis of the demographic or psychographic composition of the audience for a given media vehicle.

**Q-Scores**

Q-scores are a qualitative measure of the viewer’s relationship with a program. Although these have a great deal of potential for advertising planning, their main application is found amongst network programmers.

**Rating**

Rating, a term associated with TV, refers to the number of people or households exposed to a TV program or advertising message over a given time period. Ratings may be expressed as a percentage of the total potential audience or simply as 000s of people. Ratings provide advertisers with an estimate of the overall audience size for a TV network or program.
Published ratings provide a very blunt estimate of the audience size for any given program and need to be interpreted with some caution. Ratings for a program tend to be considerably higher than for advertising breaks within the program. In addition, ratings fluctuate across a program. Typically the first 10-15 minutes of a program enjoys higher audiences as audiences tune in to try out the program offering and then leave to pursue alternatives. This movement of audiences is known as **ebb and flow**.

If you are fortunate enough to have access to post analysis software, it is possible to obtain ratings on a minute-by-minute basis. However, most of the ratings published in the media refer to average audience for the entire program. Some advertisers discount published ratings by up to 30% to account for variations.

**Reach**

The number of people in a defined segment who are exposed to an advertising message in a given medium over a given time. Reach is also known as penetration or coverage.

**Readers Per Copy (RPC)**

The average number of people reading each issue of a periodical. RPC is calculated by dividing the issue readership by circulation. RPC provides a measure of the pass along effect.

**Readership**

Readership refers to the number of people who have read or looked into a newspaper or magazine and provides potential advertisers with a guide to the size of an issue’s audience, and by implication a guide to the number of people who will be exposed to an advertising message.

Readership estimates are derived from surveys. In Australia, Roy Morgan Research conducts the survey for consumer press. Reader profiles, which provide detailed demographic analysis of audiences, are available from publishers on request.

As with circulation, care should be taken when using readership figures supplied by publishers, especially that provided online. In times of readership decline, some publishers fail to update information provided, preferring to leave earlier (and higher estimates) online. Occasionally publishers fail to inform users of the survey dates. Beware of these practices since they present an inflated readership estimate and may be used to justify higher advertising rates. It’s a case of buyer beware. Always check dates and be prepared to request current information.

**Recency Planning**

The process of planning a schedule that exposes audiences to a message as close as practical to the point of making a brand decision. Recency versus frequency is one of the great advertising debates. Recency planners argue that for most FMCG purchases one exposure prior to purchase is adequate. On the other hand, frequency planners
argue that a minimum threshold of advertising is required before audiences will take the desired action.

**Sample Size**

The number of people who were actually surveyed. Some knowledge of statistical methods is necessary to ensure that the sample selected is a true representation of the population.

**Share of Audience**

A measure of the proportion of people who a tuned to a network at a particular time and tuned to a particular program. TV and Radio networks use audience shares as a measure of competitive performance.

\[
\text{TV Share} = \frac{\text{Total People Tuned to Network A}}{\text{Total People Tuned to TV}}
\]

**Share of Voice (SOV)**

SOV is a calculation of one advertiser’s brand advertising expenditure expressed as a percentage of the overall advertising expenditure for the category. Analysis of share of voice combined with market shares provide advertisers with a guide to the nature and extent of the advertising challenge.

**Site Stickiness**

A measure of the time users spend with an internet site. Sticky sites are those where visitors stay for relatively lengthy periods. Web designers tend to build a range of interactive site features in their efforts to increase site stickiness.

**Subscriber**

An audience member who agrees to pay in advance for the right to receive a media vehicle such as a magazine, newspaper or TV service. In Australia, unlike many other countries, most periodical sales are through newsstands rather than subscription.

**Target Audience**

The audience of a given media vehicle. Different publishers and broadcasters target audiences with different demographic profiles. Potential advertisers evaluate audience profiles in an effort to locate those that match their own target market.

**Target Market**

A market identified by an advertiser as the one that will become the focus for marketing activities including advertising campaigns.
TARPS (Total Audience Ratings Points)

TARPs are the demographic equivalent of a rating. A TARP is the average viewing audience for demographic, expressed as a percentage of the relevant universe [potential]. TARPS can also be expressed as a percentage or an absolute figure [000s of people].

\[ \text{TARP} \text{ (%) } = \frac{\text{Target Audience Viewing Program “A”}}{\text{Target Audience Universe Estimate}} \times 100 \]

TARPs are the most widely used measure of reach for broadcast media. In fact the term, TARP has taken on a broader meaning and is often used as a synonym for reach or unduplicated reach.

Traffic

The number of people estimated to have passed by a given location such as a billboard or a web page. Until recently, advertisers used traffic counts generated by Road Traffic Authorities as a proxy for outdoor billboard traffic. However, with the a more systematic attempt to measure outdoor traffic through surveys, improved measures are now available. Two competing measures, ROAM and Road Reader are currently available for the Australian market.

Unduplicated Reach

A similar concept to cumulative audience, unduplicated reach refers to the number of different people exposed to a schedule.

Unique Visitors or Unique Users

The number of different people who visited an internet site within a defined time period. Although there are a number of techniques for measuring unique visitors, the most accurate method is to require users to login with a unique ID.

Universe (See population).

Links

Audience Measures

- Circulation – See individual publishers’ Internet sites
- TV Ratings (Subscription TV) – AGB Nielsen [www.agbnielsen.net](http://www.agbnielsen.net)
Glossaries