Radio is a business. Admittedly, there are art and science involved in the day-to-day production of what you hear on your favorite radio station, but it is still a business.

What you most likely hear is “___Insert ‘favorite song title’ here___ is coming your way right after these messages from ____ (name of advertiser).” But there’s a whole lot more to it than that.

Every commercial you hear on the radio is there because someone sold the advertising time to a client, and the order was turned in to the traffic manager for scheduling. After the commercial was scheduled, the copy writer took the copy points and put them into a commercial format for an announcer to produce. The spot was then scheduled to run in your favorite program, the billing was generated by the office staff, and a bill was sent to the client. He or she then sent a check to the radio station, and the transaction was complete.

This lesson was written and provided by Skip Walters, Program Manager, KMON, 560 AM, Great Falls, Montana.

Enduring Understanding

The fact is that “free” radio isn’t free at all. Someone always pays.

Essential Questions

How does a commercial radio station generate revenue? What does the station need to get the radio signal to you? Who’s running this thing, anyway?

Objectives and Outcome

- Students will gain an understanding of the basic business operation of a commercial radio station.
- Students will apply mathematics operations to create a “balanced” budget.
- Students will be encouraged to see how they might fit into a commercial radio station in ways that go beyond “being a disc jockey.”

Suggested time

Two to three days
Resources and Materials

- “WRTN Radio – Budget” (Handout with lesson)
- Web-based job searches: radio-online.com, radio insider.com, mediarecruiter.com, and broad-castingrecruiter.com
- Advertising data or guest speaker from a local radio station

Procedure

This lesson concentrates on the commercial radio station. Use this lesson with “How a Station Knows It Is a Success” which focuses on Arbitron and ratings. If teachers present the “Success” lesson first, they are encouraged to add Arbitron into the discussion and budget activity of this lesson.

Discuss with the class each of the following segments of radio station operation.

1. Equipment
   Traditional radio, AM or FM, is an electronic signal that is transmitted from an antenna, picked up by a receiver, amplified and then played through a speaker to the listeners’ ears. The transmitter is often many miles away and the studio is seldom anywhere near the transmitter.

   Every radio station must have a way to get the music/talk from the control room to the transmitter. Most use some type of control board to take CDs, music files or other audio sources mixed to a single source. Next, the audio travels from the mixing desk into the studio’s audio processor. Following that, the audio is fed into a transmitter. The local station is now on air and people can tune in.

   While the form of these technical items may vary from station to station, they’ll all be represented in one way or another at every broadcast facility.

2. Staff
   Today, anyone can have an Internet or podcast radio station. But commercial broadcasting requires a much larger staff.

   - All commercial radio stations have a sales staff; office staff to schedule and bill the commercial time sold; production staff to produce, or build, the commercials and an engineering staff to make sure the whole business stays on the air. Some stations have a full staff of radio announcers, some make do with a few, and some stations employ virtually no announcers at all. Most though have a core of full-time announcers and a larger number of part-time workers who fill specific slots such as board operators or weekend announcer shifts.
   - Salaries vary greatly. Some famous announcers make upwards of a million dollars a year. Rick Dees, Casey Kasem, Ryan Seacrest and others make large salaries. Most announcers make a low average to moderate income and find that the job satisfaction makes up for the lowered income.
   - Sales staffs are generally paid on commission. The more one sells, the higher one’s income. Generally the commission rates run 15% to 20% of sales.
   - Members of the engineering staff can be highly paid. Their services are in great demand. A fundamental knowledge of computer science is necessary along with specific knowledge of radio transmission equipment, electronic assembly and repair, and other mechanical knowledge.
• Office staff, including the business manager must have accounting skills, computer and database knowledge and other basic office skills. Pay is generally comparable with other office staff salaries.

STUDENT ACTIVITY. After discussing the above jobs needed to run a radio station, have students write down what positions they would most like to fill. Before revealing the students’ choices, have the class discuss who among their classmates might fit each of the job descriptions in a radio station setting.

If this is too “personal or close to home,” have students elect their dream radio staff. Who would they select to sell commercials, to bill customers and announce the next selections to air?

3. Content/Programming
Music is generally delivered from the record companies to the stations by means of subscription. The record companies send songs to distributors and, for a monthly subscription fee, those songs are sent to radio stations across the country for use on air.

The music director for a station will watch the charts (Nielsen SoundScan, Arbitron, Billboard) and play the songs that fit the station’s format and have the most momentum. Music directors often do local research to determine what songs are most popular in their own markets.

There are still opportunities for independent artists to get airplay in some markets without a national record company or promotion group, but is far less common than in times past. Some songs cross formats. An act like Lonestar or Kenny Rogers can be heard on Pop stations as well as on Country and Light Rock outlets. Most artists are, however, locked into their own niche format.

News can come from local reporting or from a wire service or a network. Also there are state and regional networks in addition to the national ones. Strong news departments will use wire or network reports to supplement their efforts. If only a wire service is used, a local newswriter will read the news, perhaps gathering some outside voices or actualities to reinforce, highlight and localize a news story. A network is a business that provides content to a large number of stations across the country and the world.

4. Revenue
STUDENT ACTIVITY. Ask students to propose in a journal their ideas of the perfect 15 minutes of radio programming. Would it include news, weather, interviews (with whom?) or just music? After having some fun listening to these utopian visions, ask the students how much it would cost a commercial radio station to air these 15 divine minutes?

Most commercial radio revenue comes from airing commercials. There are some other events, promotions and such that generate outside revenue, but they don’t come close to the amounts generated from the day-to-day sales of radio advertising.
The balance between the number of commercials a station airs and the amount of programming it sponsors is often a matter of concern between the sales manager and the program director or operations manager. Generally, the lower the unit rate, the cost per commercial, the more commercials a station must air to generate the same amount of revenue. The programming staff wants the most content it can offer. The sales staff wants the most commercials it can get aired.

STUDENT ACTIVITY. Have the class figure out how many minutes of commercials they can air in an hour of programming to generate the largest amount of revenue without losing a listening audience to another station. How many minutes will teens listen to commercials before switching to another station? The format clock is formally presented in “On Time: The Format Clock” (Second course, Second grading period, Week 1). That lesson provides a blank format clock that could be used to demonstrate allocation of slots for advertising.

5. Divide the monthly expenses of a radio station by 30 days to determine the cost for a day’s broadcasts. Once the daily cost is determined, the numbers can be crunched further to provide a cost per hour, minute and even per second of programming. From those numbers a station or group owner will generate a cost per unit for commercials on the station.

Market pressure can affect the cost per unit, since the costs must be in line with other stations in the market and the station’s rank, or rating, in the market. Arbitron statistics can influence the price of commercials. In general the advertiser’s job is to get the most coverage for each dollar he or she spends. A lower-rated station will almost always charge less per unit. Also, there is a price break for purchasing in bulk; buy a package with more commercials and the cost per unit can be lowered. The cost of a 60-second commercial will usually be half again as much as two 30-second spots.

STUDENT ACTIVITY. To illustrate, use a station with monthly expenses of $27,000. The station is on-air 15 hours per day (6 a.m. to 9 p.m.). What is the minimum per second or per minute cost for commercials to break even?

6. Budgets at commercial radio stations vary widely. Market size is the biggest factor. Programming decisions are undoubtedly next.

A commercial radio station that provides only satellite-delivered programming typically will have substantially smaller costs than a station with a full-air staff and a high profile in the community. Often, the satellite-delivered signal will generate a smaller audience and fewer sales opportunities, which will lead to lower advertising rates for commercials. However, some satellite programming is quite popular AND expensive. This type of syndicated programming may well have higher ratings and higher revenue.

STUDENT ACTIVITY. Considering that a commercial radio station, through programming decisions, can move its earnings up or down as much as 25%, how would the class determine strategies for their radio stations?

7. Plan a Budget. Give students a copy of “WRTN Radio – Budget.” Review the income and expenses involved each month in running this fictional, commercial radio station. The percentages are relatively accurate for a small, or small/medium market. Obviously, the larger the station, the higher the dollars, especially in terms of rent, national dollars and salary.
The budget numbers are just basic expenses. The programming number, for example, would include subscriptions to music services, long distance charges for sports broadcasts, contract employees and other expenses beyond staff salaries.

The market research expenditures would be a part of the programming budget as well, though any costs associated with ratings (like the Arbitron research that we discussed in “How a Station Knows It Is a Success”) would be a separate line item and have to be budgeted for as well. Those costs are based on market size and, for our fictional radio station, could run in the $10,000-$15,000 range per year. In-house market research would be part of that programming budget, and is often conducted by interns, volunteers and staff who can help out with call-outs or data entry.

As teachers might gather, the budgeting end of commercial radio can be both fluid and time-consuming, with variables moved about to make the numbers work. In some cases, the promotions budget, or part of the programming budget, gets cut/moved in order to make sure the numbers all match up at the end of the year. For purposes of this lesson, do not complicate the number crunching too much. Give students a sense of what must be budgeted in running the business side of a radio station.

STUDENT ACTIVITY. Using the number of commercials that students have determined could run per hour (See Step 5 above), determine the average cost per minute that should be charged for advertising to meet the WRTN monthly budget.

Consider:

• What is the current rate charged for commercials in your area? Are the rates students want to charge consistent with the market?
• Will your audience keep listening if you have too many commercials?
• Have you remembered to factor in the commission paid for selling commercials?
• Where do the commercials air in the station’s program hour? Some stations air long music segments or “music sweeps” and then block commercials into one or two units lasting, in some cases five or six minutes. Others prefer to use a larger number of shorter breaks to make up the program hour. Which maintains longer listening? Does format affect this decision?

8. After students have completed their budgets, you might give them data from a local radio station or invite a guest speaker from the station to discuss ratings, influence or importance of Arbitron, advertising and keeping the radio station a successful business.

9. Share and discuss the following concept with students: “It takes money, a fair amount of money, to build and operate a radio station. The staff, however, is the most important asset.”

Homework

At the end of the first day of this lesson, assign each student a different job. They are to do an Internet search of the assigned job using job listings on radio Web sites: radio-online.com, broadcastingrecruiter.com, radio insider.com, and mediarecruiter.com. In the Second course, Fourth grading period, a more in-depth career search lesson is provided. Let this introduction to careers be more informal with students gathering basic information about the variety of positions and skills needed to run a commercial radio station.
If an advertising budget is assigned as homework for individuals, students should be given credit for keeping in mind the cost per second/minute for advertising, the number of slots available per hour and the total number of minutes needed to balance the budget at the agreed upon profit margin.

**Assessment**

Give students credit for their daily participation in discussion and group activity.

Students are able to alter profit margins for their station — keeping in mind the expectations of listeners, advertisers and owners.

**Academic Content Standards**

Recognize and apply mathematics in contexts outside of mathematics (Connections, National Council of Teachers of Mathematics)

Students use a variety of technological and information resources (e.g., libraries, databases, computer networks, video) to gather and synthesize information and to create and communicate knowledge. (Standard 8, NCTE/IRA Standards for the English Language Arts)

Uses a variety of print and electronic sources to gather information for research topics (e.g., news sources such as magazines, radio, television, newspapers; government publications; microfiche; telephone information services; databases; field studies; speeches; technical documents; periodicals; Internet) (McRel, Language Arts, Writing, Level IV, Grades 9-12)

**Industry Standards and Expectations**

Analyze the business and economic factors that influence programming, content and distribution. (Performance Element, Pathway KS Statement: Exhibit knowledge of business issues related to journalism and broadcasting, States’ Career Clusters, National Association of State Directors of Career Technical Education Consortium)

Though mission statements vary widely, most commercial radio groups strive to offer the most effective advertising at the best cost to the client and the most entertainment options to the listening audience. The balance between those two creates an effective medium that is good for the community and good for business.

Explore career opportunities in audio and video technology and film. (Pathway KS Statement: Audio and Video Technology and Film, States’ Career Clusters, National Association of State Directors of Career Technical Education Consortium)

Review local and national Web sites that list requirements for job openings.
You are provided with the annual revenue of WRTN, a small/medium market radio station. Using the expenses that are listed, plan an advertising budget. You must determine the number of commercials to run per hour and the rate that will be charged per second per commercial.

### Revenue

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
</table>
| $70,000 | 50% locally generated  
50% generated from national/regional agency sales  
(7% commission comes off the national/regional sales figure) |

### Expenses

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000</td>
<td>Monthly rent for studio space.</td>
</tr>
<tr>
<td>$2,500</td>
<td>Monthly payments for office equipment (computers, copiers, printers). These are routinely in an ongoing purchase mode due to upkeep, replacement and supplies.</td>
</tr>
<tr>
<td>$1,200</td>
<td>Electricity/Natural Gas — for both studio and remote transmitter locations.</td>
</tr>
<tr>
<td>$700</td>
<td>Promotions — 1%</td>
</tr>
<tr>
<td>$14,000</td>
<td>Salaries — 20%</td>
</tr>
<tr>
<td>$7,000</td>
<td>Sales commission — 10%</td>
</tr>
<tr>
<td>$8,400</td>
<td>Taxes/social security/benefits — 12%</td>
</tr>
<tr>
<td>$3,500</td>
<td>Engineering — 5%</td>
</tr>
<tr>
<td>$3,500</td>
<td>Programming — 5%</td>
</tr>
<tr>
<td>$2,450</td>
<td>Commission, national/regional agency.</td>
</tr>
</tbody>
</table>
How a Station Knows It Is a Success

First course, Third grading period, Week 2

For commercial radio stations, ratings determine what kind of music and programming listeners hear. We'll look at what the ratings are, how they affect programming decisions and what a commercial radio station can do if it is in an unrated market.

Pair this lesson with “It Takes Money: The Business Side of Radio.” This lesson was written and provided by Skip Walters, Program Manager, KMON, 560 AM, Great Falls, Montana.

Enduring Understanding

The Arbitron ratings are a scorecard by which a radio station’s audience can be determined; but ratings are not the only way to measure success.

Essential Questions

What are radio station ratings, and how are they determined? Can a radio station be successful without having big ratings? Can a radio station, or group, increase its popularity by means other than music or programming?

Objectives and Outcome

• Students will rate their favorite radio stations and determine a market leader.
• Students will determine what times of day they most listen to radio, and determine if their listening habits change during the course of a day.
• Students will learn the difference between “hearing” a radio station and “listening” to a radio station.

Suggested time

One to three days

Resources and Materials

• Arbitron (www.arbitron.com)
• Reproductions of ratings diaries from Arbitron
• Promotions checklist
• “Vocabulary for Success”
Procedure

1. Ask students which teams are top in your region. Who are the leading athletes in particular sports? How do they know? The answer: Records, statistics, numbers. Perhaps some class members are sure other teams and individuals are leading the scoreboards and records — but these athletes may be Number One more in their affections than in real numbers. From this inquiry lead into how a radio station measures its success.

2. What are radio station ratings and how are they determined?

Ratings are a determination of audience listenership. Companies, most notably a company called Arbitron, survey the population of an area to gather information on listening habits. These are provided, at a charge, to the broadcasters who need to know what percentage of the audience is listening to their programming.

Commercial radio stations determine their programming by what they feel will “sell” in their market. Radio, as sales-driven media, needs to be able to sell commercial advertising to remain viable as a business. Give students a copy of “Vocabulary for Success,” terms that will be useful to know when discussing the business side of radio.

3. Introduce students to Arbitron. As different terms are mentioned, teachers may wish to define the terms using the “Arbitron Vocabulary” list that is included in this lesson for teachers. The Arbitron ratings are the most common form of measuring a radio station’s listenership. The methodology of radio ratings is based on statistical sampling concepts that have been around for generations. It’s well known that through judicious sampling it is possible to extrapolate what a group of people think or believe. Thus a poll on national issues will only have to sample a statistically valid number of registered voters to determine what the electorate believes about a given concept or proposal.

The Math.
There is a margin of error that occurs by not asking every single person; but that’s why the polls often feature a disclaimer “plus or minus 3 points.” Remember, though, that now you have a 6% swing in the opinion of the group. Once above that number, there is a risk that the data isn’t valid.

The Method.
Households across the nation are selected at random to participate in a weeklong survey. They are contacted by telephone by Arbitron and given a short qualifying survey. Those qualifiers are sent a package that includes one diary for each person over the age of 12. Each person is then asked to keep the diary for a week and to list the radio stations they hear during that time. For more information on keeping an Arbitron diary, go to the Arbitron site (www.arbitron.com); select “Reference Library” within the Radio Stations section. Select “Understanding and Using Ratings Data” and download “Diarykeeper Brochure” (PDF).

Each diary includes a small incentive stipend between $1 to $5. A call is usually made to the household part way through the week to remind listeners to return the diaries at the end of their survey week. The Arbitron week runs Thursday to Thursday and radio programmers take advantage of that fact by scheduling promotions to begin and end on Thursdays.
Diarykeepers are supposed to log the start and stop times they listen each day and write in the names of the shows or stations they listen to. They also are supposed to log where they listened: at home, at work or in the car.

The Numbers.
All returned diary information is fed into the Arbitron computers in Maryland. Reports are generated for the country’s top 294 markets (by population). Markets that fall below the 294 mark are not rated. “Ratings books” are published four times a year, though not all markets are rated that often. The larger the market, the more ratings periods there are in each year.

The Response.
Acquaint students with station ranking according to Arbitron. Go to the Arbitron Web site (www.arbitron.com) and select “Arbitron Rating Data” in the Topline Ratings section under Radio Stations. Arbitron is attempting to modernize its methodology by instituting electronic monitoring.

4. How important is being in the top 294? The top 20?
The top 294 markets are based on population. Markets move in and out of the top 294, based on U.S. Census information. Being rated higher or lower can have serious financial impacts on a commercial radio station. The more listeners a station has, the higher rates it can charge and the more revenue it can generate.

Most stations target a specific demographic market. If a station plays current music it may well target an 18-24-year-old market, and if the station is #1 in that demographic, it may claim that it’s the number one station. However, a station that airs an all-news format will target a much older audience, and sell advertisers on the fact that their listeners have more savings and higher levels of disposable income. Appliance dealers, for example, would advertise on the all-news station while retail stores aimed at teens would advertise on the music station.

5. What happens if a radio station does not make the top 294 or slips in its placement?
Ratings are very important in large markets, often announcers or shows will be added or canceled based on the ratings numbers. In medium-sized markets, a station’s ratings are followed; but more likely trends will be watched over a longer period of time to gauge if changes need to be made. Generally speaking the smaller the market, the less likely its programming decisions will be determined solely by the station’s rating in specific dayparts.

6. Can a radio station be successful without garnering big ratings?
Programmers use Arbitron as a scorecard, determining how well they rank against other stations in their markets. In markets that are too small to be rated by Arbitron, though, there are other methods of determining a radio station’s success. These other methods include:
- Profitability – making money
- Tradition – maintaining a continuous format or programming structure
- Promotions – sponsoring well-attended outside promotions and generating revenue
7. Can a station increase its popularity by means other than music and programming? Ask students if they know of any promotions local stations are running. Have any students entered or won a station contest (promotion)? Did they become more loyal to the station because of winning or knowing someone who has won?

Many stations use outside promotions to increase their visibility and popularity outside of the confines of their on-air effort. Outside promotions reach people who may not listen to the station, and a station seeks to involve them and make new listeners of them. On-air contesting is one way to keep the audience that already listens interested.

A tie-in with an already established local event can mean a large crowd that doesn’t have to be generated by the station’s promotions effort. The station vehicle, whether it’s a van or motor home emblazoned with the station logo becomes a rolling billboard.

When coupled with a live remote appearance by the staff, the already established event can become synonymous with the local station. Events such as fairs, chili cook-offs, home shows and the like are all fodder for radio stations’ outside promotions, and can increase listenership.

Give students a copy of “Promotions Checklist.” This illustrates the pre-planning that is required to organize on-site appearances by radio station personalities. You might have students propose a promotional event for their student radio station (real or imagined). The next day, assign different students the roles in the “Signed off” section. Before signing off, they are to ask each “proposer” questions about the event, its benefit to the station and the cost versus increase in listeners.

8. We provide some suggestions for conducting a survey of listening habits in your community.
   - Do a parking lot test. Take the radio class out and have them turn on their car radios. Track the station that is “on” when the radio is turned on. This will give students a “sample” with which to determine the most popular station in their class or school.
   - Do a test at a fast food restaurant, and track listeners the same way. Perhaps a student who works at a drive-thru restaurant could do a one-day test (asking customers what station they’re listening to) and compare the information to what they found in their parking lot test. If you live in a smaller community, the manager or owner of a popular restaurant might allow your students to place a radio listening survey on tables or at the check-out register.
   - Create a listening grid, perhaps based on the Arbitron model. Have your class keep a diary of radio listening. Compile these. Have students write letters to share the results with the radio stations on your chart.
   - For your own student radio station, put a survey on your school’s Web site where students could check off their favorite shows and radio personalities as well as listing programming they would like to hear.
   - Find the Arbitron rating of your favorite stations. Radio and Records, a radio magazine, (www.radioandrecords.com) can provide some available Arbitron ratings online. Be aware that the market your students are in may not be represented. These are just the most broad “numbers,” but they can be of some use and interest.
**Homework**

Students keep a diary of one evening’s radio listening. This could be expanded for a week if you wish to simulate the diary kept by Arbitron diarykeepers.

Students complete the “Promotions Checklist.”

**Assessment**

Give students a vocabulary quiz and a short answer quiz on Arbitron and/or ask them to write an essay on such topics as the importance of Arbitron, listener surveys and promotions to a radio station.

For extra credit, students might study one or more stations at the top of the market. What do these stations do to stay on top?

**Academic Content Standards**

Know criteria used to evaluate and select different media productions (e.g., personal preferences for television programming). (McREL, Arts & Communication, Grades 6-8)

Know the basic terminology used in the process of evaluation (e.g., intent, structure, effectiveness, value). (McREL, Arts & Communication, Grades 9-12)

Students use a variety of technological and information resources (e.g., libraries, databases, computer networks, video) to gather and synthesize information and to create and communicate knowledge. (Standard 8, NCTE/IRA Standards for the English Language Arts)

**Industry Standards/Expectations**

Analyze the business and economic factors that influence programming, content and distribution. (Performance Element, Pathway KS Statement: Exhibit knowledge of business issues related to journalism and broadcasting, States’ Career Clusters, National Association of State Directors of Career Technical Education Consortium)

The quest for ratings drives the engines of commercial radio stations in larger markets. For most of the radio business, though, ratings are more of a scorecard to determine how you measure up against the competition in your individual market.

Revenue drives the business of radio, and there’s no doubt that higher ratings can assist in generating more dollars for a station or group. Still, the methodology of Arbitron leaves many questions unanswered.
### Vocabulary for Success

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arbitron</td>
<td>The Maryland based company that provides the largest number of ratings in major radio markets across the United States</td>
</tr>
<tr>
<td>Average Quarter-Hour Persons (AQH Persons)</td>
<td>The average number of persons listening to a particular station for at least five minutes during a 15-minute period</td>
</tr>
<tr>
<td>Average Quarter-Hour Rating (AQH Rating)</td>
<td>The AQH Persons estimate expressed as a percentage of the population being measured. It can also be computed for the Total Survey Area (TSA). [ \text{AQH Persons} / \text{Population} \times 100 = \text{AQH Rating (%)} ]</td>
</tr>
<tr>
<td>Listenership</td>
<td>A determination of how many listeners a station has, usually expressed as a percentage of the population</td>
</tr>
<tr>
<td>On-air Promotion</td>
<td>A contest that is played on the radio, often with listeners phoning in to participate</td>
</tr>
<tr>
<td>Outside Promotion</td>
<td>A contest or an event that takes place away from the radio station. A tailgate party or chili cook-off would be examples of outside promotions.</td>
</tr>
<tr>
<td>Profit</td>
<td>Revenue of a radio station that’s left after the bills are paid</td>
</tr>
<tr>
<td>Ratings</td>
<td>A number that reflects listeners in a given market area, usually expressed as a “share” or percentage of the listeners available</td>
</tr>
<tr>
<td>Revenue</td>
<td>Money generated by the various activities of a radio station or group</td>
</tr>
</tbody>
</table>
## Promotions Checklist

Name of Business

Date and Time of Promotion

Station

Announcer

- Yes  □ No  Station Function?
- Yes  □ No  Talent Fee?

Special Requests

- Yes  □ No  Station Vehicle?

### Signed off

<table>
<thead>
<tr>
<th>Role</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic</td>
<td></td>
</tr>
<tr>
<td>Operations Manager</td>
<td></td>
</tr>
<tr>
<td>Program Director</td>
<td></td>
</tr>
<tr>
<td>Station Manager</td>
<td></td>
</tr>
</tbody>
</table>
Here are some terms used as part of the Arbitron Ratings system.

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Quarter-Hour Persons (AQH Persons)</td>
<td>The average number of persons listening to a particular station for at least five minutes during a 15-minute period</td>
</tr>
<tr>
<td>Average Quarter-Hour Rating (AQH Rating)</td>
<td>The AQH Persons estimate expressed as a percentage of the population being measured. This estimate is printed for the MSA and DMA. It can also be computed for the TSA. [AQH Persons / Population] x 100 = AQH Rating (%)</td>
</tr>
<tr>
<td>Cost per Rating Point</td>
<td>The cost of reaching an Average Quarter-Hour Persons audience that’s equivalent to one percent of the population in a given demographic group [Spot Cost] / [AQH Rating] = Cost Per Rating Point</td>
</tr>
<tr>
<td>Cost per Thousand (CPM)</td>
<td>The cost of delivering 1,000 gross impressions [Spot Cost] / [AQH Persons] x 1,000 = CPM</td>
</tr>
<tr>
<td>Cume Persons</td>
<td>The total number of different persons who tune to a radio station during the course of a daypart for at least five minutes</td>
</tr>
<tr>
<td>Cume Rating</td>
<td>The Cume Persons audience expressed as a percentage of all persons estimated to be in the specified demographic group [Cume Persons / Population] x 100 = Cume Rating (%)</td>
</tr>
<tr>
<td>Daypart</td>
<td>A time period for which audience estimates may be reported (Some examples: Monday-Sunday 6 a.m.-Midnight, Monday-Friday 6 a.m.-10 a.m., Monday-Friday 6 a.m.-7 a.m.)</td>
</tr>
<tr>
<td>Demographic Groups</td>
<td>Classifications of populations according to sex, age, race, ethnicity, income, etc.</td>
</tr>
<tr>
<td>Diarykeeper</td>
<td>An individual who receives survey materials</td>
</tr>
<tr>
<td>Diary Mentions</td>
<td>The number of different in-tab diaries in which a station received credit for at least one quarter-hour of listening</td>
</tr>
<tr>
<td>Ethnic Composition</td>
<td>Audience estimates for Total, Black and Hispanic Persons. Ethnic Composition estimates are based on total Metro in-tab diaries and are reported if at least 30 Black and/or 30 Hispanic diaries, as appropriate, are in-tab for the Metro.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Gross Impressions (GIs)</strong></td>
<td>The sum of the Average Quarter-Hour Persons audience for all spots in a given schedule [AQH Persons] [number of spots in an advertising schedule] = GIs</td>
</tr>
<tr>
<td><strong>In Tab</strong></td>
<td>The number of usable diaries tabulated in producing a Radio Market Report</td>
</tr>
<tr>
<td><strong>Metro</strong></td>
<td>Includes a city (or cities) whose population is specified as that of the central city together with the county (or counties) in which it is located. Arbitron Metros generally correspond to the Metropolitan Statistical Areas (MSAs) defined by the U.S. Government’s Office of Management and Budget.</td>
</tr>
<tr>
<td><strong>Quarter-Hour</strong></td>
<td>The basic unit, or smallest time period, for which listening is credited. Generally, stations receive credit for a quarter-hour of listening if the diary-keeper reported five or more minutes of listening to the station during a quarter-hour.</td>
</tr>
<tr>
<td><strong>Response Rate</strong></td>
<td>The proportion of originally designated sample persons who provide usable data for the survey. Response rates are determined by dividing the total number of in-tab (usable) diaries by the total estimated Persons 12 in the designated sample. Typically, the result is expressed as a percentage.</td>
</tr>
<tr>
<td><strong>Rating</strong></td>
<td>The estimated percentage of the demographic population listening to a given station or to total radio during a specified time period [Listeners / Population] [100 = Rating (%)]</td>
</tr>
<tr>
<td><strong>Share</strong></td>
<td>The percentage of those listening to radio in the Metro who are listening to a particular radio station [AQH Persons to a Station [AQH Persons to All Stations] [100 = Share (%)]</td>
</tr>
<tr>
<td><strong>Time Spent Listening (TSL)</strong></td>
<td>An estimate of the number of quarter-hours the average person spends listening during a specified time period [Quarter-Hours in a time period] [AQH Persons] [Total Audience [TSL]</td>
</tr>
<tr>
<td><strong>Target Demographics</strong></td>
<td>Demographic groupings of multiple discrete demographics, (e.g., Men 18-34, Women 18-49, Persons 25-54)</td>
</tr>
<tr>
<td><strong>Unusable Diaries</strong></td>
<td>Returned diaries determined by Arbitron to be unusable</td>
</tr>
<tr>
<td><strong>Total Survey Area (TSA)</strong></td>
<td>A geographic area that encompasses the Metro Survey Area and may include additional counties located outside the Metro which meet certain listening criteria to Metro-licensed stations</td>
</tr>
</tbody>
</table>

*Source: Arbitron.com*