



# Portable People Meter Update

October 2007 report release

November 9, 2007

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Portable People Meter Update



## Forward Looking Statement

**Statements** made in this presentation that are **not historical** in nature, particularly regarding **expected performance** in 2007 and future years, are **forward-looking statements**.

These forward-looking statements are based on current **expectations and assumptions**, and entail various **risks and uncertainties** that could cause **actual results to differ materially** from those expressed in such forward-looking statements.

**Important factors** known by the company that could cause such material differences **are discussed** from time to time in Arbitron's filings with the Securities and Exchange Commission, including in particular **the risk factors** discussed under the caption "ITEM 1A – Risk Factors" in our Annual Report on Form 10-K.

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Forward Looking Statement



## On the call from Arbitron

- **Pierre Bouvard**
  - » President Sales and Marketing
- **Beth Webb**
  - » Director, PPM Research
- **Jay Guyther**
  - » Senior Vice President, Ratings Services
- **John Snyder**
  - » Vice President PPM Implementation
- **Bill Rose**
  - » Senior Vice President, Marketing

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On the call from Arbitron



## On the call from the Radio Advisory Council

- **Steve Sinicropi**

- » Council Chairman
- » Vice President & General Manager WHZT-FM, Greenville (Cox Radio)

- **Gerry Boehme**

- » Research Committee Chairman
- » Executive Vice President Strategic Planning and IT services, KATZ Media Group

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On the call from the Radio Advisory Council



## What we will cover today...

- **Daily/Monthly sample size and quality in Philadelphia and Houston**
- **First look at New York pre-currency data**
- **2008 market install status**
- **Sample guarantee**
- **Questions and answers**

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What we will cover today...



# Houston & Philadelphia sample status

Beth Webb  
Director, PPM Research

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Houston & Philadelphia sample status



## Sample Delivery

- **Average daily in-tab was below target in Philadelphia and Houston through the summer**
- **Arbitron took steps over the past few months to hit the sample goal**
- **Sample now above target in both Philadelphia and Houston**

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Sample Delivery



## Average Daily Sample Size, by Month (Persons 6+)

	Houston (1,361 target)		Philadelphia (1,530 target)	
	Actual	vs. target	Actual	vs. target
<b>October</b>	1,359	-2	1,607	+77
<b>September</b>	1,223	-138	1,539	+9
<b>August</b>	1,185	-176	1,387	-143
<b>July</b>	1,168	-193	1,351	-179
<b>June</b>	1,219	-142	1,411	-119
<b>May</b>	1,278	-83	1,476	-54
<b>April</b>	1,258	-103	1,541	11
<b>March</b>	1,276	-85	1,556	26
<b>February</b>	1,297	-64	1,484	-46
<b>January</b>	1,283	-78	1,541	11

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Average Daily Sample Size, by Month (Persons 6+)





## In-Tab Sample Size, by Demo and Race/Ethnicity

	Houston			
Oct 2007	Avg. Daily In-tab Target	Avg. Daily In-tab Actual	DDI*	Total Month In-Tab
<b>P6+</b>	1,361	1,359	100	2,142
<b>P18+</b>	1,084	1084	100	1,621
<b>P18-34</b>	364	346	95	580
<b>P25-54</b>	660	685	104	1,041
<b>Black</b>	226	261	115	426
<b>Hispanic</b>	438	413	94	668
<b>Other</b>	697	686	98	1,048

\*Designated Delivery Index:  $DDI = (actual/target) * 100$

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In-Tab Sample Size, by Demo and Race/Ethnicity



## In-Tab Sample Size, by Demo and Race/Ethnicity

	Philadelphia			
Oct 2007	Avg. Daily In-tab Target	Avg. Daily In-tab Actual	DDI*	Total Month In-Tab
<b>P6+</b>	1,530	1,607	105	2,305
<b>P18+</b>	1,258	1,364	108	1,885
<b>P18-34</b>	356	222	62	374
<b>P25-54</b>	685	702	102	981
<b>Black</b>	318	337	106	511
<b>Hispanic**</b>	93	59	66	93
<b>Other</b>	1,120	1,210	108	1,701

\*Designated Delivery Index: DDI = (actual/target)\*100

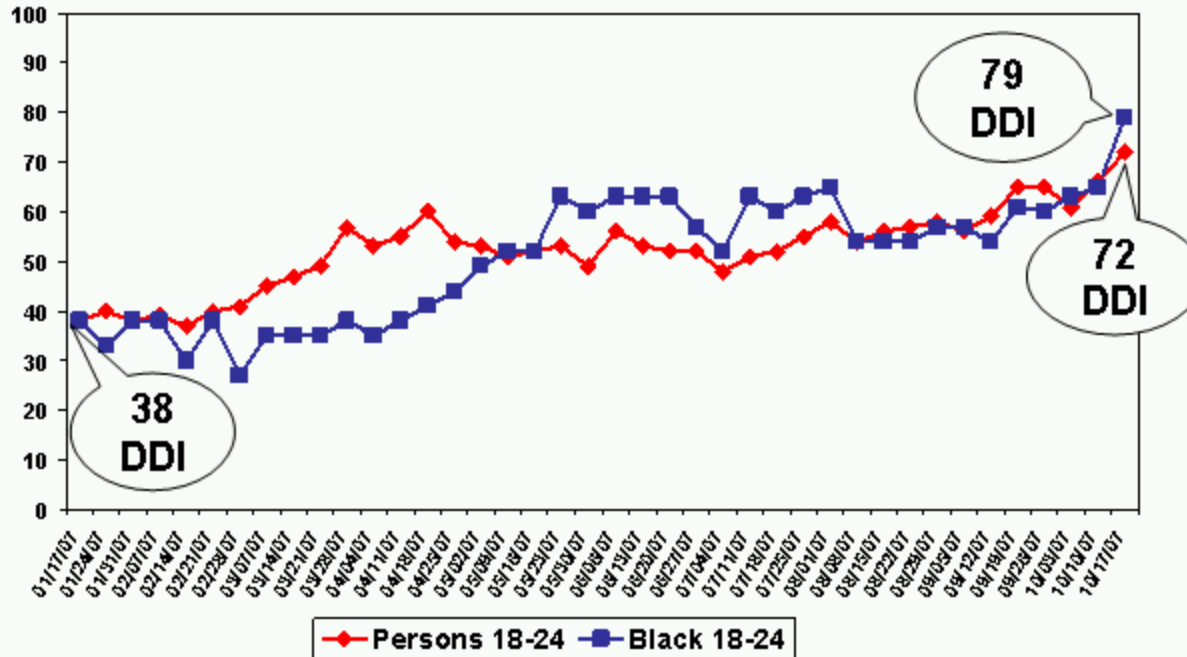
\*\* Small population in market

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In-Tab Sample Size, by Demo and Race/Ethnicity



## Philly 18-24 DDI\* Has Improved Overall and Among African Americans



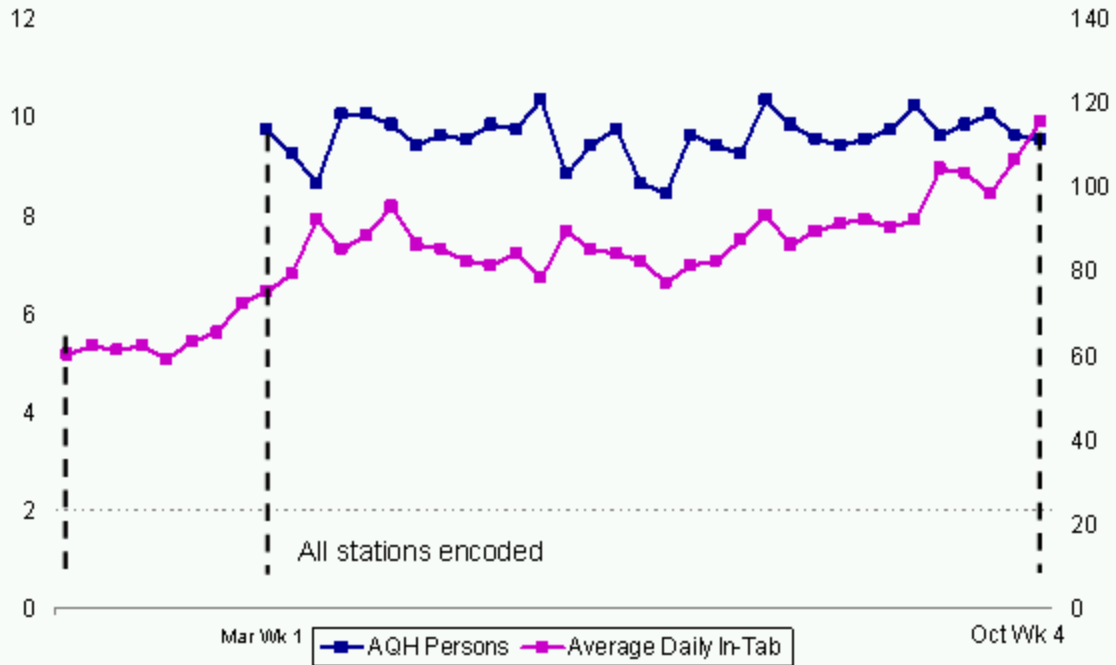
\* Designated Delivery Index

Philly 18-24 DDI\* Has Improved Overall and Among African Americans

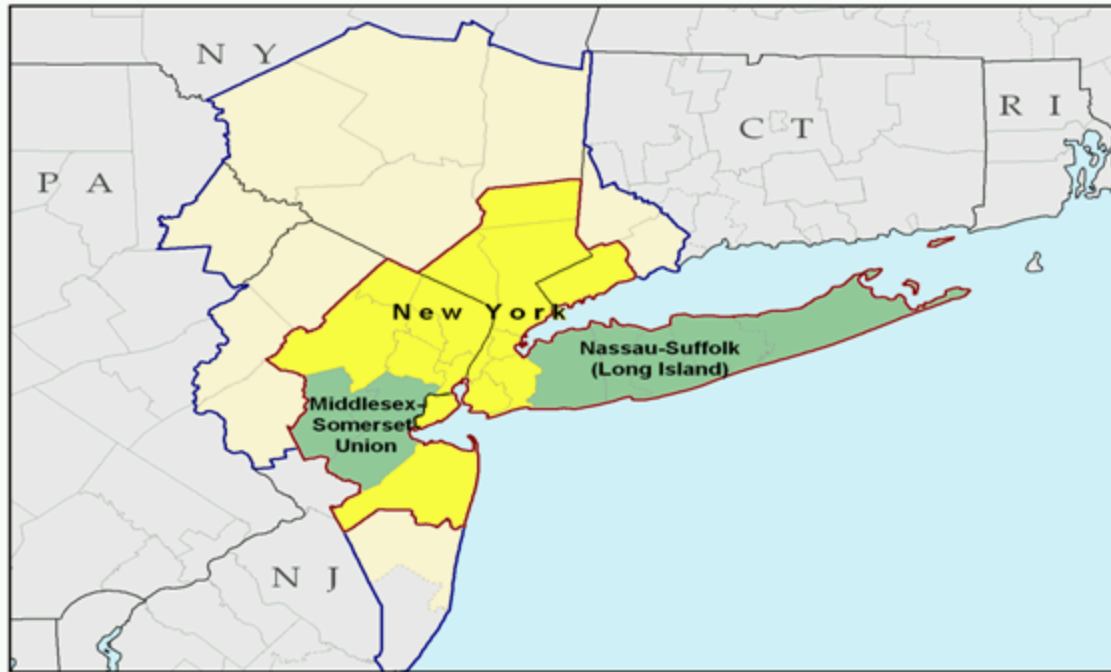


# 90% In-Tab Increase Does NOT Correlate with Change in Ratings

18-24 Philadelphia  
AQH Ratings vs. Weekly In tab



90% In-Tab Increase Does NOT Correlate with Change in Ratings



	<u>In-tab Target</u>
<b>New York Core (excludes embedded metros)</b>	<b>2,104</b>
<b>Nassau-Suffolk</b>	<b>1,080</b>
<b>Middlesex-Somerset-Union</b>	<b>694</b>
<b>Total New York Metro</b>	<b>3,878</b>



## In-Tab Sample Size, by Demo and Race/Ethnicity

Oct 2007	New York Total			
	Avg. Daily In-tab Target	Avg. Daily In-tab Actual	DDI*	Total Month In-Tab
<b>P6+</b>	3,878	3,853	99	5,569
<b>P18+</b>	3,203	3,323	104	4,673
<b>P18-34</b>	919	554	60	949
<b>P25-54</b>	1,811	1,694	94	2,437
<b>Black</b>	**	**	**	**
<b>Hispanic</b>	**	**	**	**
<b>Other</b>	**	**	**	**

\*Designated Delivery Index: DDI = (actual/target)\*100

\*\* See individual metro pages

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In-Tab Sample Size, by Demo and Race/Ethnicity



# In-Tab Sample Size, by Demo and Race/Ethnicity

	New York Core (w/o embeddeds)			
Oct 2007	Avg. Daily In-tab Target	Avg. Daily In-tab Actual	DDI*	Total Month In-Tab
<b>P6+</b>	2,104	2,030	96	2,999
<b>P18+</b>	1,740	1,755	101	2,534
<b>P18-34</b>	513	333	65	592
<b>P25-54</b>	993	881	89	1,297
<b>Black</b>	421	422	100	657
<b>Hispanic</b>	499	497	100	724
<b>Spanish Dom</b>	280	247	88	349
<b>Other</b>	1,185	1,110	94	1,618

\*Designated Delivery Index:  $DDI = (actual/target) * 100$

In-Tab Sample Size, by Demo and Race/Ethnicity



## In-Tab Sample Size, by Demo and Race/Ethnicity

	Nassau-Suffolk			
Oct 2007	Avg. Daily In-tab Target	Avg. Daily In-tab Actual	DDI*	Total Month In-Tab
<b>P6+</b>	1,080	1,125	104	1,573
<b>P18+</b>	888	976	109	1,317
<b>P18-34</b>	228	128	56	204
<b>P25-54</b>	477	490	103	678
<b>Black</b>	102	88	86	140
<b>Hispanic</b>	136	75	55	118
<b>Other</b>	843	962	114	1,315

\*Designated Delivery Index:  $DDI = (actual/target) * 100$

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In-Tab Sample Size, by Demo and Race/Ethnicity





# In-Tab Sample Size, by Demo and Race/Ethnicity

Middlesex-Somerset-Union				
Oct 2007	Avg. Daily In-tab Target	Avg. Daily In-tab Actual	DDI*	Total Month In-Tab
<b>P6+</b>	694	698	101	997
<b>P18+</b>	568	594	105	822
<b>P18-34</b>	157	92	59	153
<b>P25-54</b>	325	324	100	462
<b>Black</b>	93	93	100	150
<b>Hispanic</b>	128	89	70	149
<b>Other</b>	473	516	109	698

\*Designated Delivery Index:  $DDI = (actual/target) * 100$

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In-Tab Sample Size, by Demo and Race/Ethnicity



## Encoding Status as of 11/5/07

- **New York**

- » Invited to encode: 152 stations or groups
- » Agreed to encode: 121 stations
  - *90.3 share of NY metro*
- » Ready for Reporting: 95 stations
  - *89.6 share of NY metro*

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Encoding Status as of 11/5/07



# New York Inaugural PPM Pre-Currency Release

John Snyder  
Vice President  
PPM Implementation

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New York Inaugural PPM Pre-Currency Release



## PPM Sample Definitions

- **Total in-tab sample**

- » The total number of persons who were in-tab at any time during the month
- » All monthly in-tab persons contribute data to the ratings report

- **Average daily sample**

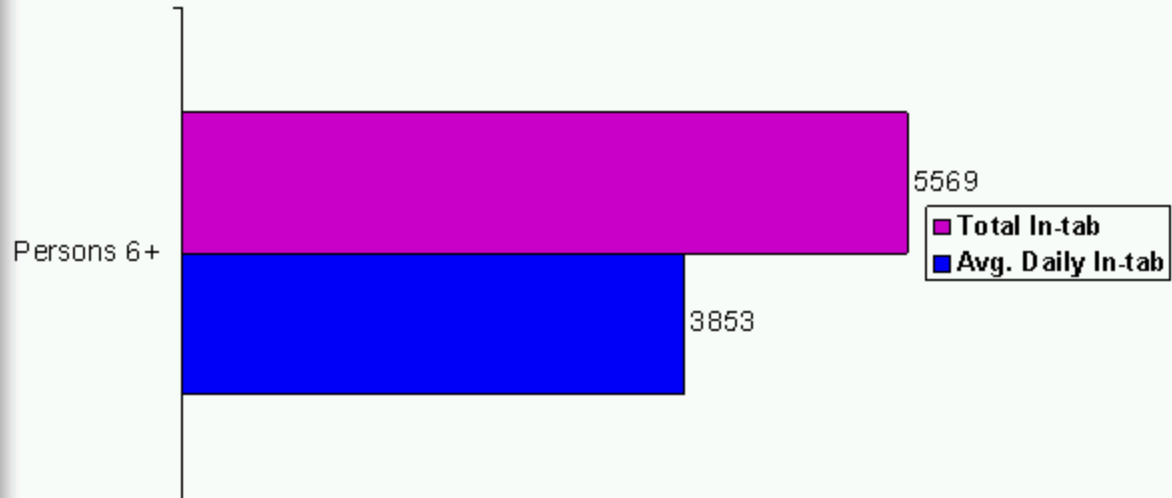
- » The average number of panelists per day across the 28-day reporting period who met the minimum meter carry-time standard (8+ hours for adults; 5+ hours for children and teens 6-17).

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PPM Sample Definitions



## New York Total In-Tab Vs. Average Daily In-Tab



New York Total In-Tab Vs. Average Daily In-Tab



# Comparing PPM vs. Diary Sample Sizes In New York

	<b>Diary Total</b> Persons (P12+) Summer 2007	<b>PPM Total</b> Persons (6+) October 2007	<b>Which is Bigger?</b>
Unique Persons	11,614	5,569	Diary
Average Daily Persons	968	3,853	PPM
Total Person Days Measured	81,298	107,884	PPM

Comparing PPM vs. Diary Sample Sizes In New York



# New York Compliance

PPM October 2007

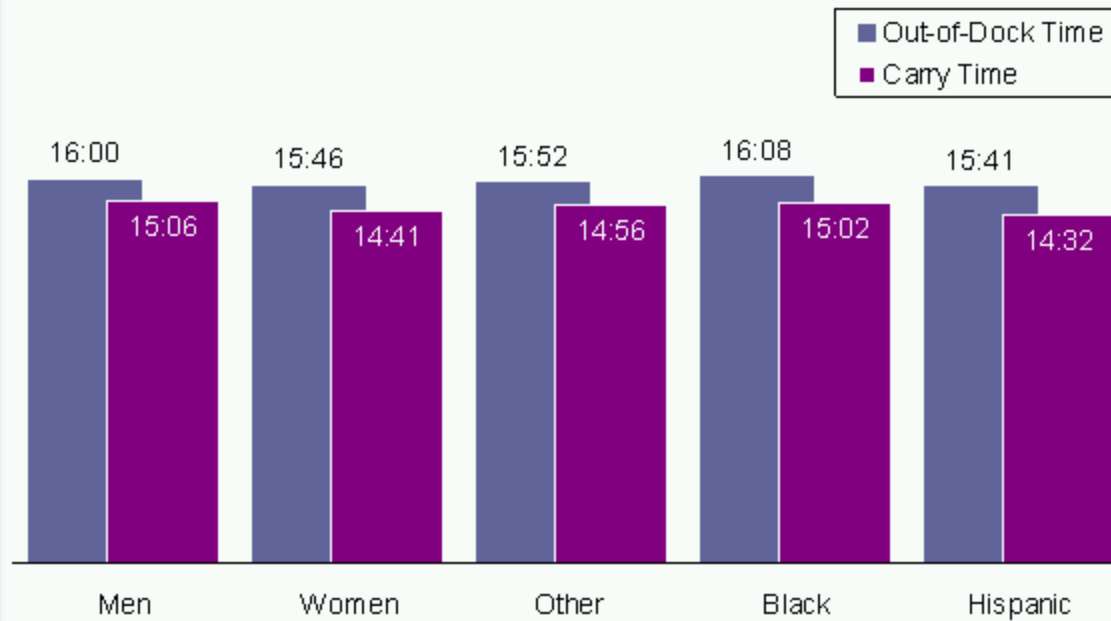
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New York Compliance



# New York Median Carry Times by Sex/Race



*In-Tab, New York Metro, October 2007, Persons 6+,*

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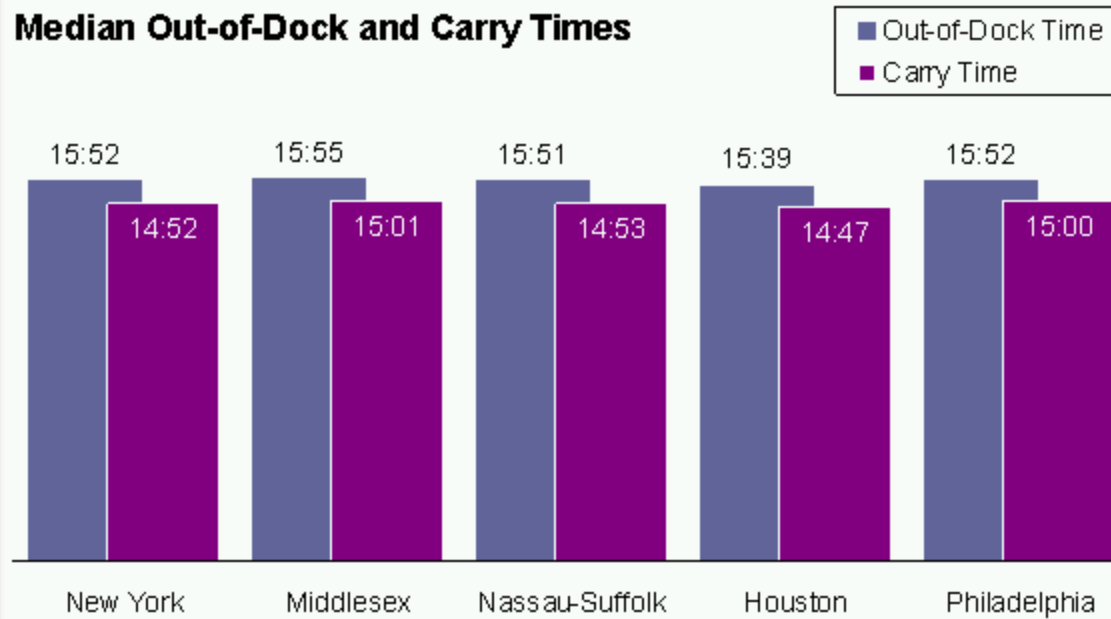
## New York Median Carry Times by Sex/Race





# Median Out-of-Dock and Carry Times by Market

Median Out-of-Dock and Carry Times



October 2007, Persons 6+

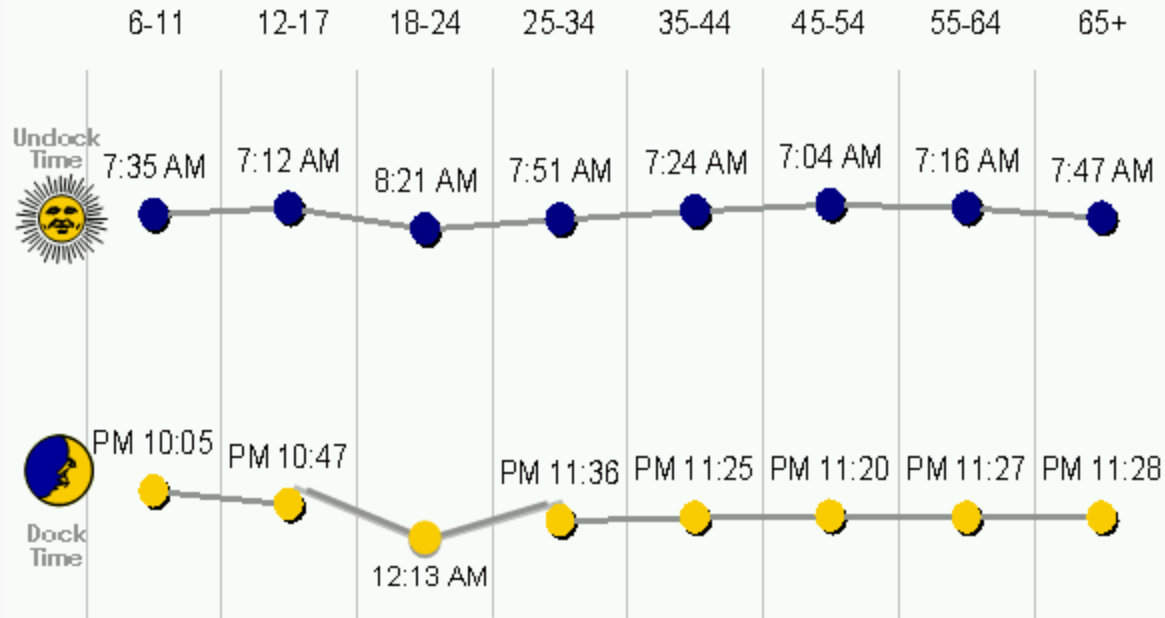
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## Median Out-of-Dock and Carry Times by Market



# New York Median Undock/Dock Times

## Weekdays



*In-Tab, New York Metro, October 2007, Persons 6+*

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## New York Median Undock/Dock Times



# Estimate Comparisons

New York PPM October 2007

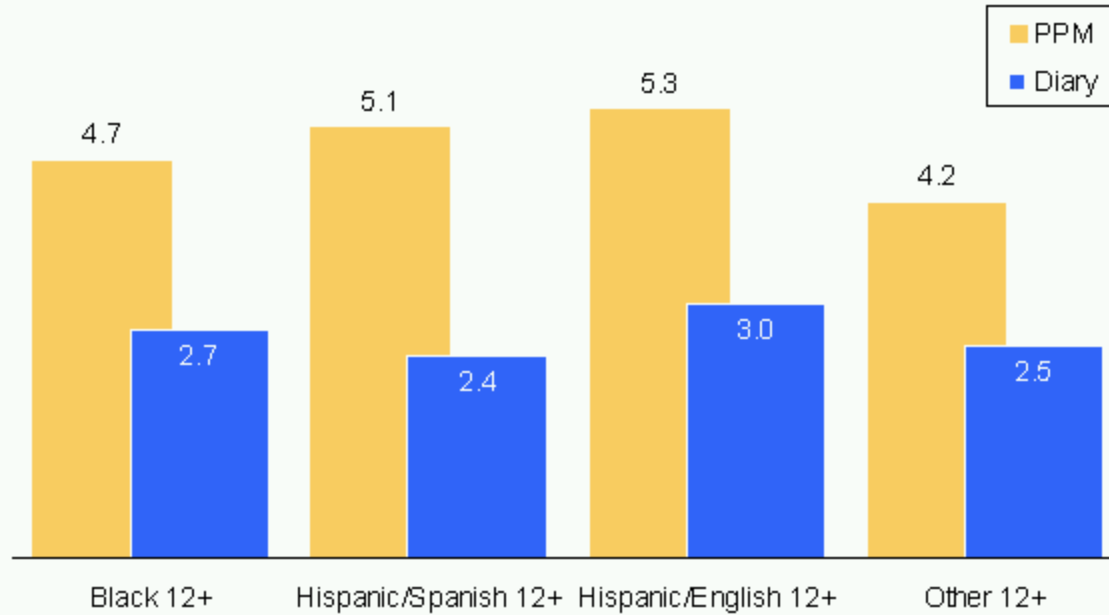
© 2007 Arbitron Inc.

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Estimate Comparisons



# Average Number of Stations



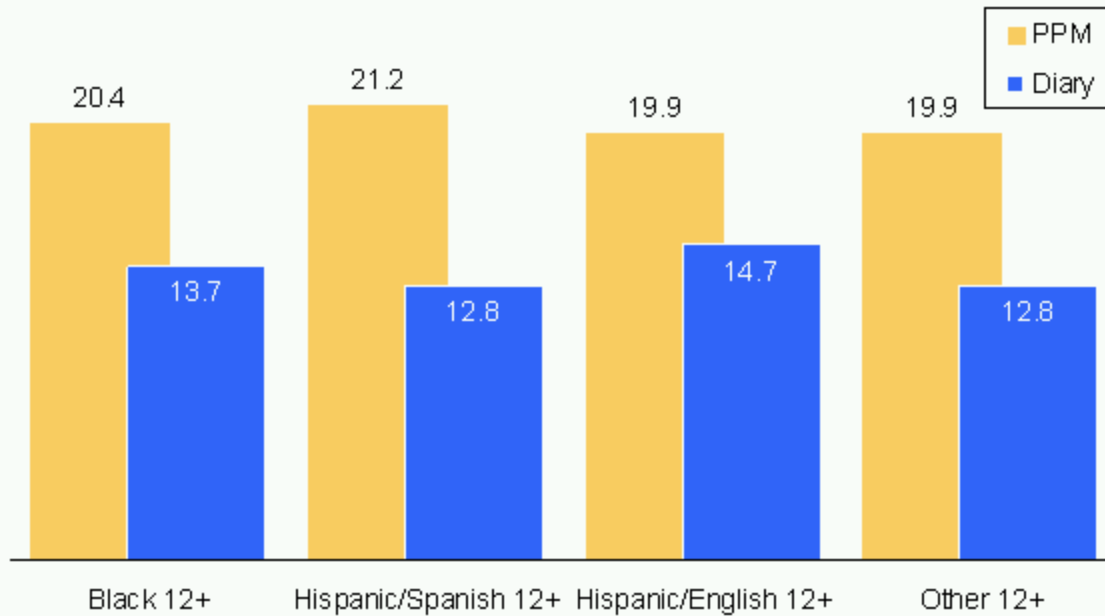
PPM, New York Metro, October 2007, Mon-Sun 6AM-MID, Persons 12+ vs. Diary, New York Metro, Fall 2006, Mon-Sun 6AM-MID, Persons 12+

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## Average Number of Stations



# Average Number of Occasions



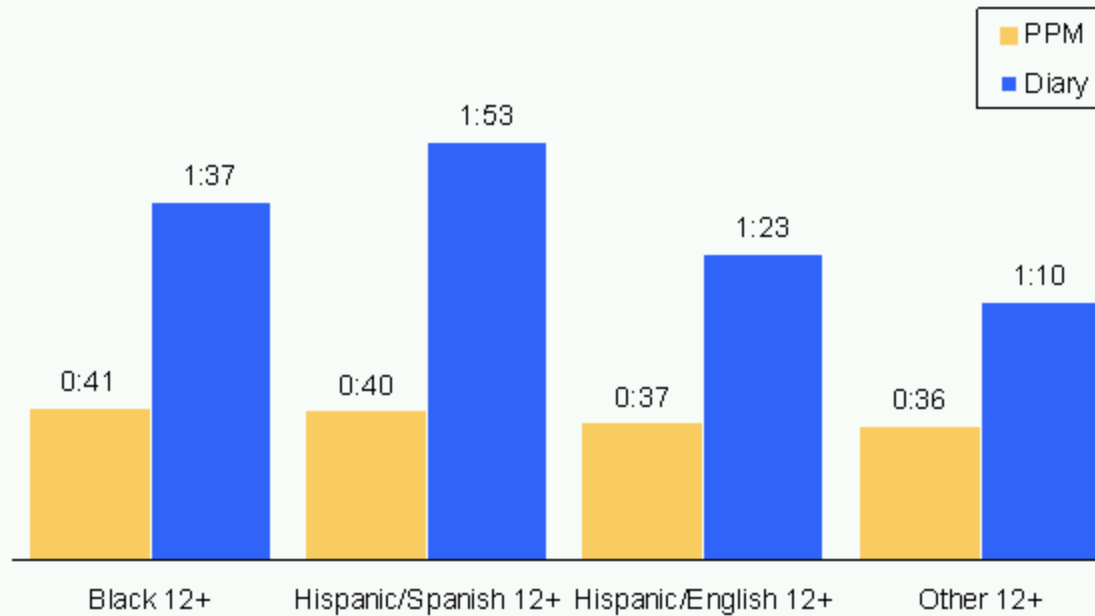
PPM, New York Metro, October 2007, Mon-Sun 6AM-MID, Persons 12+ vs. Diary, New York Metro, Fall 2006, Mon-Sun 6AM-MID, Persons 12+

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## Average Number of Occasions



# Time Spent Per Occasion



PPM, New York Metro, October 2007, Mon-Sun 6AM-MID, Persons 12+ vs. Diary, New York Metro, Fall 2006, Mon-Sun 6AM-MID, Persons 12+

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## Time Spent Per Occasion



# New York PPM to Diary Index Similar to Other PPM Markets

## Index PPM v. Diary (AQH Ratings)

	NY <sub>1</sub>	Philly <sub>2</sub>	Houston <sub>3</sub>
P12+	75	72	76
Black 12+	66	59	64
Hispanic 12+	65	71	75
P25-54	75	72	80
P18-34	72	69	77

*1 PPM, New York, October 2007 vs. Fall 2006 Diary (PPM reported stations)*

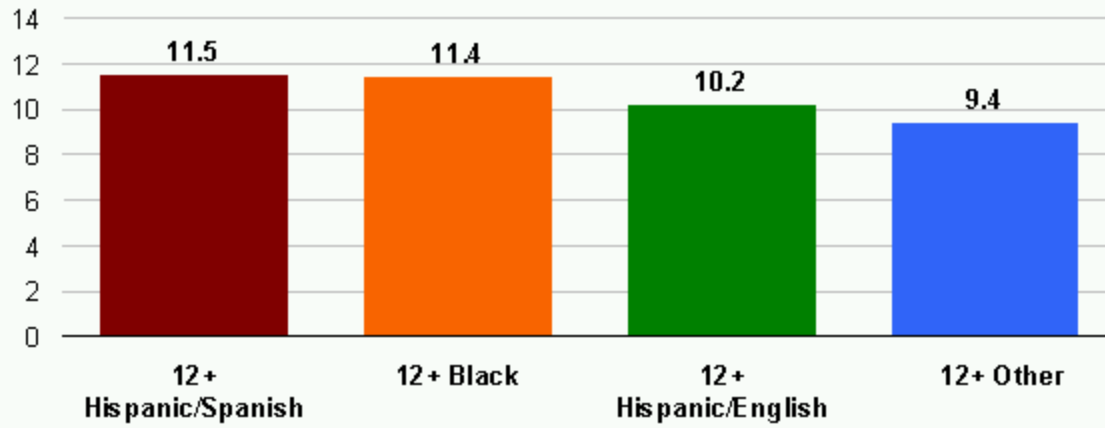
*2 PPM, Philadelphia, March 2007 vs. Winter 2007 Diary*

*3 PPM, Houston-Galveston, March 2007 vs. Winter 2006 Diary*

New York PPM to Diary Index Similar to Other PPM Markets



## African-Americans and Hispanics Have Highest Listening Levels



PPM, New York Metro, October 2007, Mon-Sun 6AM-MID, Persons 12+

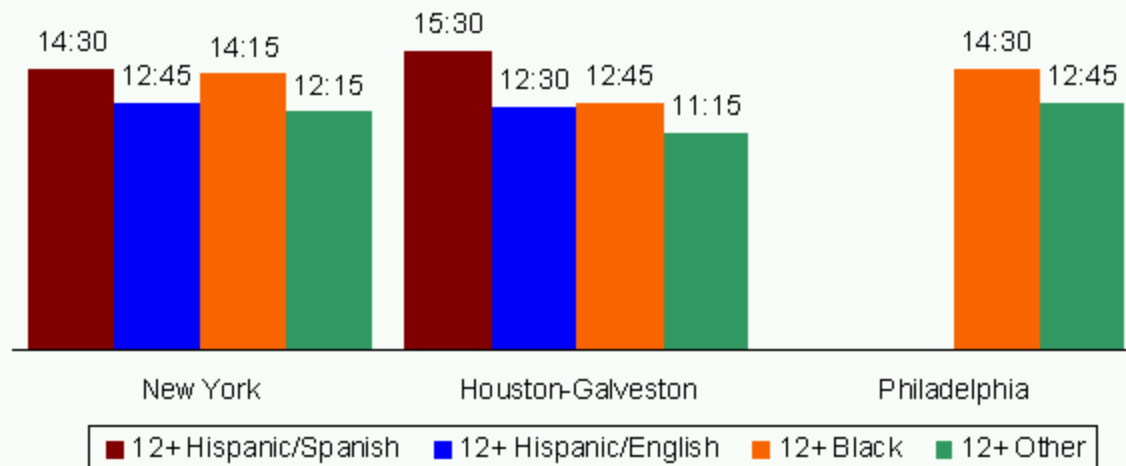
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African-Americans and Hispanics Have Highest Listening Levels





## Time Spent Drives AQH Among African-Americans and Hispanics



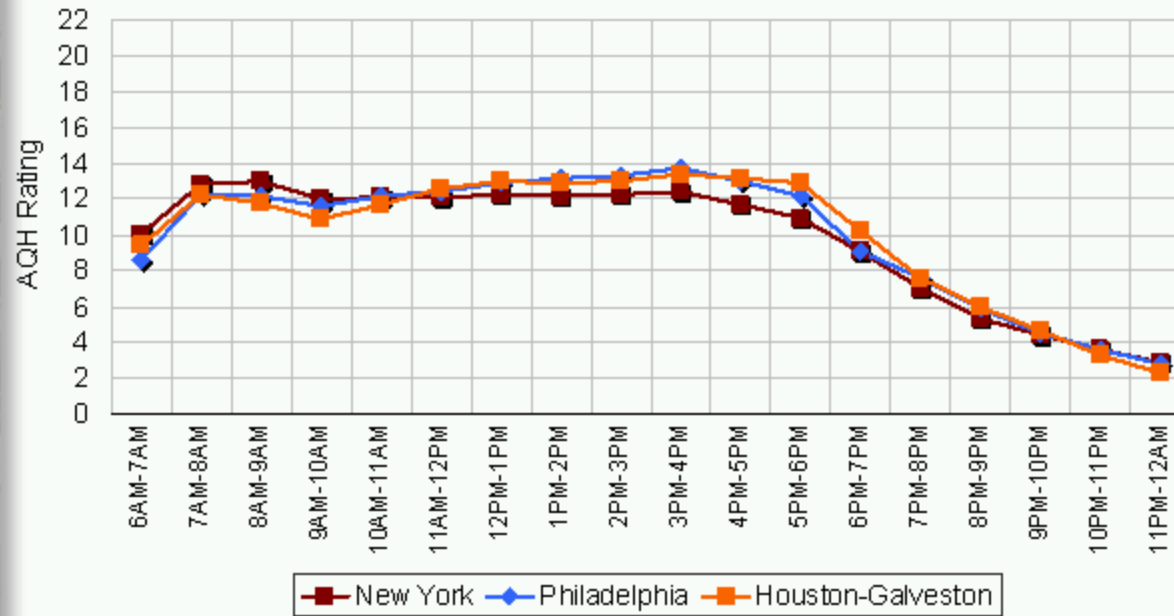
PPM, New York, October, 6AM-MID, Persons 12+

PPM, Houston-Galveston and Philadelphia, September, 6AM-MID, Persons 12+

Time Spent Drives AQH Among African-Americans and Hispanics



# PPM Hour-by-Hour Monday-Friday

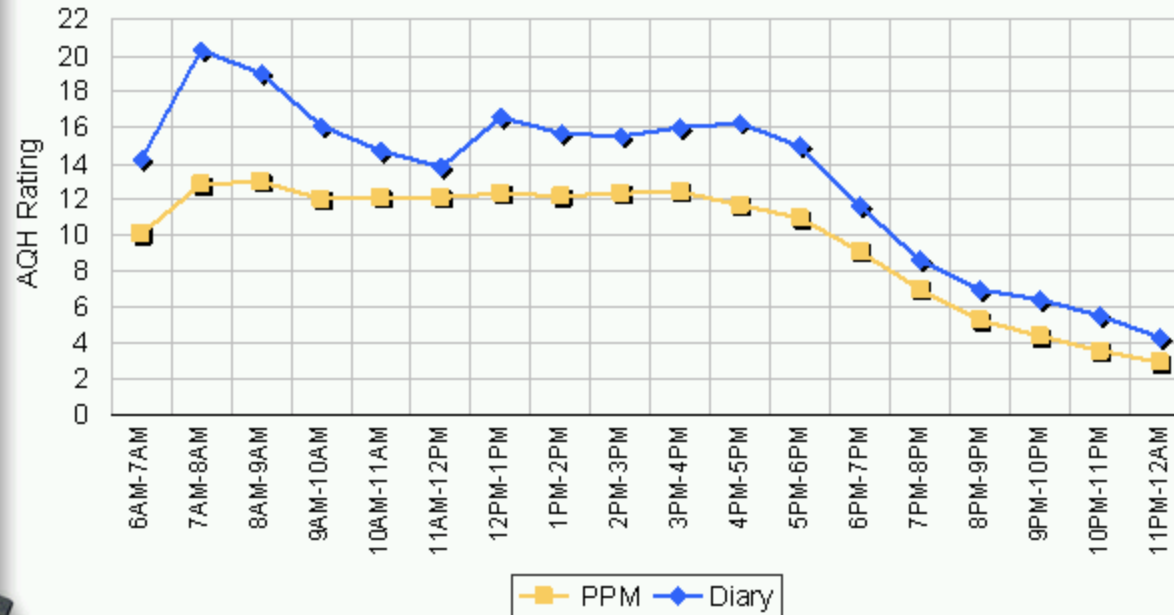


PPM, Philadelphia and Houston-Galveston, September 2007, New York Metro, October 2007, Mon-Fri 6AM-MID, Persons 12+

## PPM Hour-by-Hour Monday-Friday



# New York PPM vs. Diary Hour-by-Hour Monday-Friday

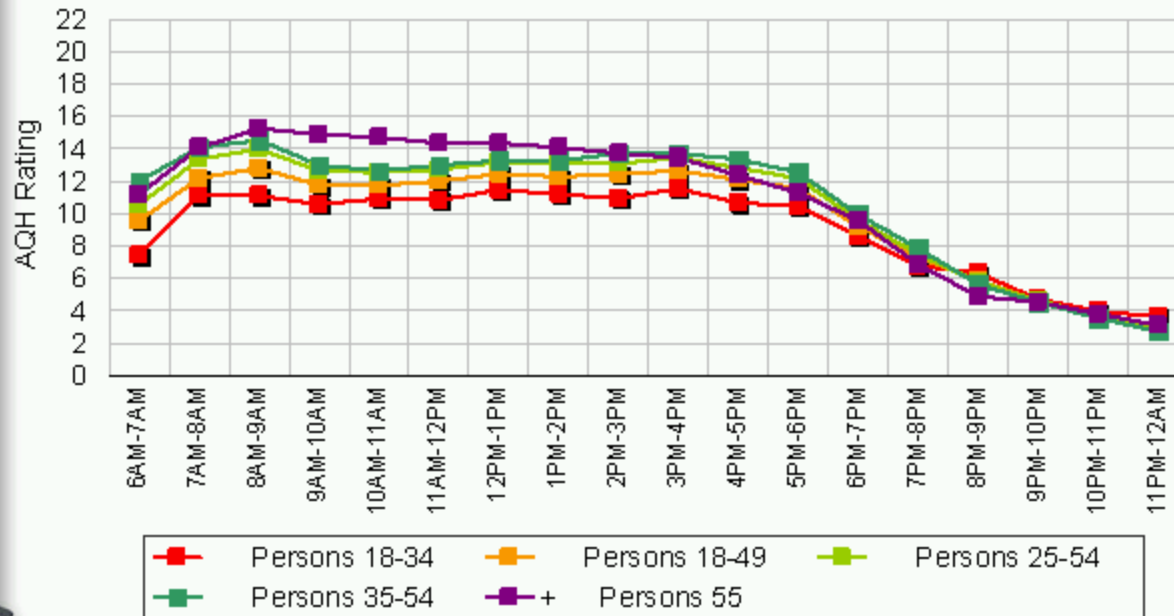


PPM, New York Metro, October 2007, Mon-Sun 6AM-MID, Persons 12+  
Diary, New York Metro, Fall 2006, Mon-Sun 6AM-MID, Persons 12+

New York PPM vs. Diary Hour-by-Hour Monday-Friday



# New York PPM Hour-by-Hour By Demo Monday-Friday

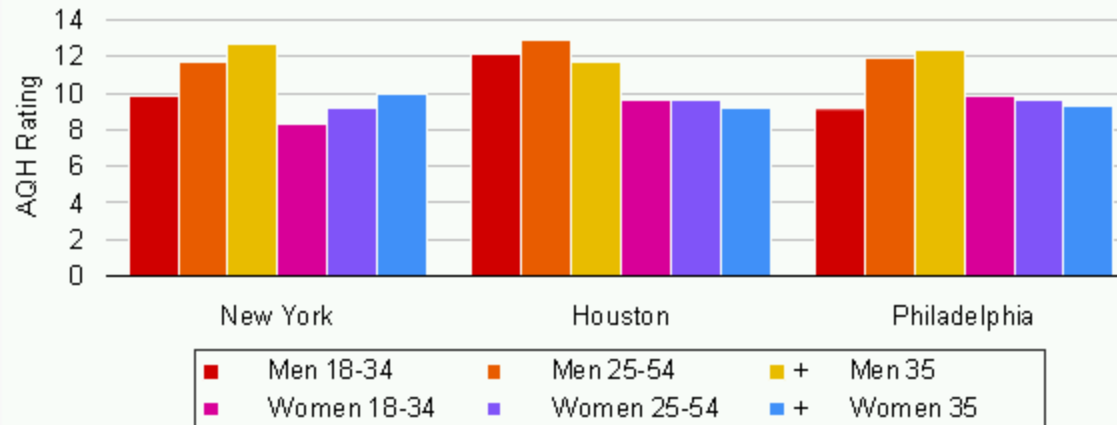


PPM, New York Metro, October 2007, Mon-Sun 6AM-MID, Persons 12+

New York PPM Hour-by-Hour By Demo Monday-Friday



## Like Other PPM Markets Male Ratings are Higher Than Women



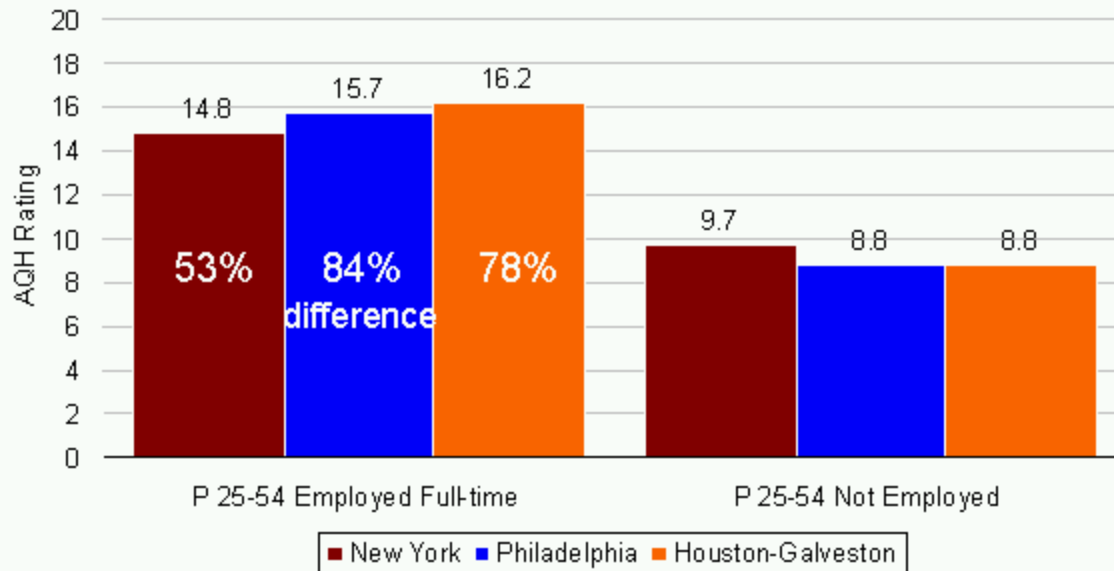
PPM, New York Metro, October 2007, Mon-Fri 6AM-MID, Persons 12+  
PPM, Philadelphia, March-July 2007, Mon-Fri 6AM-MID, Persons 12+  
PPM, Houston-Galveston, March-July 2007, Mon-Fri 6AM-MID, Persons 12+

Like Other PPM Markets Male Ratings are Higher Than Women



# PPM Employed Vs. Not Employed

Monday-Friday 6AM-7PM



PPM, New York Metro, October 2007  
PPM, Houston-Galveston and Philadelphia, September 2007

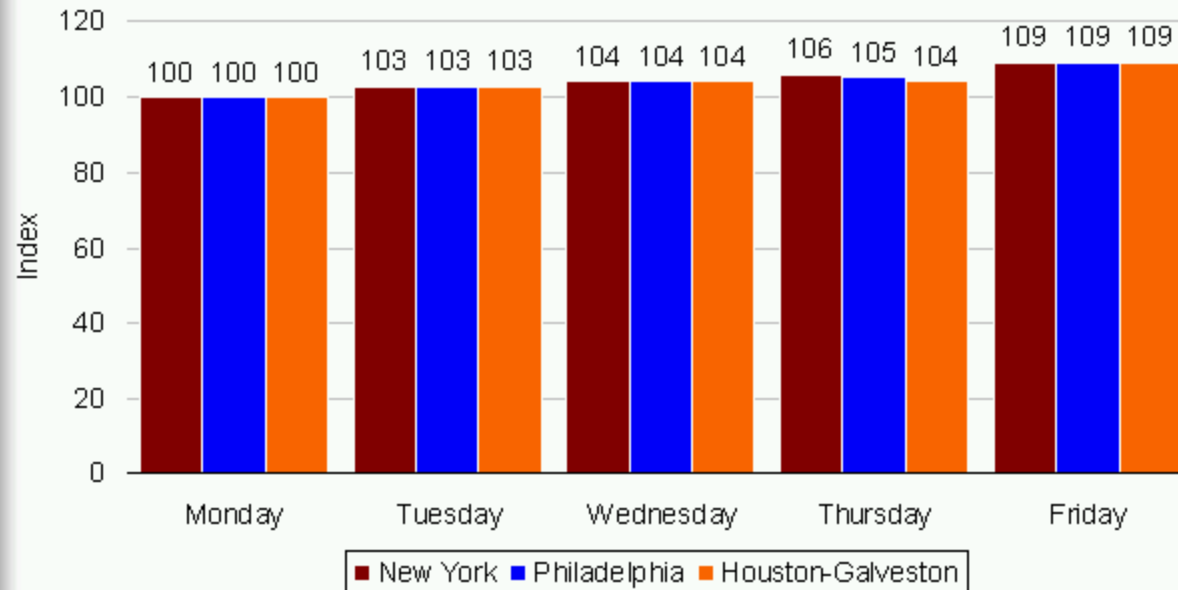
## PPM Employed Vs. Not Employed Monday-Friday 6AM-7PM



# Day-of-Week PPM Listening

Index Vs. Monday

**All market listening levels are 9% higher end of week**



*PPM, New York, October 2007, Persons 6+*

*PPM, Houston-Galveston and Philadelphia, September 2007, Persons 6+*

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Day-of-Week PPM Listening Index Vs. Monday



## PPM Training Metrics

Training Type	Trainings Year to Date
<b>PPM 101</b>	<b>1861</b>
<b>PPM 101 Spanish</b>	<b>54</b>
<b>PPM 201</b>	<b>804</b>
<b>Live Instructor Led Registrants</b>	<b>345</b>
<b>Custom On-Site and WebEx Participants</b>	<b>6495</b>
<b>Total Participants</b>	<b>9559</b>

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PPM Training Metrics





# 2008 Markets PPM panel status

Jay Guyther  
Senior Vice President  
Ratings Services

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2008 Markets PPM panel status



## PPM Analysis Tool: Tips for Running New York Data

- **The New York data set is very large**
- **Loading the data, starting the application and report processing run slower than diary based respondent software**
  - » Keep report specs to a minimum
  - » Install one data set at a time
  - » P1 Reports will take long to run

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PPM Analysis Tool: Tips for Running New York Data



## PPM Analysis Tool Processing Speed Enhancements

- **Faster report processing: Mid-December**
  - » Internal tests show average of 75-90% faster report processing
- **Quicker application start-up: March 2008**
- **Faster data install: Q3 2008**

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PPM Analysis Tool Processing Speed Enhancements



## Encoding Status as of 11/5/07

- **Los Angeles/Riverside**

- » Invited to encode: 203 stations or groups
- » Agreed to encode: 87 stations
- » Ready for Reporting: 65 stations
  - *85.4 share Los Angeles/84.0 share Riverside*

- **Chicago**

- » Invited to encode: 171 stations or groups
- » Agreed to encode: 89 stations
  - *91.8 share of Chicago metro*
- » Ready for reporting: 58 stations
  - *84.7 share of Chicago metro*

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Encoding Status as of 11/5/07



## 2008 Markets as of 10/30

	First currency month	Installed sample (actual/target)	In-tab Target
Los Angeles	March 08	Actual: 3,160 Target: 3,270 97%	2,456
Riverside	March 08	Actual: 1,127 Target: 1,065 106%	799
Chicago	March 08	Actual: 2,592 Target: 2,595 100%	1,946

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2008 Markets as of 10/30



## 2008 Markets (cont.) as of 10/30

	First currency month	Installed sample (actual/target)	In-tab Target
San Francisco (incl. San Jose)	June 2008	Actual: 1,637 Target: 2,855 57%	2,141
Dallas	September 2008	Begins 1/08	1,361

\* Embedded in San Francisco

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2008 Markets (cont.) as of 10/30



# PPM Sample Guarantee

Bill Rose  
Senior vice president  
Marketing

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PPM Sample Guarantee



## Sample Guarantee: Background

- In the summer the total panel sizes in Philly and Houston were short of target
- We took steps to address the shortfalls and those steps have paid off... both markets are back over target
- We stand behind the quality of the estimates

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Sample Guarantee: Background





## Why the Guarantee

- Meeting sample targets is paramount for instilling confidence in the currency and we will hold ourselves more accountable for doing so
- The guarantee puts Arbitron's "skin in the game"
- If we meet our targets there will be no need for rebates

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Why the Guarantee



## What We Will Guarantee

- **The average daily in-tab for each market among persons 6+ for a given survey month will equal or exceed 90% of the sample target for that market**
  - » Average daily In-Tab for Persons 6+ anchors the statistical efficiency of the overall sample
  - » A 10% "guardrail" for Persons 6+ is an appropriate and important first step
- **Rebate one percent of the net monthly rate for each point we are below the threshold for a given market**

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What We Will Guarantee



## The Guarantee When and How

- **Philadelphia and Houston**
  - » Goes into effect with the October survey
- **New York and all subsequent markets**
  - » Effective first month of currency
  - » Threshold starts at 85% for the first currency month and builds by one percentage point per month to 90%

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The Guarantee When and How



## Narrowing the Guardrails

- **The Advisory Council recommended an additional step to narrow the guardrail to Persons 18-54**
  - » We agree that 18-54 is an appropriate next step
  - » Initiatives are in place to address 18-24 and 25-34 which are the keystones to performance for 18-54
    - *We expect to begin seeing the results of that work in the second quarter of 2008*
  - » Assuming positive results of our young adult initiatives we will provide a date and plan to implement the 18-54 guardrail at July council meeting

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Narrowing the Guardrails



## Events Coming Up

- **Radio Advisory Council**
  - » December 3-5
  - » Don't forget to vote... ballots in your hands now votes due 11/23
- **Monthly PPM Conference Call**
  - » December 7 (details will be sent December 3)
- **Consultant Fly-in**
  - » December 13
- **New York currency**
  - » December 31

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Events Coming Up



## Questions and Answers

- To maximize the number of people who can ask a question we will request callers to limit themselves to one question and a follow-up
- If your question isn't answered today
  - » Send it to your Council member
  - » Arbitron will respond to your question within 5 business after we receive it
- Web page for Advisory Council contacts
  - » [www.arbitron.com/radio\\_stations/arac\\_members.htm](http://www.arbitron.com/radio_stations/arac_members.htm)
- Download this presentation:
  - » Select "File," then "Print to PDF." On the next screen you can print the presentation or save it to your computer.

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Questions and Answers