

Nielsen Ratings

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Nielsen is a name synonymous with television audience measurement throughout much of the world. Today, it is associated with a family of services that provide estimates of the size and composition of media audiences, loosely referred to as Nielsen ratings. Those numbers are essential to the operation of commercial media, since they constitute a currency used to sell audiences to advertisers.

Advertiser support of American *radio broadcasting* began in the 1920s. However, for radio to compete with print for advertising revenues, the industry needed to quantify its audience. By the early 1930s, telephone surveys were used to produce what came to be called radio “ratings” (→ Rating Methods). Technically, a rating is the percentage of the total possible audience tuned to a particular station or program, but the term is often used to label all estimates of audience size and composition. In the late 1930s, a market researcher named Arthur C. Nielsen (1897–1980) developed a meter, called an “audimeter,” which could keep a running record of the wavelength to which a radio receiver was tuned. In 1942, Nielsen launched a “Radio Index,” which estimated American radio network audiences using audimeters placed in a sample of 800 homes (→ Exposure to Radio). In 1950, Nielsen adapted the constantly evolving audimeter to the business of measuring *television audiences* (Beville 1988). By the end of the twentieth century, the A. C. Nielsen Company had emerged as the sole supplier of television audience ratings in the United States, and the term “Niensens” became a kind of shorthand for TV ratings used by media executives and the general public alike (→ Exposure to Television).

The company originally founded by A. C. Nielsen Sr. has since been sold and reorganized a number of times. But the Nielsen brand and core businesses remain. Nielsen companies and/or their partners now provide audience measurement services in the United States and dozens of countries in Asia, Europe, Africa, and Latin America. Indeed, as advertising-supported media proliferate around the world, so too does the need to measure audiences.

In the United States, Nielsen Media Research provides a variety of audience estimates. The principal television measurement services are the *Nielsen Television Index (NTI)*, which uses a panel of roughly 10,000 households equipped with → people-meters to estimate television network audiences, and the Nielsen Station Index (NSI), which uses a combination of meters and diaries to estimate TV station audiences in 210 local market areas in the United States. In recent years, Nielsen has expanded its measurement operations to include video games, cinema, outdoor advertising, product placement, and, through its subsidiary Nielsen//NetRatings, various Internet-related user behaviors. The company has also announced an “anytime anywhere media measurement” initiative to track all manner of video consumption regardless of the technology involved (e.g., digital video recorder, portable, and web-based distribution).

As the most visible form of audience measurement, Nielsen ratings play a critical role in the operation of commercial electronic media. In the US alone, tens of billions of

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dollars in advertising are spent in accordance with Nielsen audience estimates. Television programs are either canceled or renewed largely on the basis of their ratings performance – as are the contracts of media executives. As the quasi-official scorekeeper for television, Nielsen even draws the ire of politicians and cultural critics with some regularity. Though the methods Nielsen uses to produce ratings will change along with the media environment, the Nielsen name and core businesses are likely to remain a fixture of the media industries for a long time to come.

SEE ALSO: ▶ Advertising ▶ Audience Research ▶ Audience Segmentation ▶ Exposure to Radio ▶ Exposure to Television ▶ Media Marketing ▶ People-Meter ▶ Rating Methods ▶ Ratings ▶ Survey

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