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## MARKETPLACE

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HEADLINE: Martin Kaplan, of University of Southern California, talks about the television audience ratings service, ACNielsen Company

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DAVID BRANCACCIO, anchor:

This is MARKETPLACE. I'm David Brancaccio.

In the coming days, the big television audience ratings service ACNielsen company, will share with the world some new data about how best to measure TV viewers who speak Spanish. The criticism is they don't measure Latino households all that well, with lots of implications for advertising, programming and society. Joining me to discuss is Martin Kaplan, director of the Norman Lear Center at the University of Southern California. Hello, Marty.

Mr. MARTIN KAPLAN (University of Southern California): (Spanish spoken) Hola!

BRANCACCIO: (Spanish spoken). That's actually relevant to the research.

Mr. KAPLAN: Yes, indeed. The ACNielsen company has been accused of undercounting Spanish-dominant households. They've steadily increased the number of Latino members of their diary-keeping audience, but what they haven't done by about 30 percent is keep up with their own targets for people where Spanish is the dominant language. And the question is: How do you go about that? When a field worker approaches a family member as a potential diary keeper in a Latino neighborhood, should they greet them in Spanish or in English? And what would be the implications of those greetings in terms of whether or not that person belongs in their sample?

BRANCACCIO: This is the recognition by Nielsen of a problem, which is that there's certain segments of society that may not be showing up in the television ratings as they should.

Mr. KAPLAN: Yes. And, in fact, "Uno Visione" and other Spanish-language programmers say that because Spanish-dominant households are undercounted, they're not getting their share of advertising dollars. Something like \$100 million might be coming their way if they were more accurately measured. Of course, the crux of this is

that ratings themselves are an inexact science, advertising is an inexact science, and you multiply them against each other and you're not much farther than entrail reading.

BRANCACCIO: Well, full disclosure here. When they do radio ratings, you don't even see mentions of public radio. The industry, public radio, has to go into the raw data and tease out who might or might not be listening. But even then, it's an inexact science.

Mr. KAPLAN: Yes. In that sense, it's like so much else of modern life. We live as though there were great mathematical, scientific bases for investments, for economics, for the kind of public policy decisions. What's shocking is that how much of modern life is based, in the end, on emotion, on hormone, on impulse, on lying and on all the kind of things that link us to our animal forebears.

BRANCACCIO: But surely a big corporation, say Procter & Gamble, among the biggest of advertisers, knows that when it buys certain advertisements in certain markets at a certain frequency, that'll produce an X number of sales of bars of soap.

Mr. KAPLAN: No. In fact, they don't know that. The people who are doing their media buys for them and creating their ads would like people to believe that there's a direct and quantifiable relationship, but, in fact, most of it is blue smoke and mirrors. The truth is that even when a company like AOL buys Time Warner, they don't know what the value of the investment is. So much of it is based on inexact things, like goodwill.

BRANCACCIO: Well, funny you should mention AOL Time Warner. This very week the annual report goes out, and inside there was a warning. It said that in the current quarter, they're going to have to take as much as \$60 billion out of what they thought was the value of the combined company. It's all about measuring something called goodwill.

Mr. KAPLAN: Yes. Goodwill, the public opinion of a brand name. But these kinds of choices are based more on psychology than they are on any hard and fast set of statistics.

BRANCACCIO: Of course, there's hundreds of thousands of consultants who are begging to differ, Marty. They're making their living telling us that there is a science here.

Mr. KAPLAN: Yes, indeed. And I have enormous esteem and regard for them and for their ability to persist at making their livings.

BRANCACCIO: Marty, thank you very much.

Mr. KAPLAN: Thank you.

BRANCACCIO: Martin Kaplan is also associate dean of the Annenberg School of Communication at USC.

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