

# LPM *Update*

*People Meter technology in local markets, providing continuous daily demographic viewing information.*

## Fault Rates Decline in Local People Meter Markets

### Lower in Local People Meters than in Set Meters

Fault rates, the percentage of sample homes that do not report complete television ratings information on any given day, have declined markedly from November to May in all four markets where Local People Meters (LPMs) were introduced in 2004.

Continued improvements in fault rates will be difficult over the next several months because they usually increase during the summer, when fault rates are historically higher. Several factors are involved including: children are home from school, viewing patterns are different and there are power outages and difficulty in gaining access to homes.

LPMs are an advanced system of electronic meters that electronically and continuously record demographic viewing in sample homes. Nielsen Media Research is introducing them in the top ten markets, replacing the previous system of paper diaries and set-top meters.

Fault rates are one measure of sample quality. From November 2004 to May 2005, overall LPM fault rates declined in three of the four markets (see Table 1 for more detail):

New York	-10.4%
Los Angeles	+ 1.6%
Chicago	-24.7%
San Francisco	-22.4%

Fault rates declined among African American households in all four markets and among Latino households in three of the four markets. From November 2004 to May 2005, African American fault rate declines were:

New York	-22.0%
Los Angeles	-14.4%
Chicago	-18.1%
San Francisco	-22.9%

Among Latino/Hispanics, fault rate results during this same period were:

New York	+ 1.7%
Los Angeles	-14.8%
Chicago	-14.3%
San Francisco	-33.7%

"Faults" occur for many reasons, including the installation of new equipment (television, DVD, or VCR, etc), electrical failure, machine failure, telephone failure, out-of-sync tuning of a television, and, in a people meter, a failure to log in properly. Faulting is generally higher among larger or younger households, households with children, households that watch more television and households with more VCRs, video games and other devices. The more television activity there is in a home, the greater possibility there is for activities that cause faulting.

While fault rates are a component of a sample's quality, they are not the most important one. Other factors that are more critical to a sample's accuracy are the size of a sample, the percentage of targeted households that agree to accept a people meter, and the demographic representation of the sample. Faulting does not significantly affect the accuracy of ratings because, on a daily basis, Nielsen "weights" the contributing sample households in a demographic, thereby ensuring that the impact of each demographic group reflects its representation in the community.

Over the past few months, Nielsen has introduced several quality initiatives to reduce fault rates as part of its commitment to continuous improvement in all aspects of sample quality. These initiatives include increased field personnel, personal coaching for demographic groups with the highest fault rates, and the installation of dedicated phone lines.

### **Fault Rates Lower Under People Meters than Set Meters**

Nielsen also announced that in all markets (including Philadelphia and Washington DC, which are about to be launched in July), fault rates are considerably better in the new LPM samples than they were in the set meter samples they are replacing (see Table 2 for more detail).

In the four most recent LPM markets, set faults were lower for all audiences in May 2005 than they were in May 2004, when the set meter was being used (these are direct comparisons and as such do not include personal faulting, such as a failure to log in correctly or fill out a diary completely, since set meter samples do not have persons faults.) The same is true in Washington DC and Philadelphia, where LPM data will become commercially available in July. In these two markets, LPM and set meter were compared for May 2005, when both systems were operational. With lower fault rates representing improvements, the magnitude of overall improvement in these markets was:

New York	-31.7%
Los Angeles	-17.9%
Chicago	-34.5%
San Francisco	-19.1%
Philadelphia	-22.2%
Washington	- 8.0%

Among African Americans, LPM fault rates in May were lower than set meter fault rates a year ago in five of the six new LPM markets:

New York	-44.1%
Los Angeles	+ 3.7%
Chicago	-12.5%
San Francisco	-39.2%
Philadelphia	-22.1%
Washington	- 0.9%

Among Latino/Hispanics, LPM fault rates in May were lower than set meter fault rates a year ago in five of the six new LPM markets:

New York	-39.4%
Los Angeles	-26.5%

Chicago -35.7%  
 San Francisco +28.3%  
 Philadelphia -36.0%  
 Washington -16.1%

**Table 1**  
**Comparison of LPM Fault Rates from November 2004 to May 2005**  
**(Sets and Persons Fault Rates)**

	Nov 2004 (LPM)	May 2005 (LPM)	Improvement
<b>New York</b>			
Overall	14.4	12.9	10.4%
HH5+	23.9	19.8	17.2%
Black	21.4	16.7	22.0%
Hispanic	17.4	17.7	(1.7%)
AOH <35	16.7	16.0	4.2%
<b>Los Angeles</b>			
Overall	12.4	12.6	(1.6%)
HH5+	18.5	15.4	16.8%
Black	18.1	15.5	14.4%
Hispanic	16.9	14.4	14.8%
AOH <35	16.4	14.6	11.0%
<b>Chicago</b>			
Overall	15.0	11.3	24.7%
HH5+	23.9	20.5	14.2%
Black	21.6	17.7	18.1%
Hispanic	18.9	16.2	14.3%
AOH <35	20.2	16.1	20.3%
<b>San Francisco</b>			
Overall	13.4	10.4	22.4%
HH5+	26.3	17.8	32.3%
Black	18.8	14.5	22.9%
Hispanic	24.3	16.1	33.7%
AOH <35	18.1	11.1	38.7%

**Table 2**  
**Fault Rate Comparisons between Set Meter and LPM Samples**  
**(Set Faults\*)**

	<b><u>Set Meter</u></b> <b><u>May 2004</u></b>	<b><u>LPM</u></b> <b><u>May 2005</u></b>	<b><u>Improvement</u></b>
<b>New York</b>			
Overall	12.6	8.6	31.7%
HH5+	21.0	14.3	31.9%
Black	22.9	12.8	44.1%
Hispanic	19.8	12.0	39.4%
AOH <35	18.4	10.4	43.5%
<b>Los Angeles</b>			
Overall	11.2	9.2	17.9%
HH5+	16.3	10.3	36.8%
Black	10.9	11.3	(3.7%)
Hispanic	13.6	10.0	26.5%
AOH <35	16.4	9.9	39.6%
<b>Chicago</b>			
Overall	11.6	7.6	34.5%
HH5+	16.2	13.4	17.3%
Black	15.2	13.3	12.5%
Hispanic	15.4	9.9	35.7%
AOH <35	14.5	11.8	18.6%
<b>San Francisco</b>			
Overall	9.4	7.6	19.1%
HH5+	13.5	14.0	(3.7%)
Black	14.3	8.7	39.2%
Hispanic	9.9	12.7	(28.3%)
AOH <35	14.1	8.3	41.1%

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	<b>Set Meter</b>	<b>LPM</b>	
	<b><u>May 2005</u></b>	<b><u>May 2005</u></b>	<b>Improvement</b>
<b>Philadelphia</b>			
Overall	10.8	8.4	22.2%
HH5+	18.4	14.1	23.4%
Black	15.4	12.0	22.1%
Hispanic	20.0	12.8	36.0%
AOH <35	16.7	12.1	27.5%
<b>Washington DC</b>			
Overall	8.8	8.1	8.0%
HH5+	13.6	14.7	(8.1%)
Black	11.1	11.0	0.9%
Hispanic	14.3	12.0	16.1%
AOH <35	14.6	10.4	28.8%

\* The appropriate comparison to the set meter sample is to use set-only faults, since set meter samples do not have persons faults, as persons data are collected by diaries.