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Nielsen Media Research has committed to conduct a thorough internal audit for each Local People Meter service in order to gauge the level of quality for each market prior to its launch. The internal audit of the Los Angeles LPM market is complete and the findings are outlined in this document. We believe that it is important to share the perspective of Nielsen Media Research management on several key issues:

Sample Characteristics

The internal audit was conducted during the period October 2003 through February 2004. At that time, the primary focus of the field force was on panel installation rather than maintenance. As a result, several key sample characteristics were somewhat further from their universe estimates than Nielsen Media Research considers acceptable for the launch of the Los Angeles LPM service -- specifically, the installed as well as intab characteristics of Age of HOH <35 and 35-54, HH Size 1-2, Language Use Equally, and English Dominant.

Nielsen Media Research has been closely monitoring sample characteristics from the beginning of the installation process. The internal audit confirmed the information that has been monitored on a weekly basis. On Tuesday, February 10, Nielsen Media Research announced that the Los Angeles LPM market would be delayed until the sample characteristics improved to within our internally acceptable levels. This allowed additional time to make the transition in the field from a focus on recruitment and installation to panel maintenance. We have made significant progress since the time the audit was in field, and believe that this change in focus, as well as the initiatives that we have in place such as the pre-pack program and SWAT reps will bring all critical sample characteristics in line for an April launch.

Calibration Errors and Tuning Analysis Impact

Calibration errors, as well as the impact to the ratings data as estimated in the tuning analysis, were slightly higher than rates that we have seen for the NPM sample, other MM markets and Boston LPM. However, the audit results pointed to the fact that a single household accounted for virtually half of the calibration errors cited and almost 90% of the tuning minutes in error. Given the quality of the other 29 homes and the fact that this one home was **not** the result of a break down in the established quality control processes, we believe that the results of the calibration testing are within acceptable parameters.

Demographics

Education - The discrepancy rate associated with the education question was 10.1% overall and 7.1% within reported data, and was found to be compliant. However, we would like to see continued improvement in the collection of this variable.

Given the social desirability of the question, there is likely to be more respondent error inherent in this question than in other demographic questions. As you know, the use of "show cards" was implemented last year to reduce the respondent error inherent in the interpretation of the various



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levels. We expect that lower discrepancy rates such as these will continue to be experienced across all services because of the implementation of the show card.

Income – Based on the findings of the audit, there are three items to be addressed:

1. The discrepancy rate associated with the collection of Income
2. The documentation of the Income ascription process
3. The empirical basis for the Income ascription

Before we address each item separately, we should point out that, as with Education, the challenges associated with this question are not limited to LPM. As a result, all solutions related to this question will be targeted to all services.

Based on the findings of the internal audit report, the discrepancy rate could be dramatically reduced by redefining the income breaks in broader increments. As a result, we will consider increasing the income breaks from \$1,000 increments to \$5,000 or \$10,000 breaks.

Disclosures associated with the ascription process and disclosure of the overall levels will be added to the next Reference Supplement for each service.

Finally, Methodological Research has completed a literature review and queried other sources such as the Census Bureau. Based on these findings and the disparity of the collection methods and statistical solutions employed across various services, it will be necessary for Nielsen Media Research to conduct original research to explore alternate methods for estimating this demographic.

Summary

Overall, Nielsen Media Research is pleased with the results of the internal audit, especially in that the audit bears out the progress that we've made with regard to the successful launch of the pre-pack initiative, the favorable Sample Performance Index and other key measures such as faulting, coaching, and in the recruitment of eligible alternates.

Nielsen Media Research will continue to focus on the collection of demographic variables and continually improve our methods for identifying and eliminating sources of calibration and tuning errors. We will also continue to increase our focus on panel maintenance through structured prioritization to improve the in-tab performance of the sample.

**Los Angeles Local People Meter
2003**



A Super-Q Audit Process



Nielsen
Media Research

Los Angeles Local People Meter

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MISSION AND SCOPE OF WORK

The internal audit department is designed to be a key contributor in our continual effort to improve the quality of the services we provide to our clients. The mission of this department is to provide independent, objective assurance and consulting services designed to add value and improve our operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and the Media Rating Council's (MRC) governance process.

The scope of work of the internal audit department is to determine whether the organization's network of risk management, control, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Significant best practices issues impacting the organization are recognized and addressed appropriately.
- Quality and continuous improvement are fostered in the organization's control process.
- Significant managerial, and operating information is accurate, reliable, and timely.
- Departments' actions are in compliance with policies, procedures and quality standards.
- Third party data are acquired with a high standard of quality and is adequately protected.
- Product related programs, plans, and objectives are achieved.

Opportunities for improving management control, profitability, and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

ACCOUNTABILITY

The chief research officer, in the discharge of his/her duties, shall be accountable to management and the operating committee in the following manner:

- Provide annually an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.
- Coordinate with and provide oversight of other control and monitoring functions (compliance, security, and external audit).

INDEPENDENCE

To provide for the independence of the internal auditing department, its personnel report to the chief research officer, who reports to the chief executive officer in a manner outlined in the above section on Accountability. It will include as part of its reports to the operating committee a regular report on internal audit personnel.

RESPONSIBILITY

The chief research officer and staff of the internal audit department have responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the operating committee for review and approval as well as periodic updates.
- Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management and the operating committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the operating committee and management summarizing results of audit activities.
- Keep the operating committee informed of emerging trends and successful practices in internal auditing.
- Provide a list of significant measurement goals and results to the operating committee.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

AUTHORITY

The chief research officer and staff of the internal audit department are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Have full and free access to the operating committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization.

The staff of the internal audit department is not authorized to:

- Perform any operational duties for the organization or its affiliates.
- Direct the activities of any organization employee not employed by the internal auditing department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

STANDARDS OF AUDIT PRACTICE

The internal audit department will meet or exceed the *Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors.

Chief Research Officer



Executive Summary

Nielsen Internal Audit conducted an examination of the Los Angeles Local People Meter (LPM) service. Nielsen Quality Assurance performed Field Visits in December of 2003, while Nielsen Internal Audit (IA) executed testing in other areas of the service from October through December of 2003. Results of the Field Visits and other testing performed was evaluated against the Media Rating Council's *Minimum Standards for Media Rating Research*.

Nielsen IA noted the following situations of noncompliance with the MRC Minimum Standards:

- Relating to the collection of Household Income information, IA concluded that an overall discrepancy rate of 81% (52% with a difference +/- \$5,000) indicated noncompliance with *MRC Minimum Standard A.2*.
- Relating to the collection of Household Income information, IA concluded that the absence of clearly defined instruction in the sample procedures manual for how and when to estimate a household's income indicated noncompliance with *MRC Minimum Standard A.4*.
- Relating to the collection of Household Income information, IA concluded that the absence of an empirically justifiable procedure for estimating a household's income indicated noncompliance with *MRC Minimum Standard A.13*.
- Relating to the collection of Household Income information, IA concluded that Nielsen's lack of disclosure for the estimation of household income indicated noncompliance with *MRC Minimum Standard B.9*.

In addition to the situations noted above, Nielsen IA considered the impact of results obtained in testing the following areas against *MRC Minimum Standard A.2*:

- Relating to the collection of Education of Owner/Renter information, IA considered the implications of the 10.7% overall discrepancy rate. Although this area has been historically problematic in other Nielsen services, IA believes that the overall discrepancy rate standing on its own is not an indicator of non-compliance. Because of the social desirability of the response combined with the fact that for those discrepancies having a reporting impact, the discrepancy rate was 7.1%, IA believes that Nielsen's procedures relating to the collection of Education of Owner/Renter information are materially compliant with the minimum standards. However, this area should continue to remain in the forefront of Nielsen's attention to quality in the collection of household demographics.
- Relating to the collection of Occupation of Owner/Renter information, IA considered the implications of the 10% overall discrepancy rate. IA believes that the overall discrepancy rate standing on its own is not an indicator or non-compliance. Primarily due to the fact that none of the noted discrepancies had an impact on reported NTI NAD breaks and only two had an impact on NTI NAD MIT breaks, IA believes that Nielsen's procedures relating to the collection of Occupation of Owner/Renter information is materially compliant with the minimum standards.
- Relating to the collection of Vehicle information, IA considered the implications of the 10% overall discrepancy rate. IA believes that the overall discrepancy rate standing on its own is not an indicator or non-compliance. Primarily due to the fact that two of the



three discrepancies had a impact on NTI NAD MIT breaks, IA believes that Nielsen's procedures relating to the collection of vehicle information is materially compliant with the minimum standards.

- Relating "Rebuild Verification," IA considered the implications of the number of days that two service requests were open. However, as the service requests were created prior to the implementation of the modified requirements for "Rebuild Verification" service requests, which are currently in place, IA believes the situation to be materially compliant with the minimum standards.



Service Description

The Los Angeles Local People Meter (LPM) service is a local, meter-based, television ratings service that reports audience estimates, including demographic information, for the Los Angeles DMA. The Los Angeles DMA follows Boston as the second NSI market to convert to the LPM service. Like Boston, Los Angeles will ultimately be integrated with the NPM service, allowing all homes in the LA LPM to contribute to both the NSI and NPM samples. In contributing to the NPM service, LPM homes will be weighted down to account for what would otherwise be a geographic over-representation.

Clients of the LA LPM service will continue to receive NSI audience estimates in the form of the *Viewers in Profile* (ViP) book, which contains the same data and format as issued in the NSI Metered Market service. However, unlike the NSI Metered Market service, ViP reports for the LPM service will be issued in each calendar month. In addition to the traditional *ViP*, LPM audience estimates will also be made available in *Navigator*. Data reported from LA LPM homes will also ultimately be included in the integrated NPM products.

The Los Angeles LPM sample consists of a panel of approximately 800 metered television households, and is dispersed throughout the Los Angeles DMA to be representative of the entire market. The housing units that comprise the LA LPM sample are selected based on an Area Probability process from information established as a part of the United States 2000 decennial Census. No household remains in the sample longer than two years.

Once the pre-designated homes that will comprise the LA LPM sample are identified, Nielsen Membership Representatives (MRs) recruit the homes to be a part of the sample. Once cooperation of a household is achieved, Nielsen Field Representatives (FRs) equip the home with the technology necessary to capture tuning and persons data. Nielsen MRs and FRs work together to maintain the household's cooperation, the accuracy of the household's demographic profile and the accuracy of the household's collected viewing data.

The technology installed in each LA LPM household, which provides tuning and demographic data, includes the use of television tuning meters and Nielsen "People Meters." People Meters are connected to each television setup in every sample household and allows individuals to record their TV viewing with the touch of a button. The tuning meters, also attached to each television setup in every sample household, then record 1/2-minute-by-1/2-minute records of tuning and viewing by household members and visitors who enter information into the system.

These records of TV viewing are passively transmitted every night by telephone to Nielsen's central computer where they are electronically verified as being transmitted from a Nielsen household. Data is accumulated for households, edited and compiled into audience estimates through a fully automated process.



Sample Design

The Los Angeles Local People Meter sample was developed with information from the 2000 decennial United States Census (Census 2000). The sample frame established using Census 2000 was used to develop the specifications for all Nielsen services that utilize an Area Probability methodology, including the Los Angeles LPM. The survey population includes all households, whether occupied or vacant, and with or without telephones.

Because each area probability meter market (including the Los Angeles LPM) is a certainty Primary Area, LPM selection has three stages of selection beginning at the Block Group (BG) level. The three stages are 1) Selection of sample Block Groups, 2) Selection of Blocks and 3) Selection of the sample housing units.

Relating to stage one, the BGs of the Los Angeles LPM are stratified by Black, Hispanic, Asian Pacific Islander and by subcounty level. Sample selections of BGs are allocated proportionally to the population within each strata.

For Los Angeles, an initial sample of 1,000 specifications were selected in order to achieve an operating sample of 800 households.

As part of the overall Census 2000 audit completed by Internal Audit (IA) in April 2003, the following aspects of the sample design and selection process were reviewed and audited:

1. Formation and selection of primary area (PAs) - IA verified that Census data was correctly loaded and was accurate at both the county and state level. Next, each criterion regarding the assignment of certainty and non-certainty status was tested and verified. Finally, the creation of PA groups was reperformed and found to be correctly executed.
2. Selection of Block Groups (BGs) - IA determined that the PAs were stratified as designed by Statistical Research. Upon completion of the stratification process, the Block Group selection process was tested and verified.
3. Selection of a sample block(s) within a sample BG - Within each block group, the block group segments are sequenced by block number. A sample of block group segments within the block group was tested to determine that the block group segments were selected as intended.
4. Selection of the pre-designated sample housing unit within the BG segment - To identify the specific housing unit within a block group segment, a physical enumeration of the sample block group segment is necessary. IA conducted in-field testing to verify that the process was correctly executed. IA also, followed the process to the point where a sample spec was issued to the field for panel recruitment.



In addition to the independent testing conducted by IA, the quality control procedures employed by Statistical Research were reviewed and verified. Testing was performed across all Nielsen samples (NPM, MM and LPM). Based on this testing, IA concluded that the sample design and selection for the Census 2000 process were in material compliance with the criteria set forth by IA to gauge the quality of the process. For more details on Census 2000 testing, a full report is available upon request.



Pre-Pack

Nielsen Media Research introduced the pre-pack process for the new Local People Meter (LPM) Markets in Los Angeles, Chicago, New York and San Francisco. The LPM pre-pack is a multimode data collection process designed to gather demographic and television ownership information for potential panel members. The data collected as part of this process is used to better target and entice potential panel members during the recruiting process. This process was examined separately by Nielsen IA and a detailed description of the related testing can be found in the report that was issued. In the paragraphs that follow is an overview description of the process and the testing that was performed by Nielsen IA.

The pre-pack process is implemented in two phases. The first phase consists of the data collection for the basics and five related alternates that are required to bring the LPM market to their predetermined demo period sample size. The second phase consists of the data collection for the basics and five related alternates that are required to bring the LPM markets to their predetermined contractual sample size.

For the first phase, the data collection modes are, (1) mailing, (2) telephone and (3) personal. For the second phase, only the mail and personal data collection modes are used. The completed questionnaires yielded by the mail and personal data collection modes are sent to a third party vendor (Data Shop) for key entry.

Mode 1: Mailing

Related to the first communication mode (mailing), the Basic and the first five alternates were mailed a package containing a \$10 incentive, a questionnaire, a letter explaining the study and a FAQ sheet. Respondents were asked to complete and return the questionnaire in the provided envelope or complete the questionnaire via 1-800 phone call.

Nielsen IA obtained a data file containing the selected households and noted without exception that five alternate addresses existed for every Basic address. Secondly, IA screened the data file to remove invalid addresses (such as housing descriptions or otherwise invalid street addresses). IA compared their filtered mailing list to the actual mailing list and noted no discrepancies. Finally, IA intercepted a sample of 60 Los Angeles mailers and verified their contents without exception.

Mode 2: Telephone

This mode of data collection was phased out of the process and no testing related to Los Angeles was performed. See Nielsen IA's report specifically on the Pre-Pack process for further details.



Mode 3: Personal Interviews

Households without a valid address as well as households with a valid address for which a completed interview was not achieved during mailing are sent to the personal data collection mode. Respondents who complete the survey are given a \$20 incentive. The objective of the interview is to collect television viewing as well as household demographic information.

Nielsen IA traveled to Los Angeles and observed eight interviewers perform the survey. During these observations, the auditor was evaluating the following criteria:

- Verified that the interviewer asked all questions verbatim where required.
- Verified that the interviewer probed appropriately when needed.
- Verified that the interviewer did not ask any questions in a leading manner or otherwise lead the respondent into a response.
- Verified that the interviewer followed the appropriate skip patterns.
- Verified that the respondent was given the \$20 incentive.

Nielsen IA determined that discrepancies noted in the interviews were within acceptable ranges with the exception of one interviewer, who performed at a level that resulted in his removal from the Los Angeles survey. Please see Nielsen IA's report specifically on the Pre-Pack process for further details.



Basic Recruitment

The Basic household is defined by Nielsen as “that household which occupies a housing unit specified by the Statistical Research Department in terms of address, city or town, and state. Every reasonable effort is made to recruit the Basic households for the sample and to maintain the continuous cooperation of such households. If, after repeated attempts with various responsible members of the household, the Membership Representative, Field Representatives and/or Manager are unable to recruit the Basic household, an Alternate household is specified.”

It is in Nielsen’s interest, for the purposes of establishing the most statistically reliable sample possible, to include as many Basic households as possible in the sample. Therefore, Membership Recruiters are offered incentives to gain the cooperation of Basic households. In the event that the Basic household refuses to be part of the sample, the home gets included into the Basics Refusing Initial Contact (BRIC) Program.

A BRIC service request is created in the Metered Sample Management (MSM) software six months after the online date of the related alternate household. The MR then has three months from the creation date of the service request to perform the Basic recheck. The service request can be closed by rechecking the Basic through a personal visit by the MR, a personal visit by an FR, a phone call from the MR or by sending the Basic a letter. Therefore, the Basic households are checked every nine months to see whether the existing family changes its mind or whether a new family is occupying the home.

Nielsen utilizes BRIC Management Reports to monitor the method and timeliness of completion for BRIC service requests. Nielsen IA verified the existence and utilization of these reports.

The percent of installed households that are Basics for October – December 2003 are as follows:

Month	Basic Households
October	52.0%
November	51.9%
December	51.9%



Alternate Recruitment

In cases where the BRIC program is unsuccessful in securing the cooperation of the Basic, the Membership Representative is permitted to begin recruiting alternate households.

Alternate households must agree with the Basic household in terms of Cable and Child status. Alternates that do not agree are considered ineligible and cannot be recruited to be in the sample.

Nielsen IA obtained internal information that specified the installed alternate number on each of the 311 specifications in the Los Angeles LPM sample with an installed alternate as of December 31, 2003. These specifications are summarized in the table below and are disclosed in total and by “LPM Only” and “Combo Only” status.

Alternate Number That Was Signed	Distribution			
	Total Sample		LPM Only	Combo Only
1	27	8.7%	11.4%	5.1%
2	21	6.8%	8.6%	4.4%
3	22	7.1%	8.6%	5.1%
4	25	8.0%	11.4%	3.7%
5	12	3.9%	4.6%	2.9%
Subtotal 1-5	107	34.4%	44.6%	21.3%
6 – 10	41	13.2%	10.9%	16.2%
11 – 20	70	22.5%	21.7%	23.5%
21 – 30	31	10.0%	6.3%	14.7%
31 – 40	25	8.0%	7.4%	8.8%
41 – 50	10	3.2%	3.4%	2.9%
51 – 60	8	2.6%	2.9%	2.2%
61 – 70	5	1.6%	0.6%	2.9%
71+*	14	4.4%	2.2%	7.4%
	311	100.0%	100.0%	100.0%

* Highest signed alternate was #143



IA then analyzed the above information by eliminating ineligible alternates, thereby producing the following net-eligible refusal chart:

Eligible Alternate Number That Was Signed	Distribution			
	Total Sample		LPM Only	Combo Only
1	89	28.6%	37.7%	16.9%
2	41	13.2%	14.3%	11.8%
3	30	9.6%	8.6%	11.0%
4	24	7.7%	8.6%	6.6%
5	18	5.8%	5.1%	6.6%
Subtotal 1-5	202	65.0%	74.3%	52.9%
6 – 10	66	21.3%	17.1%	26.5%
11 – 20	32	10.3%	8.0%	13.2%
21+	11	3.5%	0.6%	7.4%
	311	100%	100%	100%

IA then determined the number of ineligible alternates preceding the installed alternate for each specification. This data is summarized in the table below:

Number of Ineligible Alternates Per Specification	Distribution			
	Total Sample		LPM Only	Combo Only
0	43	13.8%	16.6%	10.3%
1	27	8.7%	10.3%	6.6%
2	33	10.6%	13.7%	6.6%
3	18	5.8%	6.3%	5.1%
4	7	2.3%	2.3%	2.2%
5	9	2.9%	1.7%	4.4%
Subtotal 0-5	137	44.1%	50.9%	35.3%
6 – 10	55	17.7%	17.1%	18.4%
11 – 20	57	18.3%	15.4%	22.1%
21 – 30	25	8.0%	6.9%	9.6%
31 – 40	13	4.2%	3.4%	5.1%
41 – 50	9	2.9%	2.9%	2.9%
51 – 60	6	1.9%	1.2%	2.9%
61 – 70	3	1.0%	1.1%	0.8%
71+*	6	1.9%	1.1%	2.9%
	311	100%	100%	100%

*Most ineligible alternates on a spec was 83.



Alternate Recruitment Control Reports

Nielsen utilizes several reports to monitor the effectiveness of Membership Recruiters in their recruitment of Alternate households:

- The Excessive Refusals report identifies specifications where 10 or more refusing alternates were encountered.
- The Excessive Ineligibles report identifies specifications where the number of ineligible alternates exceeds expectations based on the refusing basic's cable/child status and the corresponding block group child penetration.
- Basic recheck call report verifies a sample of Basic characteristics via telephone call.
- Comparison of Basic Refusal Letter Date to Alternate's signed panel agreement date.
- Alternate recruitment recheck report verifies ineligible or refused status for a sample of households from the Excessive Refusals or Excessive Ineligibles reports.

The LPM reports are not generated specifically for the Los Angeles LPM, but rather for the LPM service as a whole. Nielsen IA reviewed these reports for the purpose of noting their existence and use.



Sample Response Rates and Cooperation

The Sample Performance Indicator (SPI) is an operational response rate calculated in accordance with *NAB Standards* and is included in Table 12 of each LPM boilerplate. Nielsen Internal Audit recalculated the November 2003 Los Angeles LPM Sample Performance Indicator.

The following table presents the Los Angeles LPM Sample Performance Indicator for the respective cycles:

Month	SPI
October 2003	39.2%
November 2003	38.9%
December 2003	37.8%

Nielsen Internal Audit recalculated the November 2003 Los Angeles LPM Sample Performance Indicator using internal documentation:

November 2003 Sample Response Rate	Basics	Alts	Totals
HHs in-tab: (a)	247	226	473
HHs failing set edits:	30	30	60
HHs failing people edits:	9	9	18
HHs on-line:	287	265	552
HHs suspended			2
HHs awaiting two good days			6
Specs issued not yet installed			76
Dormant sample points (c)			26
Total specs issued to field (b)			661
Uninstallable sample points			10
Total sample points			671
Response Rate *			38.9%

* Response rate is equal to total basics in-tab divided by the quantity of specifications issued minus dormant specifications: $(a) \div [(b) - (c)]$.

Note: Some figures in the table above may not foot due to rounding.



Sample Distribution

The following table summarizes the distribution of the average day sample households installed and in-tab for the November and December 2003 measurement cycles. The December figures are represented graphically at Appendix 3.

	UE Jan.04	Installed Households			Intab Households			Installed Households			Intab Households		
		November 03			November 03			December 03			December 03		
		#	%	Diff	#	%	Diff	#	%	Index	#	%	Diff
Total	100.0%	551	100.0%		473	100.0%		642	100.0%		559	100.0%	
Geography													
*Los Angeles	59.0%	338	61.4%	2.4	291	61.6%	2.6	388	60.4%	1.4	330	58.9%	(0.1)
*Orange	17.8%	91	16.5%	(1.3)	78	16.4%	(1.4)	109	17.0%	(0.8)	97	17.4%	(0.4)
*San Bernardino	10.2%	57	10.3%	0.1	48	10.2%	0.0	69	10.7%	0.5	63	11.2%	1.0
*Remainder DMA	13.0%	65	11.8%	(1.2)	56	11.8%	(1.2)	76	11.9%	(1.1)	70	12.5%	(0.5)
Cable/ADS Status													
* Wired Cable Only	60.3%	313	56.8%	(3.5)	268	56.7%	(3.6)	376	58.6%	(1.7)	326	58.3%	(2.0)
* No Wired Cable	39.7%	238	43.2%	3.5	205	43.3%	3.6	266	41.4%	1.7	233	41.7%	2.0
* ADS	21.2%	119	21.5%	0.3	100	21.2%	0.0	137	21.3%	0.1	117	21.0%	(0.2)
* No ADS	78.8%	433	78.5%	(0.3)	373	78.8%	0.0	506	78.7%	(0.1)	442	79.0%	0.2
Presence of Children													
* None<18	58.9%	321	58.3%	(0.6)	284	60.1%	1.2	378	58.9%	0.0	334	59.7%	0.8
Any<18	41.1%	230	41.7%	0.6	188	39.9%	(1.2)	264	41.1%	0.0	225	40.3%	(0.8)
* Only<12	22.0%	115	20.9%	(1.1)	94	19.8%	(2.2)	126	19.6%	(2.4)	109	19.5%	(2.5)
* Any12-17	19.1%	115	20.8%	1.7	95	20.1%	1.0	138	21.5%	2.4	116	20.8%	1.7
Age of HOH													
* <35	22.1%	110	20.0%	(2.1)	90	19.0%	(3.1)	127	19.7%	(2.4)	107	19.2%	(2.9)
* 35-54	46.3%	284	51.5%	5.2	240	50.8%	4.5	320	49.8%	3.5	275	49.1%	2.8
* 55+	31.6%	157	28.5%	(3.1)	143	30.2%	(1.4)	196	30.5%	(1.1)	177	31.7%	0.1
Race of HOH													
*Black	8.8%	59	10.6%	1.8	49	10.4%	1.6	65	10.1%	1.3	55	9.9%	1.1
*Non-Black	91.2%	493	89.4%	(1.8)	424	89.6%	(1.6)	577	89.9%	(1.3)	504	90.1%	(1.1)
Origin of HOH													
Hispanic	31.3%	179	32.5%	1.2	146	30.8%	(0.5)	204	31.8%	0.5	175	31.4%	0.1
*Spanish Dominant	15.1%	77	14.0%	(1.1)	63	13.3%	(1.8)	85	13.3%	(1.8)	74	13.2%	(1.9)
*Non-Spanish Dominant	8.7%	74	13.4%	4.7	60	12.7%	4.0	87	13.5%	4.8	74	13.2%	4.5
*Span/Eng Equally	7.5%	28	5.1%	(2.4)	23	4.8%	(2.7)	32	5.0%	(2.5)	28	4.9%	(2.6)
*Non-Hispanic	68.7%	372	67.5%	(1.2)	327	69.2%	0.5	438	68.2%	(0.5)	384	68.6%	(0.1)
Household Size													
* 1	21.6%	115	20.8%	(0.8)	106	22.3%	0.7	131	20.5%	(1.1)	120	21.5%	(0.1)
* 2	26.8%	166	30.1%	3.3	146	30.8%	4	193	30.0%	3.2	169	30.2%	3.4
* 3-4	31.9%	161	29.1%	(2.8)	135	28.6%	(3.3)	195	30.3%	(1.6)	168	30.0%	(1.9)
* 5+	19.8%	110	20.0%	0.2	86	18.2%	(1.6)	123	19.2%	(0.6)	102	18.3%	(1.5)
Household Income													
<\$30,000	#	133	24.1%	#	116	24.5%	#	@	@	#	@	@	#
\$30,000-\$49,999	#	120	21.7%	#	103	21.7%	#	@	@	#	@	@	#
\$50,000-\$74,999	#	127	23.0%	#	107	22.5%	#	@	@	#	@	@	#
\$75,000+	#	172	31.2%	#	148	31.3%	#	@	@	#	@	@	#



	UE Jan.04	Installed Households			Intab Households			Installed Households			Intab Households		
		November 03			November 03			December 03			December 03		
		#	%	Diff	#	%	Diff	#	%	Index	#	%	Diff
Occupation of HOH													
POM	#	267	48.4%	#	224	47.5%	#	@	@	#	@	@	#
Blue Collar-Skilled	#	46	8.3%	#	39	8.4%	#	@	@	#	@	@	#
Blue Collar-Unskilled	#	117	21.1%	#	99	21.0%	#	@	@	#	@	@	#
Not in Labor Force	#	125	22.7%	#	112	23.7%	#	@	@	#	@	@	#
Education of HOH													
No College	#	181	32.7%	#	149	31.5%	#	@	@	#	@	@	#
1-3 Yrs College	#	186	33.7%	#	162	34.2%	#	@	@	#	@	@	#
4+ Yrs Graduate	#	185	33.6%	#	162	34.3%	#	@	@	#	@	@	#

NOTE: As each figure is independently calculated, certain counts may not add to the totals due to rounding.

- * Denotes a weighting control variable.
- # Nielsen does not obtain nor prepare UEs for this characteristic at a local market level.
- @ Information not contained in December Sample Characteristics Report



Checking

Nielsen removes sample homes from in-tab (i.e. from the reporting sample) when there is reason to doubt the quality of the data being produced by such homes. Homes can be removed from in-tab via faulting, in which the processing systems automatically removes a home's data, or via withholds, where the home's data is removed at the decision of Nielsen personnel.

Faults occur when a home triggers the Nielsen processing system to automatically exclude the home's data for the given day. Faults can be triggered immediately upon identification of the condition, such as instances where the meter is unplugged from the system or the meter otherwise does not provide tuning data. Additionally, faults can be triggered upon a condition crossing a pre-established threshold, such as a home's data being excluded when the home supplies unidentified audience (i.e. no one pressing the people meter buttons) for 19 minutes and 5% of the total daily tuning for the household on a particular set.

Faults are categorized as either "set faults" or "persons faults." Set faults relate to the equipment in some way, such as an unplugged set or no data being received. Persons faults relate to the human element such as tuning without pressing the people meter button. Set faults are applied before people faults, meaning that it is possible that a home faulting for persons still has its data included in HUT figures. However, homes faulting for sets are completely excluded. Because of this, it is important to understand that homes faulting for sets do not have the potential to fault for persons on the same day regardless of whether the home "would have" faulted for persons had the set fault not occurred.

Withholds occur when conditions exist within the home that would provide cause for excluding the home's data for a given day. Instances such as the home notifying Nielsen of a new set would cause Nielsen to withhold the home's data until the set can be metered. Withholds are classified as "set faults" in performance statistics because the home is removed from in-tab and, thus, does not allow for persons faulting.

Faulting levels for the Los Angeles LPM are as follows:

Month	Set Faults	Persons Faults	Sets and Persons
October 2003	9.6%	3.1%	12.7%
November 2003	10.9%	3.3%	14.1%
December 2003	12.4%	3.3%	15.7%



The following chart summarizes total faulting (sets and persons combined) by various household characteristics for the four weeks ended November 26, 2003:

Set and Persons Faults

Characteristic	Installed HHs	Percent of Total Days Excluded (NG)	Percent of HHs Faulting 5+ Days	Percent of HHs Faulting 10+ Days
TOTAL	552	14.2%	27.8%	11.8%
LPM/NPM Status				
LPM	267	12.2%	25.4%	9.2%
NPM	285	16.1%	30.1%	14.1%
Basic/Alternate				
Basic	287	13.7%	24.3%	11.4%
Alternate	285	14.8%	31.5%	12.2%
Child				
Yes	231	18.3%	37.1%	15.5%
No	321	11.3%	21.1%	9.1%
Cable Plus				
Yes	421	14.7%	27.5%	12.4%
No	131	12.7%	28.7%	9.8%
Satellite				
No	434	13.4%	26.7%	10.9%
DBS	115	17.8%	32.8%	15.4%
CBand	3	1.2%	0.0%	0.0%
# TVs				
1	129	10.6%	19.2%	8.5%
2	194	13.2%	27.0%	11.6%
3	142	17.1%	29.7%	16.6%
4+	88	17.1%	38.9%	9.1%
Age				
18-34	109	18.3%	35.7%	15.0%
35-49	220	16.2%	33.6%	14.5%
50-64	139	12.8%	21.2%	10.6%
65+	85	6.1%	12.9%	2.4%
HH Size				
1	115	8.2%	14.5%	6.0%
2	164	11.6%	20.9%	9.5%
3	81	16.0%	31.0%	12.3%
4+	192	19.3%	40.2%	16.9%
Education				
No College	180	17.2%	32.2%	14.8%
Some College	188	13.5%	28.8%	10.9%
College Graduate	184	12.0%	22.5%	9.7%



Characteristic	Installed HHs	Percent of Total Days Excluded (NG)	Percent of HHs Faulting 5+ Days	Percent of HHs Faulting 10+ Days
Income				
\$40,000 or less	220	12.5%	24.2%	10.3%
\$40,001 - 74,999	157	16.9%	33.3%	15.0%
\$75,000+	176	14.0%	27.3%	10.7%
Occupation				
Professional/Technical	114	14.3%	26.3%	11.4%
Administrator/Manager	75	17.6%	36.4%	17.1%
Sales/Clerical	75	16.4%	31.6%	15.4%
Farm	3	27.4%	33.3%	33.3%
Craftsmen	43	13.2%	31.1%	9.1%
Operatives/Transport	38	11.2%	20.5%	5.1%
Service Workers	49	15.9%	26.0%	18.0%
Private HH/Laborers	29	19.4%	25.8%	13.8%
Retired/Not Employed	125	9.9%	23.8%	6.3%
Race				
White	418	13.1%	26.5%	10.1%
Black	59	15.7%	33.9%	13.3%
Other	75	19.1%	30.3%	20.0%
Hispanic				
No	372	12.1%	23.1%	9.5%
Yes	179	18.7%	37.4%	16.6%



The following chart summarizes set faulting by various household characteristics for the four weeks ended November 26, 2003:

Set Faults

Characteristic	Installed HHs	Percent of Total Days Excluded (NG)	Percent of HHs Faulting 5+ Days	Percent of HHs Faulting 10+ Days
TOTAL	552	10.9%	18.7%	8.6%
LPM/NPM Status				
LPM	267	8.5%	15.6%	5.2%
NPM	285	13.1%	21.6%	11.7%
Basic/Alternate				
Basic	287	10.6%	16.6%	8.6%
Alternate	265	11.3%	21.0%	8.5%
Child				
Yes	231	14.1%	26.7%	10.3%
No	321	8.6%	13.0%	7.3%
Cable Plus				
Yes	421	11.2%	18.1%	9.1%
No	131	9.8%	20.6%	6.8%
Satellite				
No	434	10.2%	18.0%	7.7%
DBS	115	13.7%	21.8%	12.0%
CBand	3	0.0%	0.0%	0.0%
# TVs				
1	129	7.9%	13.8%	6.2%
2	194	10.0%	16.2%	8.6%
3	142	13.7%	23.0%	11.7%
4+	88	12.7%	24.4%	6.8%
Age				
18-34	109	14.1%	21.7%	11.5%
35-49	220	12.4%	25.2%	10.9%
50-64	139	10.2%	14.4%	7.0%
65+	85	3.9%	4.7%	1.2%
HH Size				
1	115	6.4%	10.3%	4.3%
2	164	8.2%	11.6%	6.5%
3	81	13.4%	21.4%	11.1%
4+	192	14.8%	28.6%	11.8%
Education				
No College	180	13.6%	24.0%	11.0%
Some College	188	10.4%	18.7%	8.8%
College Graduate	184	8.7%	13.6%	5.9%



Characteristic	Installed HHs	Percent of Total Days Excluded (NG)	Percent of HHs Faulting 5+ Days	Percent of HHs Faulting 10+ Days
Income				
\$40,000 or less	220	10.1%	18.5%	8.1%
\$40,001 - 74,999	157	12.6%	21.0%	10.6%
\$75,000+	176	10.3%	16.9%	7.3%
Occupation				
Professional/Technical	114	10.7%	17.8%	9.6%
Administrator/Manager	75	12.9%	24.7%	9.2%
Sales/Clerical	75	13.2%	22.8%	10.3%
Farm	3	27.3%	33.3%	33.3%
Craftsmen	43	9.5%	20.0%	4.5%
Operatives/Transport	38	8.6%	12.8%	5.1%
Service Workers	49	13.7%	22.0%	14.0%
Private HH/Laborers	29	16.5%	22.6%	13.8%
Retired/Not Employed	125	7.0%	12.3%	4.7%
Race				
White	418	10.1%	17.5%	8.0%
Black	59	12.9%	25.8%	10.0%
Other	75	13.9%	19.7%	10.7%
Hispanic				
No	372	9.1%	14.3%	6.6%
Yes	179	14.7%	27.8%	12.7%



The following chart summarizes persons faulting by various household characteristics for the four weeks ended November 26, 2003:

Person Faults

Characteristic	Installed HHs	Percent of Total Days Excluded (NG)	Percent of HHs Faulting 5+ Days	Percent of HHs Faulting 10+ Days
TOTAL	552	3.3%	6.5%	1.1%
LPM/NPM Status				
LPM	267	3.7%	7.2%	1.5%
NPM	285	3.0%	5.7%	0.7%
Basic/Alternate				
Basic	287	3.2%	6.4%	1.0%
Alternate	265	3.5%	6.5%	1.1%
Child				
Yes	231	4.2%	8.8%	1.3%
No	321	2.7%	4.8%	0.9%
Cable Plus				
Yes	421	3.5%	6.9%	0.9%
No	131	2.9%	5.1%	1.5%
Satellite				
No	434	3.1%	6.2%	0.9%
DBS	115	4.1%	7.6%	1.7%
CBand	3	1.2%	0.0%	0.0%
# TVs				
1	129	2.7%	3.8%	1.5%
2	194	3.2%	5.9%	1.0%
3	142	3.4%	7.4%	1.4%
4+	88	4.4%	10.0%	0.0%
Age				
18-34	109	4.2%	10.4%	0.9%
35-49	220	3.8%	7.1%	1.4%
50-64	139	2.6%	2.7%	1.4%
65+	85	2.2%	5.9%	0.0%
HH Size				
1	115	1.9%	3.4%	0.0%
2	164	3.3%	5.8%	1.8%
3	81	2.7%	4.8%	0.0%
4+	192	4.5%	9.5%	1.5%
Education				
No College	180	3.6%	8.2%	1.6%
Some College	188	3.1%	5.6%	1.0%
College Graduate	184	3.3%	5.8%	0.5%



Characteristic	Installed HHs	Percent of Total Days Excluded (NG)	Percent of HHs Faulting 5+ Days	Percent of HHs Faulting 10+ Days
Income				
\$40,000 or less	220	2.4%	3.5%	0.9%
\$40,001 - 74,999	157	4.2%	9.9%	1.3%
\$75,000+	176	3.7%	7.1%	1.1%
Occupation				
Professional/Technical	114	3.6%	5.1%	0.9%
Administrator/Manager	75	4.7%	9.1%	2.6%
Sales/Clerical	75	3.1%	8.9%	1.3%
Farm	3	6.0%	0.0%	0.0%
Craftsmen	43	3.7%	8.9%	0.0%
Operatives/Transport	38	2.6%	5.1%	0.0%
Service Workers	49	2.2%	2.0%	0.0%
Private HH/Laborers	29	2.9%	6.5%	0.0%
Retired/Not Employed	125	2.9%	6.2%	1.6%
Race				
White	418	3.1%	6.2%	0.7%
Black	59	2.7%	3.2%	0.0%
Other	75	5.2%	10.5%	4.0%
Hispanic				
No	372	3.0%	5.5%	0.8%
Yes	179	4.0%	8.6%	1.7%



Fieldwork Prioritization

As part of Nielsen's continuing efforts to maintain an in-tab sample that is reflective of the Universe that it is designed to represent, the Los Angeles LPM service utilizes Structured Prioritization to prioritize installation and fault correction service requests.

In its strictest form, Structured Prioritization assigns the highest priority to service requests for households with characteristics that show the greatest variance from their respective Universe. However, these priorities can be adjusted based on the judgment of management. Should management forecast a variance that has yet to occur, priorities may be adjusted to compensate for this forecast.

The following household characteristics are eligible for use as a priority maintenance characteristic:

ADS No	County: Orange	HH Size: 5+
ADS Yes	County: Los Angeles	Number of Sets: 1
Age of HOH < 35	County: San Bernardino	Number of Sets: 2+
Age of HOH 35 – 54	County: Remainder	Pres. of Child: Any < 18
Age of HOH 55+	Lang Class: Non-Hispanic	Pres. Of Child: None < 18
Cable No	Lang Class: Spanish Dom	HOH Race: Native Amer.
Cable Yes	Lang Class: Non Span Dom	HOH Race: Asian
Cable Plus No	HH Size: 1 – 2	HOH Race: Black
Cable Plus Yes	HH Size: 3 – 4	HOH Race: White

The table below details the priority maintenance characteristics that were in effect for their related weeks:

Week of:	Priority 1	Priority 2	Priority 3
11/11/03	HOH Race: Non Black	Age of HOH: < 35	HH Size: 3 – 4
11/18/03	Lang Class: Span Dom	HH Size: 3 – 4	Cable: No
11/25/03	Lang Class: Span Dom	HOH Race: Non Black	County: Remainder
12/02/03	HOH Race: Non Black	Lang Class: Span Dom	HH Size: 3 – 4
12/09/03	ADS: No	HOH Race: Non Black	HH Size: 3 – 4
12/16/03	HOH Race: Non Black	HH Size: 3 – 4	Lang Class: Span Dom
12/23/03	HOH Race: Non Black	HH Size: 3 – 4	Pres. of Child: None < 18
12/30/03	HOH Race: Non Black	HH Size: 3 – 4	Cable: No

Nielsen IA selected a sample of service requests that were closed during the weeks detailed above and verified that, for the plurality of service requests closed, the demographics of the households mirrored the priority maintenance characteristics that were in place for the respective week.



Field Staff

Nielsen Internal Audit obtained information related to the field force that services the Los Angeles Local People Meter market. The table below outlines the numbers and characteristics of the Los Angeles LPM field force:

	October 31, 2003			November 30, 2003			December 31, 2003		
	Number	Spanish Speaking	Avg. Years Experience	Number	Spanish Speaking	Avg. Years Experience	Number	Spanish Speaking	Avg. Years Experience
Regional Manager	1	0	20.8	1	0	20.9	1	0	21.0
Supervisors/Office Coordinators	3	1	15.2	3	1	15.2	3	1	15.3
Senior Field Representatives	2	2	10.4	2	2	10.5	2	2	10.6
Field Representatives	19	7	4.0	19	7	4.1	17	6	4.5
Temp Representatives	4	2	5.5	4	1	4.8	6	1	2.7
Membership Supervisors	1	0	7.2	1	0	7.3	1	0	7.4
Membership Representatives	20	9	1.7	20	9	1.9	18	8	1.9
Total	50	21		50	20		48	18	
Installed Households	544			551			642		
HHs per FR	21.8			22.0			25.7		
HHs per MR	27.2			27.6			35.7		
HHs per Total Field Staff	10.9			11.0			13.4		

The following table summarizes the experience of the MR and FR field force:

Years of Experience	October 31, 2003				November 30, 2003				December 31, 2003			
	FRs	%	MRs	%	FRs	%	MRs	%	FRs	%	MRs	%
Less than 1	11	44.0%	15	75.0%	12	48.0%	15	75.0%	13	52.0%	14	77.8%
1 to 3	3	12.0%	1	5.0%	2	8.0%	0	0.0%	2	8.0%	0	0.0%
4 to 5	4	16.0%	3	15.0%	4	16.0%	1	5.0%	3	12.0%	0	0.0%
More than 5	7	28.0%	1	5.0%	7	28.0%	4	20.0%	7	28.0%	4	22.2%
Total	25	100%	20	100%	25	100%	20	100%	25	100%	18	100%

Finally, the table below identifies from where the LA LPM MR and FR field force was recruited:



Prior Experience	October 31, 2003				November 30, 2003				December 31, 2003			
	FRs	%	MRs	%	FRs	%	MRs	%	FRs	%	MRs	%
New Hire	11	44.0%	16	80.0%	12	48.0%	16	80.0%	14	56.0%	15	83.3%
LA MM	2	8.0%	1	5.0%	2	8.0%	1	5.0%	2	8.0%	1	5.6%
Other MM	4	16.0%	0	0.0%	3	12.0%	0	0.0%	2	8.0%	0	0.0%
NPM	8	32.0%	3	15.0%	8	32.0%	3	15.0%	7	28.0%	2	11.1%
Total	25	100%	20	100%	25	100%	20	100%	25	100%	18	100%

It is important that the user of this report understand that the field staffing figures outlined above represent a market (LA LPM) that is in an “installation phase.” As Nielsen brings its sample up to the contractual level, a greater number of field staff are needed to recruit and install the new homes while also maintaining the homes that are already online. As the market transitions into its “maintenance phase,” the user should reasonably expect the number of field staff servicing the market to decline, thus resulting in higher household-to-field staff ratios.

Throughout the three-month period examined above, it was noted that three MRs and one FR was placed into the “Performance Improvement Program” or PIP. Placement in the PIP is left to the judgment of management, as there are no pre-established objective guidelines that dictate placement on PIP. This is due to the variability of in-field circumstances faced by MRs and FRs.

There were no instances of fraudulent activity encountered in the three-month time period examined above.



Technologies

Certain equipment, classified by Nielsen as “Technically Difficult,” does not have a metering solution available. Households encountered with Technically Difficult equipment are replaced with an alternate household. The tables presented below outline the households encountered in the Los Angeles LPM sample that were bypassed due to Technically Difficult equipment during the fourth quarter 2003.

Unmeterable Reason	Date Encountered	Basic/Alternate
DSS - Sky News Latin	10/01/03	Basic
PVR	10/07/03	Alternate
Dual Deck	10/10/03	Basic
Dual Deck	10/10/03	Alternate
Dual Deck	10/13/03	Alternate
Dual Deck	10/14/03	Alternate
PVR	10/16/03	Alternate
Dual Deck	10/20/03	Alternate
PVR	11/05/03	Basic
Dual Deck	11/06/03	Alternate
Dual Deck	11/11/03	Basic
PVR	11/12/03	Alternate
Hybrid-Dig Cbl & DBS	11/20/03	Alternate
Hybrid-Dig Cbl & DBS	11/21/03	Basic
DVD R / W (Recorder)	12/06/03	Basic
Dual Deck	12/11/03	Alternate
DVD R / W (Recorder)	12/15/03	Basic
PVR	12/22/03	Alternate
PVR	12/30/03	Alternate
PVR	12/30/03	Alternate
Dual Deck	10/17/03	Basic
Dual Deck	11/03/03	Alternate
DSS-Samsung SIRS300W	11/11/03	Alternate
PVR	11/12/03	Alternate
PVR	11/25/03	Alternate
PVR	12/15/03	Basic

Unmeterable Reason	October		November		December		Total	
	Basic	Alt	Basic	Alt	Basic	Alt	Basic	Alt
DSS - Sky News Latin	1						1	0
DSS-Samsung SIRS300W				1			0	1
Dual Deck	2	4	1	2		1	3	7
DVD R / W (Recorder)					2		2	0
Hybrid-Dig Cbl & DBS			1	1			1	1
PVR		2	1	3	1	3	2	8
Total	3	6	3	7	3	4	9	17



People Meter Coaching

The People Meter Coaching process requires that Membership Representatives (MRs) visit and coach households where children or dependent young adults are present. There are three primary types of coaching:

1. **Initial Coaching:** This coaching is performed on the day of the household’s equipment installation or shortly thereafter. This coach is intended to familiarize household members with the People Meter and is required to be conducted before the home is permitted to contribute data to the Nielsen sample.
2. **Follow-up Coaching:** Follow-up coaching is to be performed approximately two weeks after the home goes online. This visit is designed to answer any questions that the household may have, correct any button-pushing issues noted by Nielsen and to positively reinforce the importance of button pushing.
3. **Scheduled Coaching:** Scheduled coaching is performed every six months and is designed to accomplish objectives similar to Follow-up coaching.

Nielsen IA focused its testing of People Meter coaching to Follow-up coaching. As the LA LPM has been reporting data for only three months, IA did not test procedures related to Scheduled Coaching. Additionally, because a household cannot be brought online until Initial Coaching is completed, IA determined Initial Coaching to be a low-risk area. Consequently, Nielsen IA focused its testing on Follow-Up Coaching because of its importance in either reinforcing good-button pushing behavior by a new panel household or correcting poor button-pushing behavior.

Nielsen IA obtained a list of all Follow-up service requests created in MSM during October 2003. The list indicated that forty-two service requests were created. Nielsen IA noted that all forty-two service requests had been completed and closed in MSM. The service requests were open for an average of 2.1 weeks as detailed in the table below:

Follow-up Service Requests Open For:	
< 1 Week	3
1 – 2 Weeks	23
3 – 5 Weeks	16
6+ Weeks	0
Total	42

It should be noted that the two-week guideline for closing Follow-up service requests is, in fact, a guideline. Due primarily to scheduling and a desire to find a time when all household members are home together, it is not always possible to close the Follow-up Coaching service request within two weeks. External examinations of other Nielsen services have employed a 6-week threshold for determining whether or not a service request was closed timely. As the table above demonstrates, all Service Requests were closed within five weeks, with 32 days being the longest that one was open.



In order to verify the accuracy of the MSM information contained in the closed service requests, Nielsen IA obtained the results of Nielsen QA's coaching verification calls. Implemented in September of 2000, coaching verification calls consist of telephone calls placed to homes that recently had a closed coaching service request. The call verifies that the visit occurred, that it occurred on, or around, the date that it was closed in MSM and that the Nielsen personnel actually performed coaching procedures.

IA reviewed sixteen coaching verification calls. In each instance, the contacted household member confirmed the visit of the respective Membership Representative, thus verifying the accuracy of the information contained within MSM.



Overview

Nielsen Quality Assurance conducted in-field visits to a sample of Los Angeles Local People Meter households during December 2003. These visits were designed to determine if (1) all devices in the household are appropriately metered, (2) Nielsen's household files relating to demographic data are complete and accurate (3) Field Representatives are visiting the households within the timeframe dictated by procedure and (4) Households are being coached regarding security and their need to notify Nielsen in the event of changes to the number of persons or sets in the home. Additionally, Nielsen Internal Audit (IA) evaluated the results of these objectives against the Media Rating Council's *Minimum Standards for Media Rating Research* in order to determine Nielsen's compliance with the *Standards*. To achieve these objectives, Nielsen visited a representative sample of thirty Los Angeles LPM households and evaluated these criteria through observation and through an interview with a responsible member of each household.

It is important that the user of this report be aware of two primary differences in the Field Visits methodology used by the Nielsen Quality Department and the methodology used by external auditors. First, it is Nielsen's policy to test every code on every set within each household. This differs from, and is more complete than, the procedure utilized by external auditors where only the primary setup is tested fully and a random sample of channels on remaining sets are tested. Secondly, the procedure utilized by external auditors excludes the testing of "non-tuning" codes (i.e., Play, Record, A/V codes, etc.) from the tabular results. Nielsen IA believes that because "non-tuning" codes are no less integral to a household's viewing than "tuning" codes they include the results of these codes in the tabular results that follow. As a point of comparison, Nielsen IA has broken out "non-tuning" codes in the table titled "Discrepancies Noted – All Codes Tested."

Sample Selection

Nielsen selected 30 Los Angeles LPM households to produce a representative sample of installed Los Angeles LPM households, which as of the date of sample selection numbered 560. Therefore, the field visit sample comprised approximately 5.6% of all installed Los Angeles LPM homes.

To select the sample, Nielsen stratified installed homes based on (1) Field Area, (2) number of metered sets and (3) cable status. Within each stratum, the field visit sample was randomly selected. As a result, the 30 selected homes represented each of the three strata proportionately to the installed sample.



Part I – Collection of Metered Data

In performing the visits, Nielsen observed calibration tests on all tuning devices within each household visited and all codes on each tuning device were observed. This resulted in the testing of 6,128 tuning codes and 118 non-tuning codes across 50 televisions, 33 VCRs, and 25 cable converters. Tuning devices that had no receivable channels were not included in the above counts.

Nine instances were encountered where access to all sets within the household was restricted by a household member. Reasons ranged from the householder needing to leave to the householder refusing to let an illegal cable box be tested (although it was metered). In discussing restrictions placed on our auditors by household members with the Quality Department's field audit team, the proliferation of large lineups across multiple sets creates time-consuming audits that conflict with either the household's patience or their scheduling of other appointments. In an effort to account for this problem, the Quality Department will begin sending multiple auditors to a market so that large homes with more than one home unit can be audited with two auditors simultaneously. Additionally, the presence of an additional auditor should allow for more scheduling flexibility for each individual auditor so that the scheduling needs of LPM households can be more easily accommodated.



The following tables, which summarize the results of Nielsen's testing, show discrepancies on the basis of receivable tuning channels tested as well as on the basis of total households tested. Discrepancies are broken out by Miscrediting and Unidentified Viewing discrepancies. Miscrediting, or Alternate Credit (AC) discrepancies relate to situations where tuning is being credited to a station other than the station that is actually being viewed by the household. Unidentified Viewing (UV) discrepancies relate to situations where tuning is being credited to a code that is undefined by Nielsen, resulting in no station credit. Unidentified Viewing is subject to certain minutes of viewing thresholds that will fault a home (thus removing it from in-tab) should those thresholds be exceeded.

Discrepancies Noted – All Codes Tested

Combo Status	Cable Status	Base	Miscrediting (AC)		Unidentified Viewing (UV)		Total Discrepancies	
Channel Codes:								
LPM Only	Cable	546	0	0.0%	8	1.5%	8	1.5%
LPM Only	DBS/Digital	1,770	11	0.6%	23	1.3%	34	1.9%
LPM Only	Non Cable	93	0	0.0%	4	4.3%	4	4.3%
		2,409	11	0.5%	35	1.5%	46	1.9%
NPM Combo	Cable	955	6	0.6%	16	1.7%	22	2.3%
NPM Combo	DBS/Digital	2,433	104	4.3%	47	1.9%	151	6.2%
NPM Combo	Non Cable	331	3	0.9%	6	1.8%	9	2.7%
		3,719	113	3.0%	69	1.9%	182	4.9%
Total Tuning Codes		6,128	124	2.0%	104	1.7%	228	3.7%
Total Non-Tuning Codes		118	24	20.3%	1	0.8%	25	21.2%
Total Codes		6,246	148	2.4%	105	1.7%	253	4.1%
Households:								
LPM Only	Cable	4	1	25.0%	3	75.0%	3	75.0%
LPM Only	DBS/Digital	6	3	50.0%	5	83.3%	5	83.3%
LPM Only	Non Cable	2	0	0.0%	1	50.0%	1	50.0%
		12	4	33.3%	9	75.0%	9	75.0%
NPM Combo	Cable	5	3	60.0%	2	40.0%	4	80.0%
NPM Combo	DBS/Digital	7	3	42.9%	7	100%	7	100%
NPM Combo	Non Cable	6	2	33.3%	3	50.0%	5	83.3%
		18	8	44.4%	12	66.7%	16	88.9%
Total Households		30	12	40.0%	21	70.0%	25	83.3%



Additionally, Nielsen analyzed the noted discrepancies by their effect on reportable stations. This analysis is presented on the basis of reportable, receivable tuning channels tested as well as on the basis of total households tested that received at least one reportable station. Reportable stations are defined for this analysis as those that meet the criteria for inclusion in the daypart section of the Los Angeles LPM Viewers in Profile (ViP) report. To be included in the daypart section of the Los Angeles LPM ViP, stations must meet the following criteria:

- Local Stations: If the DMA cume rating is greater than 2.5%, the station is reportable.
- Outside or Cable Stations: If the DMA cume rating is greater than 9.5%, the station is reportable.

Discrepancies Noted – Reportable Tuning Codes Tested

Combo Status	Cable Status	Base	Miscrediting (AC)		Unidentified Viewing (UV)		Total Discrepancies	
Channel Codes:								
LPM Only	Cable	346	9	2.6%	2	0.6%	11	3.2%
LPM Only	DBS/Digital	752	1	0.1%	16	2.1%	17	2.3%
LPM Only	Non Cable	77	0	0.0%	0	0.0%	0	0.0%
		1,175	10	0.9%	18	1.5%	28	2.4%
NPM Combo	Cable	615	3	0.5%	15	2.4%	18	2.9%
NPM Combo	DBS/Digital	820	91	11.1%	26	3.2%	117	14.3%
NPM Combo	Non Cable	261	3	1.1%	1	0.4%	4	1.5%
		1,696	97	5.7%	42	2.5%	139	8.2%
Total Channel Codes		2,871	107	3.7%	60	2.1%	167	5.8%
Households:								
LPM Only	Cable	4	1	25.0%	2	50.0%	3	75.0%
LPM Only	DBS/Digital	6	1	16.7%	4	66.7%	5	83.3%
LPM Only	Non Cable	2	0	0.0%	0	0.0%	0	0.0%
		12	2	16.7%	6	50.0%	8	66.7%
NPM Combo	Cable	5	1	20.0%	1	20.0%	2	40.0%
NPM Combo	DBS/Digital	7	2	28.6%	2	28.6%	2	28.6%
NPM Combo	Non Cable	6	2	33.3%	1	16.7%	3	50.0%
		18	5	27.8%	4	22.2%	7	38.9%
Total Households		30	7	23.3%	10	33.3%	15	50.0%



Furthermore, Nielsen analyzed the noted discrepancies on the basis of a judgmentally defined criterion, "Close to Reportable." Stations defined here as Close to Reportable meet the following criteria:

- Local Stations: If the DMA cume rating is between 2.0% and 2.5%, the station is Close to Reportable.
- Outside or Cable Stations: If the DMA cume rating is between 5.0% and 9.5%, the station is Close to Reportable.

Discrepancies Noted – Close to Reportable Tuning Codes Tested

Combo Status	Cable Status	Base	Miscrediting (AC)		Unidentified Viewing (UV)		Total Discrepancies	
Channel Codes:								
LPM Only	Cable	82	5	6.1%	2	2.4%	7	8.5%
LPM Only	DBS/Digital	488	3	0.6%	1	0.2%	4	0.8%
LPM Only	Non Cable	7	0	0.0%	0	0.0%	0	0.0%
		577	8	1.4%	3	0.5%	11	1.9%
NPM Combo	Cable	142	0	0.0%	1	0.7%	1	0.7%
NPM Combo	DBS/Digital	854	11	1.3%	0	0.0%	11	1.3%
NPM Combo	Non Cable	23	0	0.0%	0	0.0%	0	0.0%
		1,019	11	1.1%	1	0.1%	12	1.2%
Total Channel Codes		1,596	19	1.2%	4	0.3%	23	1.4%
Households:								
LPM Only	Cable	4	1	25.0%	1	25.0%	1	25.0%
LPM Only	DBS/Digital	6	1	16.7%	1	16.7%	2	33.3%
LPM Only	Non Cable	2	0	0.0%	0	0.0%	0	0.0%
		12	2	16.7%	2	16.7%	3	25.0%
NPM Combo	Cable	5	0	0.0%	1	20.0%	1	25.0%
NPM Combo	DBS/Digital	7	2	28.6%	0	0.0%	2	33.3%
NPM Combo	Non Cable	5	0	0.0%	0	0.0%	0	0.0%
		17	2	11.8%	1	5.9%	3	17.6%
Total Households		29	4	13.8%	3	10.3%	6	20.7%



Finally, all remaining stations that did not qualify for either Reportable or Close to Reportable for the December 2003 ViP were summarized in the table below:

Discrepancies Noted – Not Reportable Tuning Codes Tested

Combo Status	Cable Status	Base	Miscrediting (AC)		Unidentified Viewing (UV)		Total Discrepancies	
Channel Codes:								
LPM Only	Cable	154	7	4.5%	4	2.6%	11	7.1%
LPM Only	DBS/Digital	550	7	1.3%	6	1.1%	13	2.4%
LPM Only	Non Cable	13	0	0.0%	4	30.8%	4	30.8%
		717	14	2.0%	14	2.0%	28	3.9%
NPM Combo	Cable	214	6	2.8%	1	0.5%	7	3.3%
NPM Combo	DBS/Digital	790	2	0.3%	21	2.7%	23	2.9%
NPM Combo	Non Cable	58	0	0.0%	5	8.6%	5	8.6%
		1,062	8	0.8%	27	2.5%	35	3.3%
Total Channel Codes		1,779	22	1.2%	41	2.3%	63	3.5%
Households:								
LPM Only	Cable	4	1	25.0%	2	50.0%	3	75.0%
LPM Only	DBS/Digital	6	2	33.3%	3	50.0%	4	66.7%
LPM Only	Non Cable	1	0	0.0%	1	100%	1	100%
		11	3	27.3%	6	54.5%	8	72.7%
NPM Combo	Cable	5	2	40.0%	1	20.0%	3	60.0%
NPM Combo	DBS/Digital	7	1	14.3%	7	100%	7	100%
NPM Combo	Non Cable	6	0	0.0%	2	33.3%	2	33.3%
		18	3	16.7%	10	55.6%	12	66.7%
Total Households		29	6	20.7%	16	55.2%	20	69.0%

The figures presented in the tables above include the results of two households that contributed significantly to the codes observed in error. In one household the auditor discovered that the household was pointed to the incorrect cable system. This is not to be confused with a “Rebuild” situation in which a household is pointed to the correct cable system, but an incorrect lineup on the system. The situation encountered here was the result of two cable headends with identical lineups (because both headends were owned by the same company) that serviced the same zip code. Only one of these headends was available for the Field Representative to choose from in Field Tools at the time of installation. Since the lineup matched, the Field Representative was unaware that he was pointing the household to the incorrect headend. When the auditor tested the home, the headend that the home was actually on had changed its lineup, resulting in 100 ACs and 24 UVs.

In the second household, the auditor encountered a VCR where a bad probe caused all receivable channels to code to “Play.” This situation resulted in 21 ACs.



Nielsen anatomized the observed discrepancies by breaking each error into one of the following classifications.

1. Metering Problem – These errors occur when a metering failure results in miscoding. Examples include incorrect metering probe placement, loose soldering, metering error, etc.
2. Uncalibrated Code – These errors occur when a channel is not assigned a code (the system defaults to “254”).
3. Missing Off Air Channel – These errors occur when a receivable over-the-air channel is observed as receivable in the household, but is not included in Nielsen’s records.
4. Missing Cable Channel – These errors occur when a receivable cable channel is observed as receivable in the household, but is not included in Nielsen’s records.
5. Cable Change – These errors occur when, although the equipment is generating the correct code, Nielsen’s lineup information has a different station listed in the channel position than that which was observed in the home during the audit.
6. Different Share Times – These errors occur when credit is misapplied due to a single channel being shared among two or more different stations. Three situations can cause shared station errors: (1) Nielsen has a channel code denoted as a shared channel, but it is not shared, (2) Nielsen has a channel code that is NOT denoted as a shared channel, but it is shared, and (3) Nielsen’s record of the start/end times for the stations sharing the channel are not accurate.

Distribution of Errors by Type

	Miscrediting (ACs)		Unidentified Viewing (UVs)	
Metering Problem	26	17.6%	7	6.7%
Uncalibrated Code	--	--	3	2.9%
Missing Off-Air Channel	--	--	9	8.6%
Missing Cable Channel	--	--	86	81.8%
Cable Change	111	75.0%	--	--
Different Share Times	11	7.4%	--	--
Total	148	100%	105	100%
Total Codes Tested	6,246	--	6,246	--



Part II - Tuning Analysis

Nielsen performed the following analysis, which quantifies the estimated effect of the discrepancies noted above on the actual tuning of the sample households, based on tuning data for the two weeks immediately preceding the audit. Actual station crediting was accumulated and compared to correct station crediting. This analysis involved the following significant assumptions:

1. Situations creating the error conditions were in effect for the entire two-week period preceding the date of the audit.
2. All viewing minutes for the codes in error were incorrect. It is possible that some viewing credited to the codes in error were, in fact, correct. Such a situation could occur if two stations generate the same code, one of which is being correctly credited. The analysis showed that 152 of the 7,128 minutes in error could have been correct.

		[A]	[B]	[C]	([A]+[B])÷[C]
Station Reportability	Originally Credited Minutes	Subtractions	Additions	Corrected Minutes	Percent Incorrectly Credited
Reportable	178,339	3,005	7,035	182,369	5.5%
Close to Reportable	8,342	52	0	8,290	0.6%
Not Reportable	29,843	4,071	93	25,865	16.1%
Total	216,524	7,128	7,128	216,524	6.6%

Of the 7,128 minutes in error, 6,409 were produced by one home. This one home represents (89.9%) tuning minutes in error.

The analysis presented above is assimilated from the tuning of all sets within each of the thirty households in the field visits sample. This is different (and more complete) than the process used in external audits, which examines the tuning of only the primary setup in each household.



Part III – Collection of Demographic Data

In each of the thirty households visited as a part of Nielsen’s Field Visits procedures, a responsible member of the household (a resident age sixteen or older) was interviewed to determine whether selected demographic information was correct in Nielsen’s records. This household member was responsible for confirming demographics on behalf of all household members. Discrepancies in the demographic data collected could impact the Los Angeles LPM service in one or more of the following ways:

- Standard Reported Estimates: These are audience estimates that are reported in the Los Angeles LPM Viewers in Profile (ViP) report, the Navigator software, as well as NTI, NSS and NHI reports for integrated data. Please note that throughout this section, references to NPM are simply stated as “NTI NAD” and “NTI NAD MIT.” This is because the NTI NAD and NAD MIT generally have the most discreet breaks for demos and market breaks
- Weighting Variables: These are household characteristics for which Nielsen weights its data.
- Priority Maintenance Characteristics: These are household characteristics used by Nielsen to prioritize its efforts relating to addressing service requests for homes in the sample.

See Appendix 1 for the demographics and market breaks contained that represent each of the above areas.



Birth Date of Household Members

Nielsen collects the birth date of all household members. This data is used in the presentation of audience estimates by age range in the Los Angeles LPM ViP, Navigator, NTI NAD and NTI NAD MIT. Additionally, presence of non-adults and age of O/R are used both as priority maintenance and weighting characteristics.

Birth Date Discrepancies		
Persons Tested	116	
Nielsen records indicate incorrect birth date for a household member.	1	0.9%
Status of Differences:		
Incorrect birthday resulted in weighting control impact:	0	0.0%
Incorrect birthday did not result in weighting control impact:	1	0.9%
Incorrect birthday resulted in priority maintenance impact:	0	0.0%
Incorrect birthday did not result in priority maintenance impact:	1	0.9%
Incorrect birthday resulted in ViP reporting impact:	0	0.0%
Incorrect birthday did not result in ViP reporting impact:	1	0.9%
Incorrect birthday resulted in Navigator reporting impact:	0	0.0%
Incorrect birthday did not result in Navigator reporting impact:	1	0.9%
Incorrect birthday resulted in NTI NAD reporting impact:	0	0.0%
Incorrect birthday did not result in NTI NAD reporting impact:	1	0.9%
Incorrect birthday resulted in NTI NAD MIT reporting impact:	0	0.0%
Incorrect birthday did not result in NTI NAD MIT reporting impact:	1	0.9%

Cable/ADS Status

Nielsen maintains the wired cable and Alternate Delivery System (ADS) status for all sample homes. While performing the calibration testing for homes during field visits procedures, Nielsen observed whether the Cable/ADS status for the home was accurately recorded.

Although Cable/ADS status is not used as a market break for audience estimates reported in the Los Angeles LPM ViP or Navigator, it is used as a market break for the NTI NAD



and NTI NAD MIT. Additionally, this information is used as a weighting variable and a priority maintenance characteristic.

There were no instances noted where a home was assigned an incorrect Cable/ADS status.

Household Size

Nielsen maintains records as to all persons living in the household. This data is used to determine household size and can also impact whether or not “presence of non-adult” information is correct. “Household size” and “presence of non-adult” are not market breaks that are reported in the Los Angeles LPM ViP or in Navigator. However, “household size” and “presence of non-adult” information are both used as market breaks in the NTI NAD and NTI NAD MIT. Additionally, they are both used as weighting variables and priority maintenance characteristics. Nielsen verified its records relating to household membership and two exceptions were noted. Neither situation impacted “presence of non-adults” and the household sizes were reduced from 8 to 7 and 7 to 6. Neither situation impacted a NTI NAD market break, NTI NAD MIT market break or any priority maintenance or weighting variable.

Housing Unit Information

Nielsen verified the survey data information, dwelling type information and move-in date for the households visited as a part of field visit procedures. Relating to the verification of survey data information, Nielsen used the survey data for all basic households in the field visit sample to determine whether the basic selected by Statistical Research was the household recruited and installed by the field. Additionally, this information (i.e. address) impacts the “County Name” priority maintenance characteristic. This data was confirmed for sixteen basic households and no exceptions were noted.

Dwelling type information (Multi-Family, Single-Family or Mobile Home) is maintained for all sample homes. This information is not utilized in relation to any of Nielsen’s accredited products or in any product for which Nielsen is currently seeking accreditation. Five of the thirty households visited (16.7%) were different dwelling types than those listed in Nielsen’s records. In all cases, the household was listed in Nielsen’s records as a single-family dwelling when in fact it was a multi-family dwelling.

Similarly, the move-in date is maintained for all sample homes. This information is not utilized in relation to any of Nielsen’s accredited products or in any product for which Nielsen is currently seeking accreditation. Three of the thirty households visited (10.0%) had an incorrect move-in date.

Identification of Owner/Renter

One person in each Nielsen home is designated as the owner/renter. Although the Los Angeles LPM ViP and Navigator audience estimates are not reported by any owner/renter



market break, Owner/Renter market breaks are included in the NTI NAD and the NTI NAD MIT. Additionally, data relating to the owner/renter is used in several capacities for priority maintenance and as weighting variables.

In order to verify this information, Nielsen asked the following question of each of the thirty households:

“Our records indicate _____ is the person or one of the people living here who owns, is buying, or rents this home. Is this still correct?”

There were no instances of the incorrect household member being designated as owner/renter in.

Education of Owner/Renter

Nielsen collects education information by asking a responsible household member to mark a show sheet representing the highest degree or level of school the owner/renter has completed. Although education of owner/renter is not a market break that is reported in the Los Angeles LPM ViP, or in Navigator, it is used as a market break in the NTI NAD and the NTI NAD MIT. Education of the Owner/Renter is used as neither a priority maintenance characteristic nor as a weighting variable in the Los Angeles LPM.

Education of Owner/Renter		
Households Verified	28	
O/R education differed between Nielsen records and HH response.	3	10.7%
Incorrect education level had a NTI NAD impact.	2	7.1%
Incorrect education level did not have a NTI NAD impact.	1	3.6%
Incorrect education level had a NTI NAD MIT impact.	2	7.1%
Incorrect education level did not have a NTI NAD MIT impact.	1	3.6%

Education of owner/renter has been identified as an issue in the internal and external examinations of other Nielsen services. Consequently, Nielsen has made significant efforts to improve the quality of data collected in this area. First, in July of 2001, Nielsen introduced the use of a show-sheet, where the respondent marks their education level from fourteen choices. Previously, Nielsen field personnel classified a verbal response from the respondent into one of twenty-five choices. Secondly, Nielsen has conducted several training courses for its personnel emphasizing interviewer skills and the importance of accurate data collection. Finally, Nielsen developed a report in October 2001 to assist in identifying “real” changes in education. However, this report is less likely to identify changes to the education level of the owner/renter so much as other household members because the report flags households with (1) a member with 9, 10 or 11 years of education whose value has not changed within the last 11 months and (2) a member less than six years old whose education level is not equal to zero.



Nielsen IA considered the above results against *MRC Minimum Standard A.2*, particularly those indicating that 10.7% of households had different education of Owner/Renter information than that contained in Nielsen's records. Although this area has been historically problematic in other Nielsen services, IA believes that the overall discrepancy rate standing on its own is not an indicator of non-compliance. Because of the social desirability of the response combined with the fact that for those discrepancies having a reporting impact, the discrepancy rate was 7.1%, IA believes that Nielsen's procedures relating to the collection of Education of Owner/Renter information are materially compliant with the minimum standards. However, this area should continue to remain in the forefront of Nielsen's attention to quality in the collection of household demographics.

Nielsen IA did note the significant improvement in Education of Owner/Renter results over the results obtained in examinations of other Nielsen services. IA believes that the improvement in results as compared to recent external examinations is due to the fact that the Los Angeles LPM market was installed utilizing the education show-sheet in collecting education information.

Gender of Household Members

Nielsen collects the gender of all household members. This data is used in the presentation of audience estimates in the Los Angeles LPM ViP, Navigator, NTI NAD and NTI NAD MIT. Gender information is not used as a weighting variable or as a priority maintenance characteristic. Of 116 persons tested in the performance of the Field Visits procedures, there were no noted instances Nielsen recording an incorrect gender.



Hispanic Identity of Owner/Renter

The Hispanic Identity of each owner/renter was verified by asking the following question of a responsible household member:

“Is [owner/renter] Spanish, Hispanic or Latino? For example, Mexican, Mexican-American, Chicano, Puerto Rican, Cuban or another Spanish, Hispanic or Latino Group?”

Nielsen verified the Hispanic Identity of the Owner/Renter for 28 of the 30 households visited. No exceptions were noted.

Language Classification

In households where the Owner/Renter is Hispanic, Nielsen collects the Language information for each household member age 2+. Although this data is not presented as a market break in the Los Angeles LPM ViP, Navigator, NTI NAD, or NTI NAD MIT. Language Strata is used as a weighting variable and as a priority maintenance characteristic.

In verifying the language spoken for each household member, a “language screener” is asked first:

“Since we last contacted you, has anything happened that has changed the language or languages spoken by the people who live in your household when you are at home? For example, has anyone moved into or out of your household? Or have any of your children started a new school where they may speak a different language? Or has someone started a new job where they must speak a different language? Or anything like that?”

In the event that the household member answers “yes” to the language screener question, the language for the household member is collected by asking the following question:

“Thinking about the languages you use in the home, would you say you speak
Only Spanish in the home
Mostly Spanish but some English
Mostly English but some Spanish
Only English in the home”

In the event that the household member answers “no” to the language screener question, the language for household member is confirmed by asking the following question:

“I’d like to confirm that I have the correct information for you. May I please confirm that you speak [language] in the home. Is this still correct?”

In conducting the testing described above, nine of the thirty household had an Owner/Renter of Hispanic Identity. In those nine homes, all answered “no” to the language screener question, meaning that the auditor confirmed, not verified, the language of each household member. However, in the event that an individual was not



present, a proxy response from the responsible household member with whom the auditor conducted the interview was accepted. The results of this testing are as follows:

Language Discrepancies		
Persons Age 2 + Tested	39	
Nielsen records indicate incorrect language for a household member.	1	2.6%
Households Tested	9	
Nielsen records indicate incorrect language for at least one household member.	1	11.1%
Status of Differences:		
Incorrect language caused change in household Language Class:	1	11.1%
Incorrect language did not cause change in household Language Class:	0	0.0%
Incorrect language caused change in household Spanish Dominance:	0	0.0%
Incorrect language did not cause change in household Spanish Dominance:	1	11.1%

Country of Origin

Nielsen collects the country of origin information for the owner/renter of each household where the Owner/Renter answers affirmatively to the Hispanic Identity question. This information is not utilized in relation to any of Nielsen's accredited products or in any product for which Nielsen is currently seeking accreditation. This information was verified in nine households and no exceptions were noted



Race of Owner/Renter

Nielsen collects race information by asking a responsible household member to mark a show sheet representing the race of the owner/renter. Although this information is not used in the presentation of audience estimates in the Los Angeles LPM ViP, or Navigator, it is used as a market break for the NTI NAD and NTI NAD MIT. Additionally, Race of the Owner/Renter is used as a weighting variable and as a priority maintenance characteristic. Nielsen verified the race of the Owner/Renter for twenty-seven households. Two exceptions were noted relating to the race of the owner/renter.

Race of Owner/Renter Discrepancies		
Households Tested	30	
Nielsen records indicate incorrect race for the Owner/Renter.	2	7.4%
Status of Differences:		
Incorrect race resulted in weighting control impact:	0	0.0%
Incorrect race did not result in weighting control impact:	2	7.4%
Incorrect race resulted in priority maintenance impact:	1	3.7%
Incorrect race did not result in priority maintenance impact:	1	3.7%
Incorrect race resulted in ViP reporting impact:	0	0.0%
Incorrect race did not result in ViP reporting impact:	2	7.4%
Incorrect race resulted in Navigator reporting impact:	0	0.0%
Incorrect race did not result in Navigator reporting impact:	2	7.4%
Incorrect race resulted in NTI NAD reporting impact:	0	0.0%
Incorrect race did not result in NTI NAD reporting impact:	2	7.4%
Incorrect race resulted in NTI NAD MIT reporting impact:	1	3.7%
Incorrect race did not result in NTI NAD MIT reporting impact:	1	3.7%

Unmetered Devices

Nielsen procedures are to meter all operable and used tuning and non-tuning devices in a household. In instances where a household has an operable but unused tuning or non-tuning device, the device is to be sealed by the Field Representative. A device can be sealed by placing a plastic tie through the cord so that it cannot be plugged in or the Field



Representative may take the back off of the device and put the cord inside of the device so that it cannot be plugged in.

In addition to the need for all devices within the households to be monitored for the purposes of collecting complete tuning data, this information is used as a priority maintenance characteristic (Number of Sets). Number of Sets is not used as a market break for audience estimates reported in the Los Angeles LPM ViP, Navigator or the NTI NAD. However, Number of Sets is used as a market break for audience estimates reported in the NTI NAD MIT.

There were five unmetered devices across four households discovered during the Los Angeles LPM Field Visits. In each case the household had a television or VCR that was stored away and was not connected to any metered device. Each of these, should the household choose to use them without informing Nielsen, would result in an under-reporting (no miscrediting) of the household's viewing.

Working Women

Nielsen defines a working woman for LPM as a female age 18+ who works 30 or more hours per week. In defining a working woman for purposes of NPM, there is a differentiation between a Part-Time Working Woman (PTWW) and a Full-Time Working Woman (FTWW). Females 18+ working 1-30 hours per week are defined as PTWW and Females 18+ working 30+ hours per week are defined as FTWW. This data is used in the presentation of audience estimates in the Los Angeles LPM ViP, Navigator, NTI NAD and NTI NAD MIT. However, working woman information is not used as either a weighting variable or a priority maintenance characteristic. Nielsen verified working woman status with 36 females age 18+, noting no discrepancies.



Household Income

Nielsen collects the total household income information for each household. Although this information is not used in the presentation of audience estimates in the Los Angeles LPM ViP, or Navigator, household income is used as a market break for audience estimates reported in the NTI NAD and NTI NAD MIT. Household income information is not used as a weighting variable or priority maintenance characteristic. The results of this testing are as follows:

Household Income		
Households where income was verified	26	
Household income information differed between Nielsen records and HH response.	21	80.8%
Incorrect Income information resulted in NTI NAD reporting impact.	8	30.8%
Incorrect Income information did not result in NTI NAD reporting impact.	13	50.0%
Incorrect Income information resulted in NTI NAD MIT reporting impact.	9	34.6%
Incorrect Income information did not result in NTI NAD MIT reporting impact.	12	46.2%

See Appendix 4 for each of the individual discrepancies as well as a distribution of the amount of the differences, which indicate that 52.3% of the differences were within \$5,000 of Nielsen's records while 23.8% of the differences were +/- \$15,000 or more.

Nielsen IA considered the results of the above testing against *MRC Minimum Standard A.2*, particularly those indicating that 81% of homes tested had a Household Income discrepancy and 34.6% of homes tested had a Household Income discrepancy that impacts the reporting of audience estimates in the NTI NAD MIT. IA believes that this situation is noncompliant with *MRC Minimum Standard A.2*.

Nielsen IA noted that there is no documentation in the sample procedures manual or on the household demographic collection form as to how or when the FR or MR should estimate the household's income. IA believes that such documentation is particularly vital since Nielsen records indicate that as of February 2004, 27 of the 738 Los Angeles LPM households (3.7%) have their income estimated by field personnel. Nielsen IA believes this situation to be noncompliant with *MRC Minimum Standard A.4* and *MRC Minimum Standard A.13*. Nielsen should consider adding a section to the sample procedures manual covering those demographics that are eligible for estimation as well as systematic, logical and empirically justifiable guidelines on how to estimate them. Additionally, in a review of the National Reference Supplement and a selection of NPM reports, Nielsen IA did not note any disclosures relating to the estimation of household income. Nielsen IA believes this situation to be noncompliant with *MRC Minimum Standard B.9* and that Nielsen should explore including such disclosures.



The issues noted above have been identified in a previous internal audit of another, unaccredited, service. As such, Nielsen Methodological Research is identifying measures to address the issues noted above.

Occupation of Owner/Renter

Nielsen collects the occupation of each household's owner/renter. Although this information is not used in the presentation of audience estimates in the Los Angeles LPM ViPor Navigator, Occupation of Owner/Renter is used as a market break for audience estimates reported in the NTI NAD and NTI NAD MIT. Occupation of Owner/Renter information is not used as a weighting variable or priority maintenance characteristic. The results of this testing are as follows:

Occupation of Owner/Renter		
Households Visited	30	
O/R occupation differed between Nielsen records and HH response.	3	10.0%
Incorrect Occupation information resulted in NTI NAD reporting impact.	0	0.0%
Incorrect Occupation information did not result in NTI NAD reporting impact.	3	10.0%
Incorrect Occupation information resulted in NTI NAD MIT reporting impact.	2	6.7%
Incorrect Occupation information did not result in NTI NAD MIT reporting impact.	1	3.3%

In one instance, the Owner/Renter indicated that he was retired, whereas Nielsen records indicated that he was in the labor force. In the second instance, the Owner/Renter indicated that he was in the labor force, whereas Nielsen records indicated that he was retired. In the final instance, the Owner/Renter indicated that he was in a different occupation than noted in Nielsen's records, however, the discrepancy did not result in a change of occupation classification

Nielsen IA considered the above results against *MRC Minimum Standard A.2*, particularly those indicating that 10.0% of households had different Occupation of Owner/Renter information than that contained in Nielsen's records. Because of the nature of the question, in which real change is a greater possibility (as opposed to gender), Nielsen IA believes that the overall error rate standing alone is not necessarily indicative of noncompliance. Primarily due to the fact that only two discrepancies were noted that resulted in an impact to the NTI NAD MIT, Nielsen IA believes that the results noted above are materially compliant with *MRC Minimum Standard A.2*.



Personal Computer and Internet Access

Nielsen collects information from each household regarding its ownership of a personal computer as well as access that the home has to the Internet. Although this information is not used in the presentation of audience estimates in the Los Angeles LPM ViP, Navigator or the NTI NAD, Computer information is used as a market break for audience estimates provided in the NTI NAD MIT. Computer Information is not used as a weighting variable or priority maintenance characteristic. Of the thirty households interviewed, none indicated a discrepancy related to their access to a personal computer. One household (3.3%) indicated that they did not have access to the Internet, when Nielsen's records indicated that they did. This error impacts the Internet access market break in the NTI NAD MIT.

Pets

Nielsen collects information for each household's ownership of dogs and cats. Although this information is not used in the presentation of audience estimates in the Los Angeles LPM ViP, Navigator or the NTI NAD, pets are used as a market break for audience estimates provided in the NTI NAD MIT. Presence of pets is not used as a weighting variable or priority maintenance characteristic. Among the 30 households visited, one had a discrepancy related to the presence of dogs. Nielsen's records indicated that no dogs were present in the household, whereas the audit indicated that dogs were present. This discrepancy impacts reported estimates for dog ownership the NTI NAD MIT.

SAP/PIP

Nielsen verifies the presence of Secondary Audio Programming (SAP) for each TV and VCR in the sample as well as the presence of Picture-in-Picture (PIP) for each TV in the sample. The SAP feature allows a TV station to broadcast additional information to the viewer through the audio receive system. That additional information could be the same program audio in another language (e.g. Spanish), or something completely different, such as weather information or Descriptive Video Services for the visually impaired. PIP allows users to view multiple channels at one time.

Nielsen collects SAP information from its sample households and maintains the data for the purposes of generating custom analysis should they be client requested, however, SAP information is not a reportable market break in any Nielsen report nor is it used in any priority maintenance or weighting capacity. PIP information is collected to ensure that this capability is appropriately metered. The PIP function of a tuning device for which Nielsen is unaware is analogous to an unmetered device in the household. Similarly to SAP, however, PIP information is not a reportable market break in any Nielsen report nor is it used in any priority maintenance or weighting capacity.



Nielsen observed the SAP and PIP capabilities for each set encountered during field visits. In addition to the 88 TVs and VCRs that were tested, an additional 30 sets that did not have any receivable channels were verified for SAP and PIP. The results of this testing is as follows:

SAP/PIP Testing		
Households Tested	30	
Households With PIP Discrepancy	0	0.0%
Households With SAP Discrepancy	8	26.7%
- Nielsen records indicated no SAP, but SAP was present:	5	16.7%
- Nielsen records indicated SAP, but no SAP was present:	3	10.0%
- Nielsen records indicated no SAP, but SAP was present on one or more sets and Nielsen records indicated SAP, but no SAP was present on one or more sets:	0	0.0%
Devices Tested For PIP	74	
Devices With PIP Discrepancy	0	0.0%
Devices Tested for SAP	118	
Devices With SAP Discrepancy	8	6.8%
Nielsen records indicated no SAP, but SAP was present:	5	4.2%
Nielsen records indicated SAP, but no SAP was present:	3	2.6%

Although the table above shows significant discrepancy rates relating to SAP information, Nielsen does not actively use this data in any capacity. Nevertheless, past attention has been given to the topic to improve the accuracy of collecting this information. Nielsen included a section on SAP data collection in its Quarter 2, 2003 quarterly training session for field personnel.



Vehicles

Nielsen collects the vehicle information for each household. Although this information is not used in the presentation of audience estimates in the LA LPM ViP, Navigator or the NTI NAD, vehicle information is used as a market break for audience estimates provided in the NTI NAD MIT. Vehicle information is not used as a weighting variable or priority maintenance characteristic. The results of this testing are as follows:

Vehicles		
Households Visited	30	
Vehicle information differed between Nielsen records and HH response.	3	10.0%
Vehicles Tested	68	
Vehicle information differed between Nielsen records and HH response.	5	7.4%
Vehicle discrepancy resulted in NTI NAD MIT reporting impact.	2	6.7%
Vehicle discrepancy did not result in NTI NAD MIT reporting impact.	1	3.3%

Nielsen has made efforts to improve the quality of data collected in this area. In October 2001, Nielsen developed a report to assist in identifying changes to vehicles by flagging households that had a person older than sixteen years of age added or removed from the household but had no vehicle change. Additionally, the update of Vehicle information was added as an item to the Interim Call.

Nielsen IA considered the above results against *MRC Minimum Standard A.2*, particularly those indicating that 10.0% of households had different vehicle information than that contained in Nielsen's records. Because of the nature of the question, in which there is a greater possibility for true change (as opposed to gender), Nielsen IA believes that the overall error rate standing alone is not necessarily indicative of noncompliance. Primarily due to the fact that only two discrepancies were noted that resulted in an impact to the NTI NAD MIT, Nielsen IA believes that the results noted above are materially compliant with *MRC Minimum Standard A.2*



Distributor Data Management

The distributor data management (DDM) department is responsible for maintaining lineup information for all cable service providers across the country that service a Nielsen household. DDM contacts all of these cable service providers on a regular basis, with a full-lineup verification occurring no less-often than once every sixty-two days.

As the DDM department services all metered Nielsen homes across all services, Nielsen IA determined that, for the purposes of examining the Los Angeles LPM service, it was unnecessary to audit the data collection procedures of the department. Instead, IA chose to leverage the results of external examinations, particularly since the results obtained in these external examinations have been consistent over several years.

However, issues have been noted in external examinations of other Nielsen services relating to Nielsen's control related to rebuild lineups. Rebuild lineups occur when a cable service provider upgrades their system and brings their clients online to the upgraded system over a period of time. During the time of this upgrade, the cable service provider can have its clients on one of two or more lineups. The challenge facing Nielsen is to be aware of which of these lineups a sample home is pointed to at any given time. Therefore, IA determined that it was necessary to look at the impact that rebuild lineups may have on the Los Angeles LPM service and determine whether households in which a rebuild is available were being handled in accordance with Nielsen procedure.

In March of 2002, Nielsen implemented a "Rebuild Verification" service request. A service request was created for all cable households on a given system upon the identification of a rebuild lineup present on said system. The service request served as a reminder for field personnel to verify the household's lineup at the next contact with the home, at which point the service request would be closed. Any verified lineup that remained pointed at the non-rebuild would subsequently have another "Rebuild Verification" service request created. In September 2003, at the urging of the Media Rating Council, Nielsen modified the "Rebuild Verification" service request such that when a rebuild lineup is identified on a cable system, all homes on the cable system must be contacted within 10 days, with subsequent service requests (if necessary) being closed no less-often than every sixty days.

Nielsen Internal Audit obtained information from DDM which showed all Los Angeles LPM cable households and their related cable systems as of December 1, 2003. Of the 74 cable systems serving 213 LPM cable households, 7 (Serving 14 households) indicated the presence of a rebuild lineup. Of the 14 households where a rebuild lineup was available, 12 were already pointed to the rebuild lineup, leaving two households on non-rebuild lineups (and thus subject to the "Rebuild Verification" service request). IA reviewed these households and verified that rebuild verification service requests were created and closed according to procedure.

IA noted that the above "Rebuild Verification" service requests were open for 43 and 186 days. IA considered these results against *MRC Minimum Standard A.2.*, particularly those indicating a "Rebuild Verification" service request being open for 186 days.



However, primarily because this service request was created prior to the implementation of the modified “Rebuild Verification” rules and was, in fact, closed according to procedure, IA believes that the situation is materially compliant with *MRC Minimum Standard A.2*. Additionally, IA determined that although the service request was opened for an extended period of time, the home remained pointed to the non-rebuild lineup at the time that the service request was closed, thus having no negative impact on the sample.

In addition to the testing related to rebuild lineups, IA tested the lineup update procedures to verify that all cable systems serving a Los Angeles LPM household were being updated within the 62-day timeframe. IA’s testing indicated that all systems were updated within the 62-day timeframe.



Recalculation of Ratings

Implementation of the Los Angeles LPM service will allow Nielsen to report audience estimates during all twelve months of the year. However, because Los Angeles LPM service is part of the NSI service, the seven defined NSI measurement periods will be utilized for the LA LPM service.

For the remaining five months, Nielsen will produce standard ViP reports including DMA data only, however, these may not include a full four-week period.

The criteria for crediting viewing in the LA LPM service is consistent with that of Nielsen's other services. A station is given credit for a given quarter-hour if the household tuned at least five minutes to the station.

The Los Angeles LPM, along with its LPM brethren, compute demographic estimates differently than NSI Metered Market services. The presence of the People Meter allows Nielsen to calculate demographic information directly from data received from the specific metered households. This differs from the NSI Metered Market process, where demographic data is obtained from an integration of diary-based data with the meter-based tuning data. As a result, demographic weights are computed daily in the LPM services, whereas these weights are calculated weekly in the NSI Metered Market services.

Nielsen's procedures for reporting "spill-in" viewing is disclosed and described in the *NSI Reference Supplement*. Spill-in viewing is the viewing to Los Angeles stations that is noted in Diaries received from outside of the DMA. Because spill-in viewing is ascribed to the LA LPM data during non-sweep cycles, the *Minimum Standards* require disclosure of the ascription.

Nielsen selected the following audience estimates for recalculation. IA used software that is independent from the production routines to recalculate the following estimates from quarter-hour viewing files. No discrepancies were noted.

Household-Level Estimates				
Date	QH	Time	Audience Estimate	Station
September 28, 2003	4	8:00 AM – 9:00AM	HH Ratings HUT Share	KNBC
September 29, 2003	4	8:00 AM – 9:00AM	HH Ratings HUT Share	KNBC
September 30, 2003	4	8:00 AM – 9:00AM	HH Ratings HUT Share	KNBC
October 1, 2003	4	8:00 AM – 9:00AM	HH Ratings HUT Share	KNBC
October 2, 2003	4	8:00 AM – 9:00AM	HH Ratings HUT	KNBC



Household-Level Estimates				
Date	QH	Time	Audience Estimate	Station
			Share	
October 3, 2003	4	8:00 AM – 9:00AM	HH Ratings HUT Share	KNBC
October 4, 2003	4	8:00 AM – 9:00AM	HH Ratings HUT Share	KNBC

Persons-Level Estimates					
Date	QH	Time	Audience Estimate	Demo	Station
October 1, 2003	4	8:00 AM – 9:00AM	Ratings Share	Females 18-34 Males 18-34 Persons 18-34	KNBC
October 1, 2003	4	8:00 AM – 9:00AM	Ratings Share	Females 35-54 Males 35-54 Persons 35-54	KNBC

Date	QTR HRS	Time	Audience Estimate	Station
November 19, 2003	1	8:00 PM – 8:15PM	HH Ratings HUT Share	KABC KCBS KNBC KTTV KCOP KTLA KPXN KVEA
November 19, 2003	1	6:00 PM – 6:15PM	HH Ratings HUT Share	KABC KCBS KNBC KTTV KCOP KTLA KVEA KMEX



Sample Weighting

Nielsen utilizes weighting within the LA LPM sample to compensate for non-response and other factors that may otherwise lead to sample biases. The weighting controls utilized in the LA LPM sample can be found in Appendix 1 of this report.

Nielsen IA's impact data testing consisted of a review of the two weighting models that were used during the test period. The first model was used in the design stages of the weighting process and consisted of 8 variables and 24 characteristics. On January 10th, 2004 a second weighting model was introduced with 8 variables and 25 characteristics.

IA's first step was to review the documentation describing the new weighting routine. As was done for other NMR services, IA then independently recreated the weighting process to achieve a higher level of assurance. IA judgmentally selected December 14th 2003 to test the first weighting model and January 10th, 2004 and January 20th, 2004 to test the second weighting model. During this initial review, IA verified that the correct formulas for computing initial weight were being used in the computation algorithm.

Using the weighting software developed by Nielsen IA, the recalculation process was done for the dates given above the following procedures were performed as part of the recalculation process:

- Compared without exception our in-tab counts with the in-tab counts provided by Local Customs Metered Support (LCMS)
- Recalculated without exception the initial weights computed in the documentation provided by LCMS
- Confirmed without exception the count of households for each weighting variable provided by LCMS
- Verified that the proper UE's were used for both the 24 and 25 characteristic models. Compared the recalculated household weights with the household weights provided by LCMS after the point of convergence, which was 6 iterations for December 14th, 5 for January 10th, and 5 for January 20th and noted the following differences which were attributed to rounding and truncation:

Dec 14 th 2003	
Diff	Total
0	113
1	141
2	127
3	85
4	47
5	27
6	11
7	2
Total	553

Jan 10 th 2004	
Diff	Total
0	64
1	198
2	158
3	69
4	46
5	10
6	7
7	2
8	1
9	1
Total	556

Jan 20 th 2004	
Diff	Total
0	99
1	167
2	131
3	68
4	55
5	46
6	3
7	11
Total	580



- For the test dates selected we compared the sum of the weights (SOW) provided by LCMS and the sum of IA's recalculated final weights with the Television Universe. The results of this comparison are displayed in the table below:

Date	TV Universe	LCMS SOW	IA SOW
12/14/2003	5,402,260	5,402,273	5,402,260
1/10/04	5,402,260	5,402,292	5,402,264
1/20/04	5,402,260	5,402,237	5,402,267



Inspection Procedures

Nielsen Media Research employs procedures to ensure the quality of the Los Angeles Local People Meter report prior to its monthly issuance. These procedures include the trending of selected audience estimate data with previous cycles, recalculations of selected audience estimate data and inspection of boilerplate data. Known as “inspection” procedures, these measures are applied to all products, paper or electronic, that deliver Los Angeles Local People Meter audience data.

Nielsen Internal Audit obtained the October 2003 inspection checklists for the Los Angeles LPM. Several procedures were performed relating to these checklists:

- Compared the content of the Los Angeles LPM checklist to the Boston LPM checklist for the same period (October 2003). This was done to see that the checklist for LA LPM is as comprehensive as the Boston LPM checklist. The Boston LPM service has been accredited by the *Media Rating Council*.
- Reviewed the checklists to ensure that they were completed. Completion was verified through observation of initials placed with each step on the checklist.
- Compared the completion date of the checklist to the date that the Los Angeles LPM report was mailed to subscribers. The mail date was obtained from Nielsen’s mail center, which is a group independent from that which completed the inspection checklist.

Additionally, Nielsen Internal Audit obtained any Client Notices and/or reissued reports that were issued since the inception of the Los Angeles LPM service. None have been issued as of the date of this report.



Textual Materials

Clients that receive Los Angeles LPM data receive the *2003–2004 NSI Reference Supplement*, which details the Los Angeles LPM methodology in accordance with *MRC Minimum Standard B.General*. The Viewers in Profile (ViP) report also includes the relevant standard disclosures pertinent to the NSI methodology as well as Los Angeles LPM specific disclosures.

Nielsen creates Los Angeles DMA universe estimates annually. There are no differences in the UEs or in the procedures exists between the NSI service and the LPM service.

Similarly Nielsen’s minimum reportability standards for stations are identical between the Metered Market and LPM services.

Nielsen IA performed the following procedures related to the Textual Disclosures for the Los Angeles LPM service:

- As noted in the *Sample Performance – Sample Response Rates* section of this report, Nielsen IA obtained internal data and recomputed the Sample Performance Indicator contained in Table 12.
- Using internal data, Nielsen IA recalculated the Metro and DMA level average day in-tab sample sizes reported in Table 3.
- Nielsen IA verified the reportability status of stations within the Los Angeles DMA as fully reportable, reportable in the daypart section only, or not reportable.

In addition to the disclosures specifically addressed above, Nielsen IA compared the boilerplate disclosures in November 2003 Boston LPM ViP reports to that presented in the November 2003 Los Angeles LPM ViP reports noting no significant, unexpected changes in the data presented. As the Boston LPM report has been accredited, Nielsen IA expected little or no variations, other than market-specific data, which was indeed the case.

As described in the Recalculation of Ratings section of the report, Nielsen’s procedures for accounting for “spill-in” viewing is appropriately disclosed in the *NSI Reference Supplement*.

Nielsen IA obtained and read the *NSI Reference Supplement*, noting LPM procedures were appropriately disclosed.

**Appendix 1 –
Market and Demographic Breaks**



Los Angeles LPM ViP Demographic/Market Breaks

Persons 2+	Women 18+	Men 18+
Persons 18+	Women 12-24	Men 18-34
Persons 12-24	Women 18-34	Men 18-49
Persons 12-34	Women 18-49	Men 21-49
Persons 18-34	Women 21-49	Men 25-49
Persons 18-49	Women 25-49	Men 25-54
Persons 21-49	Women 50+	Men 25-64
Persons 25-54	Women 25-54	
Persons 35+	Women 25-64	Teens 12-17
Persons 35-64	Working Women	Teen Girls
Persons 50+		
		Children 2-11
		Children 6-11



Navigator Demographic/Market Breaks

Persons 2+	Women 18+	Men 18+
Persons 18+	Women 12-24	Men 18-34
Persons 12-24	Women 18-34	Men 18-49
Persons 12-34	Women 18-49	Men 21-49
Persons 18-34	Women 21-49	Men 25-49
Persons 18-49	Women 25-49	Men 25-54
Persons 21-49	Women 50+	Men 25-64
Persons 25-54	Women 55+	Men 55+
Persons 35-54	Women 25-54	
Persons 35+	Women 35-54	Teens 12-17
Persons 35-64	Women 25-64	Teen Girls
Persons 50+	Working Women	
Persons 55+		Children 2-11
Persons 65+		Children 6-11



Priority Maintenance Characteristics

Cable Status:

Yes
No

Cable Plus Status:

Yes
No

ADS Status:

Yes
No

Number of Sets

1
2+

Geography

Los Angeles
Orange
San Bernardino
Remainder DMA

Presence of Non-Adults:

None < 18
Any < 18

Age of Owner/Renter:

< 35
35 – 54
55+

Race of HOH:

American Native
Asian
Black
White

Household Size:

1 – 2
3 – 4
5+

Hispanic Language Class

Non-Hispanic
Spanish Dominant
Non Spanish Dominant



Weighting Variables

Cable Status:

Yes
No

ADS Status:

Yes
No

Presence of Non-Adults:

None < 18
Any < 18
Any 12-17

Hispanic Language Class*

Non-Hispanic
Spanish Dominant
English Dominant
Spanish/English Equal

Age of Owner/Renter:

< 35
35 – 54
55+

Race of HOH:

Black
Non-Black

Household Size:

1
2
3-4
5+

County:

Los Angeles
Orange
San Bernardino
Remainder

*An additional variable was added on January 10, 2004.

Hispanic Language Class

Non-Hispanic
Only Spanish
Mostly Spanish
English Dominant
Spanish/English Equal



NTI NAD MIT Market Breaks

Territory	Number of TVs	Occupation of HOH
Northeast	Single TV Set	White Collar
East Central	2 TV Sets	Blue Collar
West Central	3 TV Sets	Not in Labor Force
Southeast	4 or more TV Sets	Household Income
Southwest	Household Size	Under \$20,000
Pacific	1 Person	\$20-\$29,999
County Size	2 Person	\$30-\$39,999
County Size A	3 Person	\$40-\$49,999
County Size B	4 or more person	\$50-\$59,999
County Size C&D	Age of Head of House	\$60,000+
Time Zone	HOH < 25	\$60,000-\$74,999
Eastern	HOH 25-34	\$75,000+
Central	HOH 35-54	Upper Demos
Mountain Pacific	HOH 55-64	Income \$40k+ w/ Children
Viewing Options	HOH 65+	Income \$50k w/ Children
Pay Cable	Age of HOH w/ HH Size	Income \$40k+, HOH Prof/Mgr
Basic Cable	1-2 Person, HOH < 50	Income \$50k, HOH Prof/Mgr
No Cable	1-2 Person, HOH 50+	Income \$40k+, HOH w/ 1+ Yrs College
Presence of VCR	Education of HOH	Income \$50k, HOH w/ 1+ Yrs College
Remote Control	<8 Yrs of School	Income \$40k+, Dual Income HH
Presence of Remote	1-3 Yrs, of High School	Income \$50k, Dual Income HH
Race	High School Graduate	Presence of Non-Adults
Black	1-3 Yrs of College	Any Under 18
White	College Graduate	Any Under 12
Car Ownership	Truck Ownership	Any Under 6
Car Owner	Truck Owner	Any Under 3
Single Car Owner	Truck and Car	Any 6-11
2 or More Cars	2 or More Trucks	Any 12-17
New Car Prospect	New Truck Prospect	Personal Computer/Internet Access
	Pet Ownership	PC Owner
	Dog Owner	PC Non-Owner
	Cat Owner	PC Owner w/ Internet Access
		PC Owner w/o Internet Access



NTI NAD MIT Demo Breaks

Female Children 2-5	Women 18-20	Working Women 18-20
Female Children 6-8	Women 21-24	Working Women 21-24
Female Children 9-11	Women 25-29	Working Women 25-34
Female Children 6-11	Women 30-34	Working Women 35-44
	Women 35-39	Working Women 45-49
Male Children 2-5	Women 40-44	Working Women 50-54
Male Children 6-8	Women 45-49	Working Women 55+
Male Children 9-11	Women 50-54	Working Women 18-49
Male Children 6-11	Women 55-64	Working Women 50+
	Women 65+	
Female Teens 12-14		Part-Time WW 18-49
Female Teens 15-17	Men 18-20	Part-Time WW 50+
Female Teens 12-17	Men 21-24	
	Men 25-29	Lady of House 18-24
Male Teens 12-14	Men 30-34	Lady of House 18-49
Male Teens 15-17	Men 35-39	Lady of House 25-34
Male Teens 12-17	Men 40-44	Lady of House 35-44
	Men 45-49	Lady of House 45-49
	Men 50-54	Lady of House 50+
	Men 55-64	Lady of House 50-54
	Men 65+	Lady of House 55+
		Lady of House w/ Child < 3



NTI NAD Market Breaks

Territory	Upper Demos	Household Size
Northeast	Income \$50k w/ Children	1 Person
East Central	Income \$50k, HOH Prof/Mgr	2 Person
West Central	Income \$50k, HOH w/ 1+ Yrs College	3 Person
Southeast	Income \$50k, Dual Income HH	4 or more person
Southwest	Race	Education of HOH
Pacific	Black	No College
County Size	Presence of Non-Adults	4+ Years College
County Size A	Any Under 18	Household Income
County Size B	Any Under 12	\$30-\$39,999
County Size C&D	Any Under 6	\$40-\$59,999
Viewing Options	Any 6-11	\$60-\$74,999
Cable Plus ADS	Any 12-17	\$75,000+
Cable Plus w/ Pay		
Broadcast Only		
Presence of VCR		



NTI NAD Demo Breaks

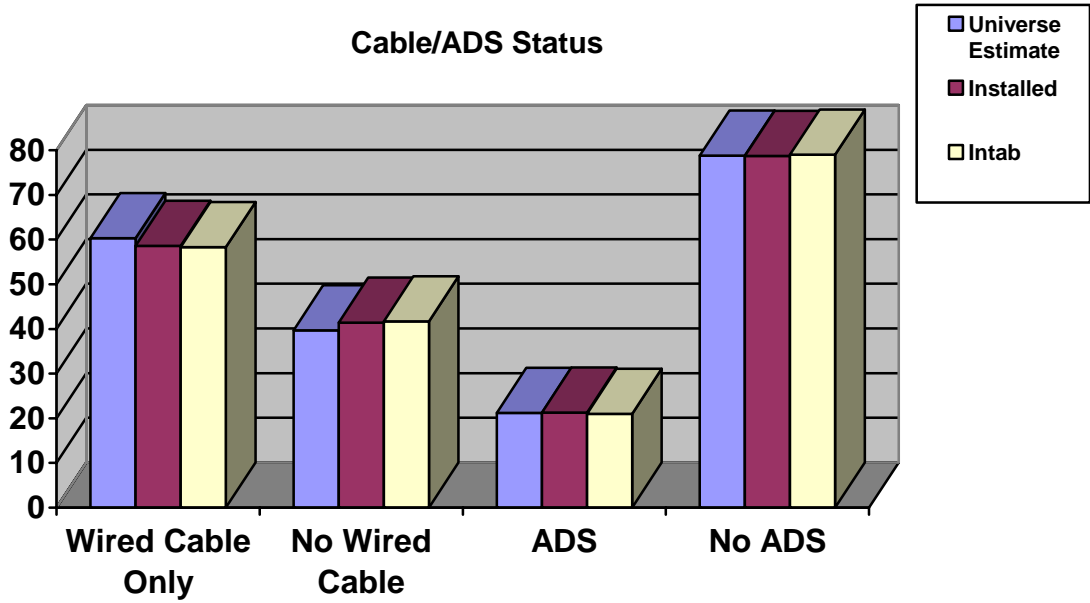
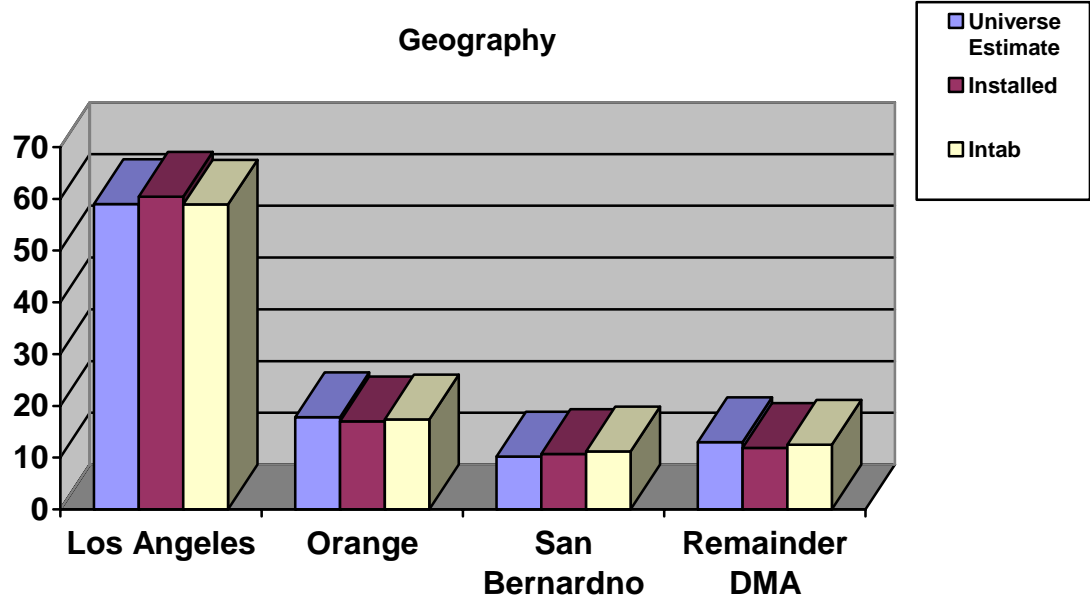
Female Children 2-11	Women 18+	Men 18+
Female Children 6-11	Women 18-34	Men 18-34
	Women 18-49	Men 18-49
Teens 12-14	Women 25-54	Men 25-54
Female Teens 12-17	Women 35-64	Men 35-64
	Women 55+	Men 55+
Working Women 18+		

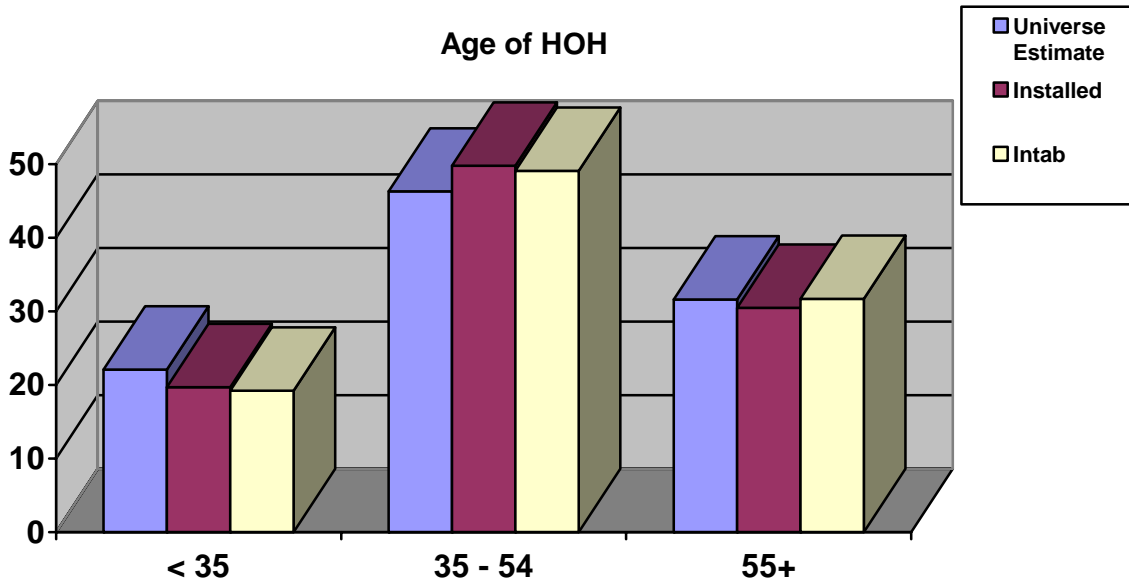
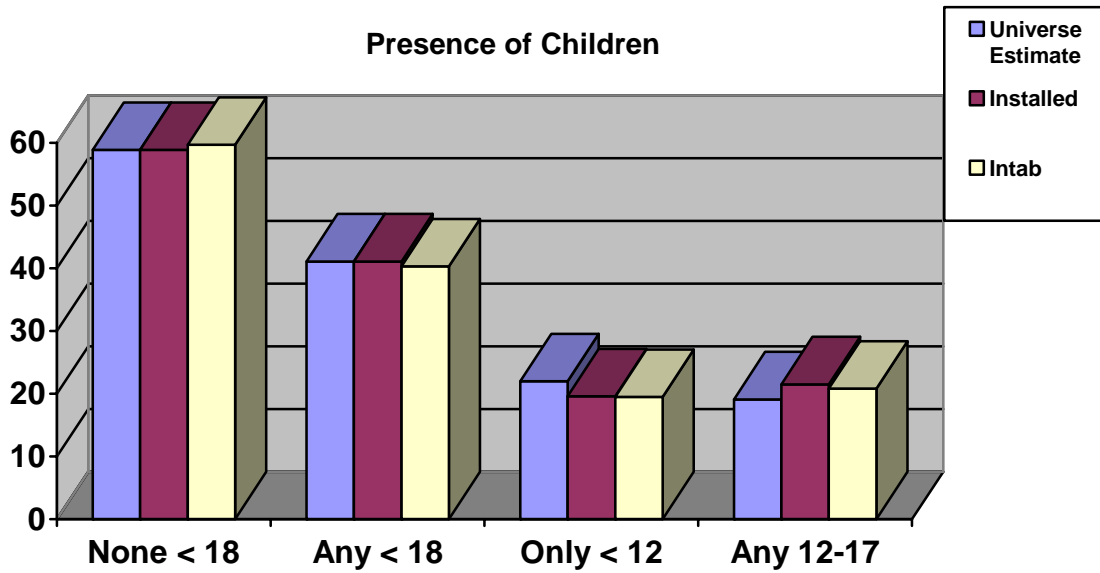
**Appendix 2 –
Individual Household Error Rates**

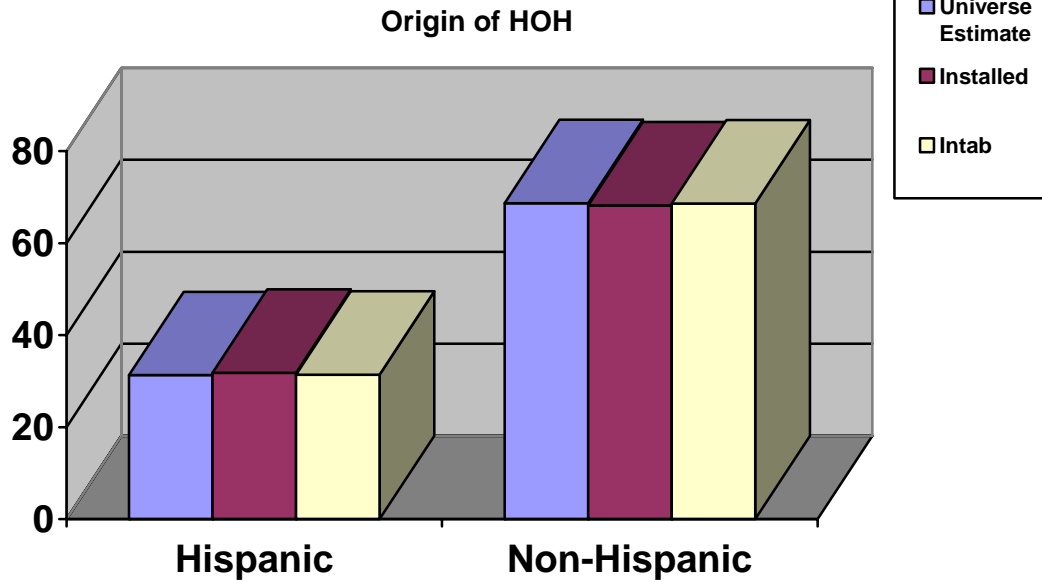
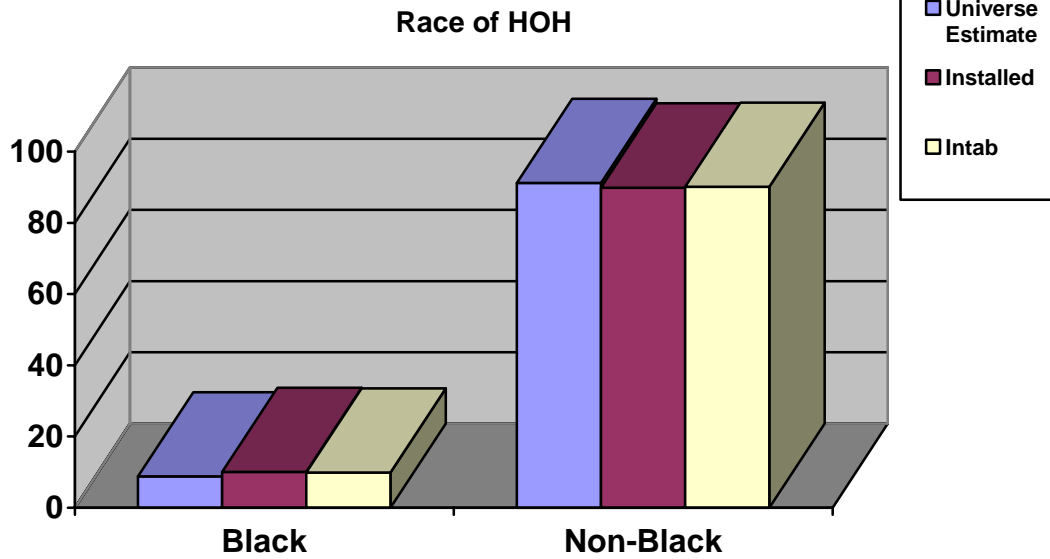


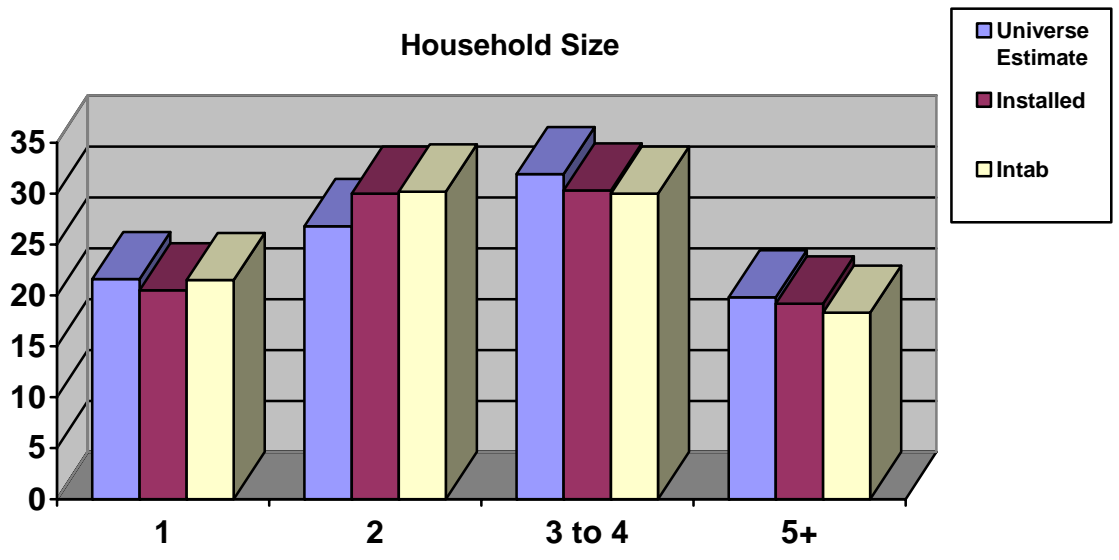
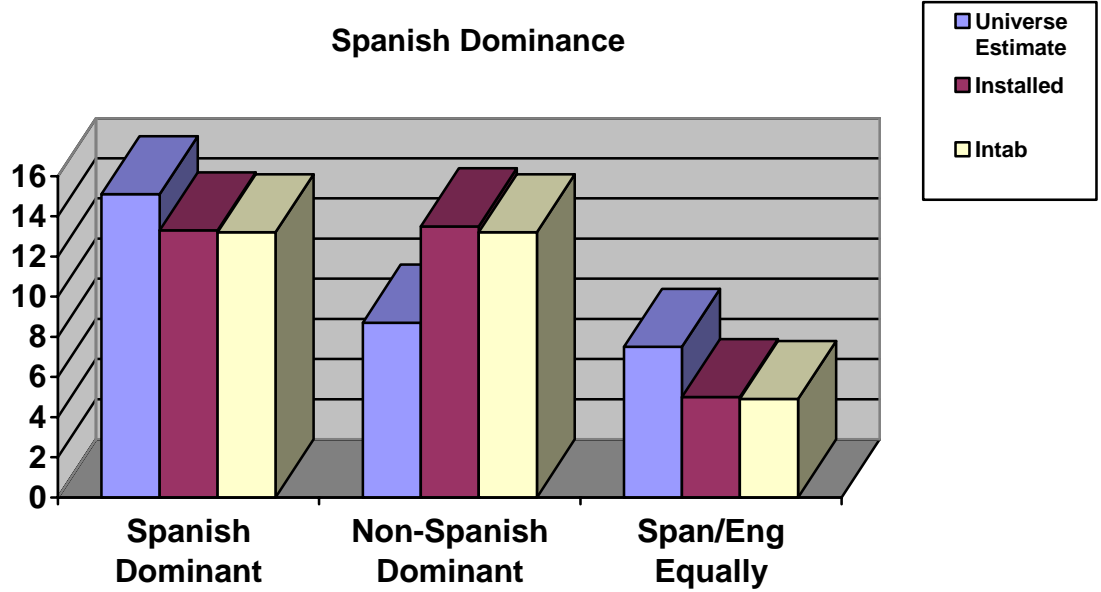
Individual Household Error Rate				
Household Number	Total Codes Tested	Total UVs	Total ACs	Error Rate
283464	165	0	4	2.4%
289610	73	1	0	1.4%
290399	554	4	0	0.7%
291118	185	2	0	1.1%
286401	481	24	100	25.8%
289579	511	0	3	0.6%
289639	64	0	0	0.0%
290368	365	2	1	0.8%
291292	158	16	2	11.4%
282825	51	1	0	2.0%
289748	485	7	3	2.1%
490071	78	3	0	3.8%
491041	97	0	1	1.0%
284776	197	4	0	2.0%
286491	66	2	0	3.0%
291199	39	0	0	0.0%
286112	197	4	0	2.0%
289228	11	0	2	18.2%
40040	62	2	0	3.2%
22460	734	3	7	1.4%
20390	214	0	0	0.0%
20420	145	3	1	2.8%
41250	386	12	3	3.9%
41430	18	0	0	0.0%
41110	77	2	21	29.9%
40160	201	4	0	2.0%
41400	119	0	0	0.0%
21900	79	4	0	5.1%
22360	229	4	0	1.7%
22390	205	1	0	0.5%

**Appendix 3 –
Sample Distribution Tables**









**Appendix 4 –
Income Discrepancies**



Household Number	Income Information Source	Audited Income Source	Income Per Nielsen	Income Per Household	Difference
289610	Owner/Renter	Owner/Renter	\$99,000	\$90,000	<\$9,000>
291118	Owner/Renter	Owner/Renter	\$53,000	\$45,000	<\$8,000>
286401	Owner/Renter	Owner/Renter	\$10,000	\$12,000	\$2,000
289579	Owner/Renter	Owner/Renter	\$89,000	\$72,000	<\$17,000>
290368	Owner/Renter	Owner/Renter	\$140,000	\$120,000	<\$20,000>
291292	Spouse	Spouse	\$15,000	\$20,000	<\$5,000>
282825	Owner/Renter	Owner/Renter	\$60,000	\$75,000	<\$15,000>
289748	Owner/Renter	Spouse	\$100,000	\$62,000	<\$38,000>
490071	Rep Estimate	Spouse	\$30,000	\$34,000	\$4,000
491041	Owner/Renter	Owner/Renter	\$35,000	\$31,000	<\$4,000>
284776	Owner/Renter	Spouse	\$84,000	\$80,000	<\$4,000>
291199	Owner/Renter	Owner/Renter	\$83,000	\$84,000	\$1,000
286112	Owner/Renter	Spouse	\$100,000	\$110,000	\$10,000
40040	Owner/Renter	Owner/Renter	\$17,000	\$12,000	<\$5,000>
20390	Owner/Renter	Owner/Renter	\$80,000	\$64,000	<\$16,000>
41250	Owner/Renter	Owner/Renter	\$30,000	\$43,000	\$13,000
41430	Owner/Renter	Owner/Renter	\$15,000	\$10,000	<\$5,000>
41110	Owner/Renter	Spouse	\$24,000	\$20,000	<\$4,000>
41400	Owner/Renter	Spouse	\$30,000	\$29,000	<\$1,000>
21900	Owner/Renter	Owner/Renter	\$49,000	\$50,000	\$1,000
22390	Owner/Renter	Spouse	\$11,000	\$19,000	\$8,000

