**VIDEO TRANSCRIPT**

**RELATIONSHIP BETWEEN SHARES AND RATINGS, HUTS AND PUTS**

The purpose of this lesson is to dig a little deeper into the subject of ratings. By now, you understand that a rating measures the popularity of “content” or programs with audiences. It is also the commodity that stations sell to advertisers and their agencies, and thus this popularity measured in viewing which is translated into ratings and impressions is what guides the pricing of these programs. This lesson will introduce the concept of shares, HUTs and PUTs and a few others.

After you finish this video lesson, you will be able to:

* Define and Recognize the concept of shares in relationship with ratings
* Calculate Shares
* Recognize the application of shares and ratings
* Define and Recognize HUTs and PUTs
* Define GRPs and TRPs
* Define DMA

Let’s start with the basic terminology you need to understand this lesson.

Share is the percentage of the actual tuned-in audience

HUT stands for Homes Using Television and it is a measure of the percentage of Homes in a market that are actually using (or watching) television at a particular point in time

PUT stands for People Using Television and is the same concept of HUT but for specific target demographic

GRPs is the sum of ratings, which in media generally uses “gross” to mean Households and one of the broadest measures used

TPRs is the same concept of GRPs, and stands for Target Rating Points meaning the sum of ratings but for a particular population of people or demographic

DMA stands for Designated Market Area and are regions, group of counties or geographic areas where local television viewing is measured by Nielsen. This concept of DMA as defined by Nielsen is generally used to discuss markets or cities targeted by advertisers and has been adopted as the used term by the industry at large, and not only within the television context.

In broadcast media, and remember that broadcast media is radio and television which are traditional measured in ratings another common measure is the concept of shares. Share is another of those companion statistics or “lovers” as I like calling them, for ratings. As a matter of fact, “shares puts ratings into perspective” and you will understand why. Let me refresh your memory of the calculation for rating by taking the impressions or “eyeballs” or a specific target demographic to the program divided by the universe of the same demographic multiplied times 100. If you understand the calculation, a rating is a percentage of the universe or population, and remember that the universe or population may or may not be watching or tuned in. Now that’s where “share” comes in. Share is another percentage, but of people actually watching or tuned in. Do you start to see the picture? Why does share put ratings into perspective? Because since a share is calculated from audiences actually tuned in at a specific day and time, you can tell how that specific program is doing against other programs in the same time period, or their competition. Think of it as a pie, where the pie is the entire audience tuned in and the share is a slice of that pie. Each slice is the share each program has of the audience tuned in specifically at that time. We will get into the numbers in a minute, but as always, I want to make sure that you understand the concept. Let me give you an example. When you read in Advertising Age that Program A has a National 10 rating and a 15 share on Adults 18-34 Tuesdays 9-10pm, what this means is that Program A is watched by 10% of the United States Population of Adults 18-34 and by 15% of all the Adults 18-34 watching television on specifically on Tuesdays 9-10pm. Obviously, Program A is not the only program that runs on Tuesdays 9-10pm, there are other program at that hour and other Adults 18-34 watching them. So the 15% share of this example highlights how Program A is doing against its competition in the same hour where it runs, expressed as a percentage. By the way, when you hear “National” ratings, this stands for United States versus a specific market, or DMA as Nielsen labels to mean “market”. Remember, DMA stands for designated market area and it a group of counties or the geographical area outlined by Nielsen that comprises markets such as Los Angeles, Miami-Ft Lauderdale, Tampa-St Petersburg, Dallas, Chicago, etc.

Back to shares and the other terms. Gross Rating Points are the addition of rating points across television programs as long as was are adding the same base, such as Household ratings. It has to be the exact same demo or base to be able to add them. This sum of ratings is called GRPs. If you think about it, it is the accumulation of actual audience. Always keep in mind that because we are measuring exposure to the program, we are always dealing with potential exposure because we may not be able to measure exposure to the actual commercial message. I will keep repeating this concept because it is important to understand in this business. It is exposure to the content or program where our commercial message is inserted in the commercial break, but with no guarantee that the audience will see it. Imperfect measure perhaps, but it is what the industry has to work with and being perfected as technology allows the ratings and media industry to better measure exposure of audiences to commercial messages. TRPs or target rating points are measured and projected the exact same way but for specific demographic. By the way, even though GRPs technically measure Household ratings, we can use it generally to mean “sum of ratings” hence the term “gross”.

Not to confuse, but I have to make you aware of the distinction and context that the sum of ratings in a media schedule over the course of a campaign or in a single media plan or media buy is referred to as GRPs or TRPs. The sum of ratings in a timeperiod within the same target demo is referred to as PUTs and HUTs when talking about shares.

OK, let’s start. Refer to the video lesson PPT on Share, HUTs and PUTs. We will keep this calculation simple to understand.

STEP ONE: Understanding the numbers and calculating PUT

Consider the example showing viewing on Friday night 8-9pm for Adults 18-49

Dateline with a 6.7 Rating

Shark Tank with a 7.2

CSI with a 9.6

Master Chef with a .7

And all other programs adding up to 35.8 collectively

Add all the ratings in the time period, in this case it is Friday 8-9pm and the addition totals 60

The 60 is the addition of all ratings for Adults 18-49 for viewing done on Friday 8-9pm, meaning that 60% of all the Adults 18-49 in this market are watching television. This is the PUT or People Using Television.

Side note, if the demo was Households, it would be called HUT, Same thing, different demo but only for Households, for every other demo, it is still PUT or People Using Television.

STEP TWO Calculating the share for each program

The formula for share is

Program rating divided by the HUT/PUT multiplied times 100

Take each individual rating and divide it by the PUT and multiply by 100

Dateline’s 6.7 rating divided by 60 = .11166 but let’s round to two decimal points to .11 multiplied by 100 = 11 share

Shark Tank with a 7.2 divided by 60 = .12 x 100 = 12

CSI with a 9.6 divided by 60 = .16 x 100 = 16

Master Chef with a .7 divided by 60 = .1 x 100 = 1

And all other programs adding up to 35 divided by 60 = .60 x 100 = 60

When you add all the ratings for the timeperiod it equals 60 PUT

When you add all the individual program shares calculated as a percentage of the PUT, it equals 100%.

Again, If you look at the HUT/PUT as the pie of all viewing done during the timeperiod, each slice of the pie is what each program is worth during the same timeperiod. This is why I mentioned at the beginning that Shares puts ratings into competitive perspective.

Now practice with the chart in the video lesson PPT and remember that the answers are in the full lesson PPT.

See you in the next video lesson.