

## SELLING WITH QUALITATIVE DATA: HOW TO USE INDEX

Propensity? Likelihood? Index? What does all of this mean and how can I use it in selling my station? Now that you are a pro at using Target Persons and % of Target (see [last week's blog](#)), let's focus on Index. Index is the third main term we use in selling with qualitative data and can be used with both local direct and agency accounts.

So what's the deal about **Index**? Index shows propensity (or likelihood) of a group of people to do something or have a specific characteristic. This is a comparison to the market population. It is calculated by taking the % of Target and dividing by the % of the market (then multiply by 100 to get a whole number). Quick tips for using Index:

- An Index of 100 means that the target group is equal to the general market population in likelihood to do something. You mirror the market.
- An Index over 100 means your listeners are MORE likely than the market average.
- An Index less than 100 means your listeners are LESS likely than the market average.

Let's say that 20% of your listeners are planning to buy furniture this year, yet only 15% of people in the market plan to buy furniture.  $20 / 15 \times 100 = 133$ . Our Index of 133 means that **“Our listeners are 33% MORE likely than the market average to buy furniture this year.”**

You are probably now thinking, “How did she get from 133 to saying 33% more likely?” Well, when the Index is over 100, just subtract 100 and that leaves the balance for the “more likely.” Example: 133 minus 100 is 33 – so 33% more likely than the market average. What about when the Index is less than 100? This time subtract your Index from 100. Example: An Index of 84 results in 16% less likely ( $100 - 84 = 16$ ). Generally, we focus on the MORE likely aspects of your audience so we always put your station in a favorable light.

Qualitative Index is a great tool to show the power of your station and help put potential advertisers' minds at ease knowing that they made a good decision to partner with you to grow their business. Be sure you are very comfortable with explaining Index before you present so that you are prepared to answer questions. If needed, we are always here to help you. Stay tuned for next month's Back to Basics article in which we provide some tips for using scheduling estimates.