Digital & New Metrics
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The New Face of Television

- Cable
- Telco
- Wireless
- DBS
- Terrestrial
- Internet
Fragmentation – 2 Dimensions

Technology Exploding to New Platforms

The Digital World

Viewing Choices Multiplying

The Metrics - DVR Technology Impact

- Lead to the move to reporting of playback – paradigm shift
- Technology induced change – DVR Timeshifting
  - 20% of U.S. households now have DVRs
  - 30% of all DVR households have more than one DVR
  - Second DVRs are growing at a faster rate than second TVs
- DVR reporting of playback lead to live program estimates, live + same day, and live + 7 days
- Now C-3 average commercial minute +3 days playback is becoming (perhaps) a new standard (for many)
- DVR to become a function – meaning its here to stay and impact likely to grow
DVR Audience Research

- Homes with DVRs acquired between May 2006 and May 2007, viewers tuned in 2.6 fewer quarter hours in May 2007
- Lightest TV viewers (upscale, educated professionals) actually watched more TV once they had a DVR
- 53% of all DVR playback occurs the same day a show is recorded
- 99% of all shows are viewed within six days after a show is recorded

- DVRs lift viewing of popular TV programs
  - average increase among the top 10 shows (in terms of absolute difference between Live and Live +7) was greater than 15%

So What Lies Ahead

- C-3 as is, and a period of stability?
- Finer precision reporting of panel-based data?
- Actual commercial measurement?
- New usage from new platforms tied to panel-based measurement?
- DSTB data as an emerging source of useful data?
- Targeting, interactivity, etc.?
Digital Growth Is Pushing New Services

• Penetration for cable at 33% of U.S. households
  Penetration is highest in larger markets
  – 40% markets 1-25
  – 29% markets 26-60
  – 24% markets 61-125
  – 21% markets 126+
• DBS digital penetration is 27%
• HDTV set penetration at 13.7%
• Telco deployment just underway
  – Verizon and AT&T

Blossoming Broadband Connectivity

High Interactivity
Low Interactivity

Web Activity

Opportunity

High
Low

Social Networks
Mobile
Blog
Garden Clubs
P2P
User Gen Content
Video RSS
Web Original

Traditional Content
Bandwidth & Functionality
Edge Content

Consumer Involvement With Content

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So Change Is Everywhere And We Asked Our Clients … What’s Key?

• The answer … “Nielsen’s TV measurement must go beyond the home”
  – A meaningful amount of viewing exists today that is not being captured … out of home, in bars, workplace, etc.
  – Extended home college viewing found to be meaningful
  – Emerging platforms require new measurement

What Clients Told Us

• “Get TV right - the home is still where people will spend most of their time watching TV”
  – In home measurement must remain priority #1
  – Nielsen A/P Meter is best tool to ensure highest quality and accuracy
What Clients Told Us

• “Integration of in home and out of home measurement holds the greatest value”
  – Collect out of home audience data from national and local Nielsen samples

And this client guidance in concert with our own planning lead to the birth of the A2M2 - Anytime Anywhere Media Measurement

A2/M2: Nine Programs & Testing

Expand Electronic Measurement

| Markets 11 – 25 | Move from Set Meter / Diary to A/P 2.0 with People Meter |
| Markets 26 – 60 | Move from Set Meter / Diary to A/P 2.0E with People Meter |
| Markets 61 – 125 | Move from Diary to Mailable Meter with Log |
| Markets 126 – 210 | Replace the Diary |
| All People Meter Markets | Research “Tags” or other more passive methods for persons measurement |

Follow the Video

| Internet Measurement / Integration |
| • Introduce “fused” data – combine TV with Internet measurements |
| • Nielsen/NetRatings to measure video streaming — site-based |
| • Add Internet measurement to NMR National People Meter panel — “single source” |

| Out-of-Home |
| • Phone and “custom” device to capture out-of-home viewing |
| • Separate panel and / or integrate into existing National and Local metered panels |

| Personal Video Devices |
| • Develop technologies for measuring video viewing to iPods, phones, other portable devices |
| • Gather data from current panels on ownership of devices |
| • Launch iPod panel |

Engagement

| Engagement |
| Research best ways to measure engagement |
New Platforms Leading to New Metrics?

- Measurement of in-home remains a clear top priority
- Measurement of new platforms however, requires assessment of what can be accepted by the industry
  - Will measurement of internet TV be possible from PC platforms?
    - Yes – for some households
    - No - as privacy for the workplace, for financial PC data etc arise
  - Can the mobile viewing experience yield data comparable to in-home?
  - How does viewing on a PVD incorporate with current data?

- New meters developed and extensive testing and evaluation is underway
- Nielsen also evaluating 3rd party data – more later

Priority - Metering Expansion

- Markets 1-25: expand LPM to top 25
- Markets 26-60: A/P 2.0e non-invasive meter
- Markets 61-125: Mailable meter with log
- Markets 125-210: all electronic measurement 2011
  - Possibly DSTB clickstream
  - Possible inexpensive electronic approach
Priority - Internet TV Measurement

- Internet may be included as part of standard People Meter measurement
  - Nielsen NetRatings Netsite meter
  - Treat usage like as additive if Internet video usage (programming and commercials) are the same
  - Other video usage reported similar to VOD
- New internet panel fused to NPM

The Fusion Process For Internet With NPM

- Database A (NPM)
  - Common Characteristics
  - Data unique to A (TV)

- Database B (NetRatings)
  - Common Characteristics
  - Data unique to B (Internet)

- Fusion (linking via Common Characteristics)

- Fused Database
  - Common Characteristics
  - Data from A and B (TV and Internet)
Priority - “Follow the Video”? 

• The component of A2/M2 that covers measurement of
  – Traditional Out of Home (OOH) Viewing
    – Bars, restaurants, hotels, airports, at work, etc.
  – Viewing on Personal Media Devices
    – MP3 players, cell phones, portable game systems, etc.

What Clients Told Us 

• “Nielsen must “follow the video” and measure television programming regardless of the platform”
  – Explosion of personal devices that support video content

• “But we’re at a nascent stage; not clear yet what will work and what won’t”
  – Deploy measurement as it becomes clearer what will succeed and what won’t
  – Don’t chase measurement of all personal media right away
Out of Home Measurement

- Integrated Media Measurement and Nielsen co-branded service
  - Mobile phones with measurement technology
  - Digital audio signature matching
  - Offices, clubs, hotels, bars
  - NY, Chicago, LA, Miami, Houston, Denver initially
  - National and local panels

Follow The Video & OOH Metering Technology

- Measurement of bars, restaurants, hotels, airports, at work, etc.
- Developed and testing new, personal “Go Meters”
  - Cell phone with metering technology inside
  - Customized meter that resembles MP3 player
Personal Media – Solo Meters

- Likely to use both forms
  - We probably don’t want to give cell phones to non cell phone users
  - A cell phone user may not want to carry an additional device
- Will explore additional form options as well as 3rd party technology
- Signature-based technology
- Goal is to integrate in all People Meter samples
  - NPM, LPM, etc.
- Recruit existing panel members to carry Go Meters with them when they leave the home
  - Refusal does not mean that the person or household is removed from the sample (very different from past approach to measuring all receiving devices in the home)

Creating Linkage or Fusion

- NPM Data
- PM Data: 26-60
- DSTB Data
- DSTB Data
- Internet
- LPM Data: 1-25
- Mailable Meter: 61-125
- OOH
- New Meter: 126+

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External 3rd Party Data Sources

- DigitalPlus - Working with the MSO’s re: processing transactional VOD server data and DSTB click-stream data
  - VOD data populating new NORA product
  - DSTB data as integrated value with NPM/LPM
- Also DBS and Telco
  - DirecTV interactive panel in progress … reporting limited
  - Same discussions with Telco re: click stream data
- Deals & relationships in the media ecosystem
  - GoogleTV – latest announcement
  - Others to follow
- Opportunities – Nielsen to fuse its many databases to provide added value products, goods, and services