

Minutes from Quarterly CRE Meeting
March 14, 2013
Concierge Conference Centers
New York, NY



Members In Attendance: Brad Adgate, Michele Buslik, Laura Cowan, Paul Donato, Nancy Gallagher, Janet Gallent, Hadassa Gerber, Tanya Giles, Pat Liguori, Jed Meyer, Dan Murphy, Michael Nathanson, Beth Rockwood, Ceril Shagrin, Stacey Schulman, Robin Thomas, Emily Vanides, Tom Ziangas

Present by Phone: Cheryl Brink, Alex Corteselli, George Ivie, Billy McDowell, Keenan Pendergrass, Bryon Schafer, Judy Vogel, Sharon Warden, Jack Wakshlag

Absent: JoAnne Burns, Ed Gaffney, Bob Ivins, David Poltrack, Kate Sirkin, Ira Sussman

Also Attending: Scott Brown, Tom Campo, Shelley Drasal, Mark Kaline, Michael Link, Richard Zackon

Ceril Shagrin called the meeting to order at 1pm.

Ceril began the meeting by informing everyone about a meeting that was held on March 7 at Nielsen with CRE committee chairs. The purpose of the meeting was to assure that senior leaders at Nielsen were aware of the work performed by the CRE. She reported that the meeting was well received. Michael Link confirmed the report and said Nielsen attendees left the meeting excited and eager to learn more about CRE. Measurement Science is still the primary conduit for CRE and Nielsen, but Client Leadership, Product Leadership, Analytics and Knowledge Collaborations are also involved.

Nancy Gallagher stated that it would be important to have an accessible repository of the knowledge produced by CRE.

Ceril suggested a similar meeting with Nielsen people in Oldsmar.

The View from Wall Street

CRE member Michael Nathanson, who is an analyst with Nomura Securities, shared how the financial community looks at four areas: ratings, program sales, advertising and retransmission/affiliate fees. He commented how, in recent years, all the major firms have become Nielsen subscribers -- and delivery and analysis remain problems. Pat Liguori spoke to the importance of Wall Street understanding the numbers because of the impact it has on media companies. Jack Wakshlag also spoke to the importance of getting C3 ratings into the financial community. Paul Donato said he would take the request back to Mitch Barns. Michael's presentation was distributed to CRE members. Michael expressed appreciation for being on the panel.

The View from CES

Scott Brown of Nielsen reviewed this year's Consumer Electronics Show and stated that the consumer electronics business is probably tougher and more competitive than TV and video. The show featured high priced, large OLED screens and next generation will have four times the resolution -- but the content and pipes do not exist. Display is all about bigger, sharper, brighter and more expensive.

Wi-Fi will become the standard with television and the cloud is changing everything. The absence of watermarks creates challenges for Nielsen. Tablets are growing larger and smaller. *Phablets* are the phones that are becoming rather large. Ultrabooks are in, Netbooks are all but out. Hisense is a Chinese company to watch.

Other trends Scott noted: devices in the home that record content and push it to other locations in the home; a new product that allows iPad based mobile viewing; fewer wires and connections; eye-tracking and facial recognition; data collection on many areas designed to improve quality of life; the "internet of things" as more devices are connected; 3-D printing. DVR's are being replaced by the cloud; battery life is

expanding. Scott commented that Nielsen had made a good decision when it chose to track audio rather than video. He concluded that overall technology got better but nothing he saw scared him to tears.

The View from Nielsen

Michael Link was requested by CRE to speak to the change in TV household definition which was done in conjunction with a client committee called the What Nielsen Measures committee. The group created a new flexible definition including whether the HH has a TV or monitor. This is regardless of device on which video can be obtained. This includes all the different types of secondary sites (eg, Roku boxes, games.) This will go into effect for the 2013-2014 season. Initial calculations are that 170 homes now excluded will be included. These homes are the subset of “zero TV” homes that have access via broadband. Michael and Paul Donato were less specific when queried about a timeline for the future. He said he would reach out to Product Leadership for specifics. Pat Liguori was concerned whether Product Leadership understood client needs. Michael Link noted there were some action items to take back to Ira Sussman.

Michael was also asked to offer some suggestions from Measurement Science about possible issues for CRE to consider as research projects. He reviewed the following:

1. A standardized metric for ad effectiveness for comparison across various different platforms.
2. Privacy: How do we know really where that line is in terms of what people are willing to do and not willing to do?
3. The limits of compliance and representativeness when metering many devices in the household.
4. How is the social connection driving viewing behavior?
5. How can we find better, less costly ways of panel recruitment?
6. Leveraging location information into meaningful metrics.

7. Passive measurement techniques utilizing big data with different types of monitors and meters.
8. How good are online panels? Can we develop some type of panel worthiness score?
9. Device sharing and viewing behavior.

Richard acknowledged Michael for his active participation at the CRE meeting with Nielsen on March 7.

In response to a CRE request, Paul Donato gave an update about social media at Nielsen. Last fall Nielsen acquired Social Guide, which specializes in analyzing tweets about TV programs. More recently Nielsen announced a deal with Twitter and in 3rd quarter will provide tweet data alongside of TV ratings. Demos will be added in the 4th quarter. A paper will be released soon on the correlation between the number of tweets and TV rating size. First existing programs will be analyzed, then new programming. Causation analyses will follow. Tom Ziangas asked that "bingeing" be analyzed. Issues were raised about a three-hour window before/after airing for tweeting. Janet Gallent asked about the positive/negative direction of tweets. Paul said more attention will be paid to sentiment. Ziangas asked for Nielsen to share specs on this study in advance.

Steering Committee

Pat Liguori reported that the Steering Committee recommended Janice Finkel-Greene of Magna Global for membership and approved.

Pat reported that the Steering Committee was not recommending a rule change which would grant "bridge membership" to committee members who were not Council members. The Steering Committee also decided to allow members who share a seat on the CRE to have a whole vote on the Steering Committee.

Richard spoke to requests for funding which were impacted by changes to fiscal year spending. The Steering Committee had decided that projects approved for 2012 would still be funded in 2013.

Pat had two other items: Shelley Drasal's title was changed to Council Coordinator to reflect her role; the CRE was to be included in support of an effort led by Gary Corbitt to build a database of names to grow the next generation of researchers.

Richard noted Mark Kaline's presence. Mark was the first chair of the CRE, left the Council but wished to re-engage with the CRE. He will formally apply and be voted upon at the next meeting.

Treasurer Report

Michael reported there are no final 2012 numbers as of yet, and there is nothing for 2013. We should be hearing from Ira on the money for 2013, and the finals will be duly reported.

Social Media

Beth Rockwood reported that a webinar was held the week prior, which presented a summary of the first three portions of the Social Media study. The committee is working on a publication schedule. There will be a 15 minute presentation at the June ARF Conference. The academic work study should be done in May on correlation and causality.

Beth quickly reviewed some of the main findings. The report will be found on the CRE website as of June 11. The Council acknowledged the excellence of the study. Dan Murphy acknowledged Ceril for her work to include Spanish language research.

Beth reminded members to keep the work confidential until it is publicly released.

Sample Quality

Ceril Shagrin reported that the committee has to-date only received data from Nielsen on the previously non-TV households. Ceril also requested approval to spend \$68,000 to have Ernst and Young review all of the analysis that is being done by Nielsen. Richard reminded her the Steering Committee had reviewed this but Ceril wanted to get full Council approval. The Council approved. She then spoke to several delays with receiving the data from Nielsen. Michael Link said he had spoken with the Nielsen team to get information to the committee ASAP. Ceril was pleased they were now working 100% on this,

Media Consumption and Engagement

With Joanne Burns on medical leave, Laura Cowan reported the MCE committee is calling its Mobile study "TV Untethered" and the quantitative phase has been fielded. Data are being reviewed and the qualitative phase is in planning. The final respondent count for quantitative is 6,410, about 15% Hispanic. Laura offered some top line findings.

Janet Gallent proposed video-recording the thirty interviews for an additional fee of \$37,000. A motion was made and seconded and the funds voted by the Council .

ROI

Beth Rockwood reported for Dave Poltrack. Sequent Partners are running a bit behind schedule but expect to be back on schedule soon. A proposal was submitted to ARF Audience Measurement 8.0 Conference.

Local Measurement

Billy McDowell reported the committee has engaged BIA Kelsey to produce a white paper based on the local Nielsen data measuring relative error over time. They will begin work once an NDA has been signed. BIA Kelsey is also conducting executive interviews to talk with stations and agencies about local measurement. Completion is expected by the end of June.

Digital Research

Bryon Schafer reported on work on two projects. The first is a research review prepared by consultant Gerard Broussard. The purpose is to inform the committee's larger research on video advertising across the PC and internet connected devices and gaming consoles. The review will be based on a series of interviews among subject matter experts.

The second project is with Nielsen Neurofocus and the goal of that project is a pilot test comparing viewing experiences on TV and PC devices.

Return Path Measurement

Beth Rockwood suggested opening up the meetings with vendors beyond the committee and Pat agreed.

Pat Liguori requested \$15,000 to update its database report of subscriber counts at the DMA level once this year. The Council approved the request. Pat intends to discuss with CRE Insights to Practice Committee to see how Nielsen might make use of the data. The committee will resume meetings to explore changes among data providers and will open up those meetings to the Council.

Big Data

Stacey Shulman said the committee is seeking more members. She mentioned a

possible luncheon or webinar to get perspective on what's happening with Big Data and get ideas on potential projects to explore.

Richard suggested a possible renaming of the committee to Data Science.

Insights to Practice

Nancy Gallagher reported several projects are in the wrap up stage and going to Nielsen with results will be the next step.

Communications Committee

Emily Vanides reported growth in the newsletter mailing list and the launch in the weekly research clip. Tom Campo reported on coverage of the OTI report.

There are a number of CRE studies coming out this year so the Nielsen client survey has been pushed back a few months. Emily requested \$60,000 to promote the upcoming CRE studies: Social, Mobile, ROI, Big Data, and Sample Quality. Emily is working with Nielsen's Jo Laverde.

Education Committee

Sharon Warden reported the challenges on developing internship links. Robin Thomas and Jed Meyer volunteered to help with the internship links and its promotion. A note was made for Nielsen to make announcement of this at their next client meeting.

New Research Ideas from CRE Members

Ceril Shagrin said it's time to think about other research that could be conducted by CRE. Members were asked to identify what we are we missing or need to take to the next level. Richard promised to distribute members' comments before the next CRE meeting.

Responses included:

Cross platform

Ideas from CRE Members (Summary)

Crossplatform:

- some sort of ad effectiveness or ad awareness across platform
- understanding how all the different platforms—does it enhance or cannibalize linear TV viewing
- cross screen viewing behavior, including both content and advertising.
- some in-depth research on -- platform. Both on a program basis and on an ad basis.
- Single source, passive, cross media measurement that is linked to purchase data
- one more wave of VCM to see where cross screen viewership is going cross platform
- in cross platform. I'd like to be a little bit more specific and say TVE
- I think that the cross platform and the impact of social media on TV

Effectiveness

- I'm not sure exactly what, but we don't seem to be playing in that area at all.
- how audiences to a pod differ by genre, by demo, by pod, by the content.
- ad effectiveness beyond ad pods and position

18-34

- And I would target that to 18-34 year old behavior—how is it changing and -- .
- One is the multiscreen small screen generation—
- adoption of cable by younger people. So this notion of cohort versus life stage.

Diary

- some way to move past paper diaries and -- apps and things like that
- but finding a good alternative for the paper diary is critical.
- can the diary be used to capture more than just viewing on the traditional set?

Future

- looking down the line as to what the next big thing is going to be
- is there something coming down the pike that could be a game changer.

ID

- a single content identifier that would pass through all the systems and become additive
- watermarking and methodologies like using beacons

Programming

- looking at how the content life cycle through the different types of windowing are available now,
- windowing impacts: acquired product and repeats of originals

Currency

- we getting the audience that we're paying for. And are we content with the C-3 rating.

Location

- To me location is interesting and an untapped area,

Mobile

- mobile, word of mouth and tweeting using multiple companies - - outside of Nielsen
- modeling
- how much modeling is occurring and can we use it as a cost effective wave measurement.

Panel

- Panel worthiness.

Privacy

- Consumer privacy and their data and understanding where they want to draw the line.

Video measurement

- How much video viewing are we missing?

Mark Kaline wanted to thank Nielsen for continuing the CRE, which is a very important body within the industry. He was glad to see all of the new committees, and new topics. Mark thanked the group for having him.

New Business

There was no new business.

Adjournment

The meeting was adjourned at 4:30 p.m.