

Minutes from Quarterly CRE Meeting  
March 8, 2012  
Sentry Center  
New York, NY



Members In Attendance: Brad Adgate, Michele Buslik, Nancy Gallagher, Janet Gallant, Hadassa Gerber, Pat Liguori, Dan Murphy, Michael Nathanson, Davis Poltrack, Lisa Quan, Beth Rockwood, Ceril Shagrin, Ira Sussman, Robin Thomas, Emily Vanides, Judy Vogel, Jack Wakshlag, Sharon Warden

Present by Phone: JoAnne Burns, Alex Corteselli, Paul Donato, Mark Kaline, Billy McDowell, Mike Pardee, Greg Ross, Noreen Simmons, Kate Sirkin

Absent: Ed Gaffney, Bob Ivins, Keenan Pendergrass, Matt Ross, Beth Uyenco

Also Attending: Daryl Battaglia, Scott Brown, Tom Campo, Shelley Drasal (by phone), Jessica Hogue, Mark Kalus, Dave Marans and Richard Zackon.

The meeting was called to order by Chair Ceril Shagrin at 1:00pm. Members spoke to how 2012 is going in just three words ("rapidly accelerating change", "never the same", "busy, busy, busy" and "must win lotto").

### **Steering Committee**

Greg Ross addressed two topics: finances and membership. Finance concerned Nielsen funding of CRE. The Steering Committee had met with Ira Sussman about past and future Nielsen spending and the accounting for unused funds from one calendar year to the next. Greg recognized the need for greater discipline and perhaps a two year view.

Ira Sussman reviewed how Nielsen has generally funded the CRE R&D projects at \$2.5 million annually plus around \$300,000 per year in additional costs. With changing leadership at Nielsen, in the future Nielsen will fund \$3 million per year which will cover all additional costs. Historically, he pointed to a belief that the funds for CRE were actually

held somewhere. In fact they are not. If the CRE has a project and there are no funds available, the Council should bring it to Nielsen to discuss.

Jack Wakshlag asked how much the Council believed was in the bank and Richard Zackon replied \$5.4 million. Michael Nathanson spoke to the need for diligence in September-October of each year. Ira noted the work must be invoiced in the calendar year and completed in the same year. Greg Ross commented that is the way most members' companies worked.

Ceril Shagrin reminded Nielsen she is waiting for a response regarding funding for the Sample Quality study in 2011 since it was planned to begin in that year and delayed due to Nielsen's manpower limitation. Ira agreed to review the amount of funding that was delayed if it is an issue at the end of 2012. He also agreed to cover some administrative expenses from 2011 outside of 2012 funds. Administrative costs include meeting costs, facilitation and virtual assistant fees.

Greg Ross then raised the topic of new CRE members. Tom Ziangas of AMC Networks and Jeffrey Graham of Google had applied for membership and the Steering Committee had recommended them for a vote by the full council. The Council approved both new members without objection.

### **Treasurer Report**

Michael Nathanson expressed the need for getting accounting information from Nielsen on a timely basis. Ira Sussman committed to a process to achieve regular reporting. Michael also requested that committee chairs estimate spending needs for 2012 at the meeting.

### **Measurement Science Report**

Paul Donato introduced Daryl Battaglia who is the managing director of Nielsen's new Institute. The Institute will be the umbrella for the company's innovation work including its academic relationships. Paul also spoke of a white paper being prepared on use of set top box data for audience measurement. Pat Liguori requested an update for her committee and Paul agreed.

Paul spoke to the impact at Nielsen flowing from CRE projects. In general the research pointed to the accuracy of current methods while highlighting areas in need of improvement, particularly with diary measurement (nonresponse study) and non-TV households (Universe estimate study).

Richard Zackon asked about Daryl's new role as the go-to person for committee chairs working with Measurement Science and Paul and Daryl confirmed that.

George Ivie asked whether there was more study Nielsen could conduct with the data that were collected and an accounting given. Paul agreed there was much to learn. Ira Sussman suggested that CRE studies have action statements designed to inform Nielsen methodology, consistent with CRE charter.

### **Consumer Technology Update**

Scott Brown reviewed developments at the 2013 Consumer Electronics Show. The bottom line was there was no significant disruptive technology demonstrated. The focus of the show was visual value of really high definition coupled with connectivity and smart apps which have moved from mobile to the TV realm. 3D has not resonated so well. High def manufacturers are building in more streaming services.

Organic light-emitting diodes are latest screens with high prices. Scott urged CRE members to go to their electronic store to see the 4K and 8K display technologies which delivers amazing clarity and is a huge leap forward. In three to four years.

Some major names (Sharp, Sony, and Panasonic among others) are really hurting because they have been so commoditized. Manufacturers are developing their own content and applications. A Tower of Babel is beginning with no standards. Connected TV has not yet produced the results that were hoped. Possible developments from Apple, though not at CES, dominate the show. Chinese manufacturing also remains a huge factor.

Jack Wakshlag raised the question of the future of set top boxes. Scott noted Apple is talking about playing the front end for TV sets and Microsoft as well. Dan Murphy noted the value of inviting Apple to the CRE. Joanne Burns questioned the future of set top boxes. Scott believed set top boxes will be around for quite some time. Brad Adgate noted that Motorola and Cisco were selling their set top box operations.

Scott turned to sets with voice and gesture control and a new generation with microphones, cameras, motion sensing capability and even facial recognition. He also noted PC maker Lenovo is now making TVs. It's exciting when you start building in RAM and storage and other capabilities. Dan Murphy asked about Nielsen's

use of facial recognition and Paul Donato noted there are other technologies further along than what Scott is discussing and Nielsen continues to explore. Dave Poltrack noted consumers are not particularly excited with voice recognition.

Scott noted an overall drive for connectivity and integration and consumer empowerment across a lot of devices and Household transform to an IP network. He was impressed by the whole home DVR from Dish called Hopper. The next generation of phone will have HD displays although adequate battery power remains an issue. Ultra books were actually the theme of the show and Apple yesterday came out with some price decreases that undercut the ultra book market. In smartphones, Android is surpassing iPhone.

Mobile DTV Broadcast is making progress. Simple TV and Roku stick drives are kind of the over the top devices that allow you to capture content. Boxee live combines over the air high definition reception along with the ability to stream content. The fixation with building preparatory relationships in the NCE is probably harming the business overall.

TV's have become home internet and connection terminals and communication terminals. The real question is do they become PCs? As over the top has begun to resonate much more so with people every distributor needs to have an over the top play.

There was broad agreement in inviting Scott back again.

### **Set Top Box**

Pat Liquori reviewed conversations on status of set top box with Nielsen, including developments with its new Code Reader device. She reported on a meeting with Kantar. A future meeting is being planned with iLook, a cloud technology company.

Pat suggested a renaming of the committee using the term "Return Path." Paul Donato said this was the common term used in Europe. Pat noted reports which questioned the future of set top box technology.

Pat estimated \$80,000 would cover any future research in 2012.

### **Sample Quality**

Ceril Shagrin discussed research on non-response bias in an address based sample. Goals are to learn whether expanded media related equipment can be collected from a diary sample, how Return Path Data can improve diary measurement and how such data can account for the lack of demographics from the

return path data. There will also be learning on TV program viewing in what are now considered non-TV homes. Research is being conducted in Dallas-Ft Worth (LPM), Albuquerque-Santa Fe (meter) and Paducah-Cape Gerardo-Harrisburg (diary). Questionnaires will be sent to collect additional information.

The study is being jointly conducted with the Universe Estimate, Step-top-box and Local Measurement committees. Findings are expected in the Fourth Quarter. \$1.5 million has been allocated but costs may be as low at \$1.2 million.

### **Social Media**

Beth Rockwood reviewed the Quantitative Research Study on the relationship of Social media and TV viewing with Keller Fay that was approved since the last meeting. An additional \$235,000 is being sought for additional components of the study which is less than half of the original proposal.

The quant study will focus on primetime and late news using a mobile survey device administered by Nielsen as an overlay on the online panel. The second part includes social media data from NM Incite and ethnography from Life 360. Buzz data goes from September 2011 to May 2012 and will compare differences across genre and seasons.

George Ivie requested clarification of the intersection of the Nielsen online panel and the study, specifically active contact with panelists. He asked for further follow-up with Nielsen.

Bluefin Labs has offered to make additional social media data available at no cost. Details are to be worked out. Jack Wakschlag expressed particular interest in Bluefin. He questioned whether we also needed to pay for NM Incite if it's the same data. Jack also felt the study should go past May because a lot of cable programming occurs then.

Pat Liguori asked about collecting data on advertising but that is not a part of this study. Joanne Burns expressed concern about capturing syndicated programs and possible bias due to reliance on twitter data. George Ivie asked about served versus viewed online advertising.

The vote on additional funding would occur later in the meeting.

### **Local Measurement**

Billy McDowell reviewed data stretching back ten years on variability in 31 local diary markets across demos, dayparts and station affiliations. The committee found that relative error has in fact increased in both ratings and HUT levels. Decreases in effective sample size explain some of the variation. Tim Dolson of Nielsen has agreed to extend the data to May 2011.

Nielsen is putting together some information regarding the cost and the necessary increases in sample size that reduce that standard error in their measurement. An additional analysis is being conducted of actual schedules. Results are expected shortly.

George Ivie asked about differences in the primary versus over-sample. Billy agreed to follow up.

### **Digital Research**

Dan Murphy reported on the completion of the publishers study. Ernst & Young has just issued its final report, a press release is ready and a report to Nielsen clients will be conducted shortly. He proposed an agency side study as a possible next step, estimating about \$75,000 should be sufficient.

A new committee would lead that effort.

### **Universe Estimates**

As her committee is working with Sample Quality, there was no report from Nancy Gallagher's UE committee.

### **Media Consumption and Engagement**

Joanne Burns described her committee as regrouping and will soon issue an RFP about mobile and tablet measurement.

### **ROI**

Dave Poltrack reported there a major initiative also at the ARF with its meeting tomorrow. He had no report today but said he would report back after the ARF meeting after May.

### **Insights to Practice**

Nancy Gallagher said she planned to have a meeting of the committee in April. Members' schedules have been the issue.

### **Nielsen Cross-Platform Online Campaign Ratings**

At the request of the CRE, Jessica Hogue and Mark Kalus from Nielsen gave an update on this new Nielsen offering. XCR allows for TV to be measured with online. It includes the length of time an ad is viewable in the online screen. A second provider beyond Facebook will be added. A move to the UK is planned.

TV announcements are encoded using a type of watermarking technology with the cross-platform panel. It is comparable to OCR which covers video and display.

Jack Wakshlag asked whether this would become a syndicated tool. Mark replied that is eventually the plan once there is enough participation. Dan Murphy saw it as a posting tool, not a planning tool and that there were major hurdles. George Ivie saw the viewability capability as news.

In the interests of time, Richard Zackon proposed inviting Jessica and Mark to a webinar for CRE dedicated to the topic. Sooner rather than later.

### **Communications Committee**

Emily Vanides said the goals of a new social media initiative were to increase awareness of the CRE, to further establish the CRE thought leadership in the industry, to increase traffic to our website and to inspire participation in the Council and its committees. It was decided that LinkedIn was the best place to reach researchers, trade organizations, students and also press. She requested Council members follow our group and share suggestions for topics. She said the group needed a social network specialist with a good research background and requested \$10,000 for the first 90 days. The second edition of our newsletter came out in January with a featured Q&A CRE members. The website, had been enhanced and the CRE logo revised. A Meet the CRE webinar was held in February with over 30 Nielsen clients participating. The plan was to bring projected communications expenditures to around \$200,000 for 2012.

### **Education**

Sharon Warden discussed progress on the internship program and faculty reach out. 118 companies have responded with links. She also reported on a day and a half Time Warner seminar for college professors which is being coordinated with the Broadcast Education Association. We would like to record some of that conference for posting on our website. She requested the CRE fund \$400 to produce and publish an ad in a BEA conference directory. The CRE approved the funds.

### **New Business**

Richard Zackon reminded the Council of the suggestion to hold another wine and cheese event so members can get to know each other better. An event will be planned for April. Richard also noted it was Noreen Simmons last meeting on the Council.

Various committees expressed interest in setting aside funds for their projects. \$80,000 for set top box, \$235,000 additional for social media, \$75,000 for Digital, \$200,000 for Communication and \$50,000 for ROI.

George Ivie noted there was \$300,000 earmarked for academic analysis of the Sample Quality study which might be available for other projects. Ceril Shagrin said she would be more comfortable waiting for the next meeting to know if that would be available.

Hadassa Gerber said the CRE should only approve projects ready to launch. Michael Nathanson agreed we should vote on fully developed proposals.

Beth Rockwood moved to approved \$235,000 to continue the social media project as proposed. The motion was seconded and approved.

Emily Vanides moved to allocate \$10,000 for social media in the communications budget. The motion carried with only one negative vote.

Ira Sussman agreed to bring to Nielsen management the request for additional funds at year's end, if needed, due to the delay of the diary mailing in the Sample Quality project.

The meeting adjourned at 4:29pm.