

# **CYNOPSIS Ratings Boot Camp**



# Introduction

General Observation National Currency Ratings

Mechanics of Television Ratings Creation

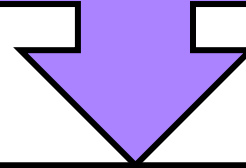


**For Better or Worse...**

**...long-term market forces have  
shaped the currency ratings  
we are using today!**



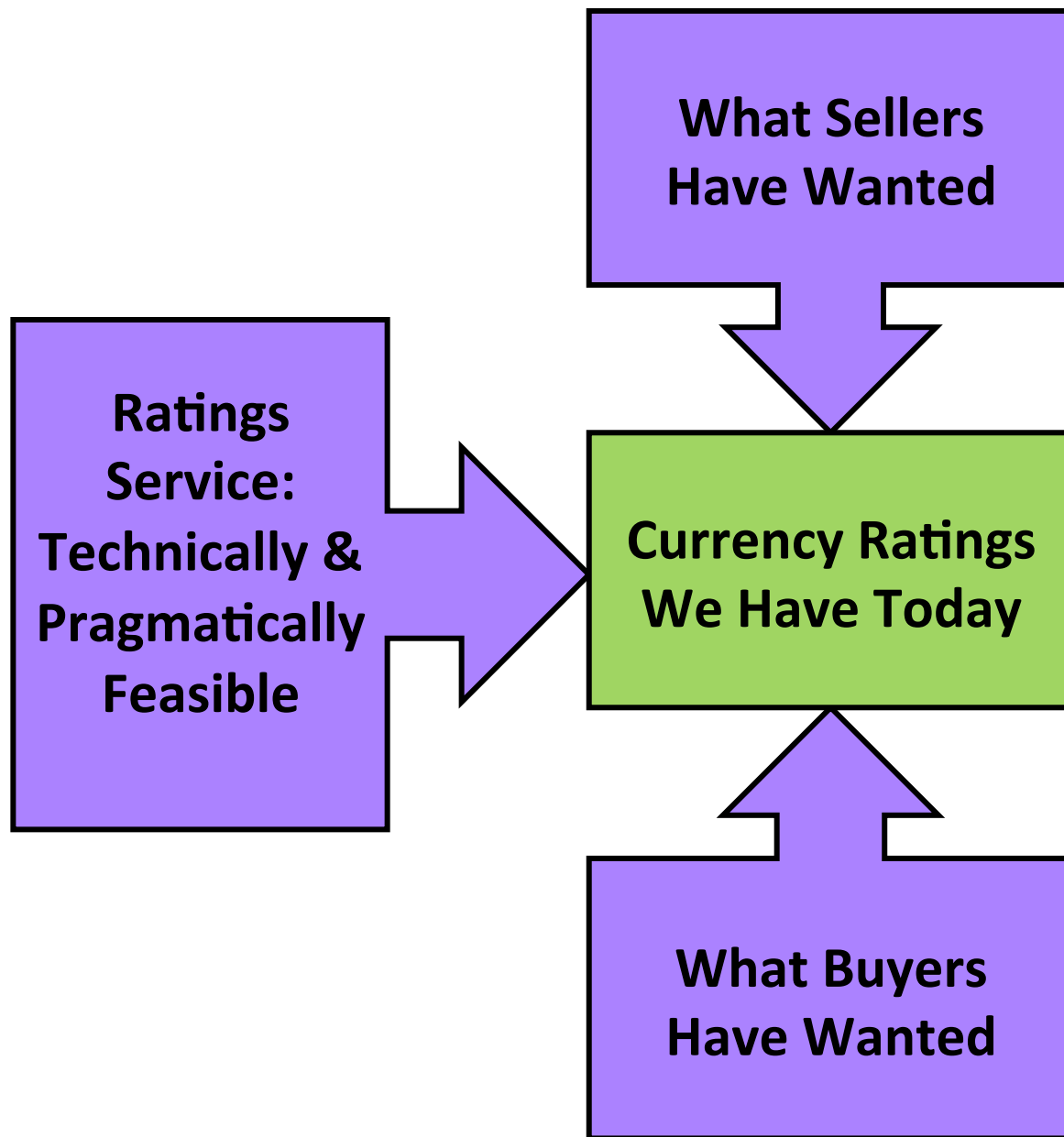
**What Sellers  
Have Wanted**

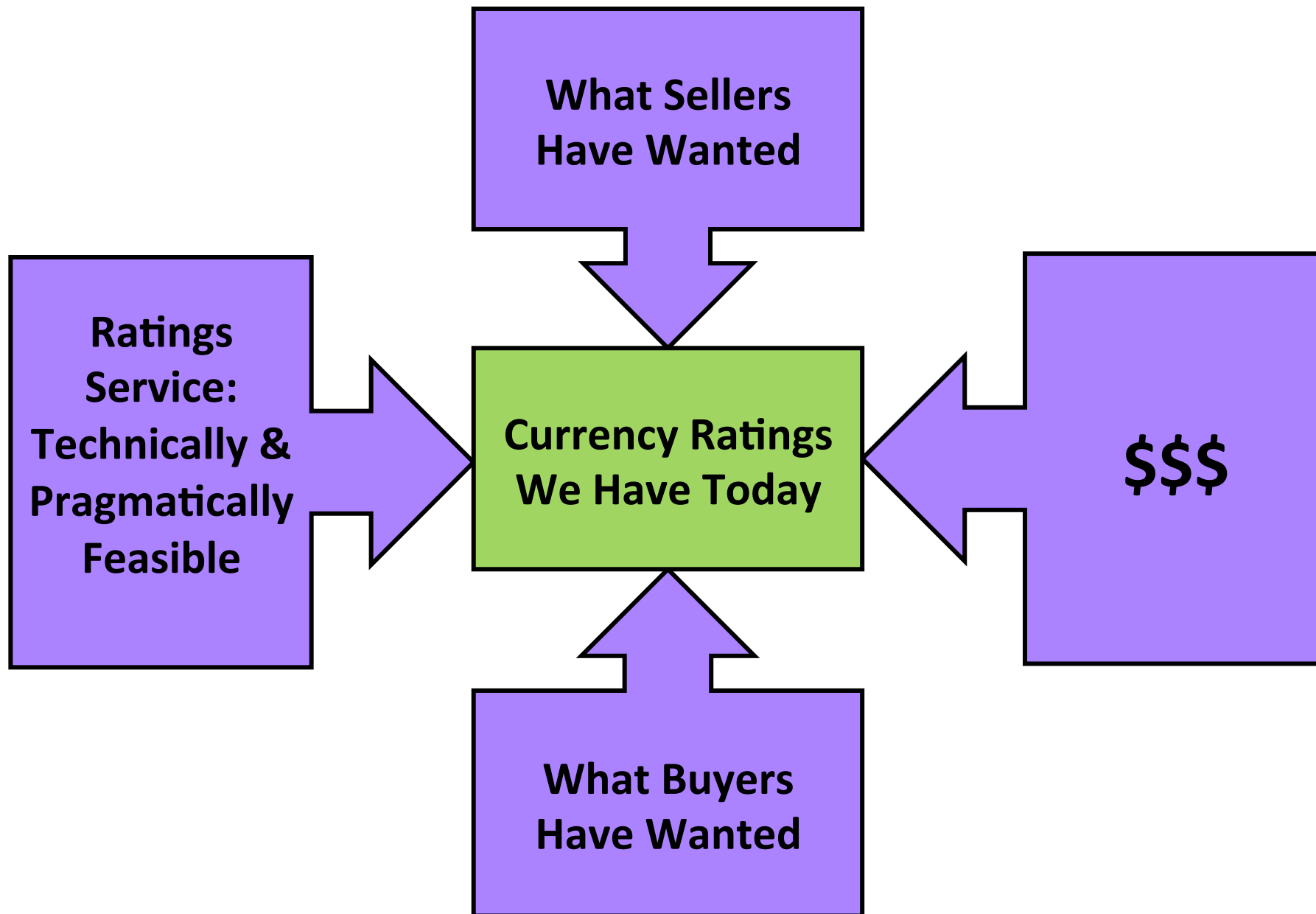


**Currency Ratings  
We Have Today**

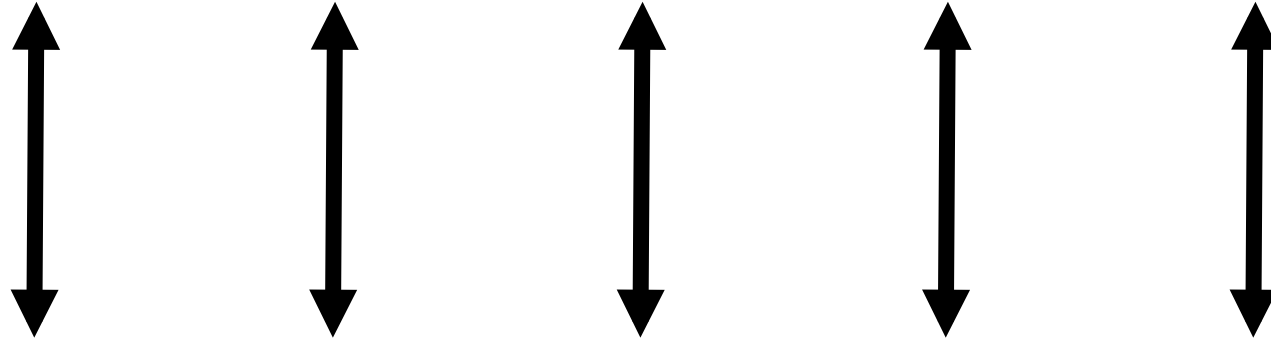








# Our TV Ratings System Today & Tomorrow



**Shared Responsibility & Vision**





# The Creation of Television Ratings



**Ratings = Time Spent Viewing**

**Ratings Services are Measuring Time**



**Ratings = Time Spent Viewing**

**Half Hour Sitcom**

**10 Panel Homes**



# Ratings = Time Spent Viewing

Panel HH #1: --

Panel HH #7: --

Panel HH #3: --

Panel HH #9: --

Panel HH #5: --

Panel HH #10: --



# Ratings = Time Spent Viewing

Panel HH #1: --

Panel HH #2: Five Mins.

Panel HH #3: --

Panel HH #4: Ten Mins.

Panel HH #5: --

Panel HH #6: Ten Mins.

Panel HH #7: --

Panel HH #8: Five Mins.

Panel HH #9: --

Panel HH #10: --



**4 Homes Totaled 30 Mins. of Tuning**

**300 Total Potential Mins. (10 HHs x 30 Min. Show)**

**30 Mins. Observed / 300 Max. Mins. = 10%**



# Ratings = Time Spent Viewing

Panel HH #1: Three Mins

Panel HH #2: Three Mins.

Panel HH #3: Three Mins.

Panel HH #4: Three Mins.

Panel HH #5: Three Mins.

Panel HH #6: Three Mins.

Panel HH #7: Three Mins.

Panel HH #8: Three Mins.

Panel HH #9: Three Mins.

Panel HH #10: Three Mins.



# Ratings = Time Spent Viewing

Panel HH #1: --

Panel HH #2: 30 Mins.

Panel HH #3: --

Panel HH #4: --

Panel HH #5: --

Panel HH #6: --

Panel HH #7: --

Panel HH #8: --

Panel HH #9: --

Panel HH #10: --





**At the Heart of Time-Based Ratings**

**More Value is Placed on Longer Viewing**

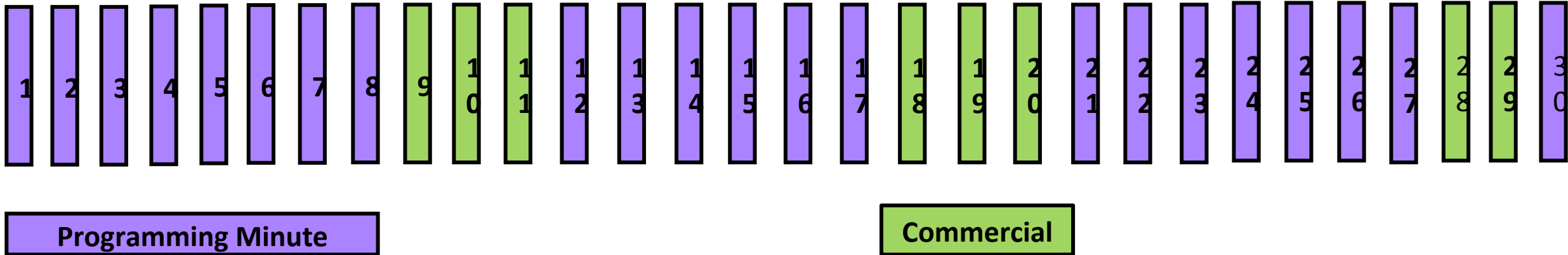


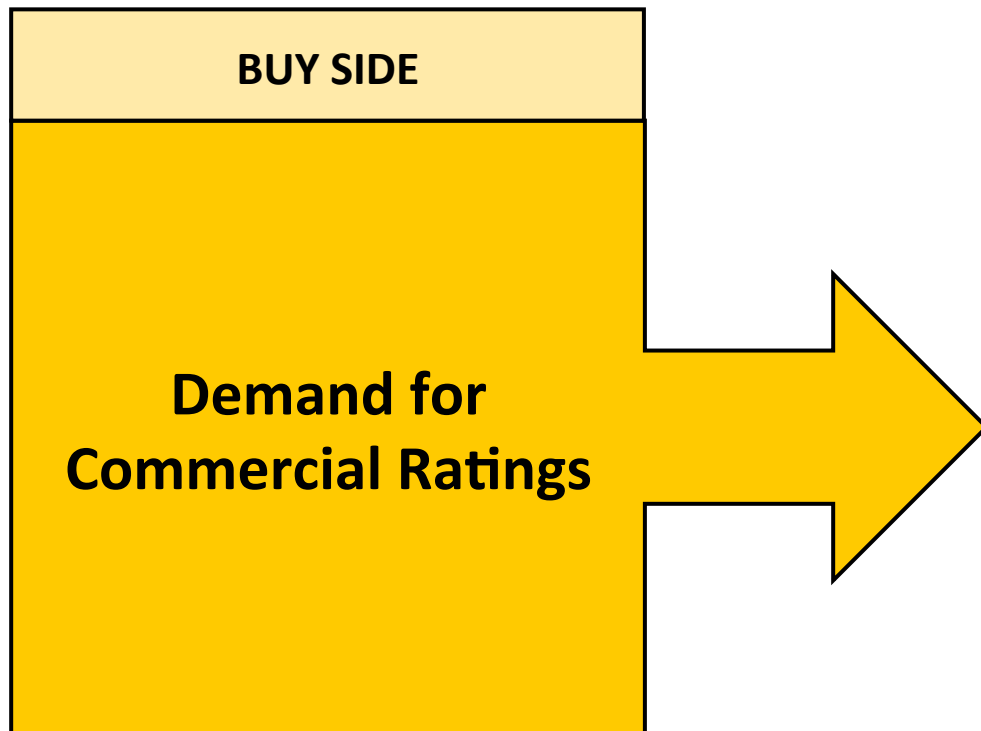
**National C3 Ratings Currency**

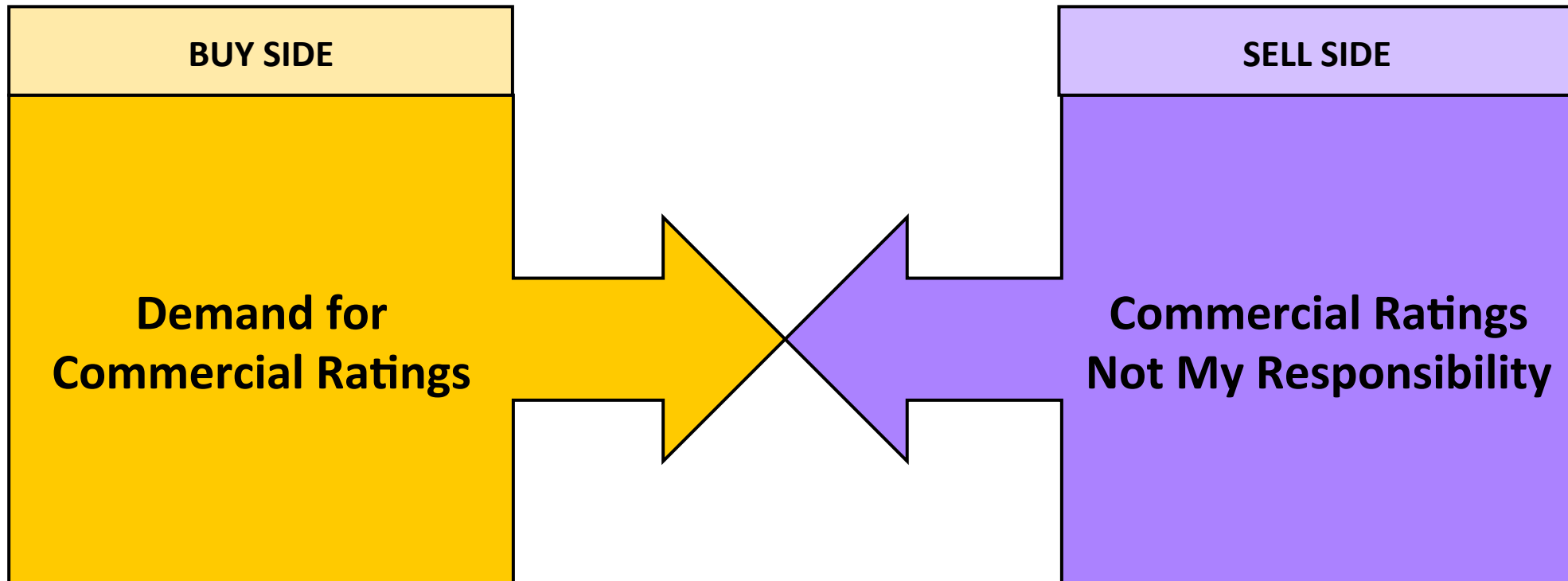
**Average Minute Program Rating**

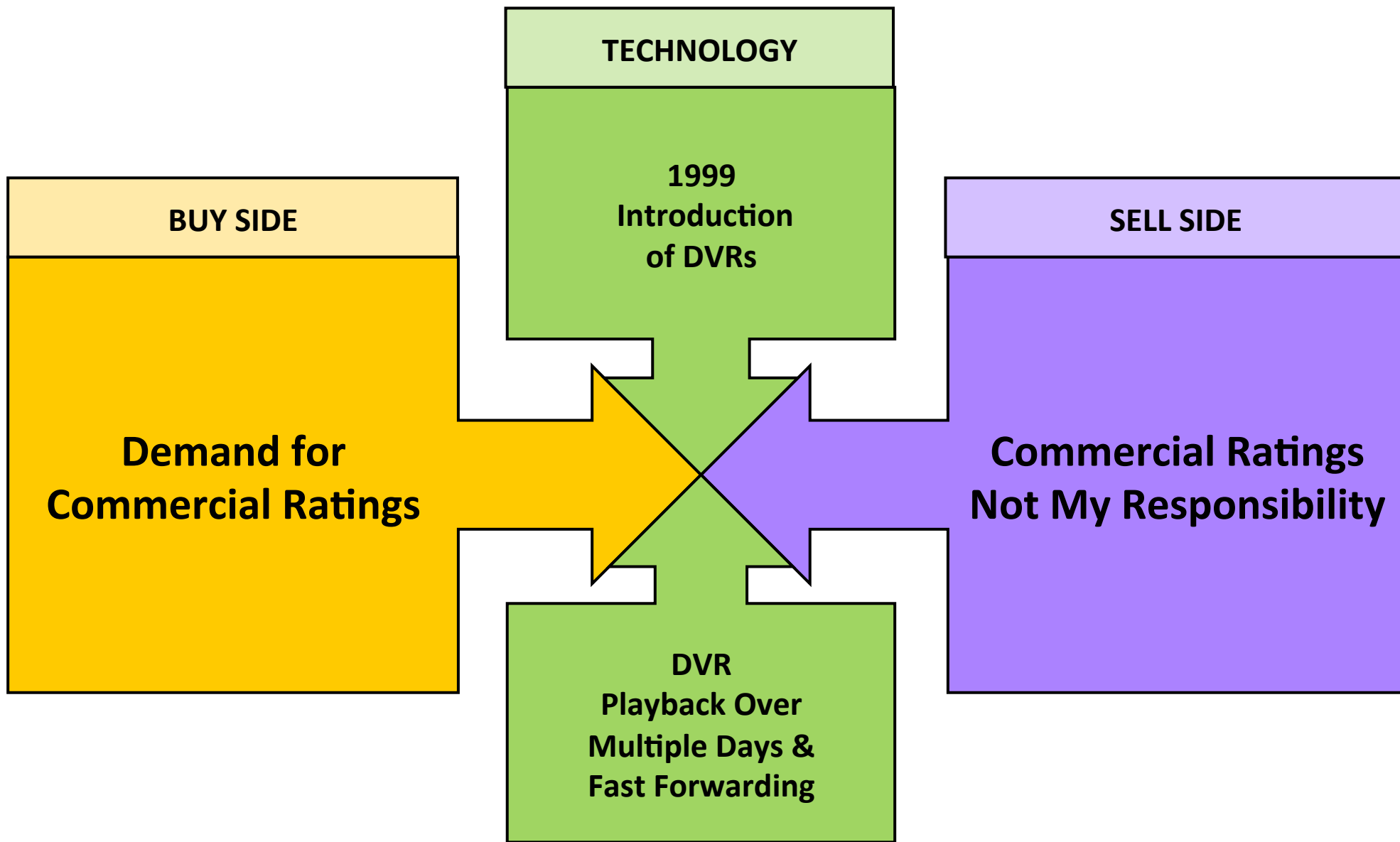


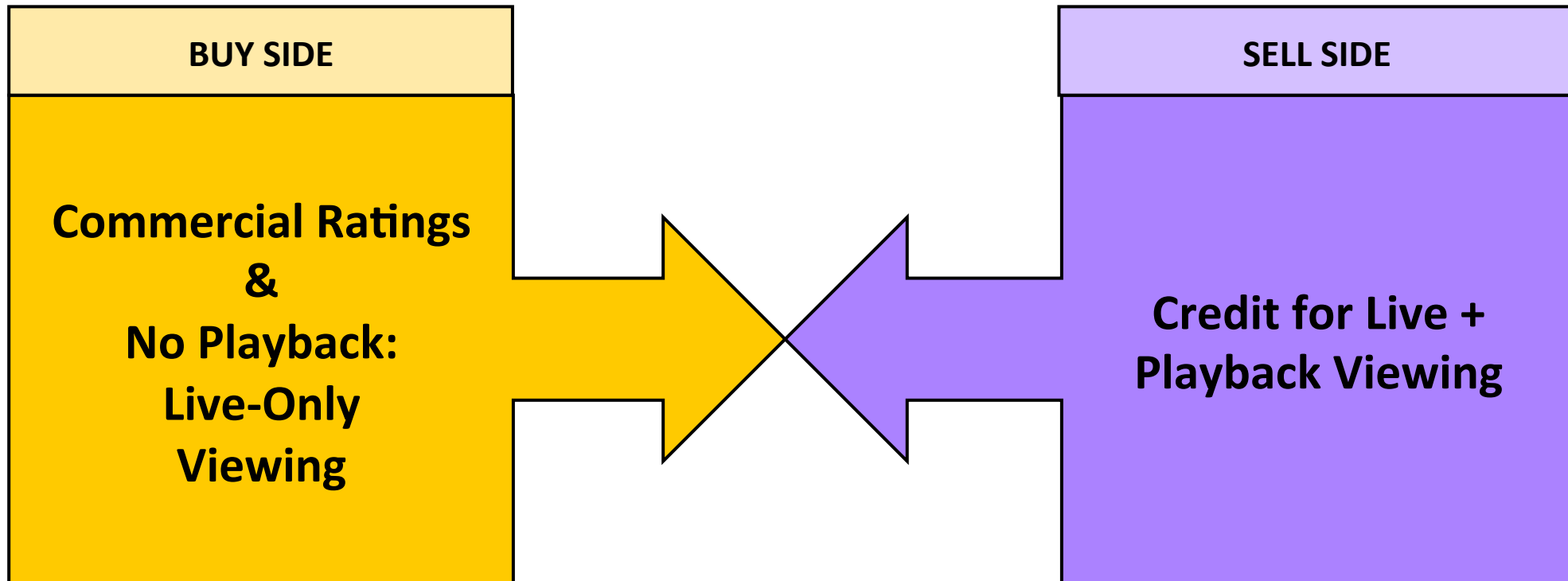
# Average Minute Program Rating

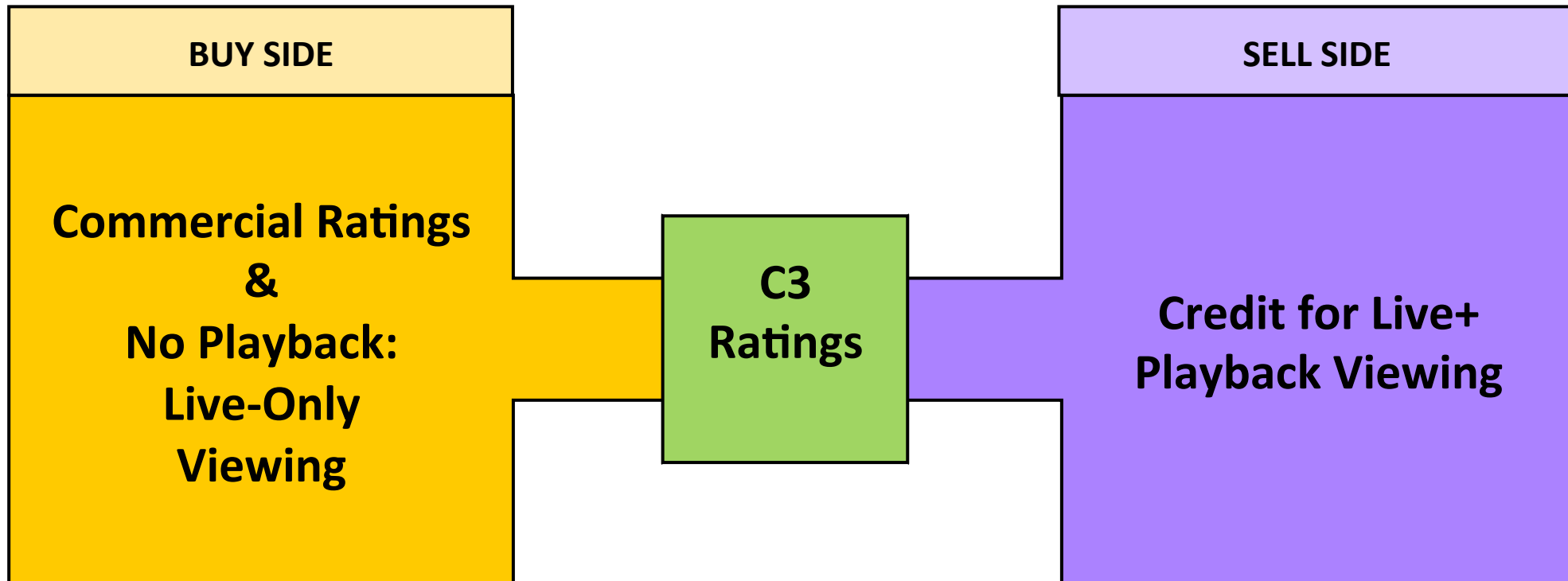














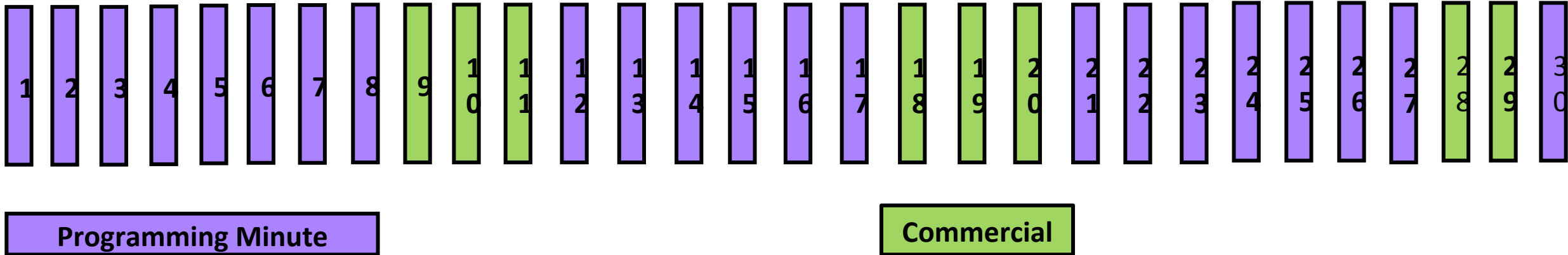
**C3  
Ratings**

**Measure of  
Commercial Viewing**

**Measure of Live +  
3-Day DVR Playback of  
Commercial Viewing**



# Average Minute Program Rating



**Live-Only Viewing**

# C3 Commercial Ratings

9  
1  
0  
1

1  
8  
1  
9  
2  
0

2  
8  
2  
9

Viewing to the Commercials in Aggregate

Live Viewing + 3 Day DVR Playback



# C3 Commercial Ratings

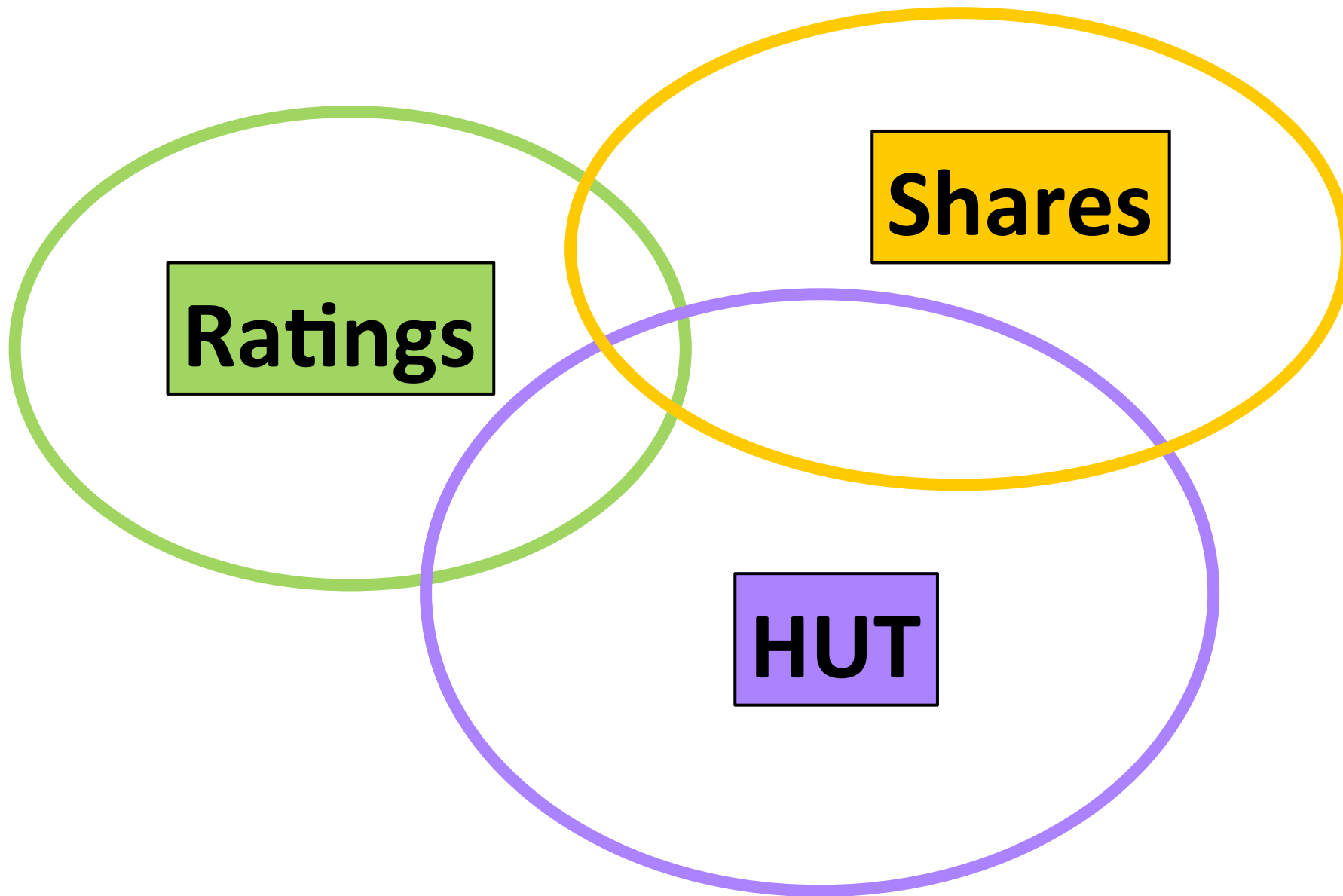
9  
1  
0  
1

1  
8  
1  
9  
2  
0

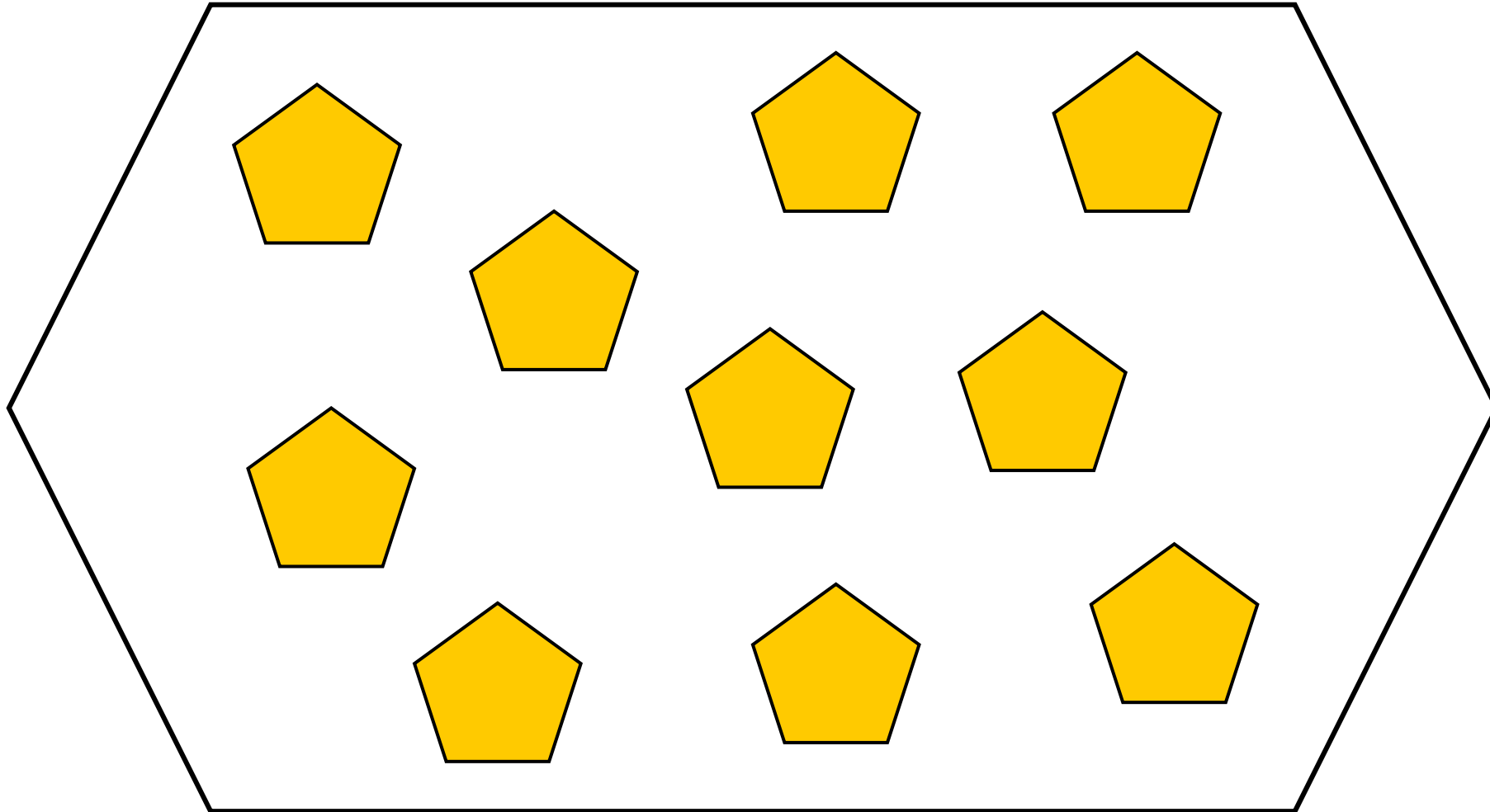
2  
8  
2  
9

Excludes fast-forwarding through commercials

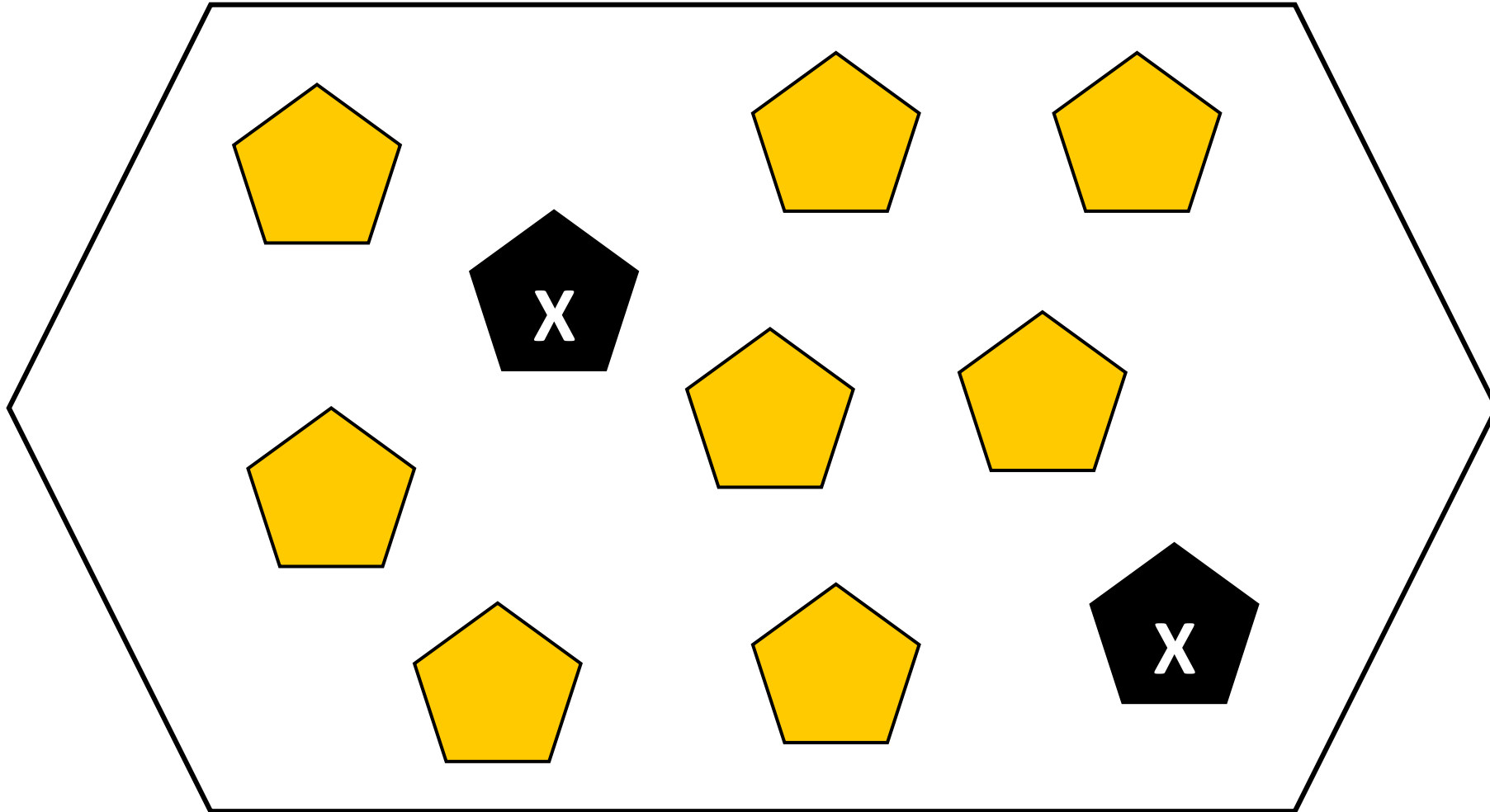




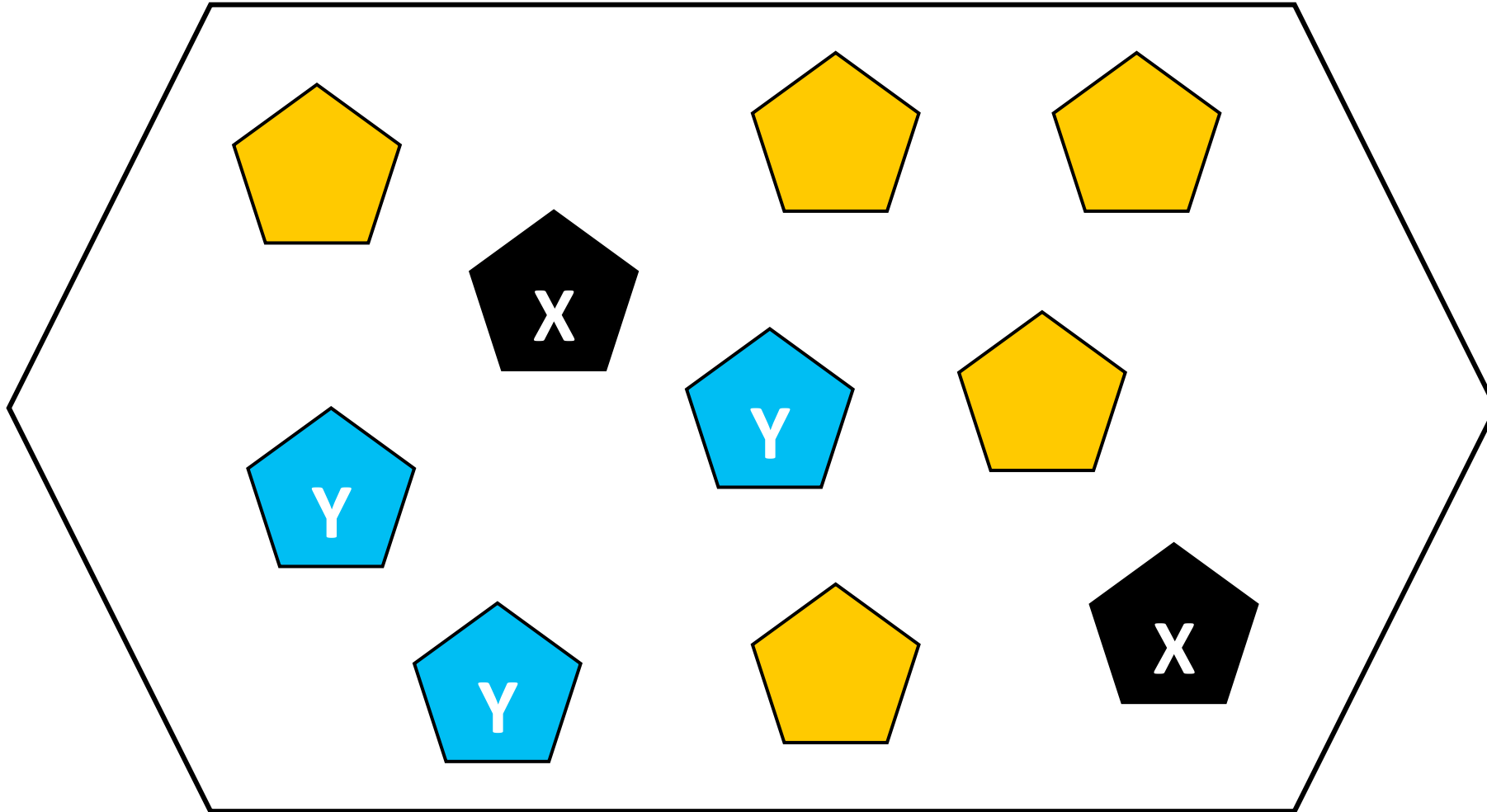
**Primetime 8:00 - 9:00pm**



**Net X Rating:  $2 / 10 = 20\%$**

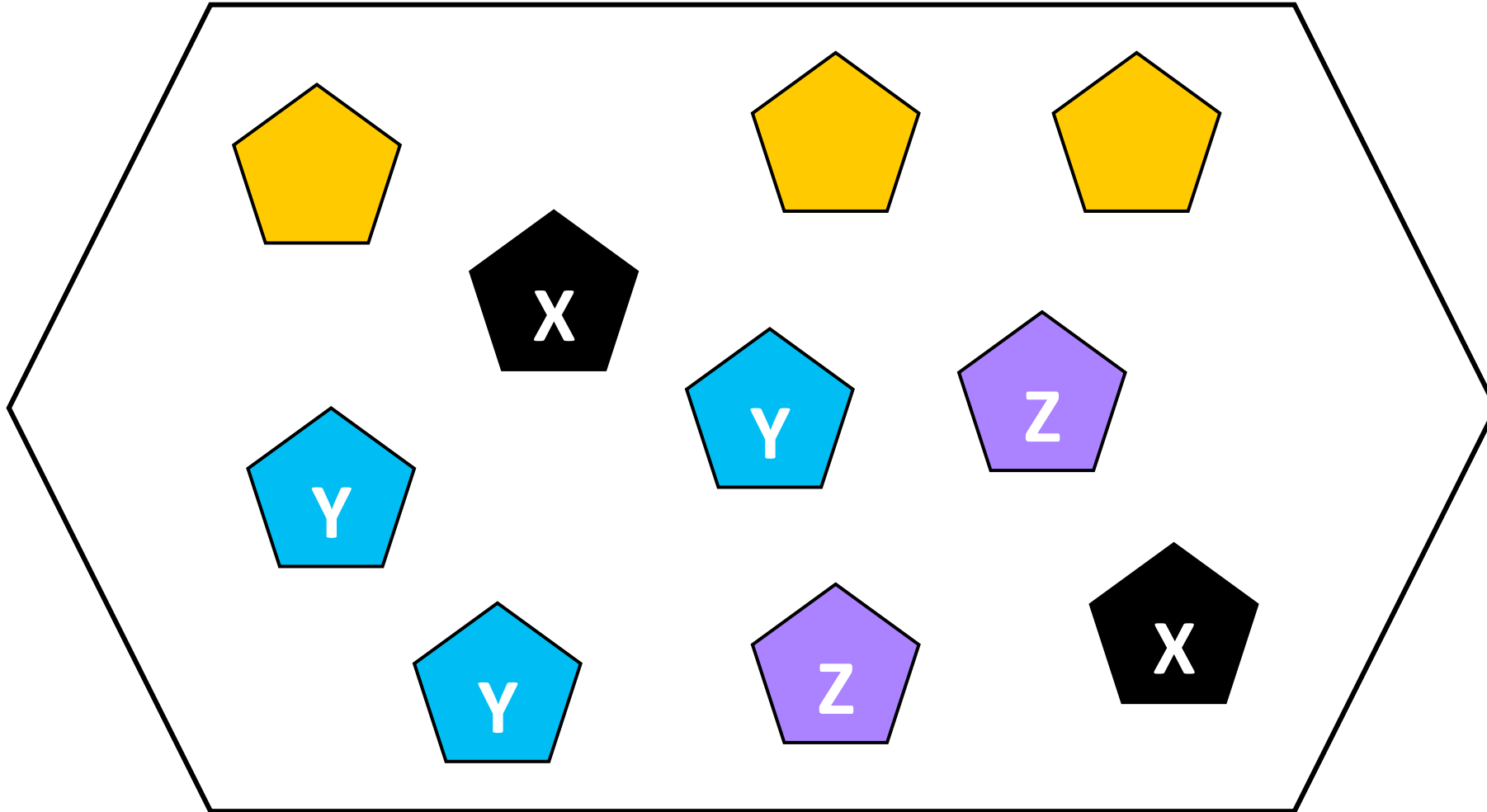


**Net Y Rating = 3 / 10 = 30%**

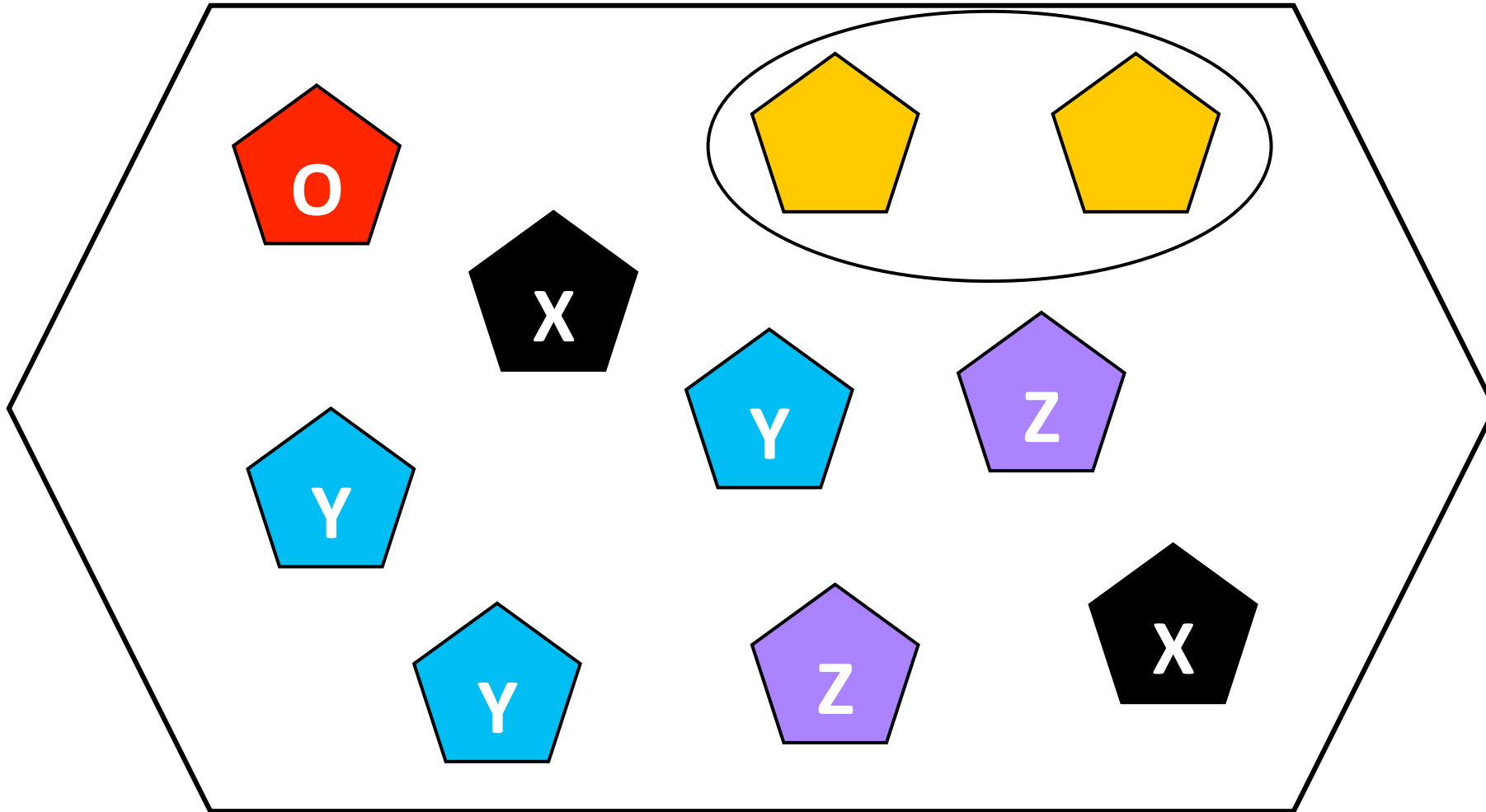




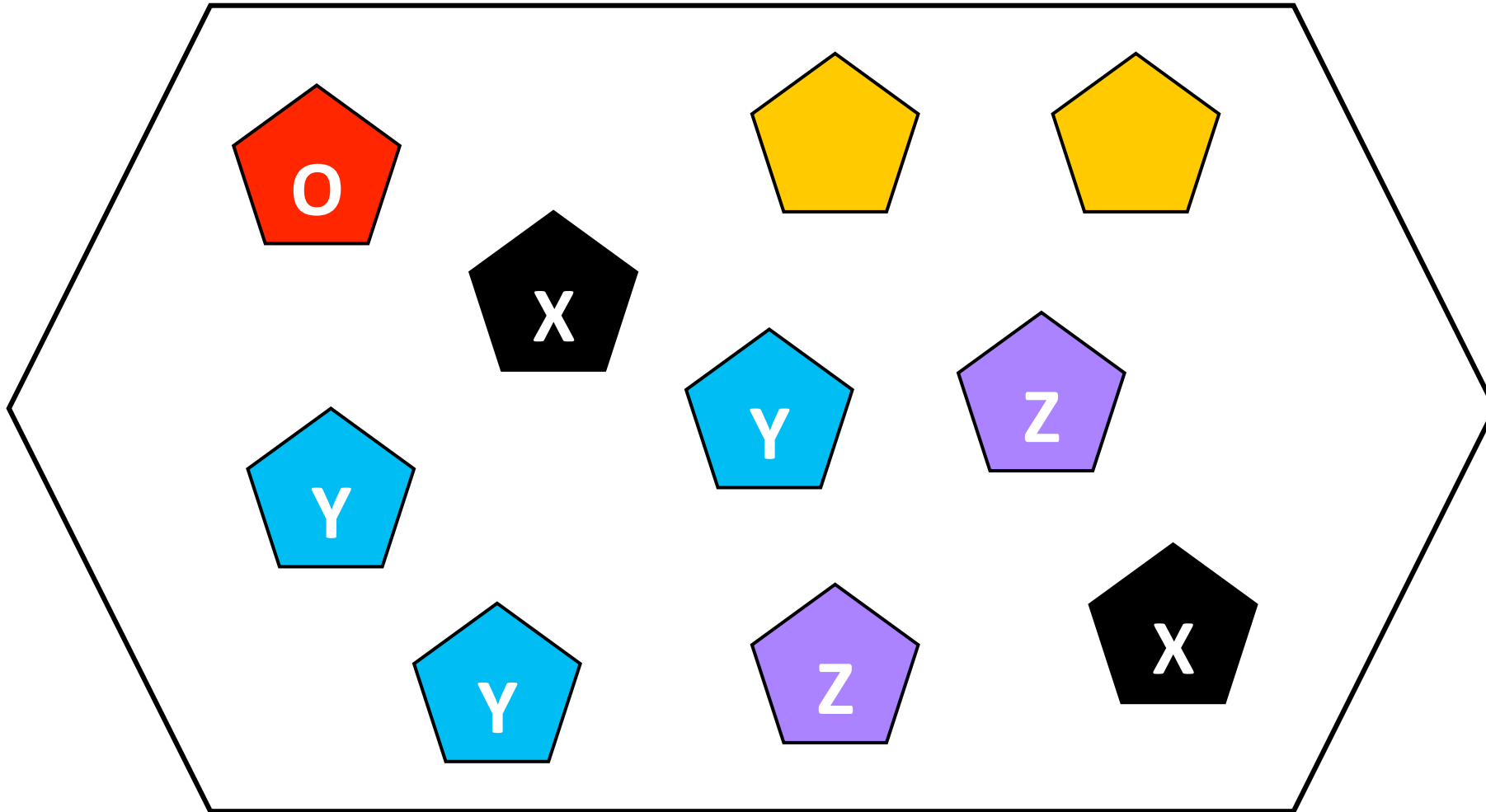
Network Z = 2 / 10 = 20%



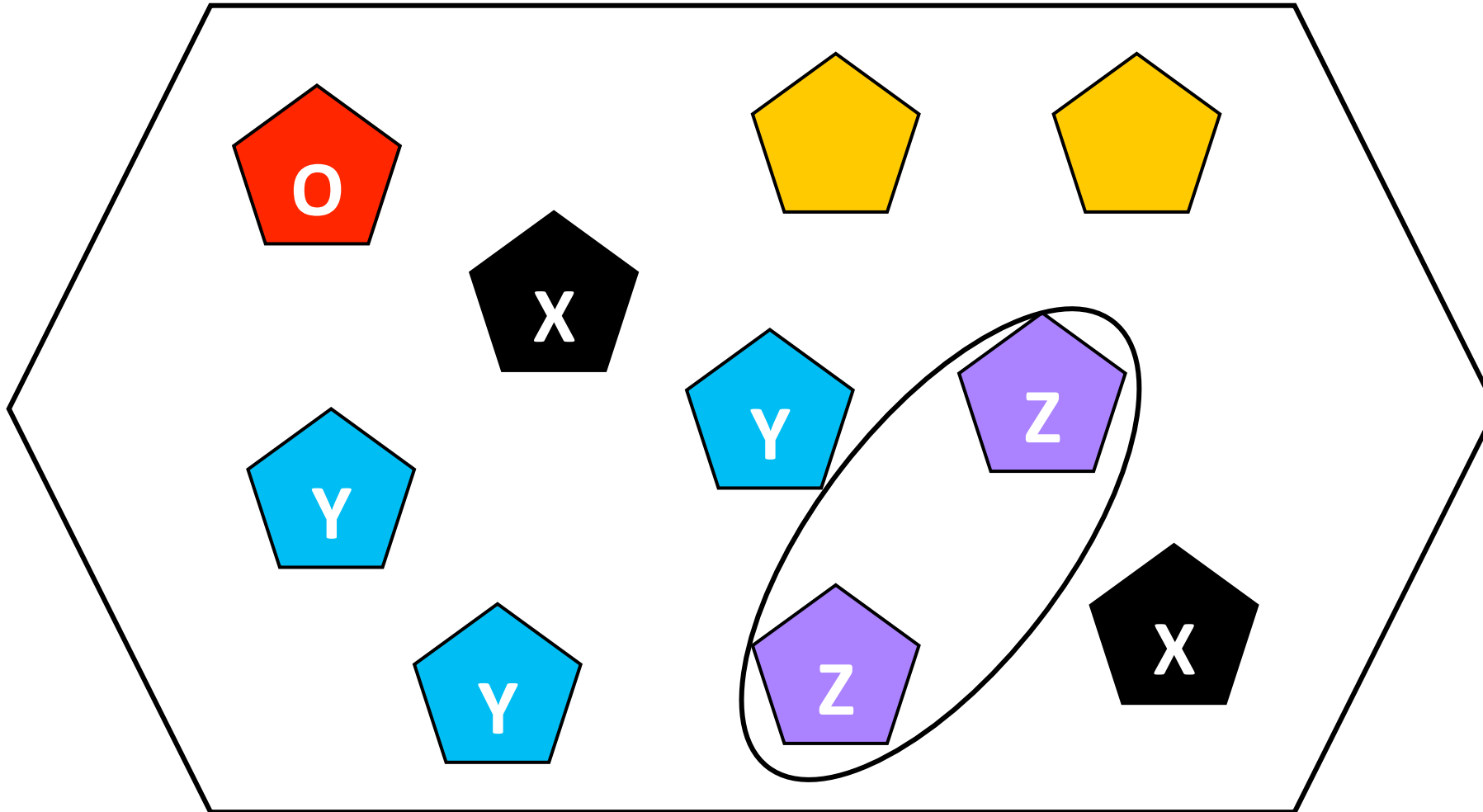
$$\text{HUT} = 8 / 10 = 80\%$$



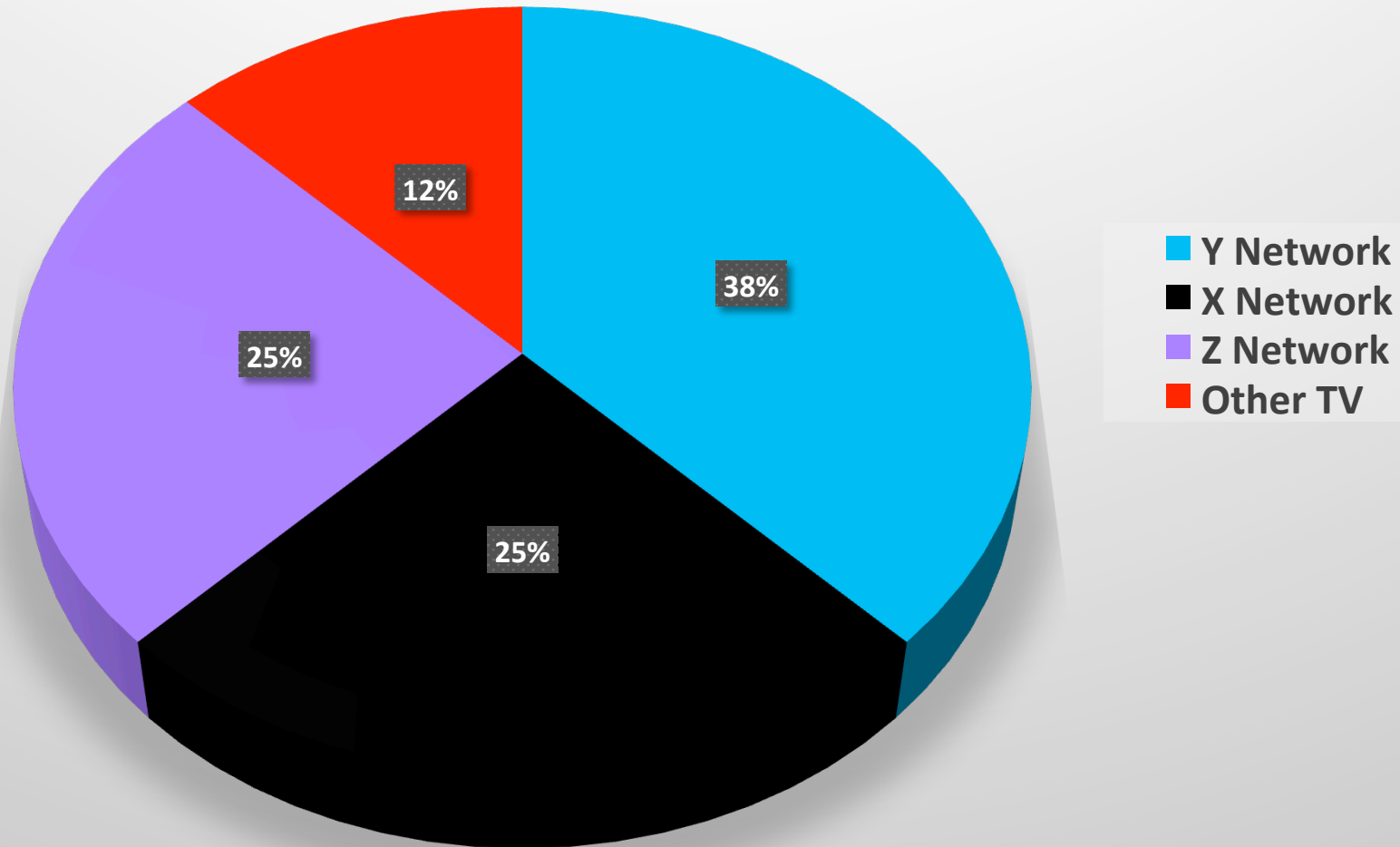
$$\text{Share} = \text{Rating} / \text{HUT}$$



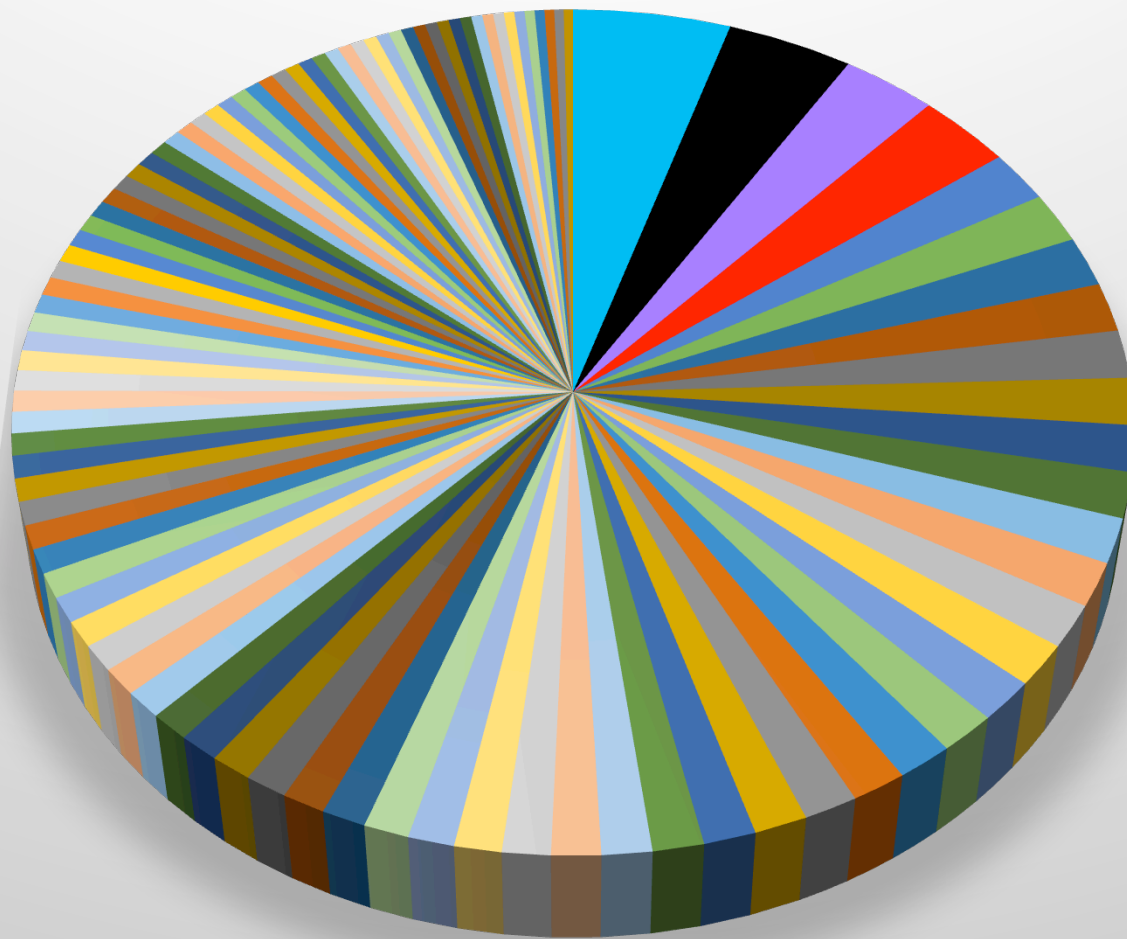
$Z \text{ Share} = 20 \text{ Rating} / 80 \text{ HUT} = 25\% = 25 \text{ Share}$



## Neat & Tidy Shares = 100%



## Not So Neat & Tidy Shares



# DVR and VOD Undermine Concept of Share

Traditional shares are based on a point in time

Time-shifted viewing changes the equation; expands time

Share = Rating / HUT ?



# Video on Demand (VOD) Measurement

C3 (or C7) Currency Ratings

Recently Telecast VOD  
(RTVOD)





# Video on Demand (VOD) Measurement

Free video content via TV Set-Top-Box with cable subscription

Typically accessed through a virtual channel

Content aired on linear commercial TV (whether broadcast or cable)



# The Appeal of VOD for Broadcast & Cable Nets

Commericals can't be fast forwarded

Extend audiences beyond original air date

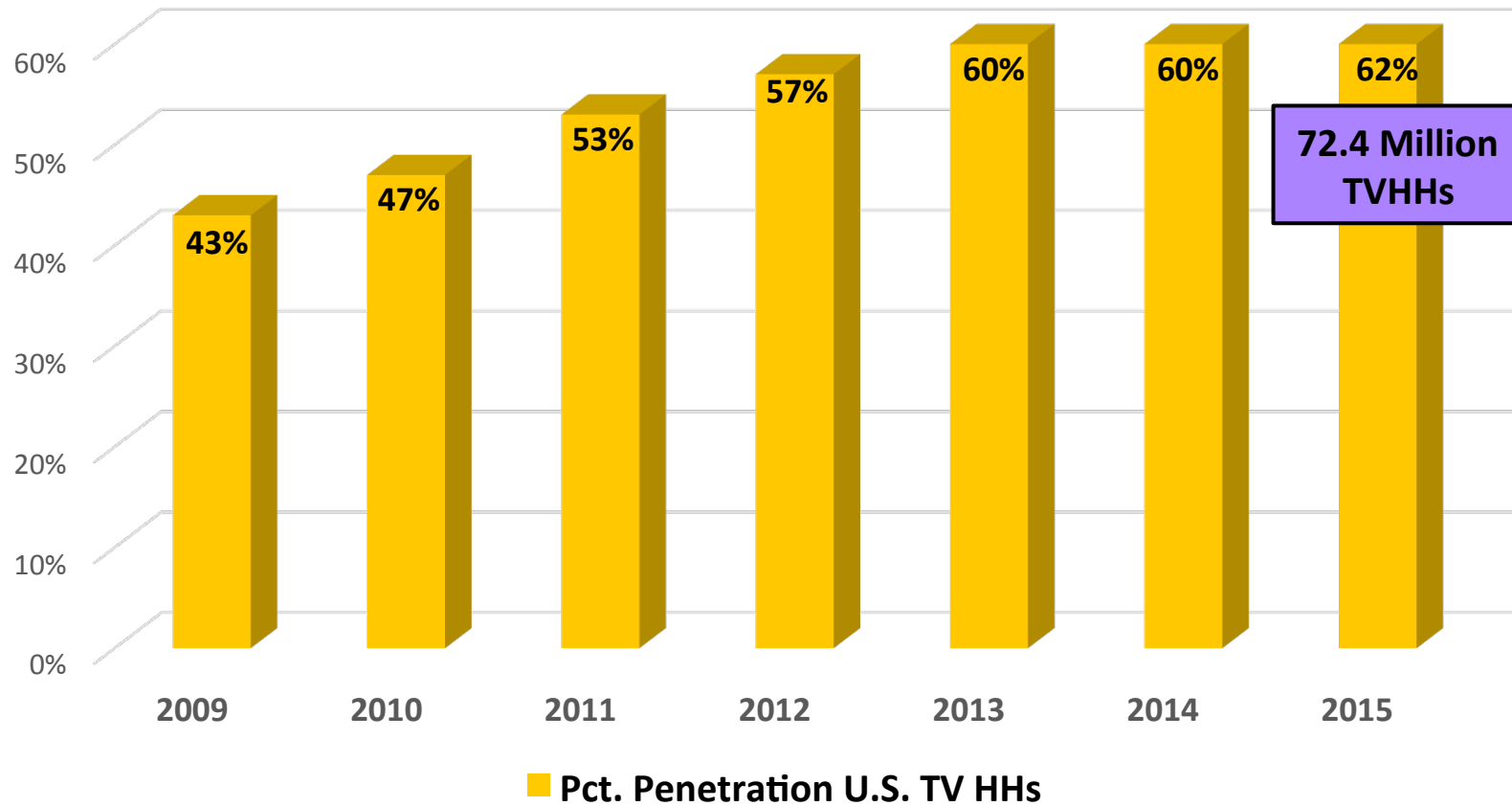
Incremental impressions to sell



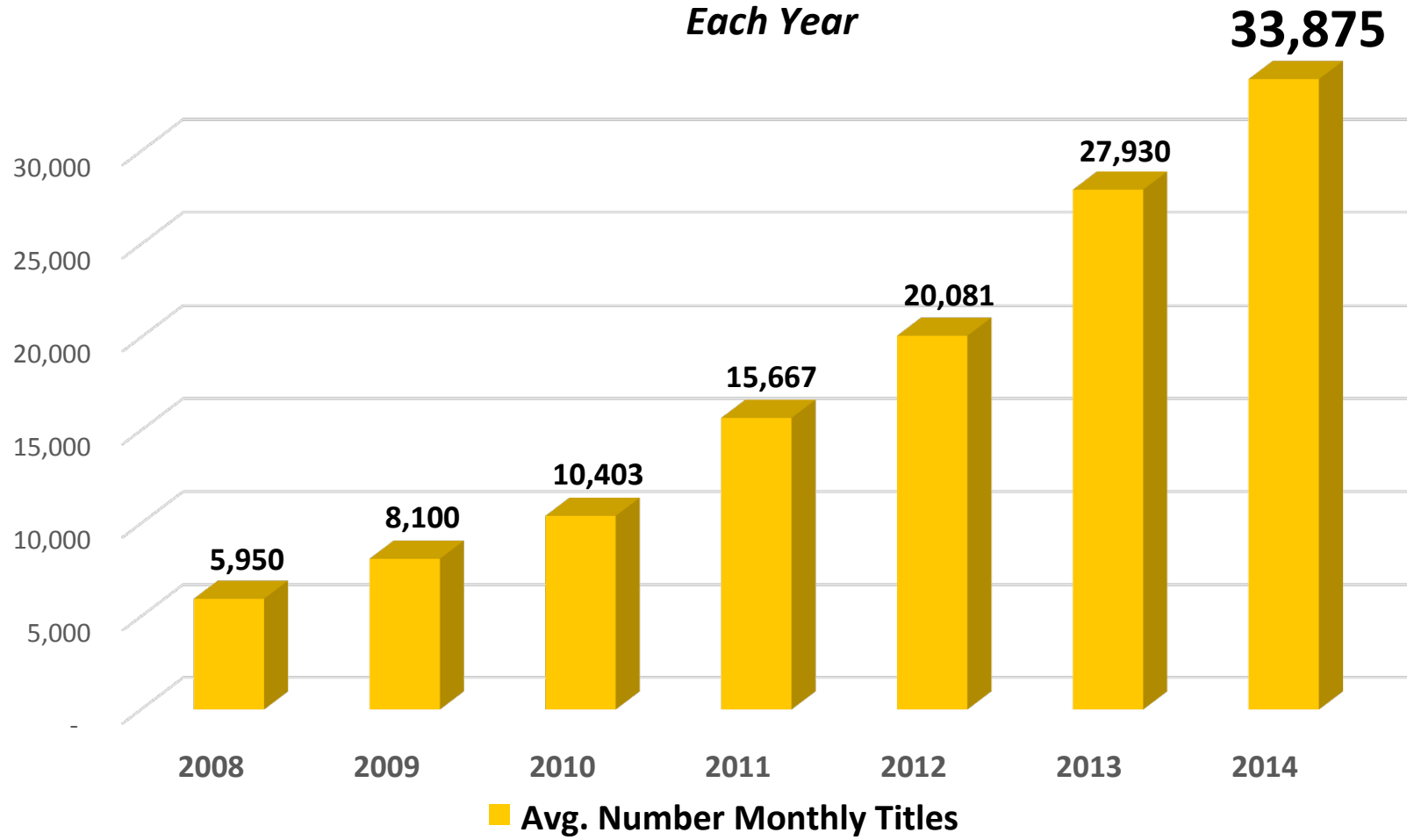
# VOD Availability in TV Homes

## Nielsen Universe Estimates

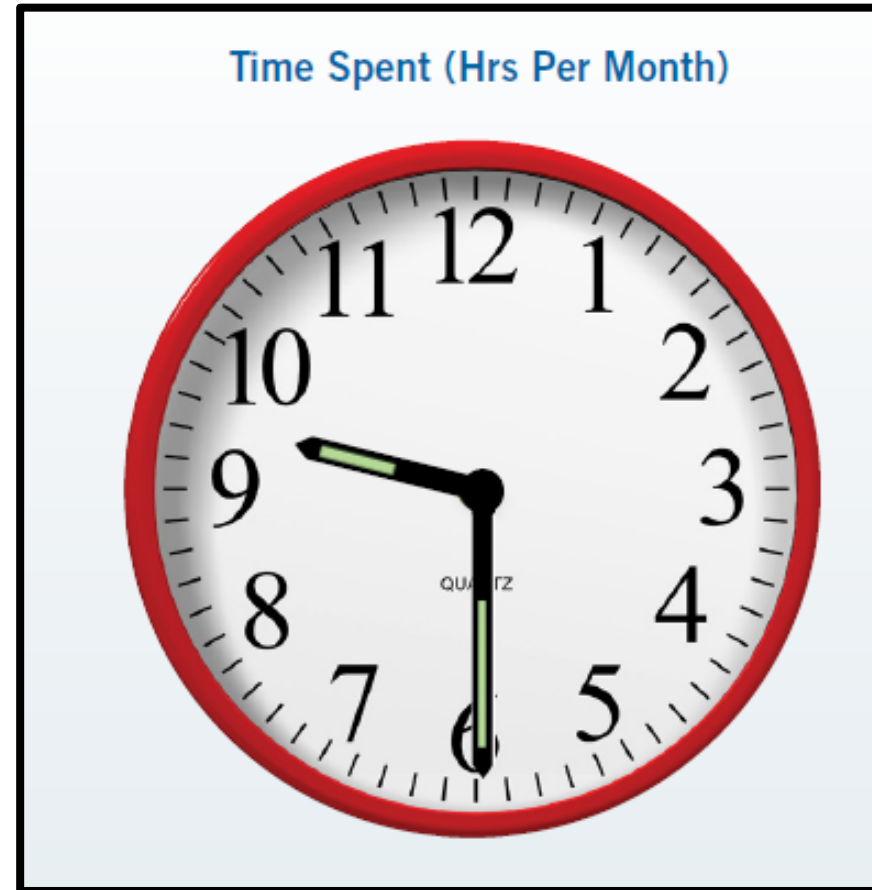
*September of Each Year*



**Average # VOD Titles per Month**  
**SNL Kagan Estimates**  
*Each Year*



According to Rentrak, consumers are spending +9 hours a month on VOD



# VOD Content as Part of C3 Measurement

Distributors must encode program with unique watermark

Must have a breakout flag that distinguishes VOD from linear

Program must have exact same commercial content / load

3-day window for ratings inclusion



# Recently Telecast VOD

Not part of C3 national currency ratings

Growing segment of VOD usage being monetized

Network content with original commercials stripped out

New commercials dynamically inserted (DAI)



# Digital Video Measurement





# Digital Video Measurement

**Marketing Land**

January 28<sup>th</sup>, 2016

**Facebook Now Seeing 100 Million Hours  
of Video Watched Daily**

**“Video ads are important on our platform and the most important thing that’s growing... we have 500 million people watching video a day.”**



# Digital Video Measurement

Digital ad measures began with static display ads

Nothing to do with an average audience concept

A response measure: from ad delivery to ad request

Served impression



# Digital Video Measurement

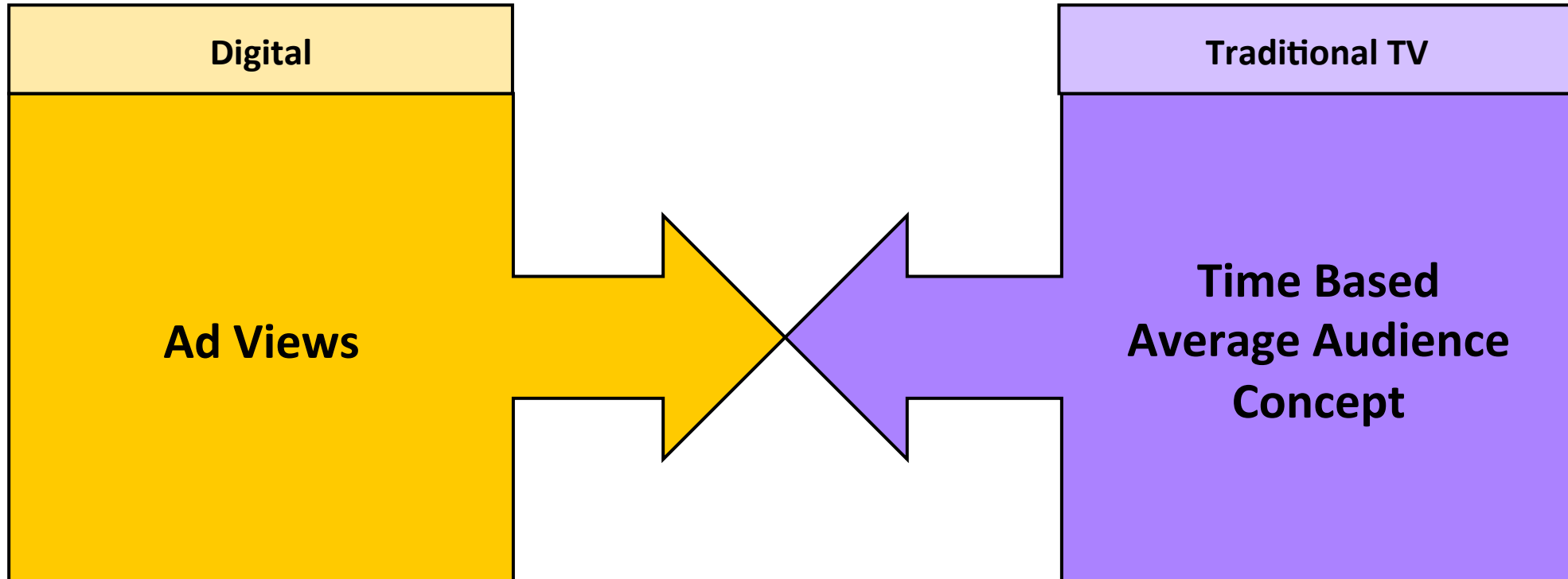
Industry morphed from “served” ad impression to “viewable”

MRC Standard: 50% of pixels in view for 2 consecutive seconds

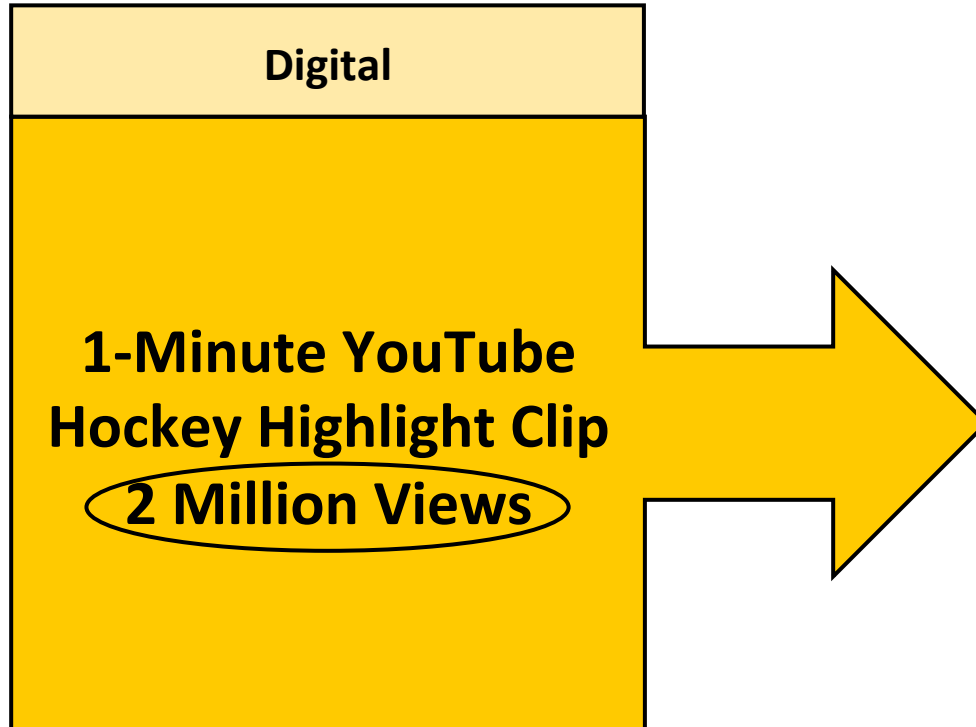
View = time threshold concept!



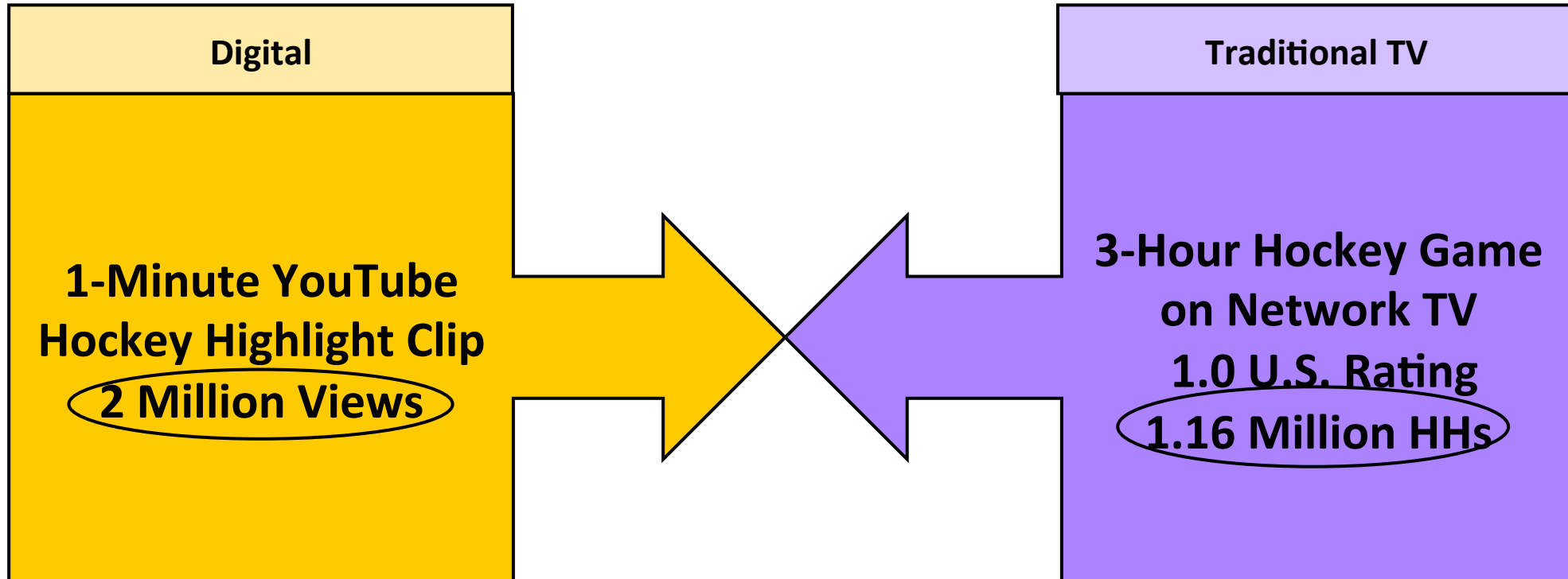
# Where Confusion Reigns Supreme



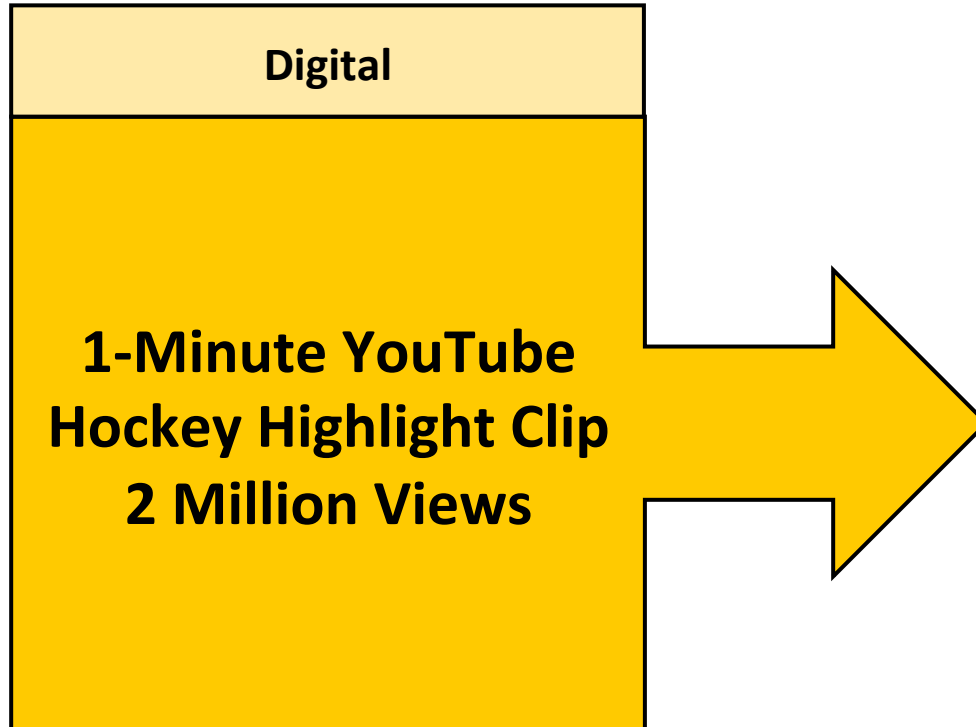
# Where Confusion Reigns Supreme



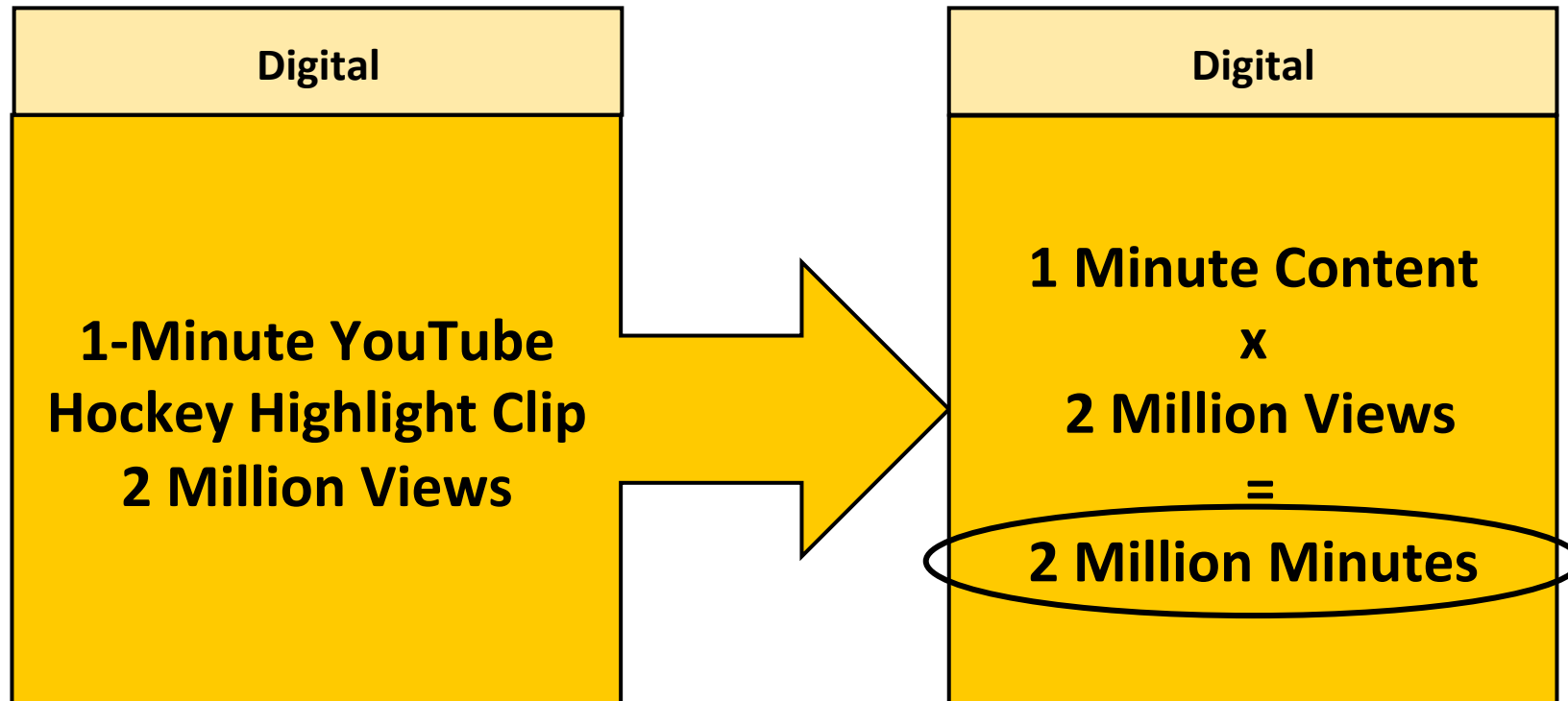
# Where Confusion Reigns Supreme



# Getting to Comparable Metrics

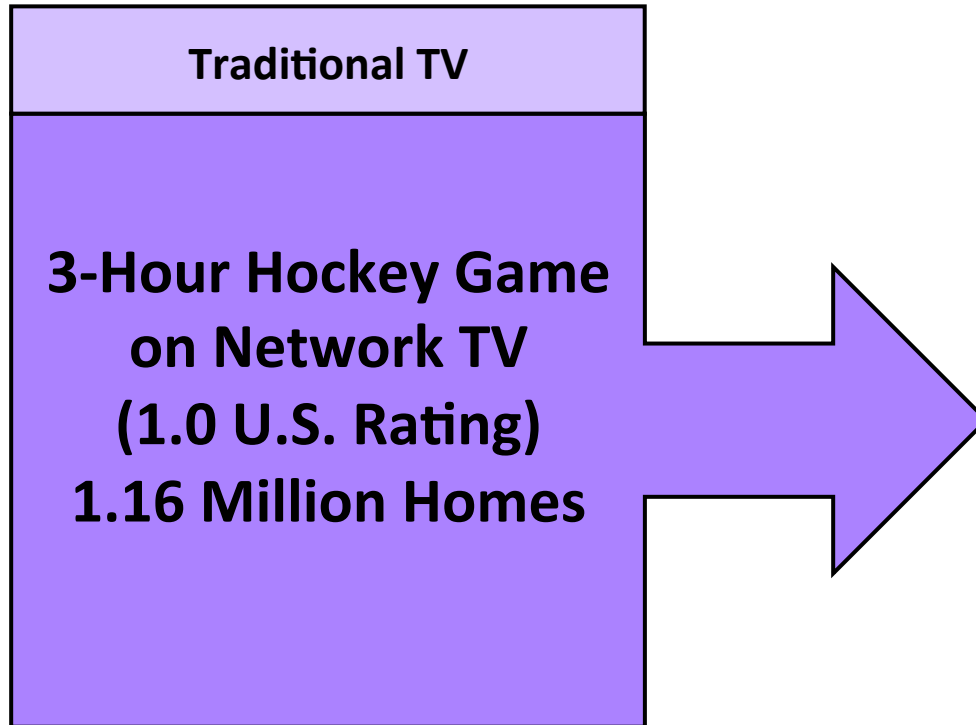


# Getting to Comparable Metrics

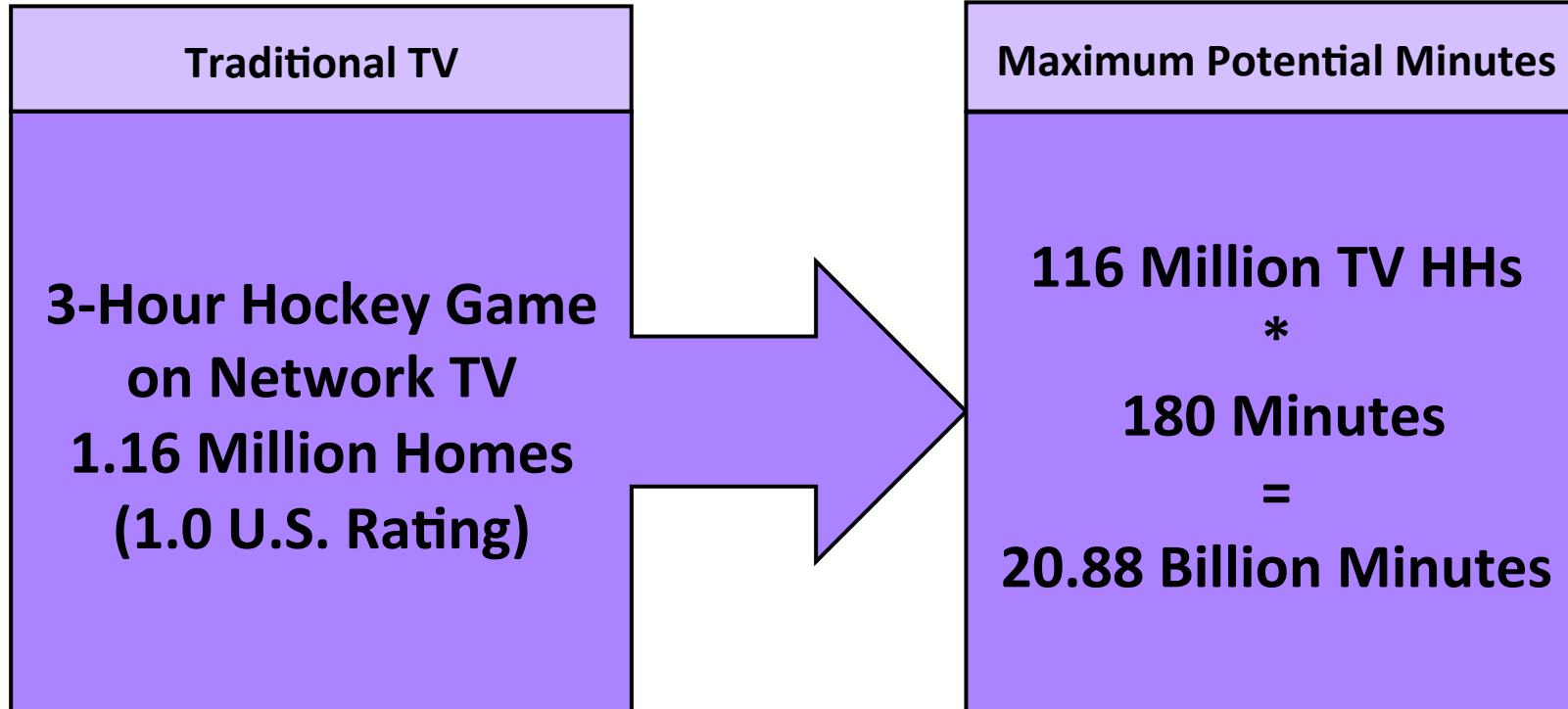




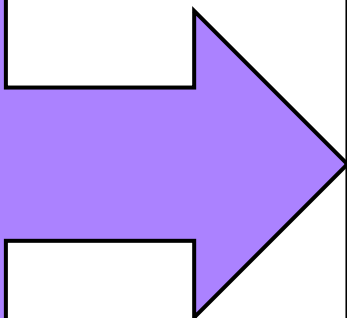
# Getting to Comparable Metrics



# Getting to Comparable Metrics

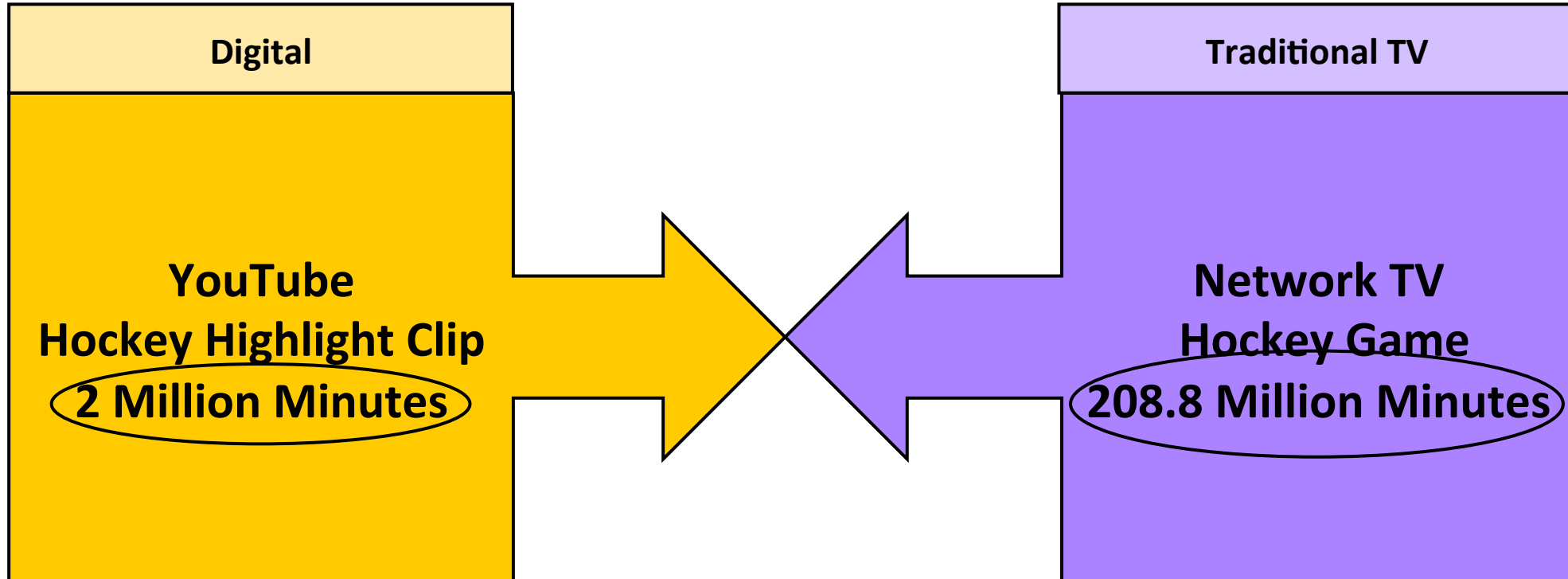


# Getting to Comparable Metrics

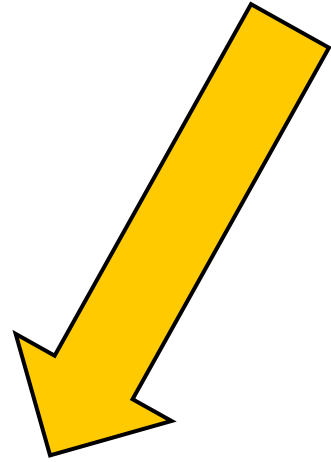
Traditional TV		Maximum Potential Minutes	Actual Minutes Viewed
<b>3-Hour Hockey Game on Network TV 1.16 Million Homes (1.0 U.S. Rating)</b>		<b>116 Million TV HHs * 180 Minutes = 20.88 Billion Minutes</b>	<b>20.88 Billion Minutes * 1 Rating (1%) = 208.8 Million Minutes</b>



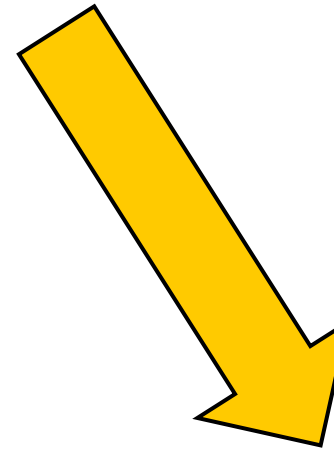
# Comparable Metrics



# Benefits of Digital & TV Metrics Convergence



**Unified Currency  
for Buying &  
Selling**



**Understanding true  
cross-platform  
cause-and-effect / ROI**



**What would a convergence  
of digital ad views  
and television ratings look like?**



**What would a convergence  
of digital ad views  
and television ratings look like?**

**Not likely time-based average TV ratings  
converting over to a digital view**



**What would a convergence  
of digital ad views  
and television ratings look like?**

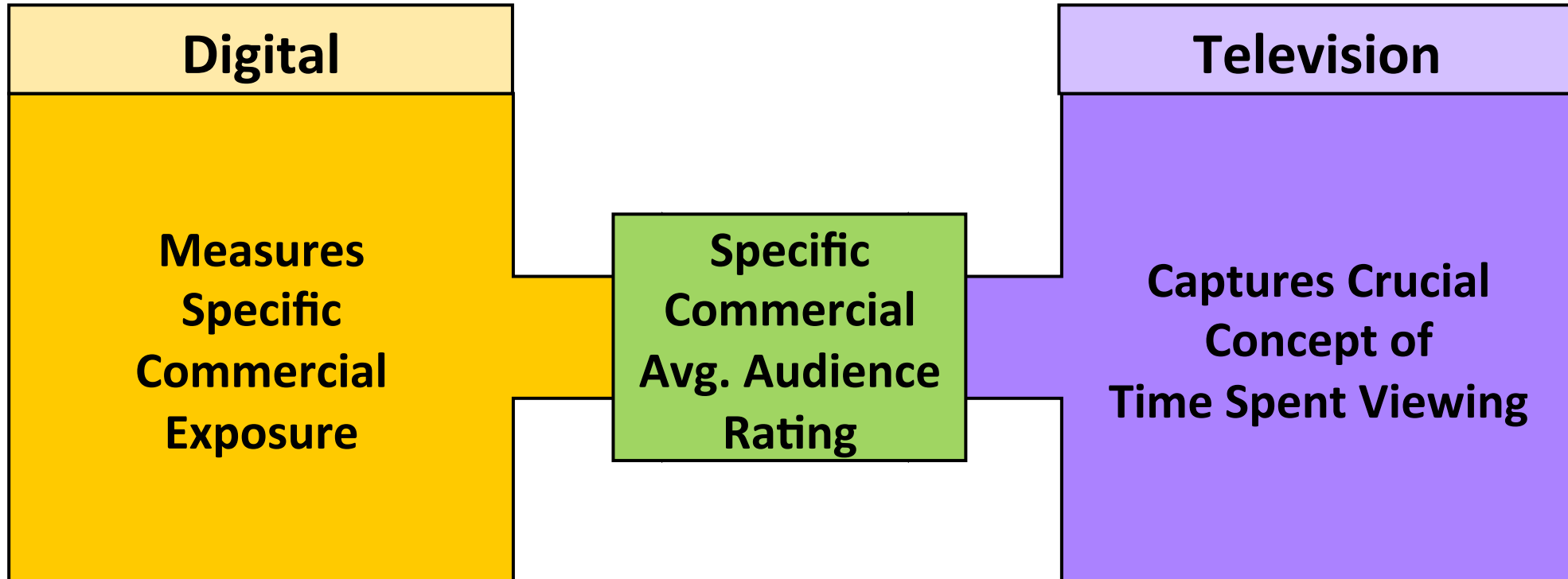
**Not likely time-based average TV ratings  
converting over to a digital view**

**Something to be said for  
specific digital ad views**





# The Best of Both Video Worlds



**Thank You  
Very Much!**

