

CYNOPSIS Ratings

Boot Camp



Introduction

General Observation National Currency Ratings

Mechanics of Television Ratings Creation

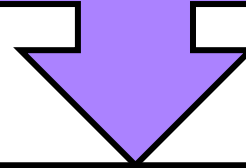


For Better or Worse...

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



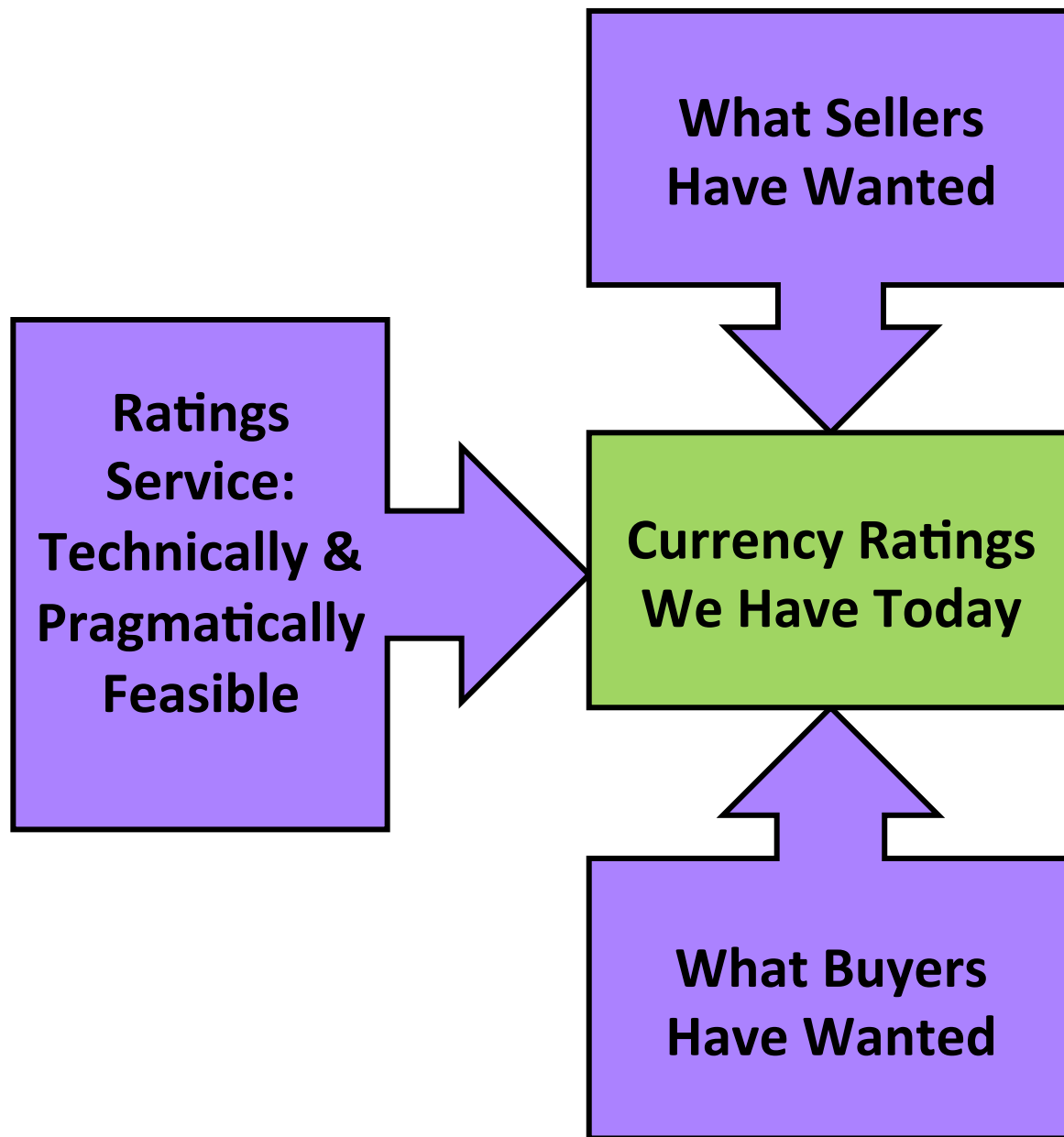
**What Sellers
Have Wanted**

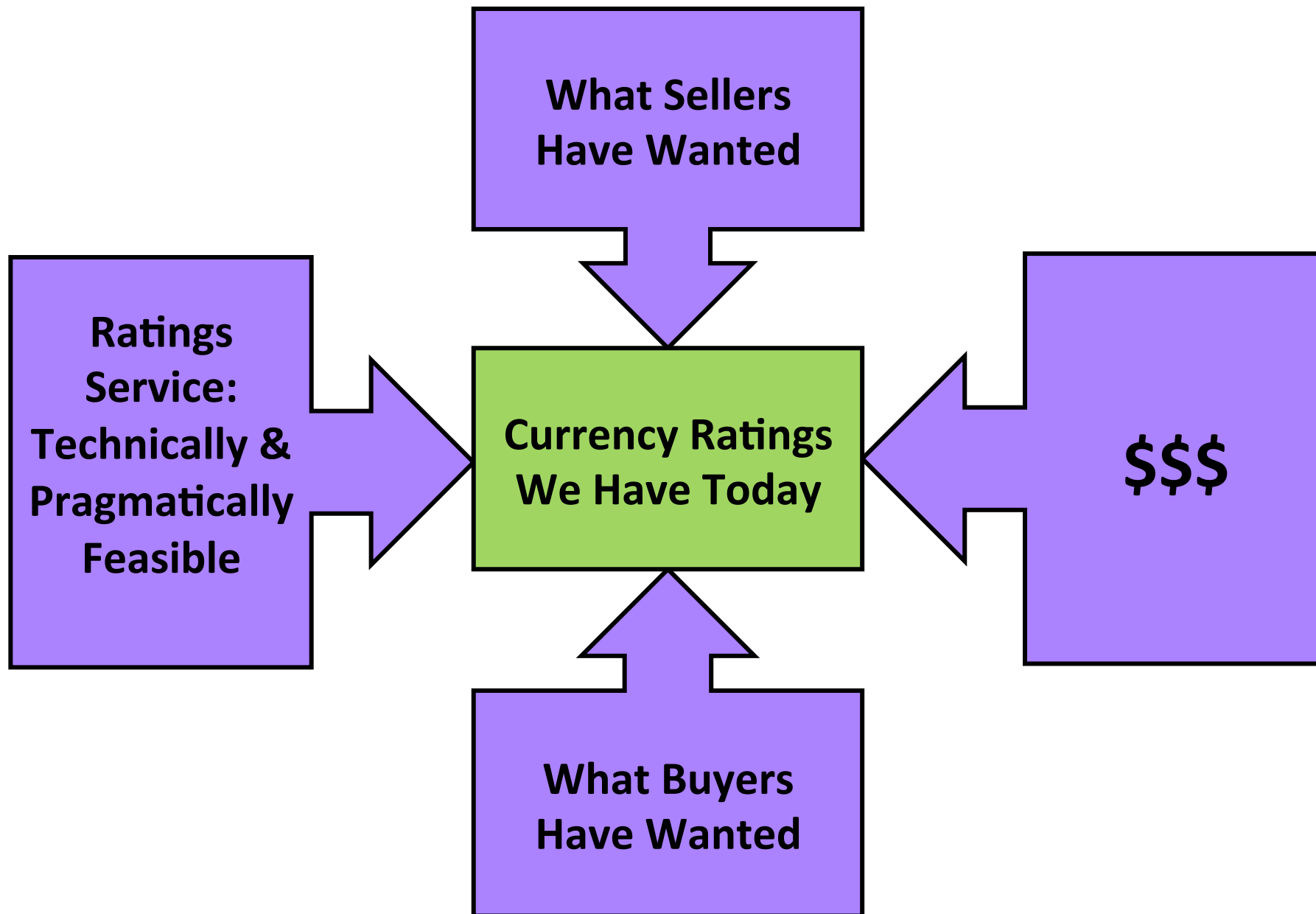


**Currency Ratings
We Have Today**

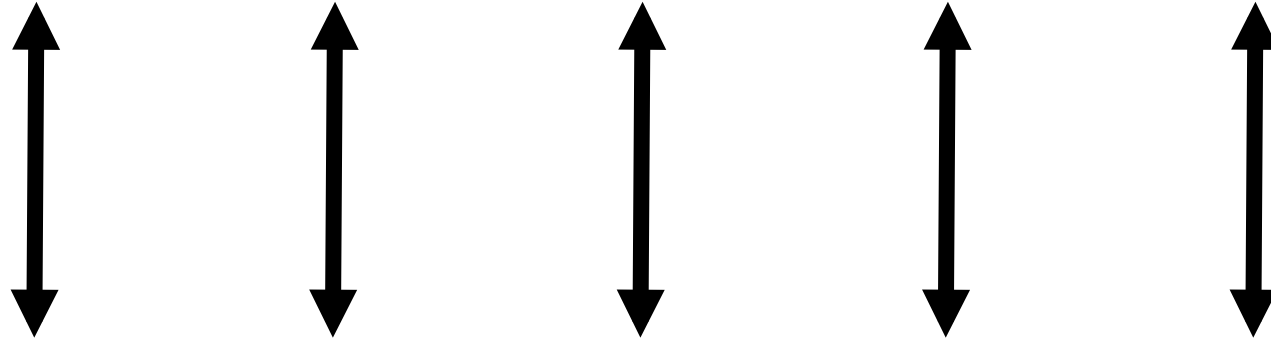








Our TV Ratings System Today & Tomorrow



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

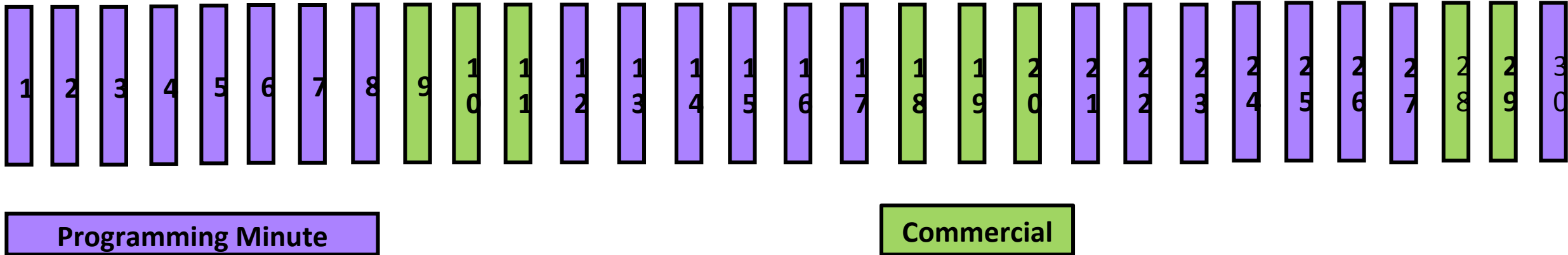


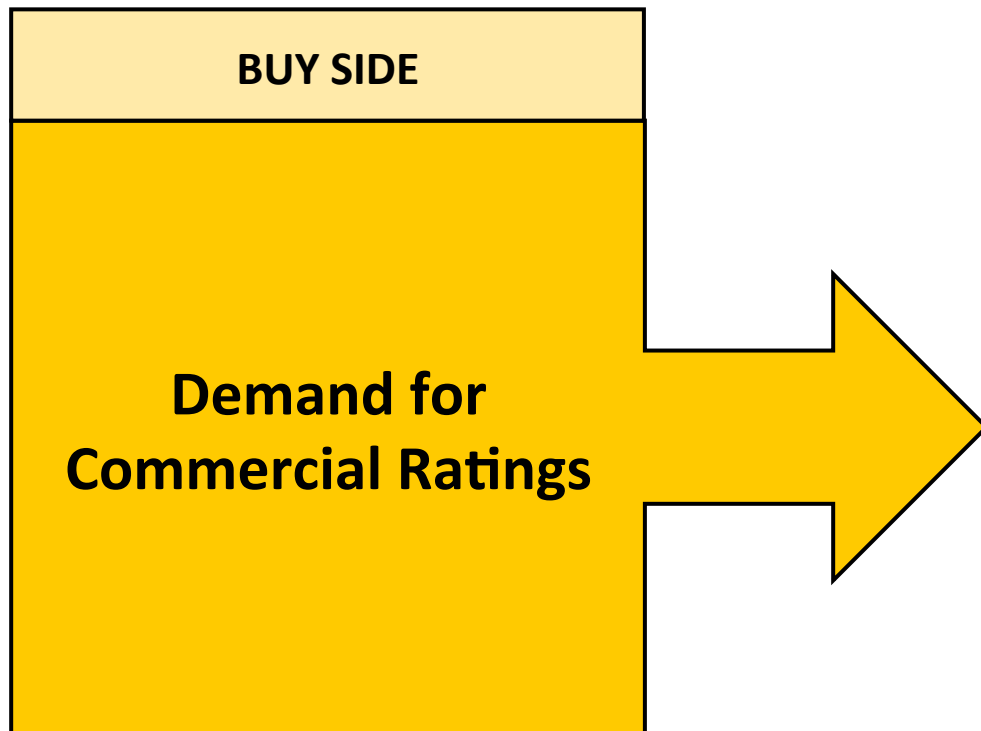
National C3 Ratings Currency

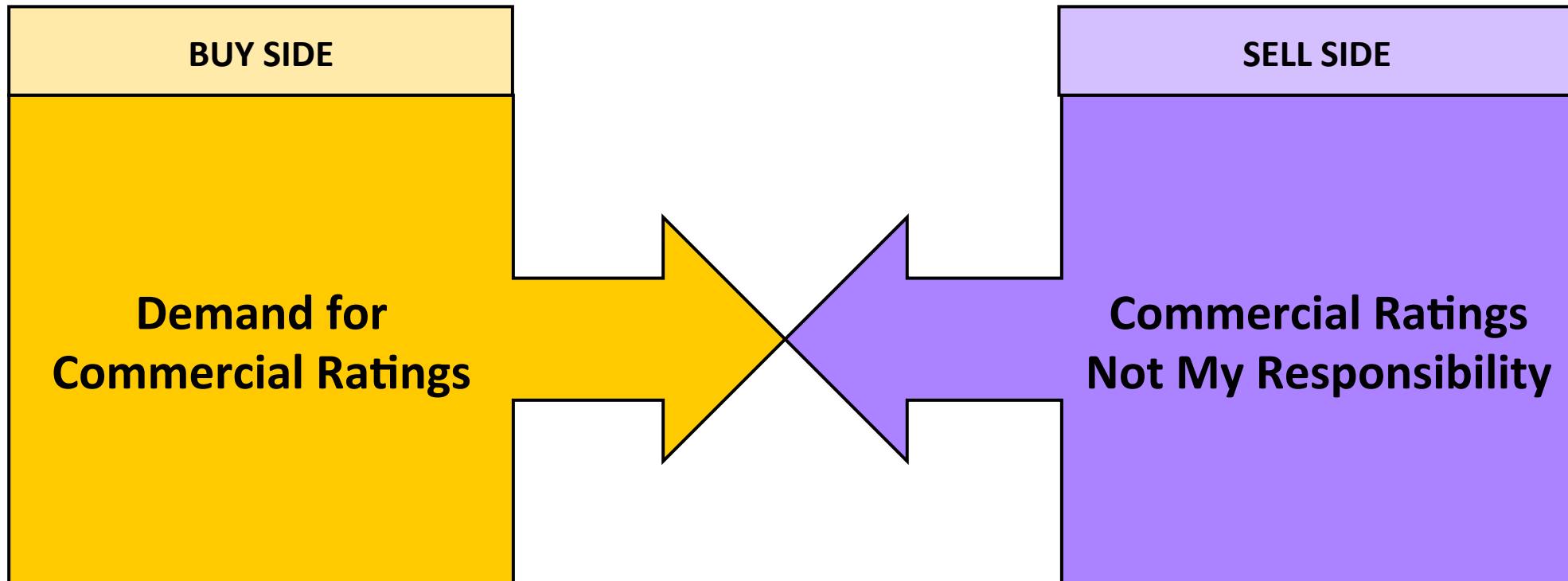
Average Minute Program Rating

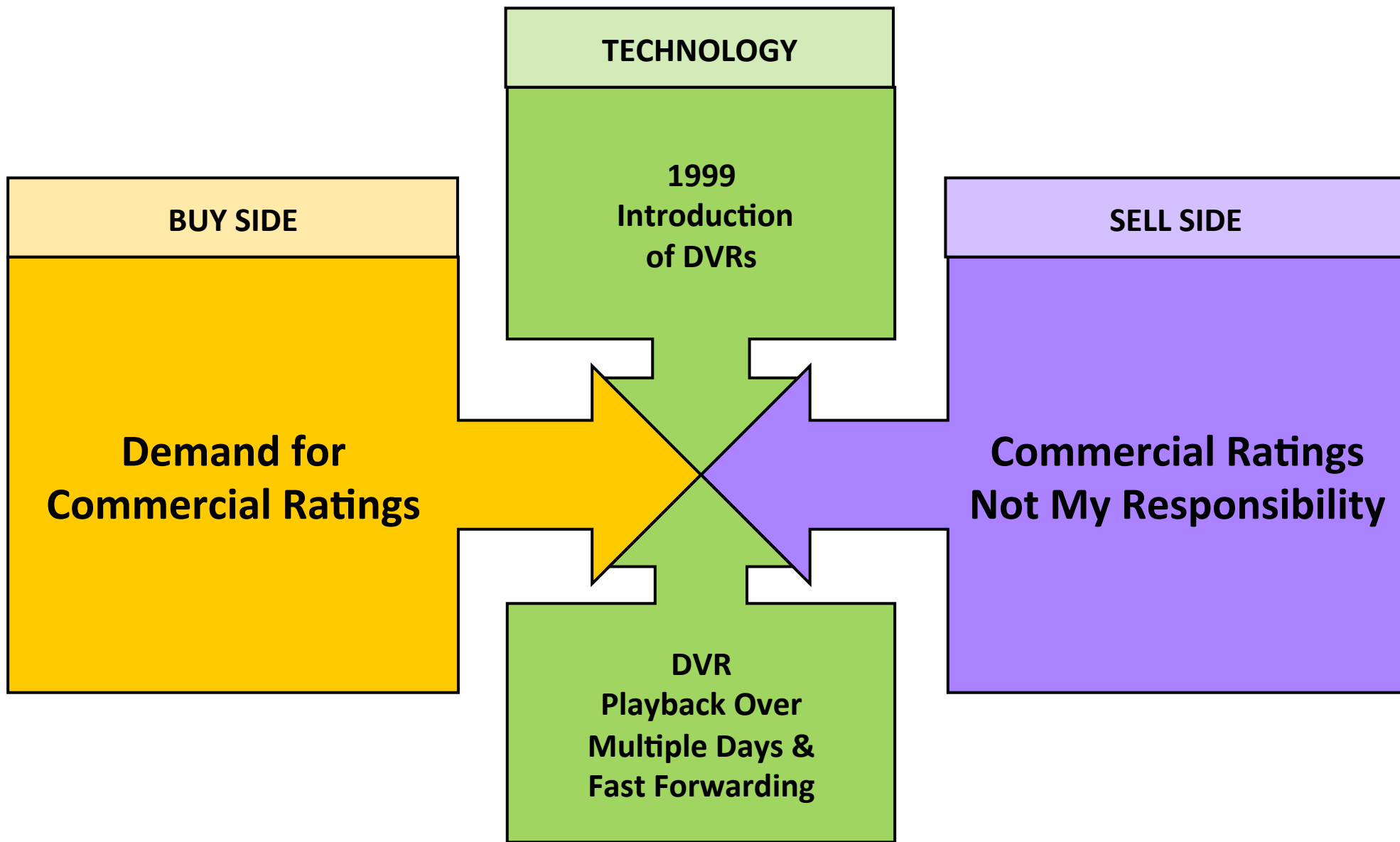


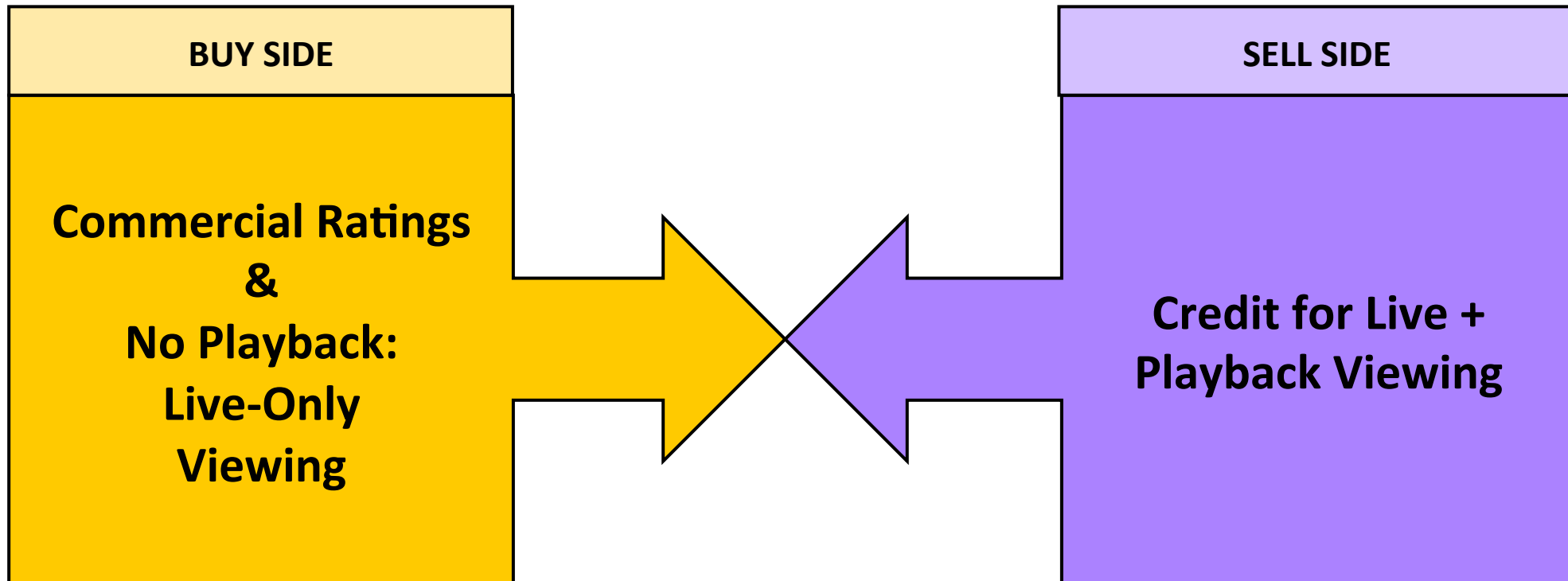
Average Minute Program Rating

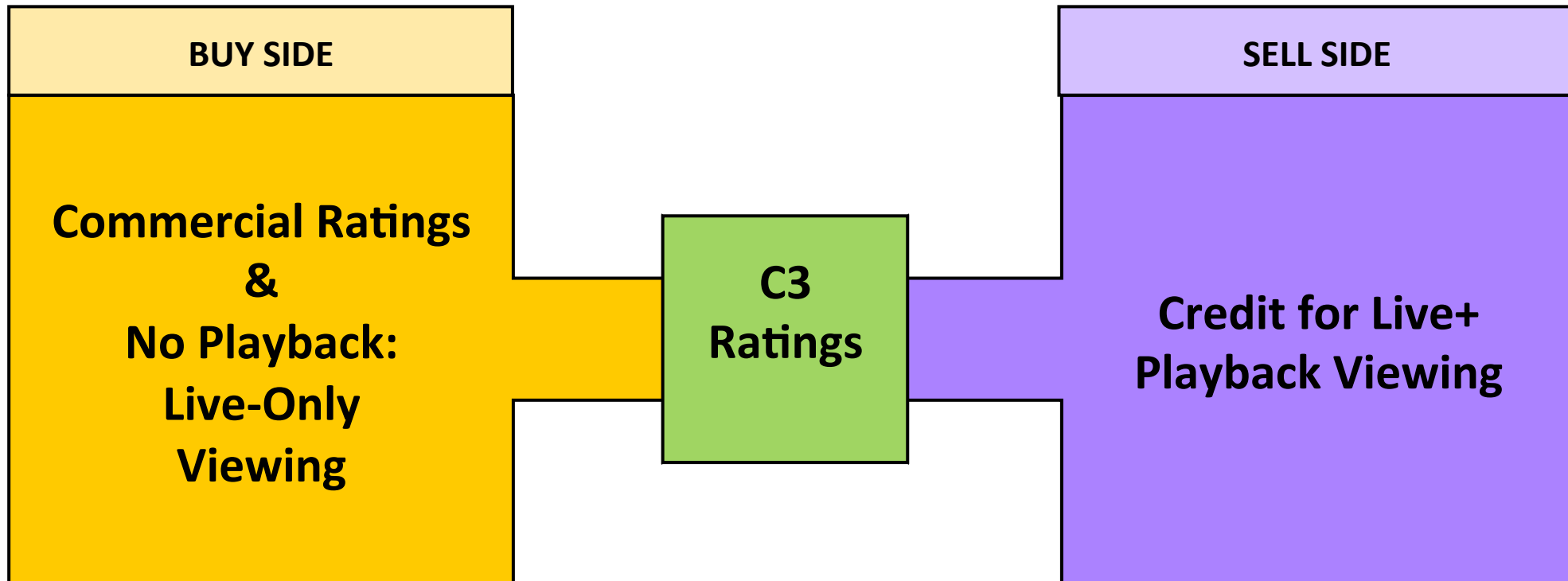












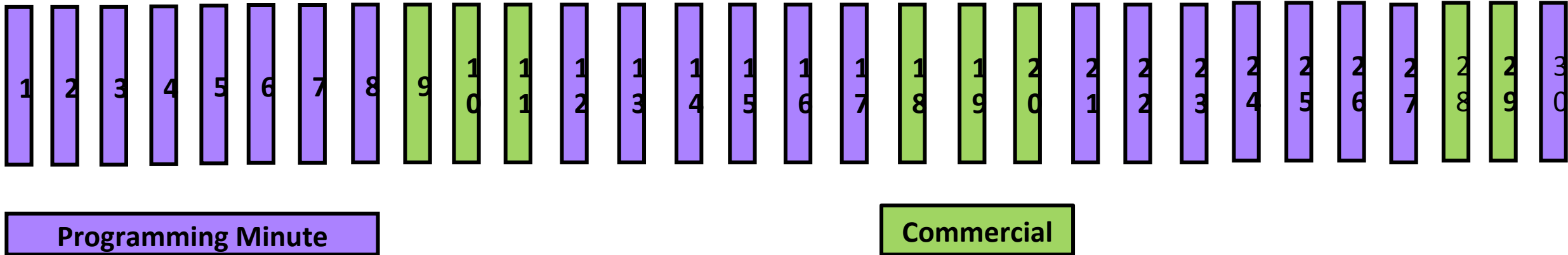
**C3
Ratings**

**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

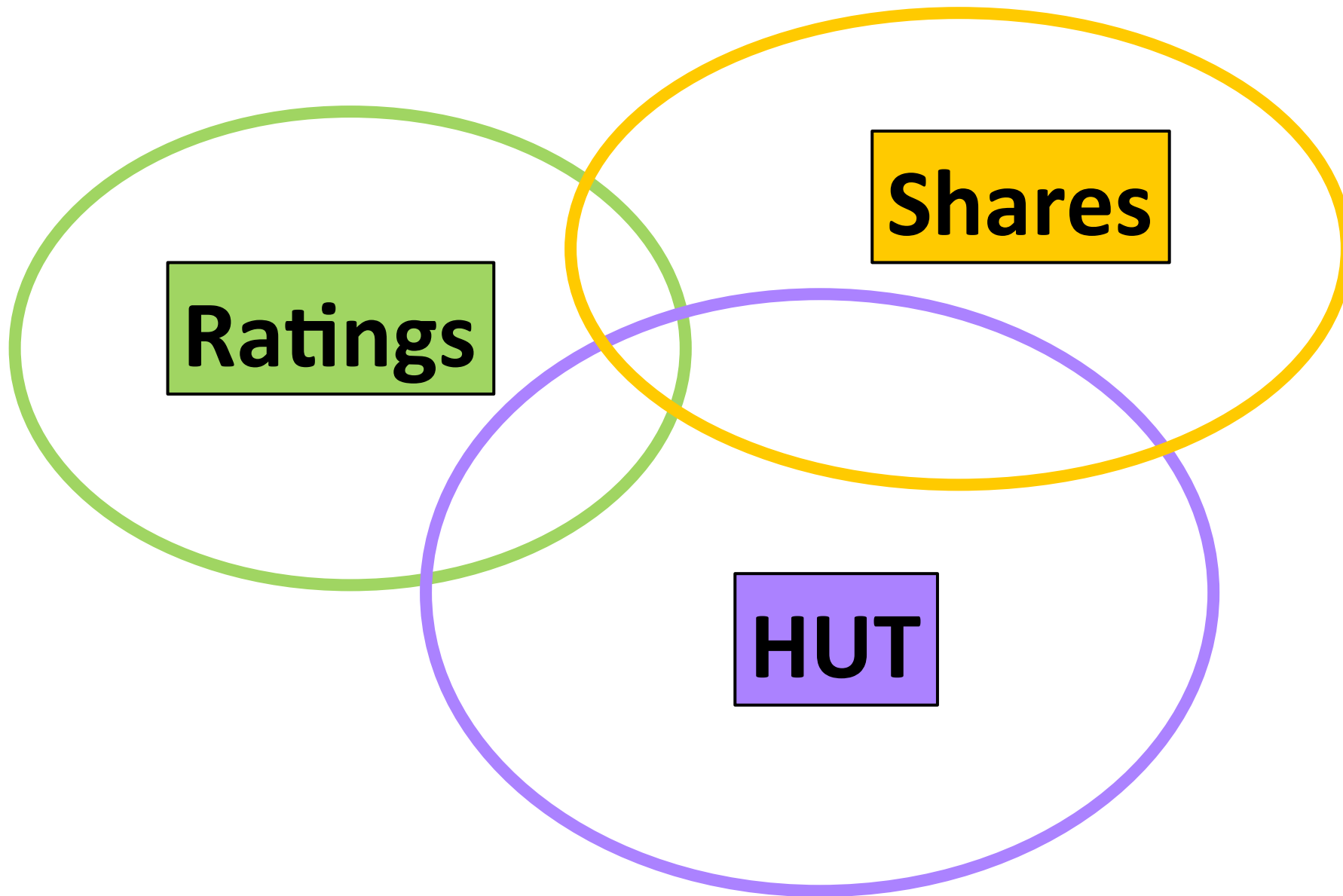
9
1
0
1

1
8
1
9
2
0

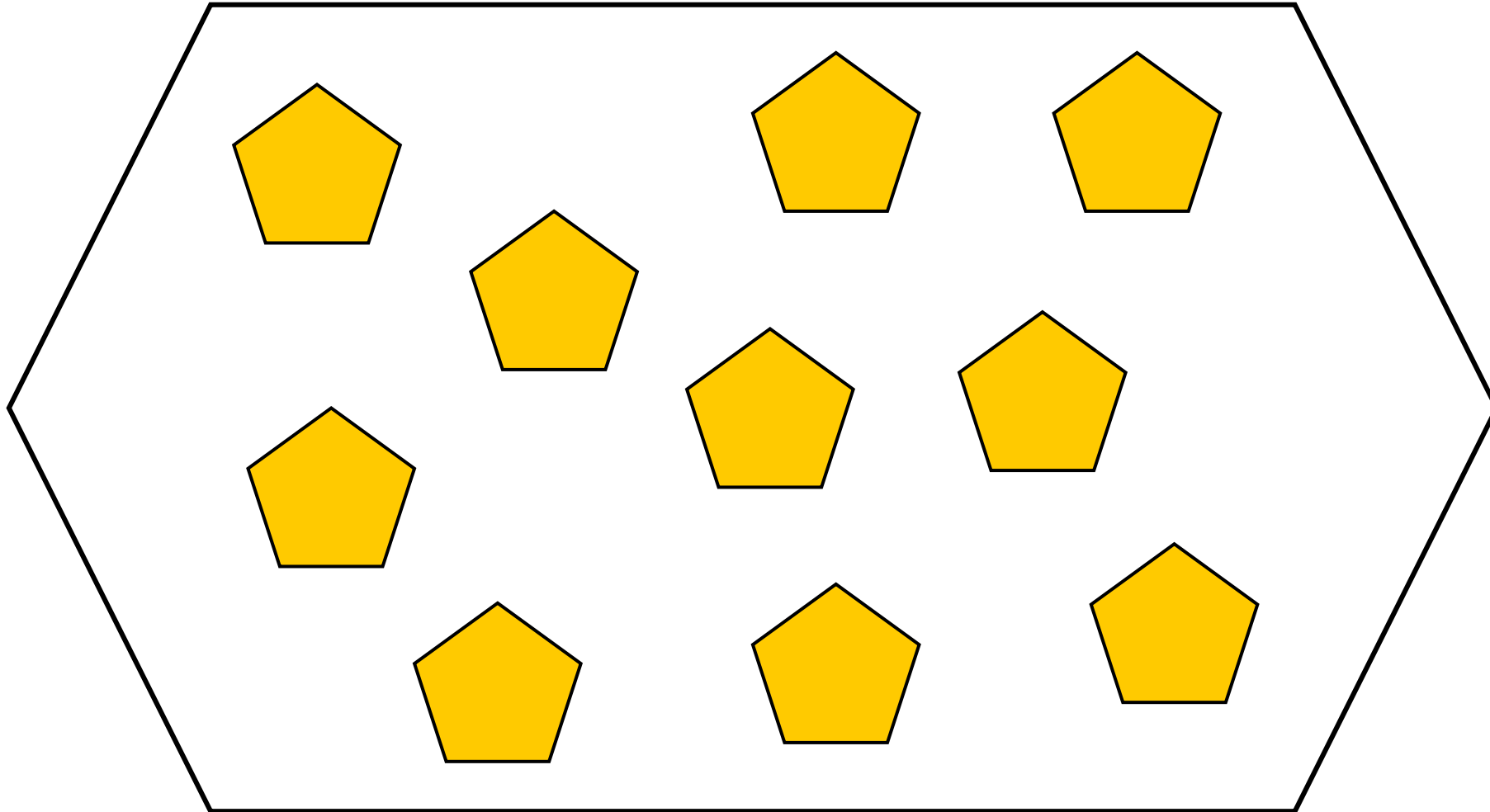
2
8
2
9

Excludes fast-forwarding through commercials

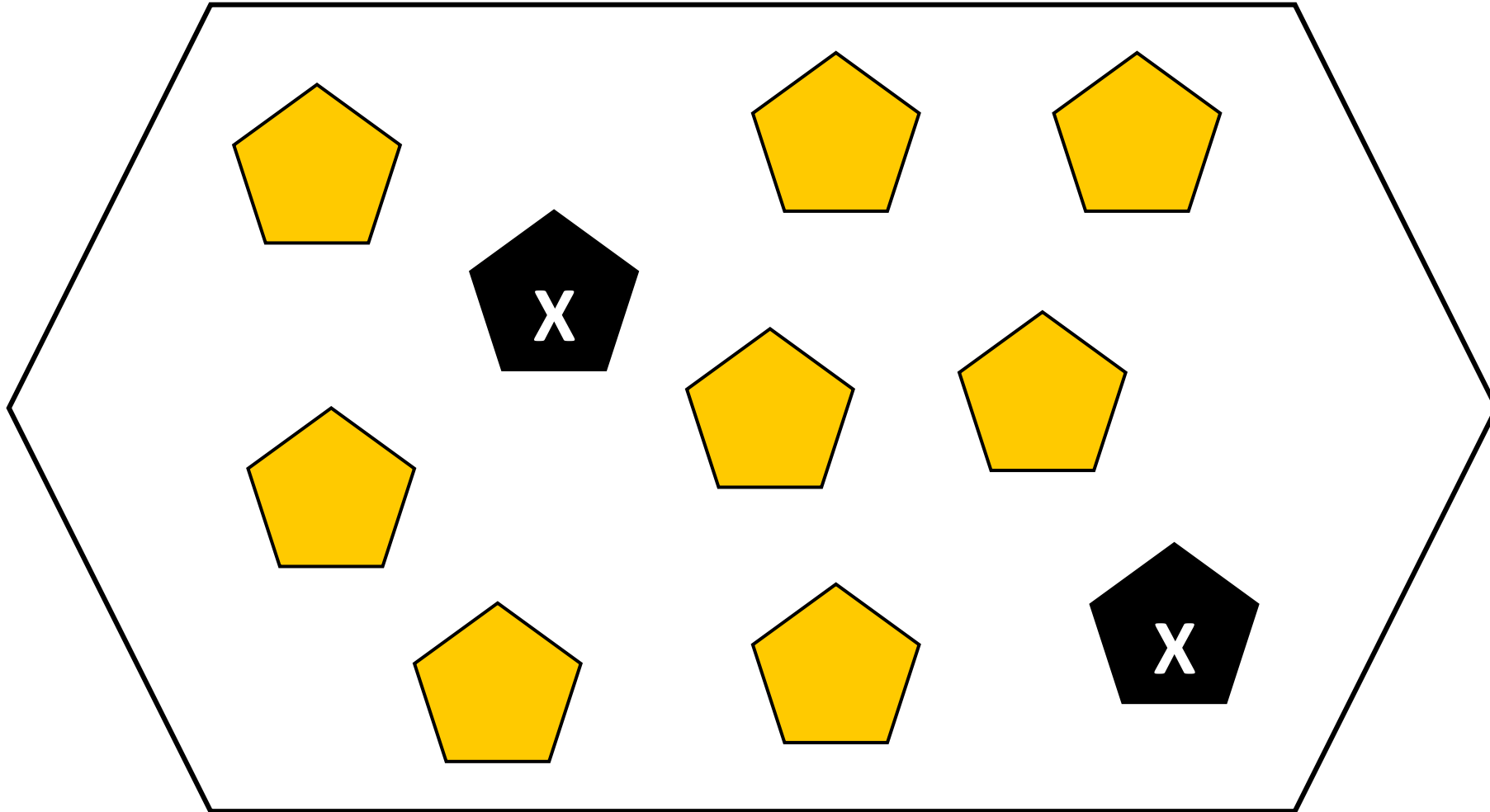




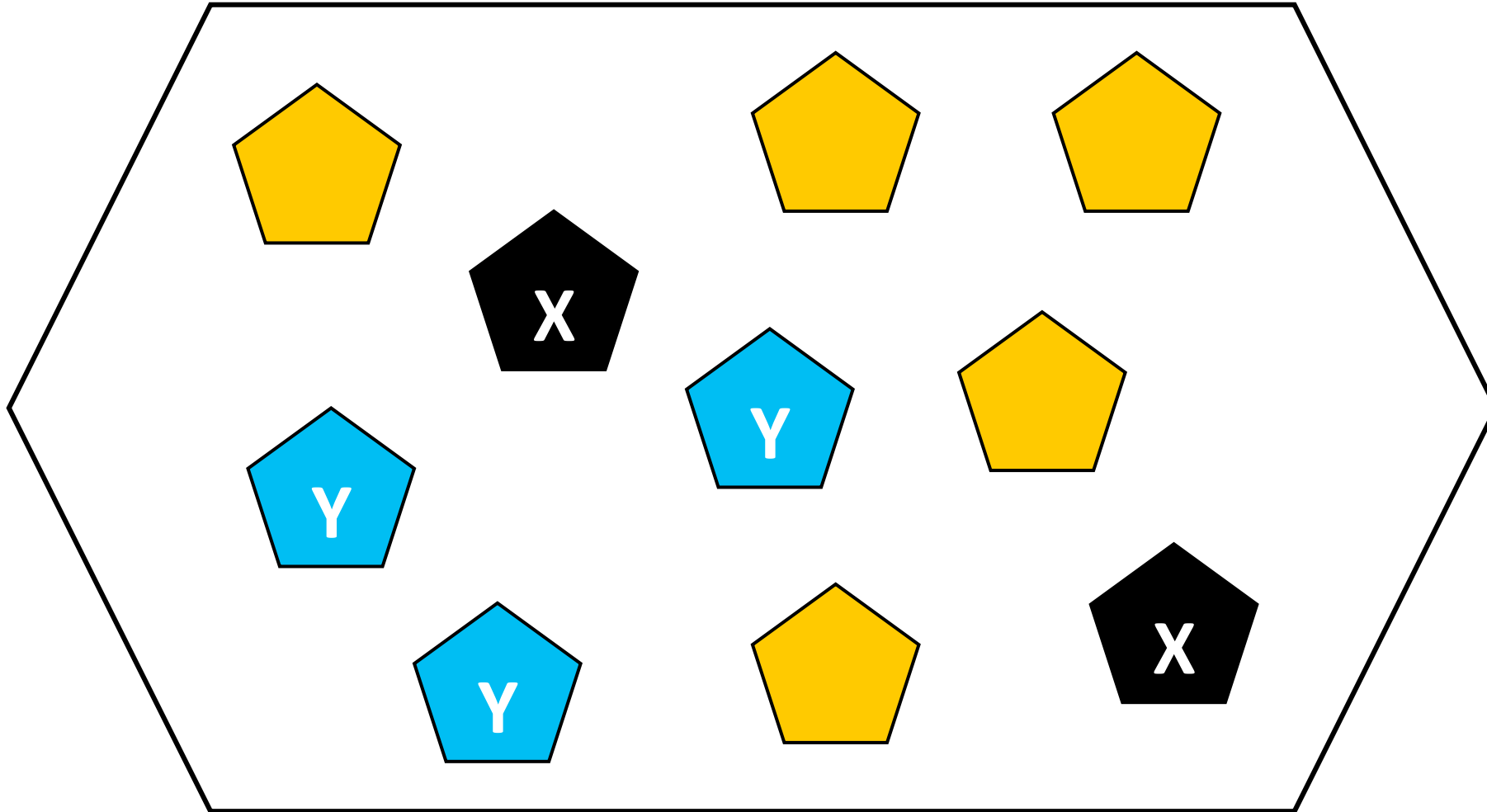
Primetime 8:00 - 9:00pm



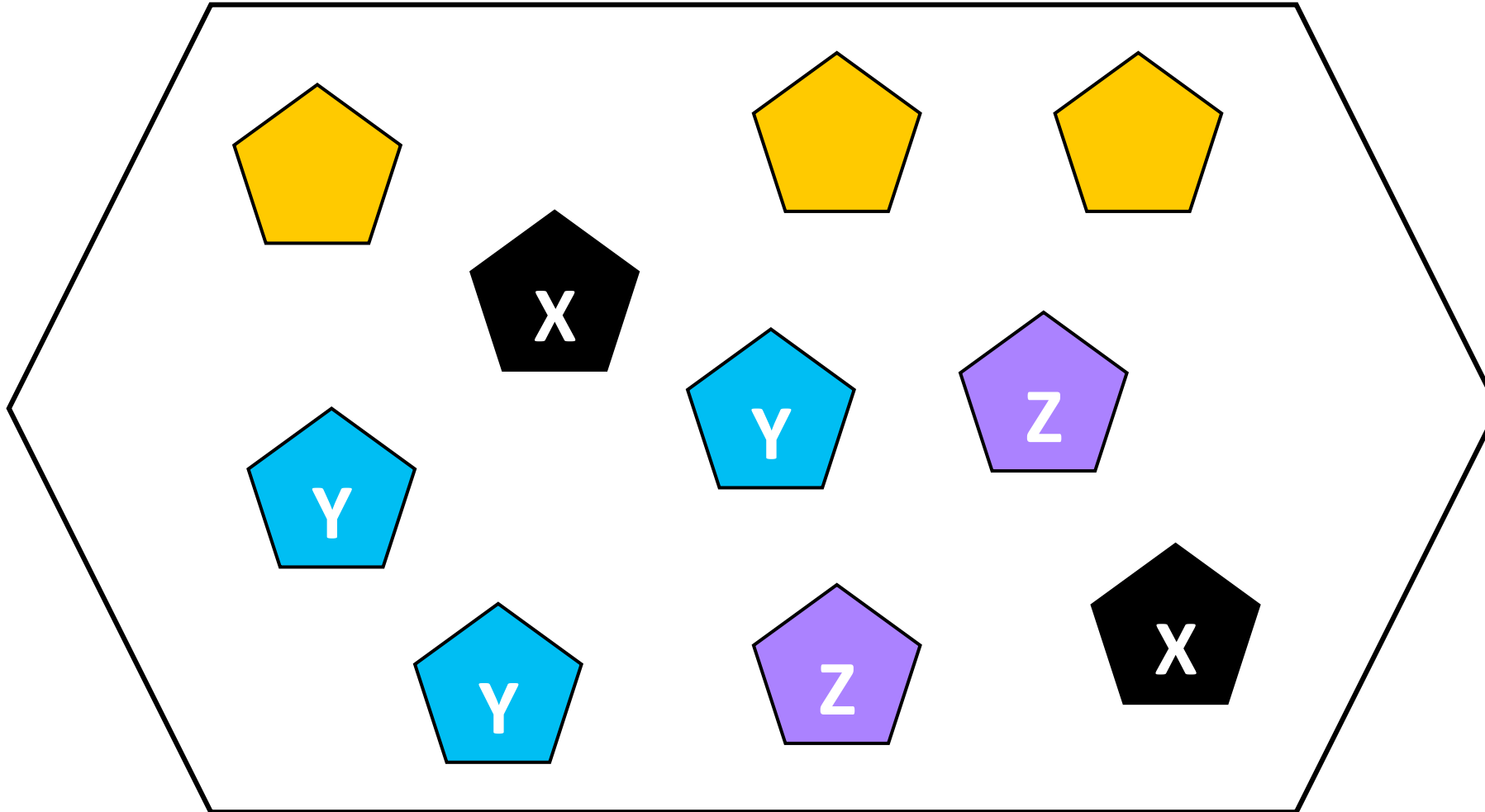
Net X Rating: $2 / 10 = 20\%$



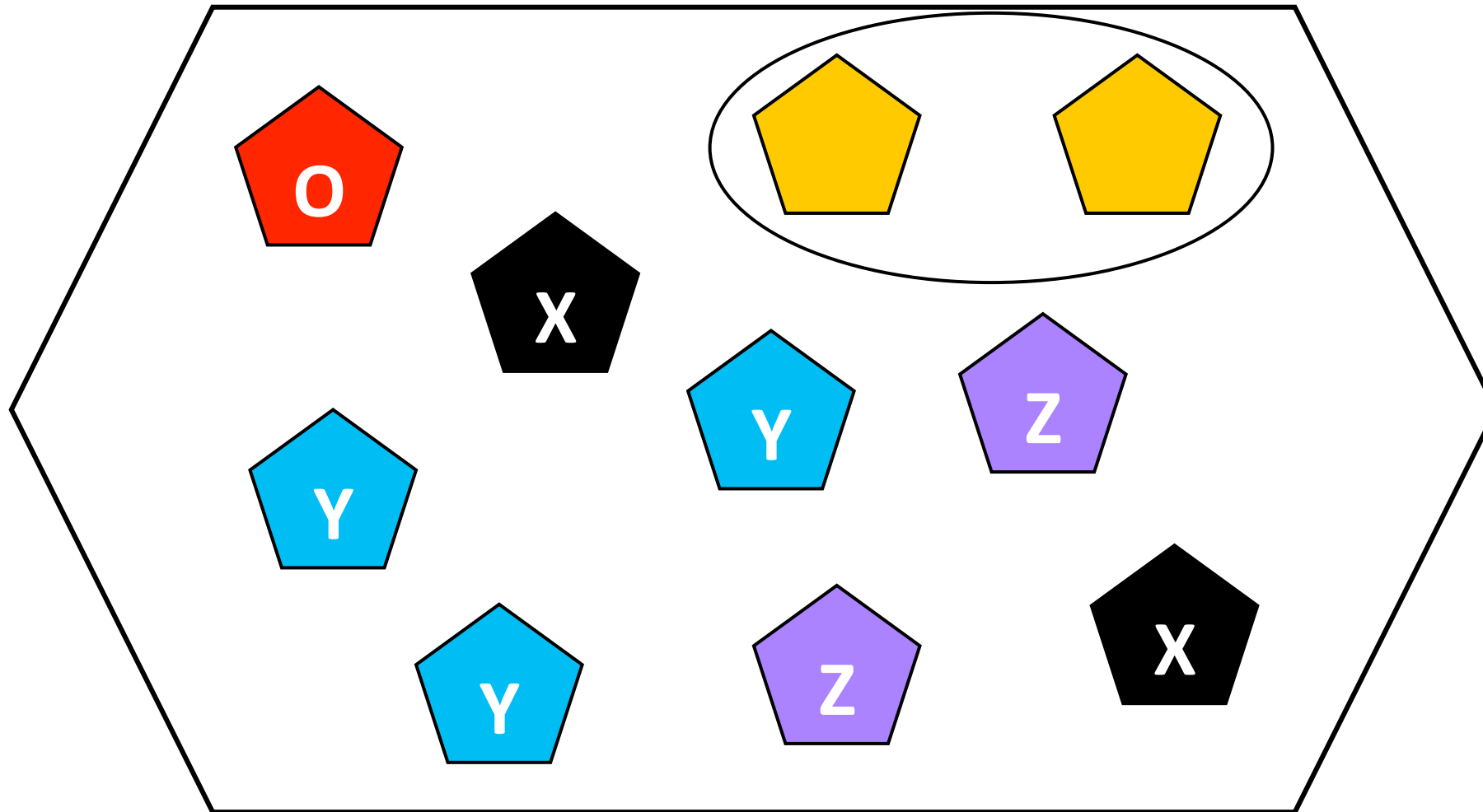
Net Y Rating = 3 / 10 = 30%



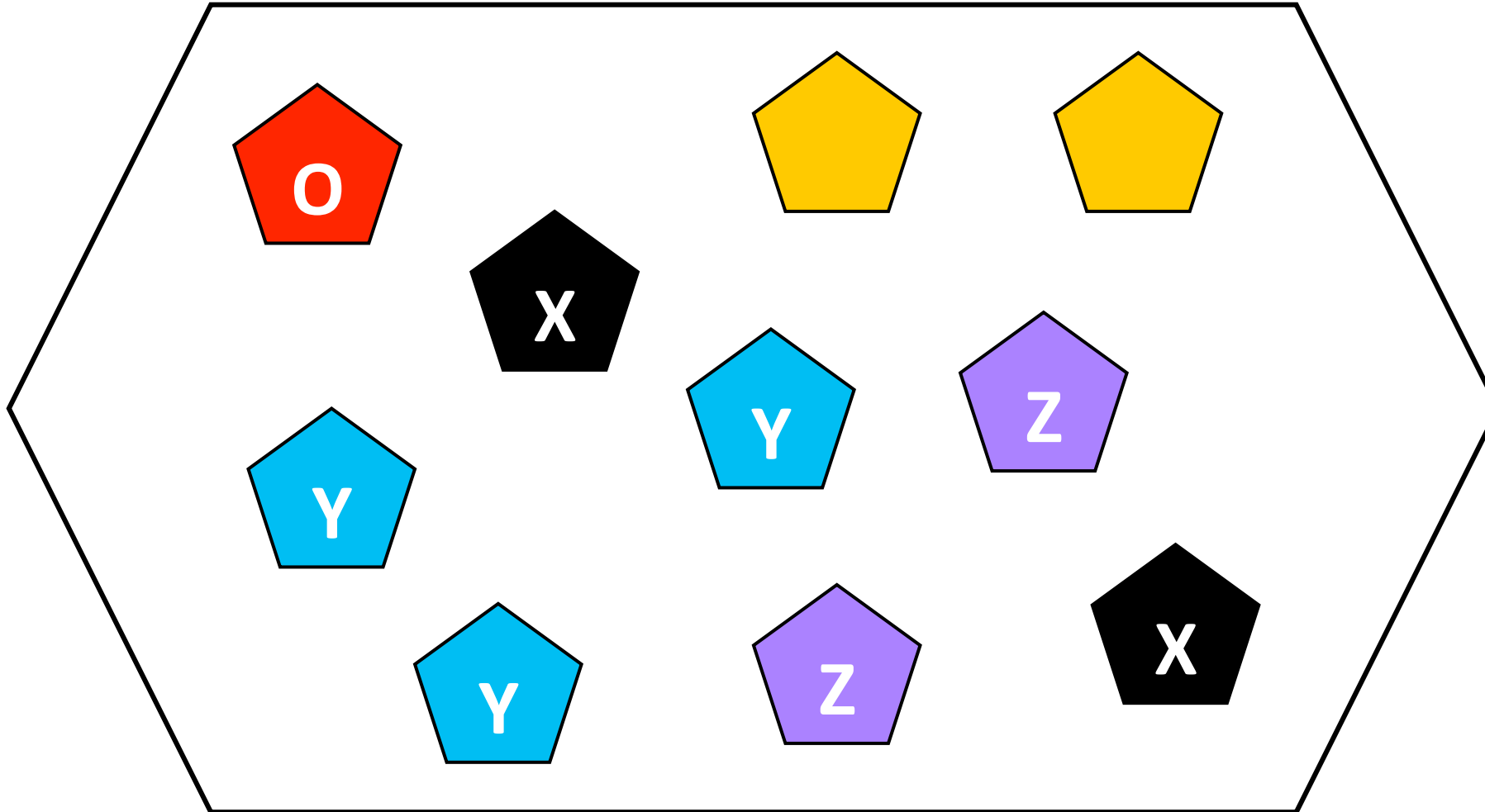
Network Z = 2 / 10 = 20%



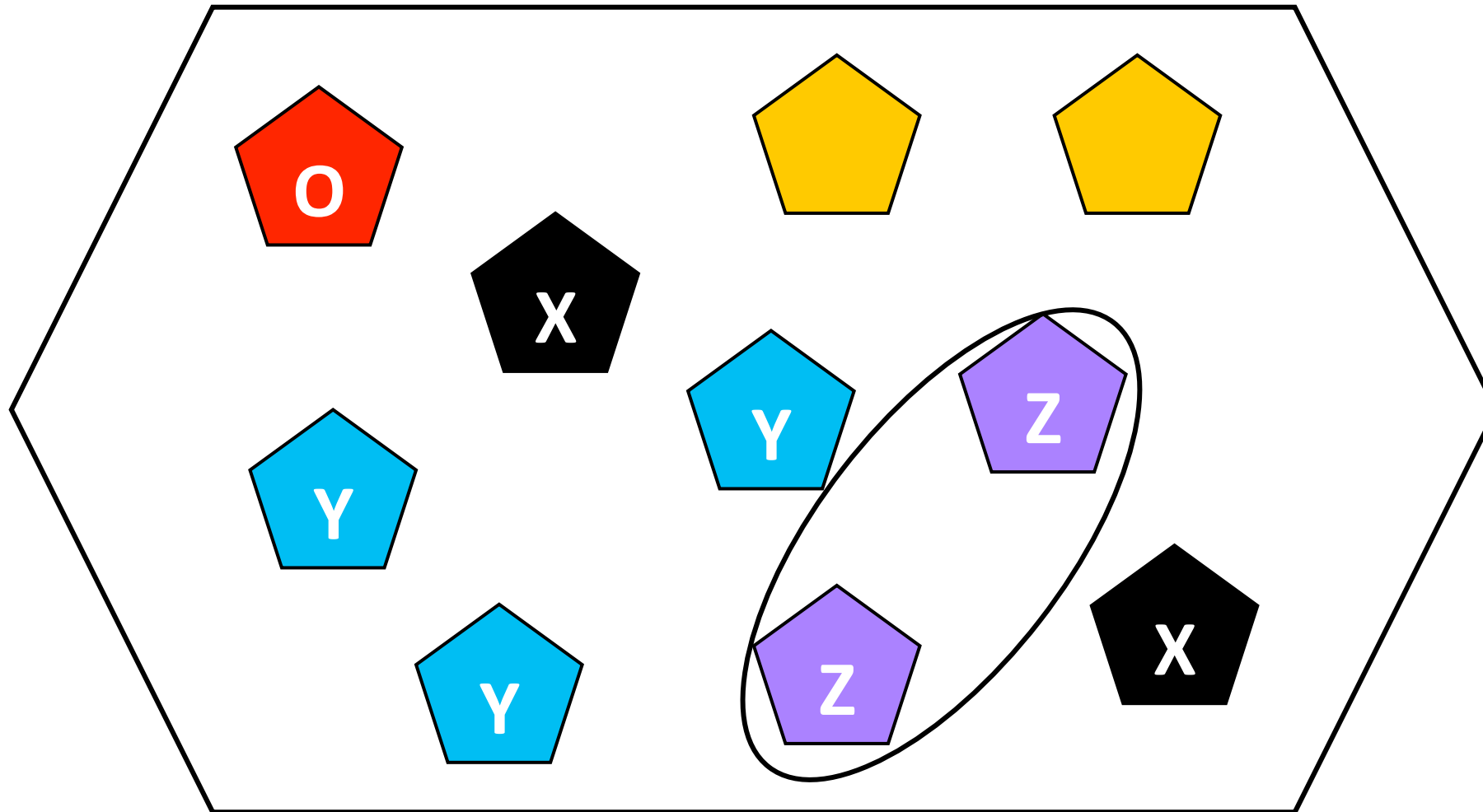
$$\text{HUT} = 8 / 10 = 80\%$$



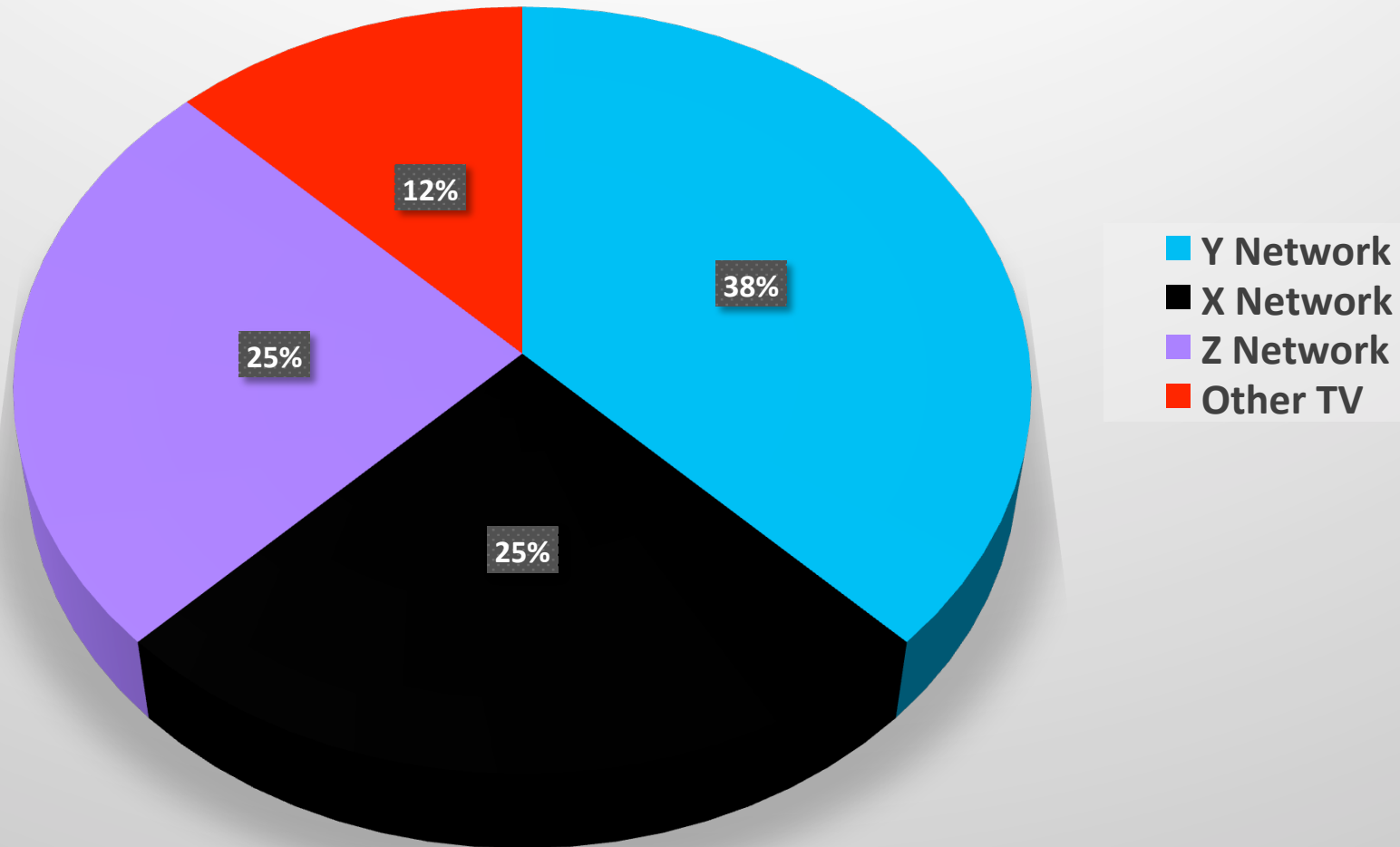
$$\text{Share} = \text{Rating} / \text{HUT}$$



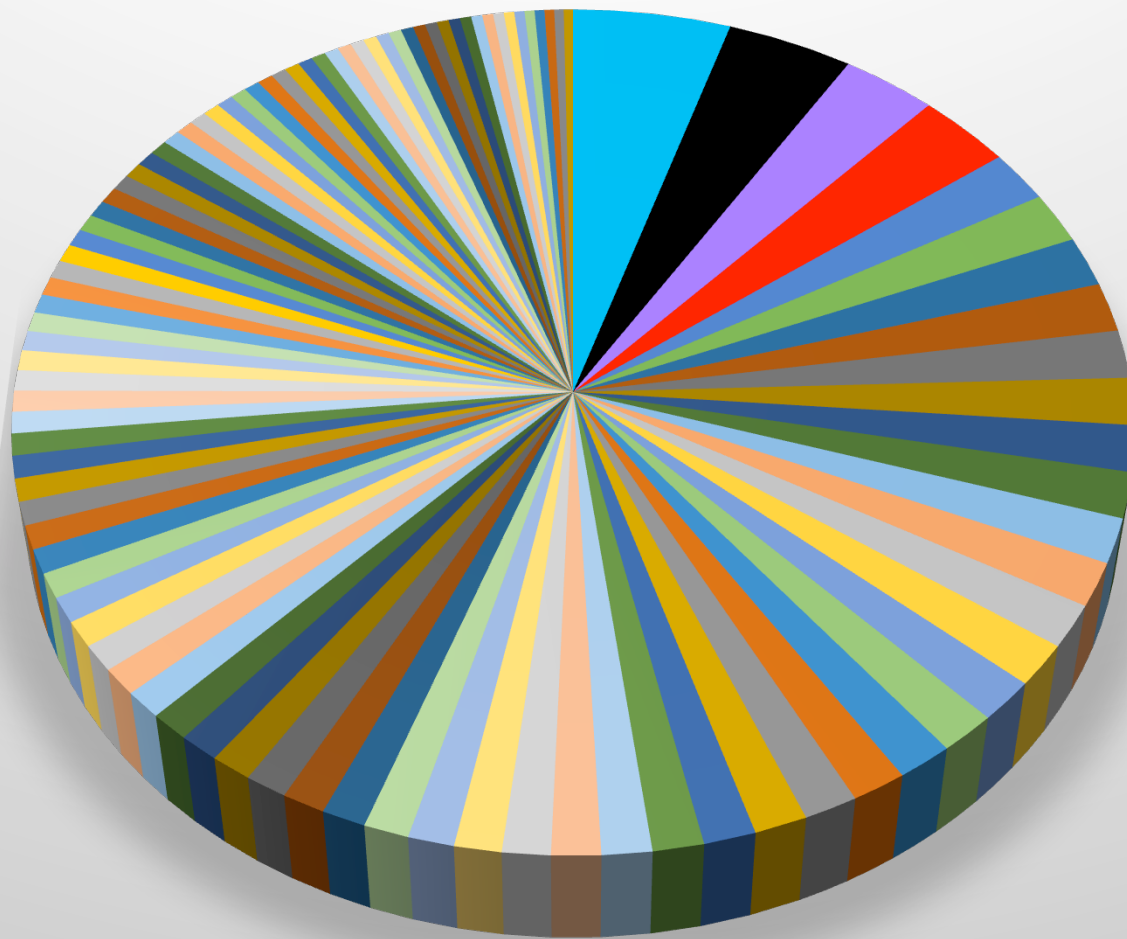
$Z \text{ Share} = 20 \text{ Rating} / 80 \text{ HUT} = 25\% = 25 \text{ Share}$



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

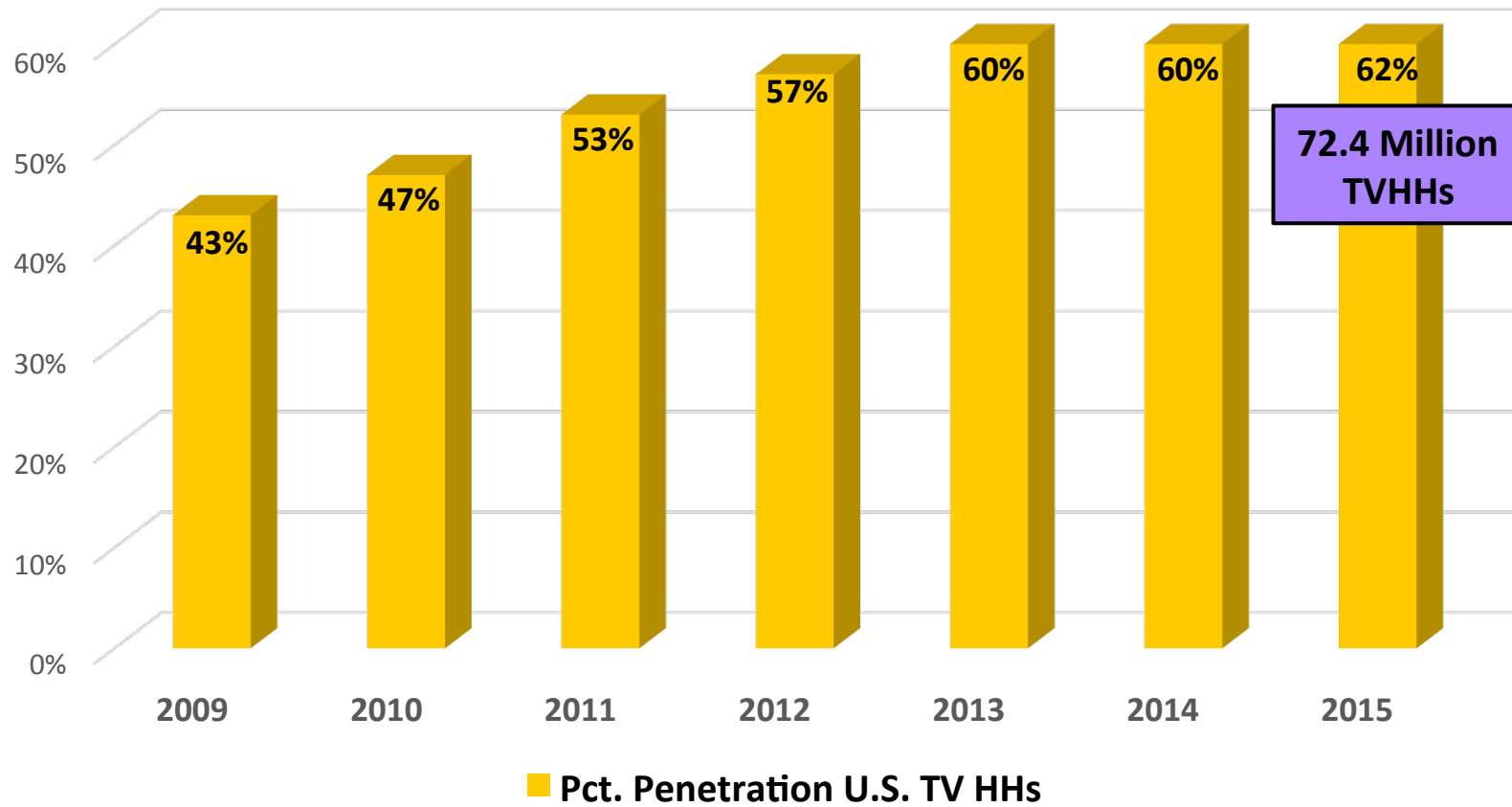
Incremental impressions to sell



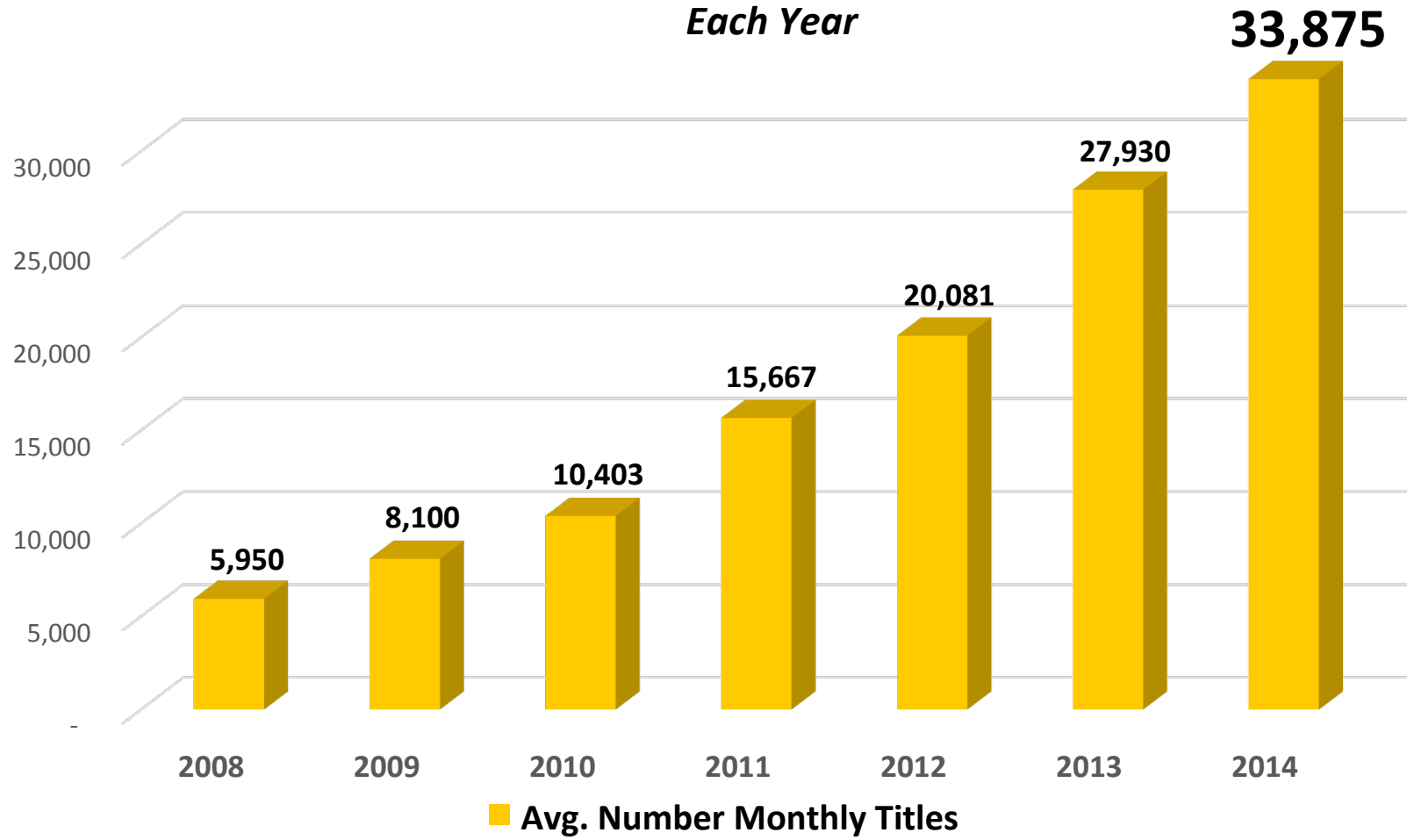
VOD Availability in TV Homes

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 28th, 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

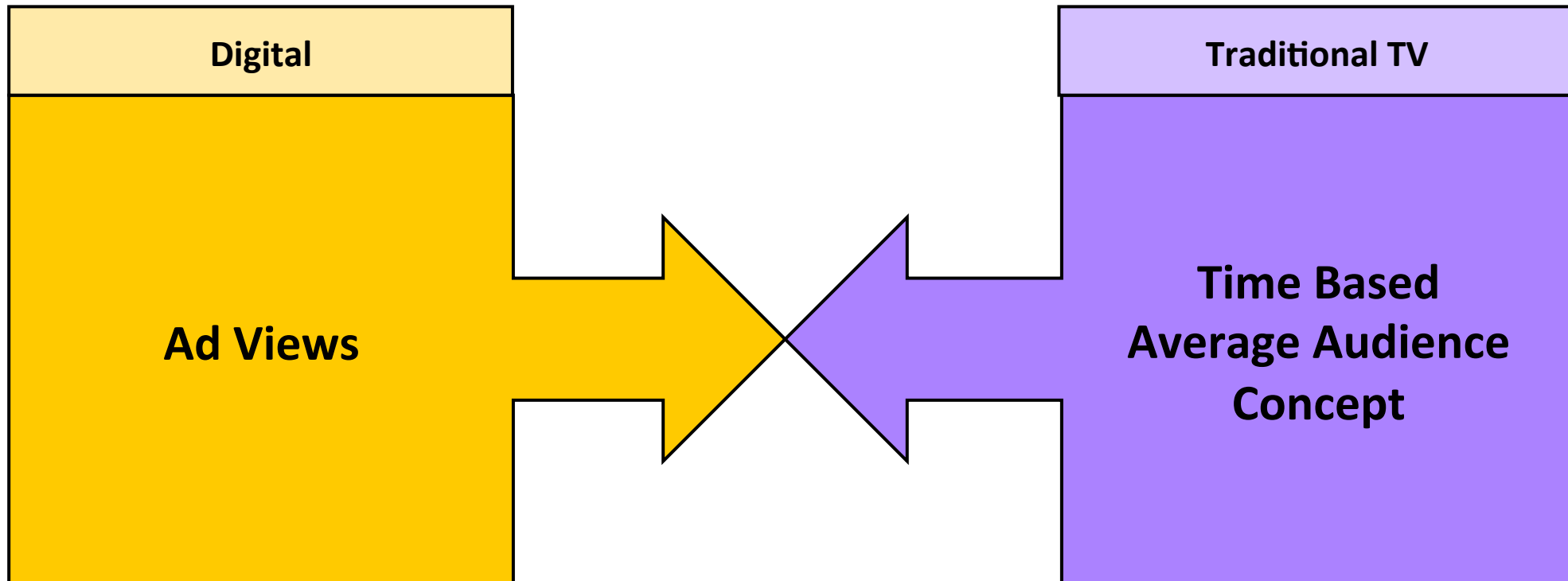
Industry morphed from “served” ad impression to “viewable”

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

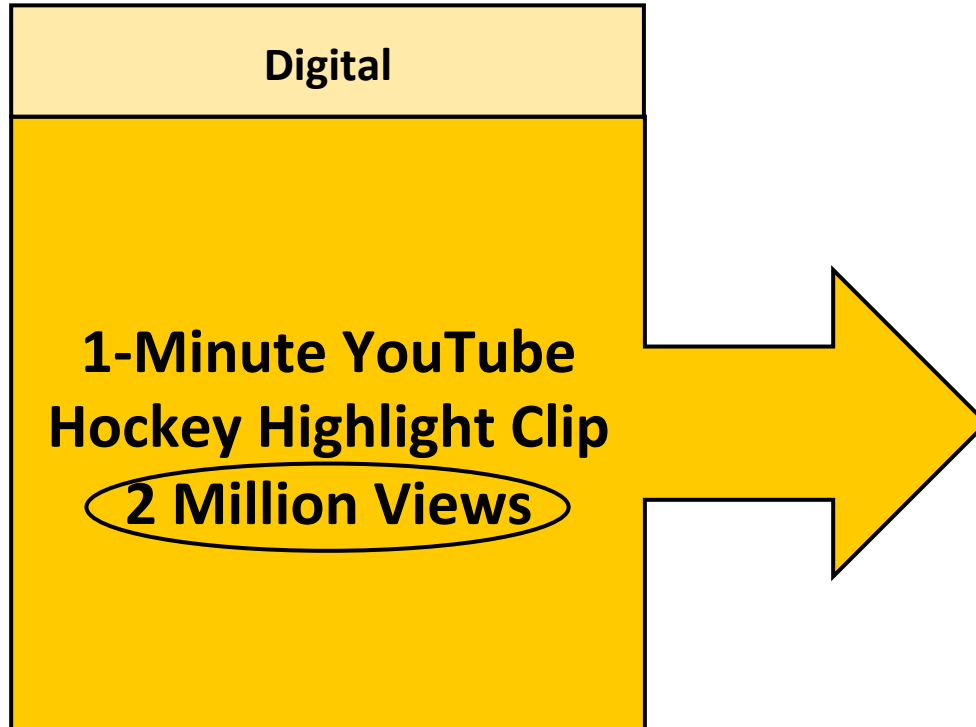
View = time threshold concept!



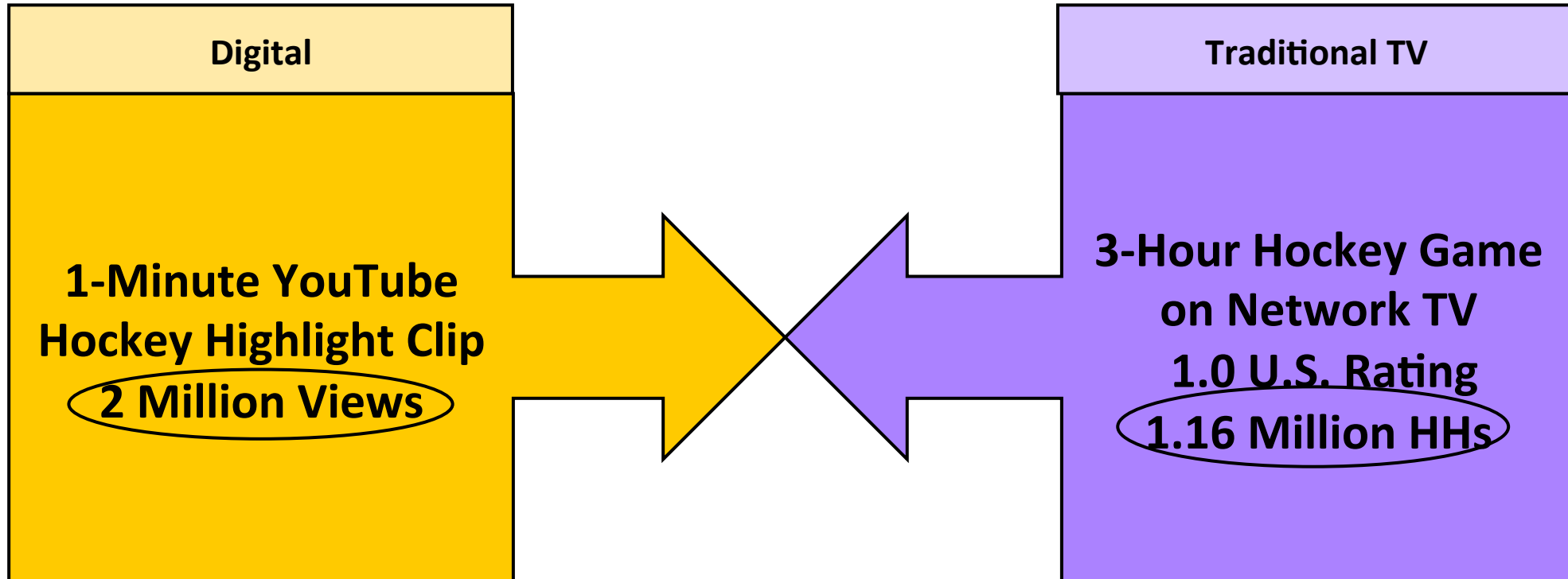
Where Confusion Reigns Supreme



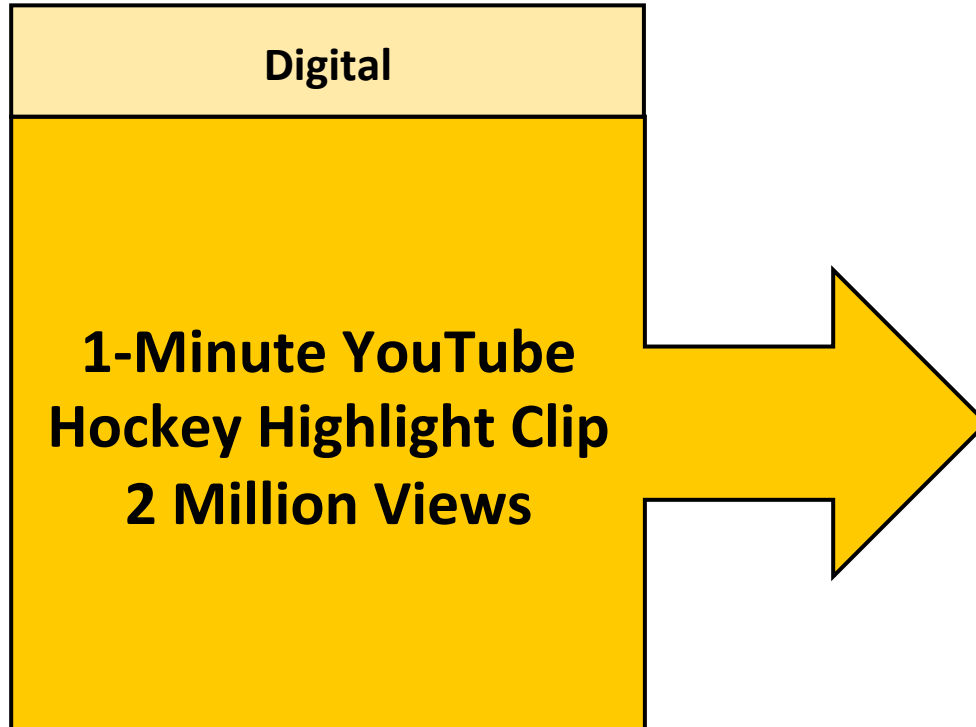
Where Confusion Reigns Supreme



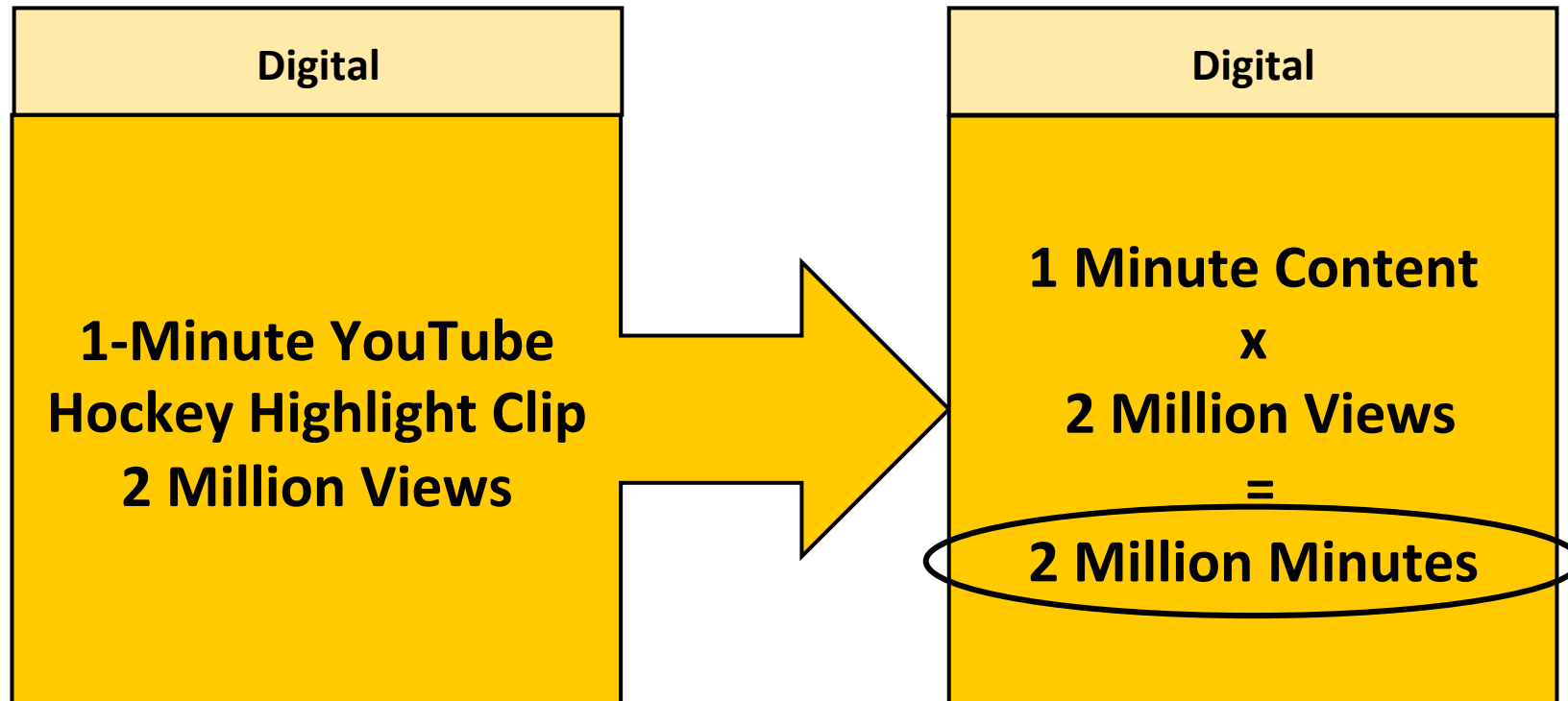
Where Confusion Reigns Supreme



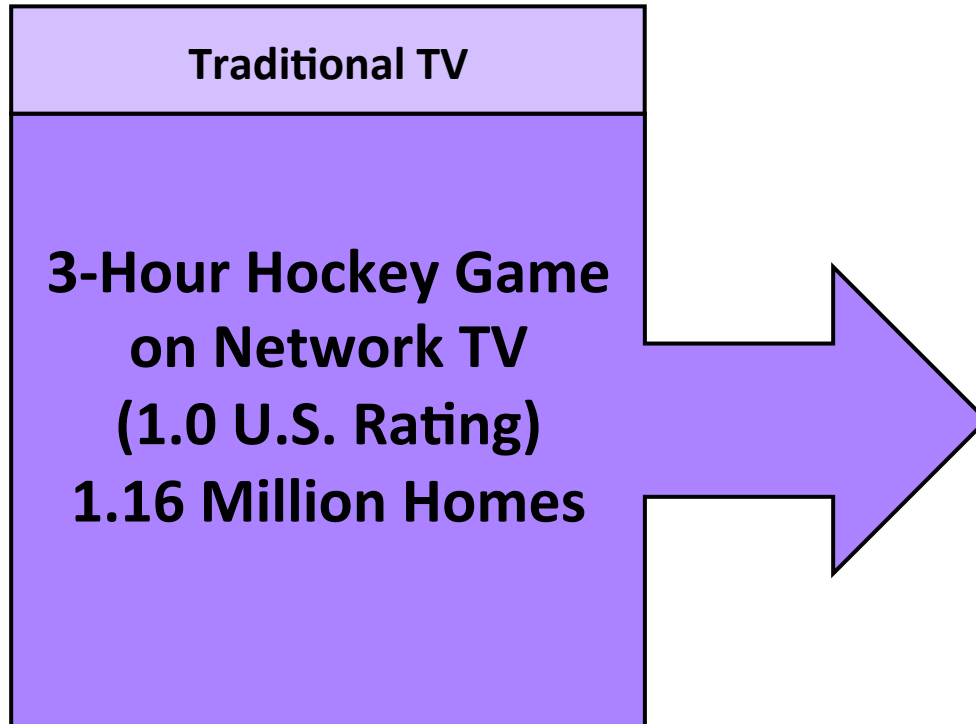
Getting to Comparable Metrics



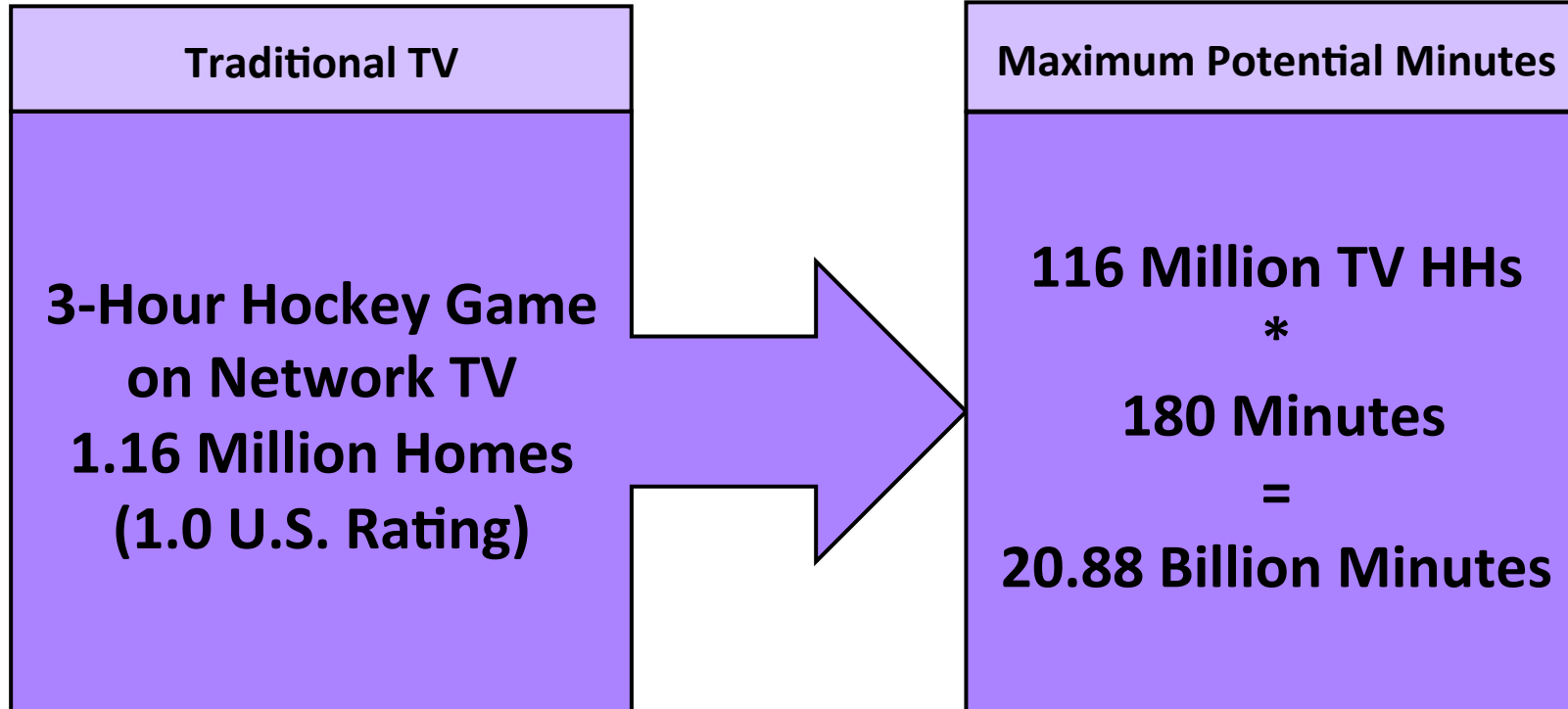
Getting to Comparable Metrics



Getting to Comparable Metrics



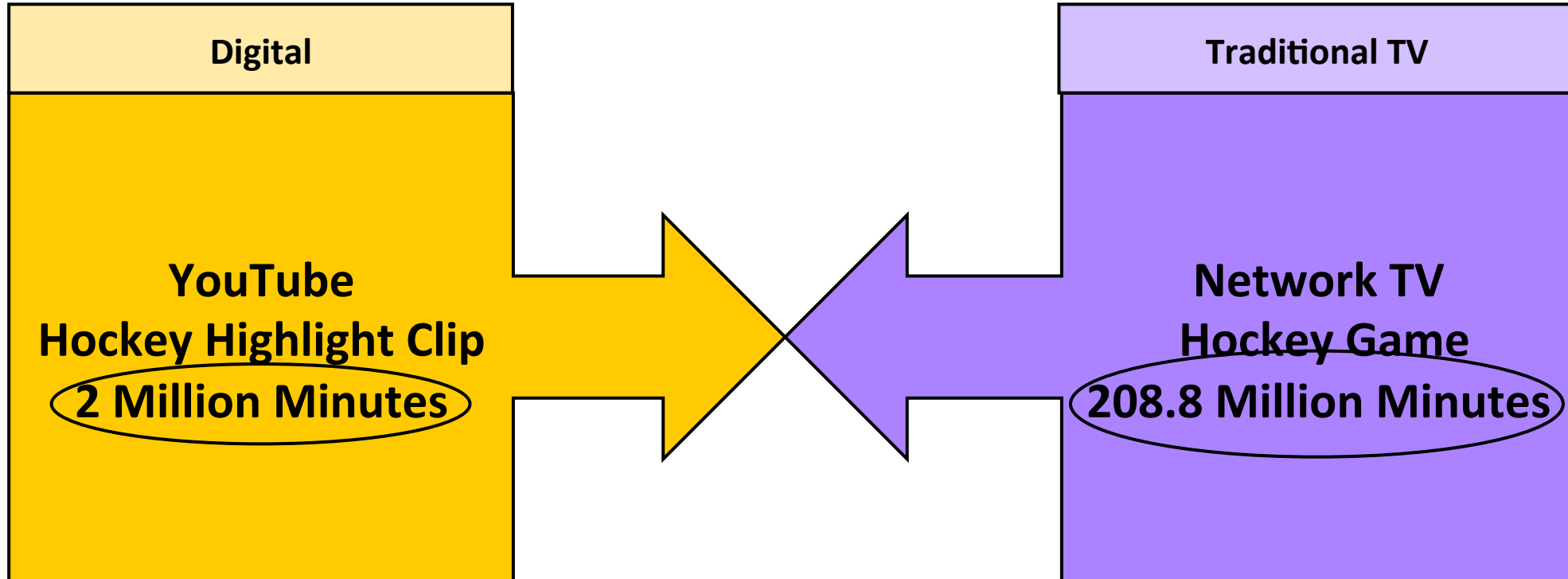
Getting to Comparable Metrics



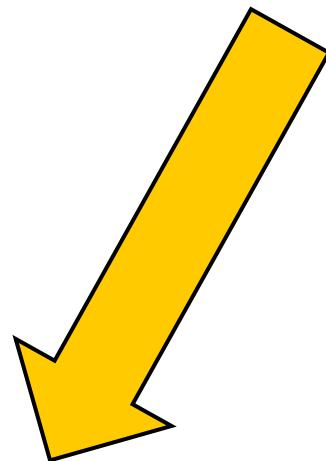
Getting to Comparable Metrics

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

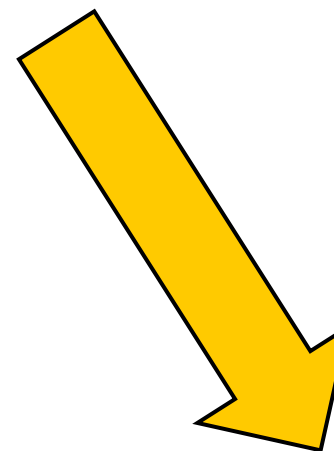
Comparable Metrics



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**



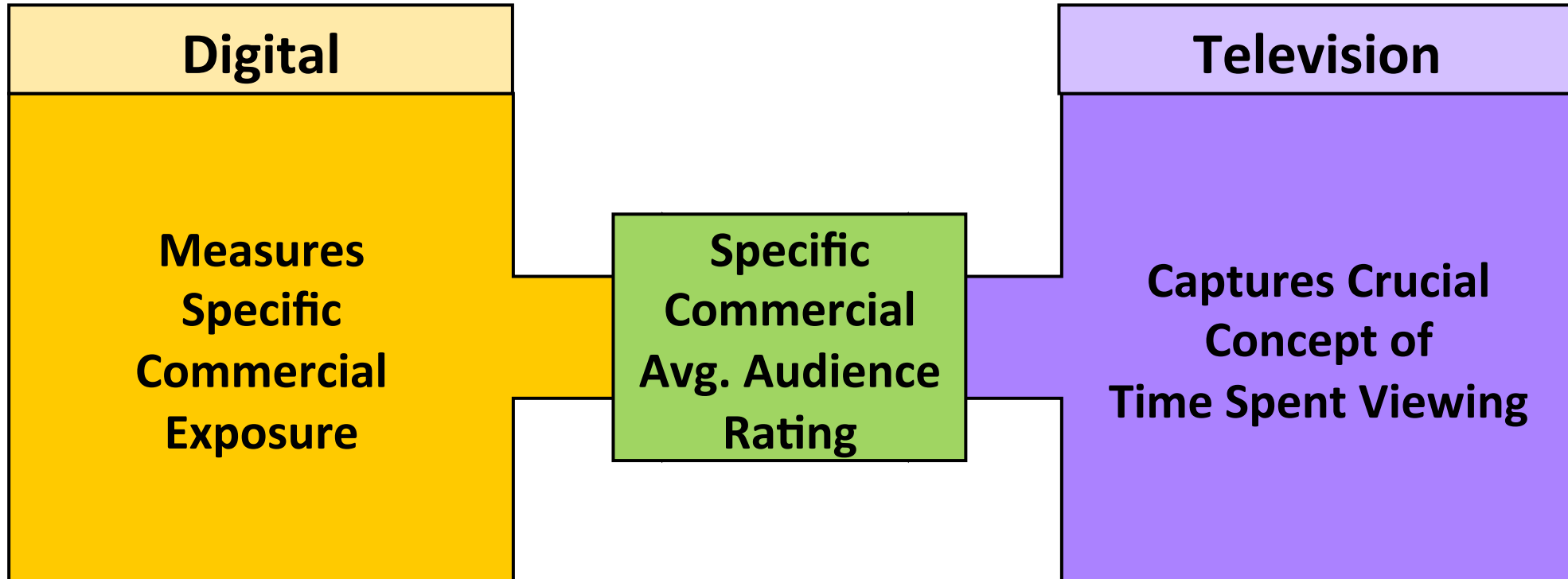
**What would a convergence
of digital ad views
and television ratings look like?**

**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!**

