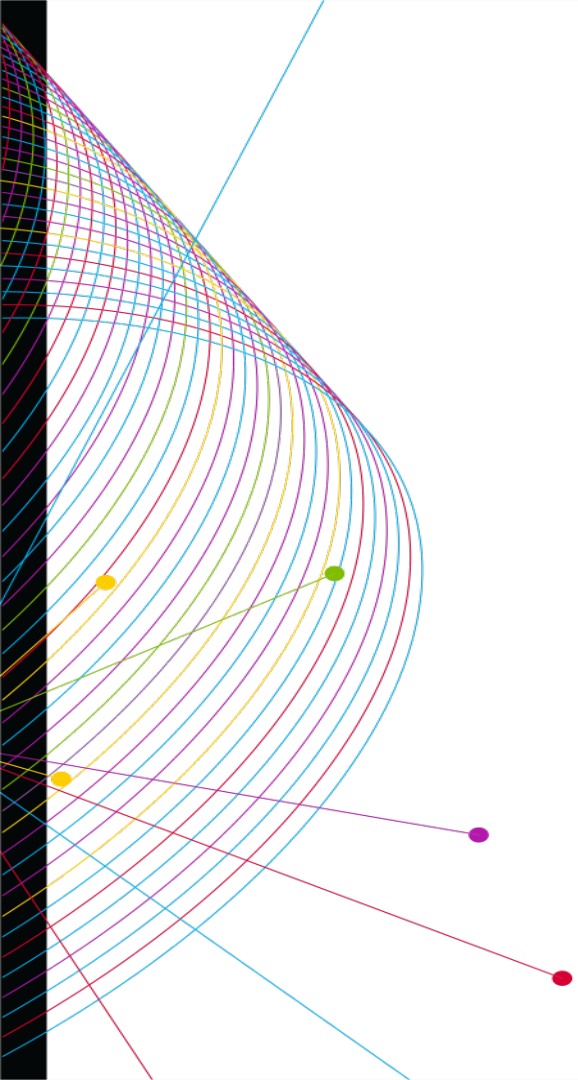
nielsen

# TOTAL AUDIENCE:

## MEASURING WHAT NO ONE ELSE CAN… TODAY AND TOMORROW

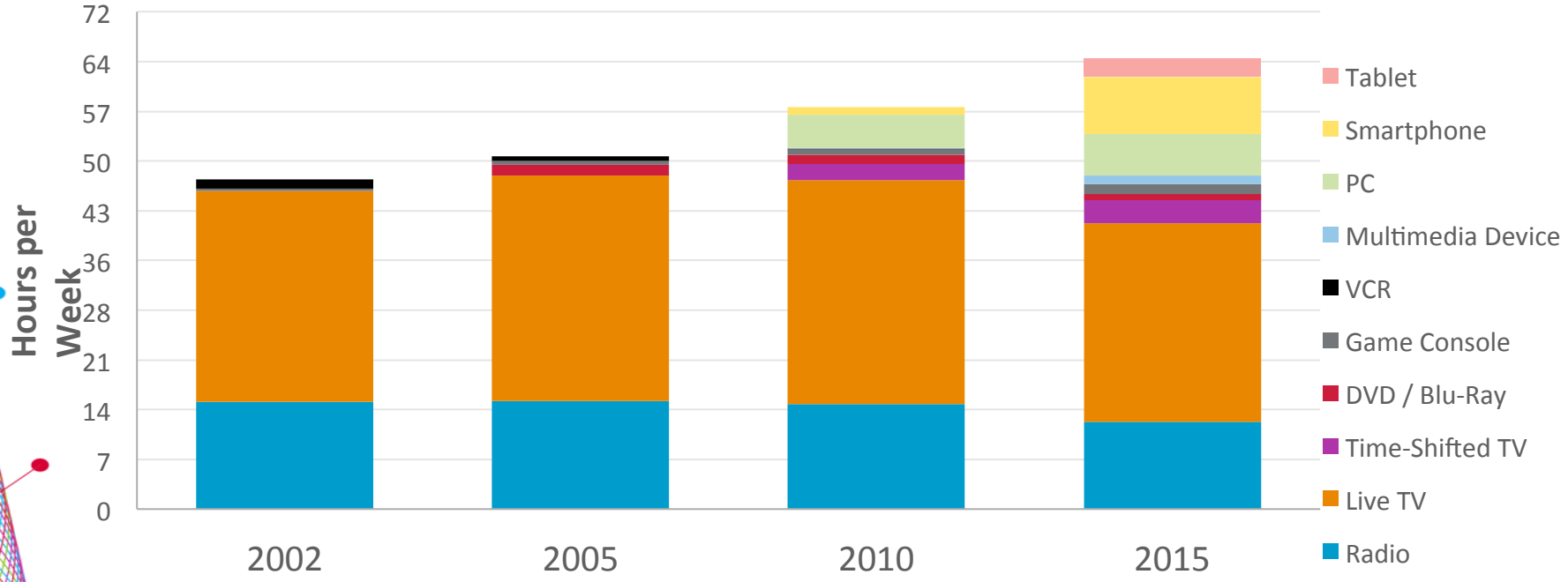
Kelly Abcarian, SVP Product Leadership



# WHY TOTAL AUDIENCE?
# THE CHANGING MEDIA LANDSCAPE

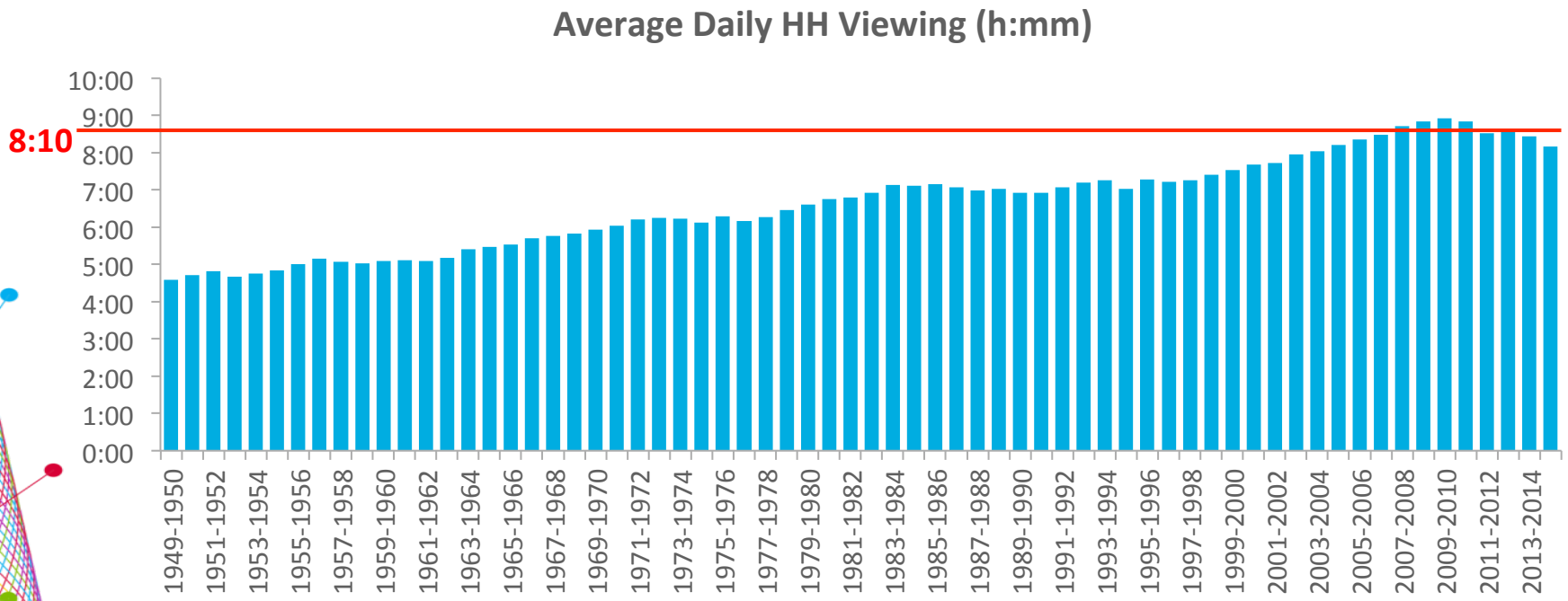
# THERE ARE MORE MEDIA OPTIONS FILLING UP A CONSUMER'S DAY

## Weekly Time Spent Based on the Total US Population – Based on Qtr 3, **P18+**




Source: Nielsen Total Audience Report and Audience Insights Analysis

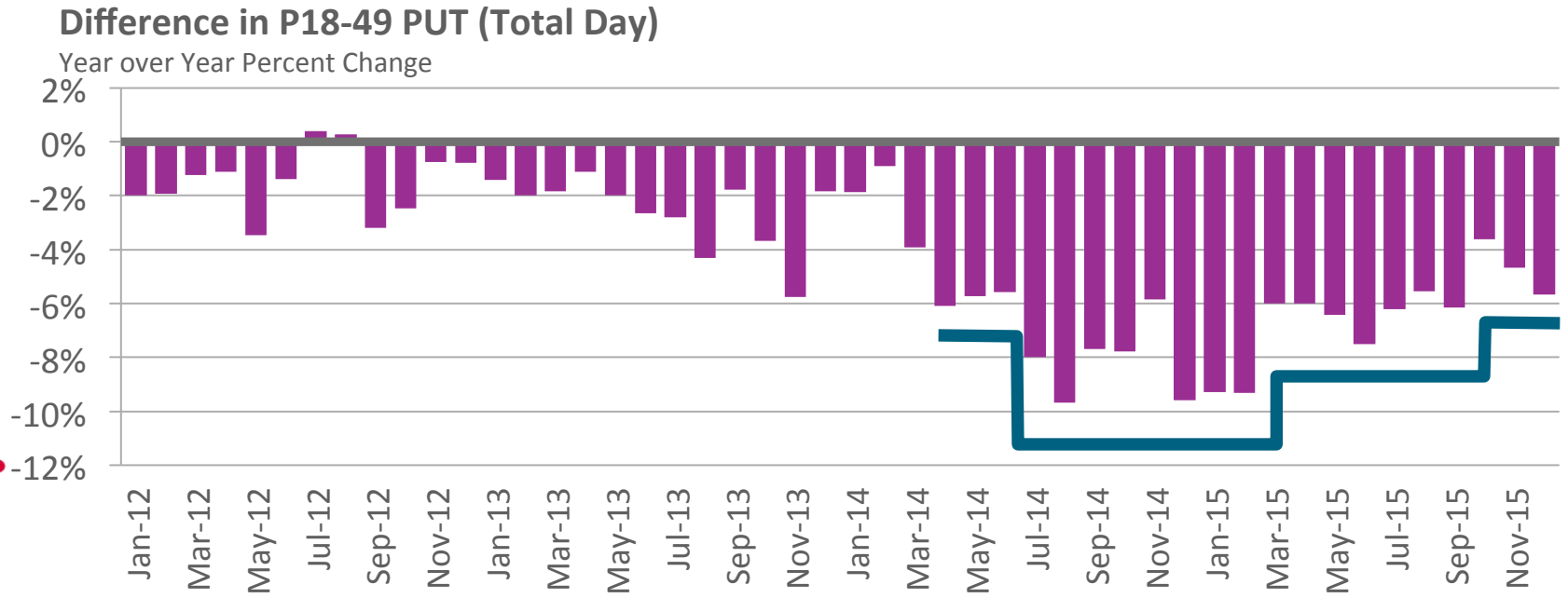
# TV VIEWING REMAINS NEAR HISTORIC HIGH LEVELS




Source: Nielsen NTI

# DECLINE IN TRADITIONAL TV (PUT LEVELS)

Current trend worst in Summer 2014 but is looking better in Q4 2015




Source: Nielsen NPOWER Jan 2012-Nov 2015 US TV HH (incl BBO)

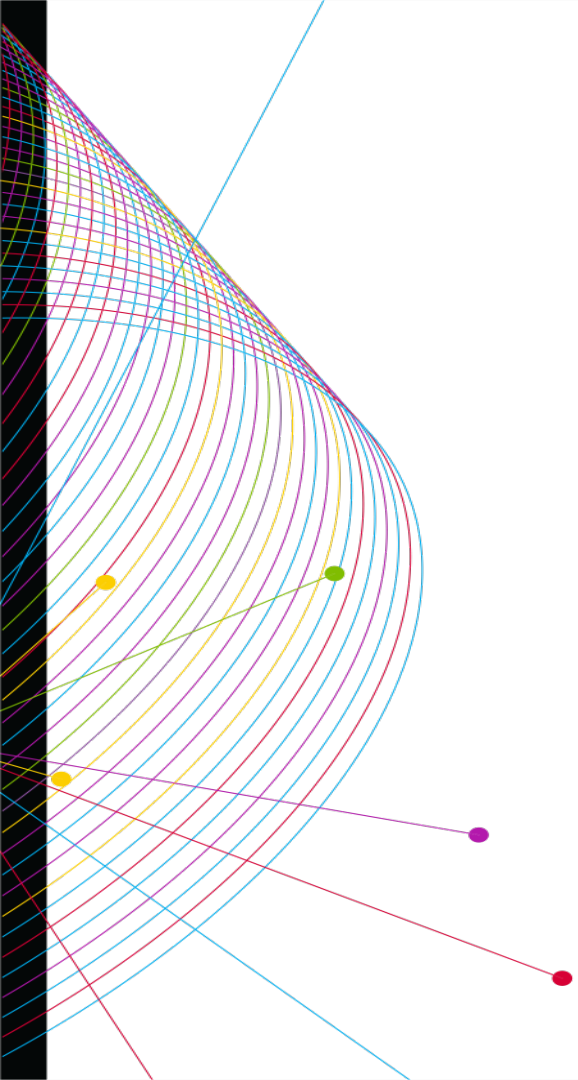
# AMERICANS ARE WATCHING LESS LIVE TELEVISION

## Total Day: Persons Using Television (Live)

*Year over Year Percent Change*

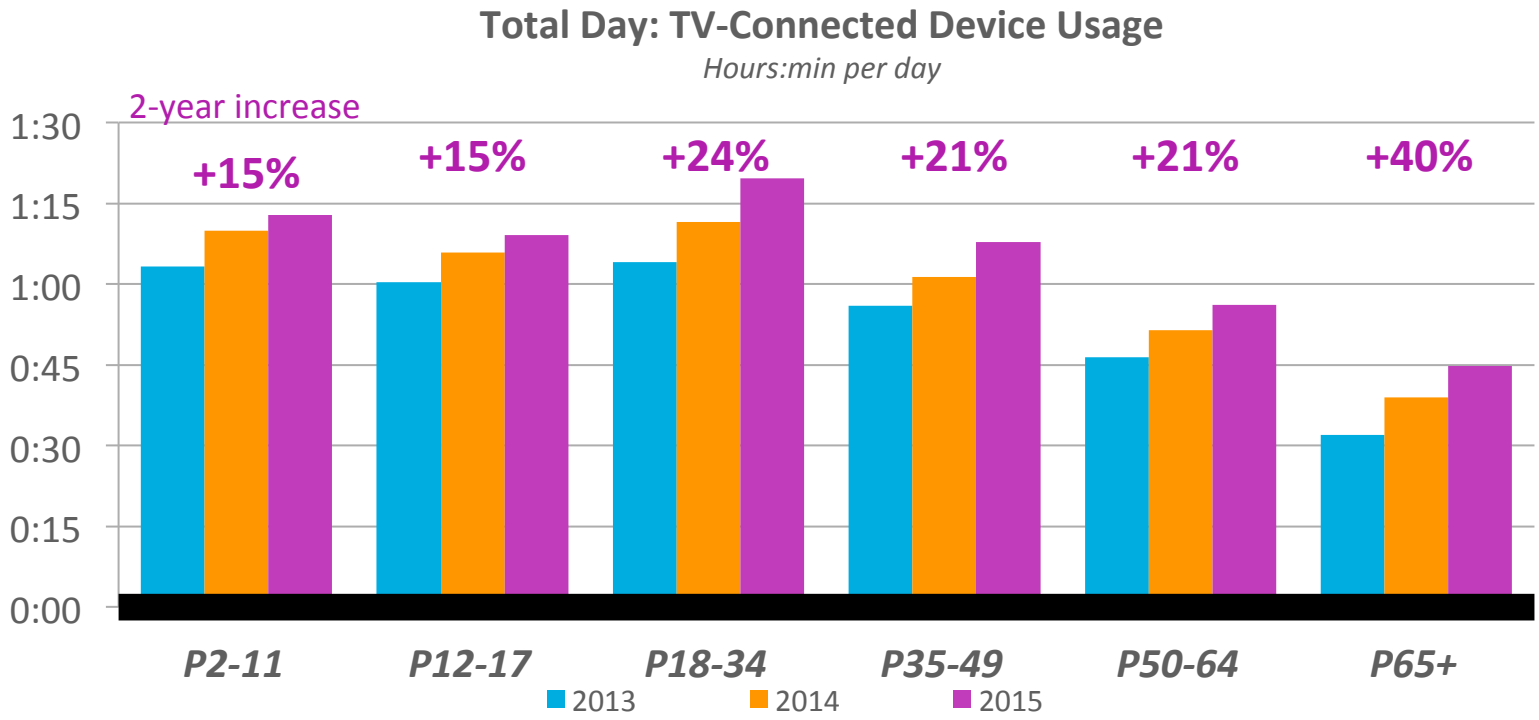
| | P2-11 | P12-17 | P18-34 | P35-49 | P50-64 | P65+ |
|---|---|---|---|---|---|---|
| **2008** *vs 2007* | -1% | 0% | 2% | 2% | 2% | 2% |
| **2009** *vs 2008* | 1% | -2% | -2% | -1% | 0% | 1% |
| **2010** *vs 2009* | 3% | 1% | -1% | -1% | 0% | -1% |
| **2011** *vs 2010* | -1% | -4% | -4% | -1% | 1% | 1% |
| **2012** *vs 2011* | -3% | -4% | -4% | -1% | 0% | 1% |
| **2013** *vs 2012* | -1% | -5% | -4% | -4% | 0% | 2% |
| **2014** *vs 2013* | -8% | -10% | -10% | -5% | -3% | -1% |
| **2015** *vs 2014* | -6% | -14% | -10% | -4% | -1% | 0% |

Source: Nielsen NPOWER, M-SU/6AM-6AM Jan-Dec by year
HUT/PUT minus DVR Playback – dual feed



# TV-CONNECTED DEVICE USAGE

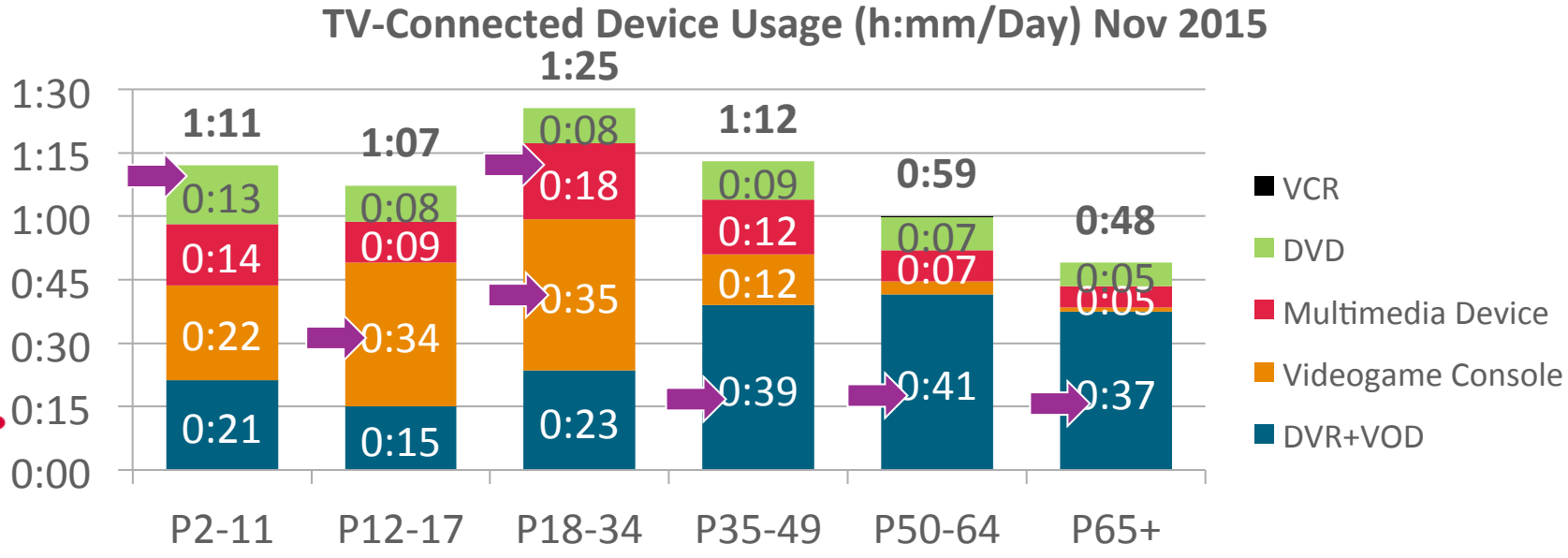
# CONTINUED INCREASE IN DEVICE USAGE




Source: Nielsen NPOWER for dates indicated
TV-Connected Devices = DVR Playback, Videogame Console, Internet-Connected Devices, Audio-Video, DVD Playback, VCR Playback

# DEVICE USAGE DIFFERS BY AGE GROUP

DVR highest among P35+ but DVD and Internet-connectible devices higher for P2-34



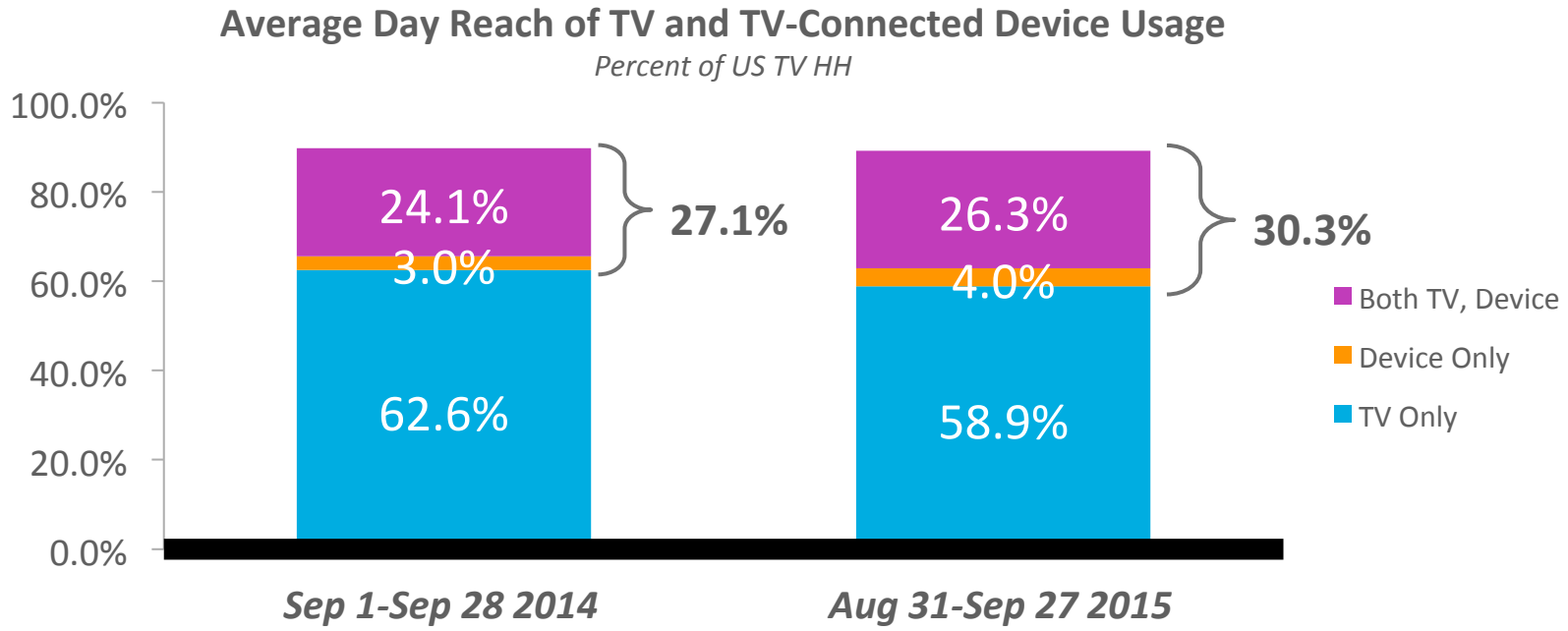

Source: Nielsen NPOWER Nov 2015
Multimedia Devices = ICD+AV (includes Apple TV, Roku, etc.)

# NOT ALL DEVICES SHOWING GROWTH

| Devices Generally Not Connected to Internet | Devices Enabling Video Streaming Over the Internet |
| --- | --- |
| **DVR** | **Videogame Consoles** |
| **DVD** | **Multimedia Devices** |
| *…showing less usage or lower growth* | *…showing greater time spent using* |

# INCREASING USE OF TV-CONNECTED DEVICES

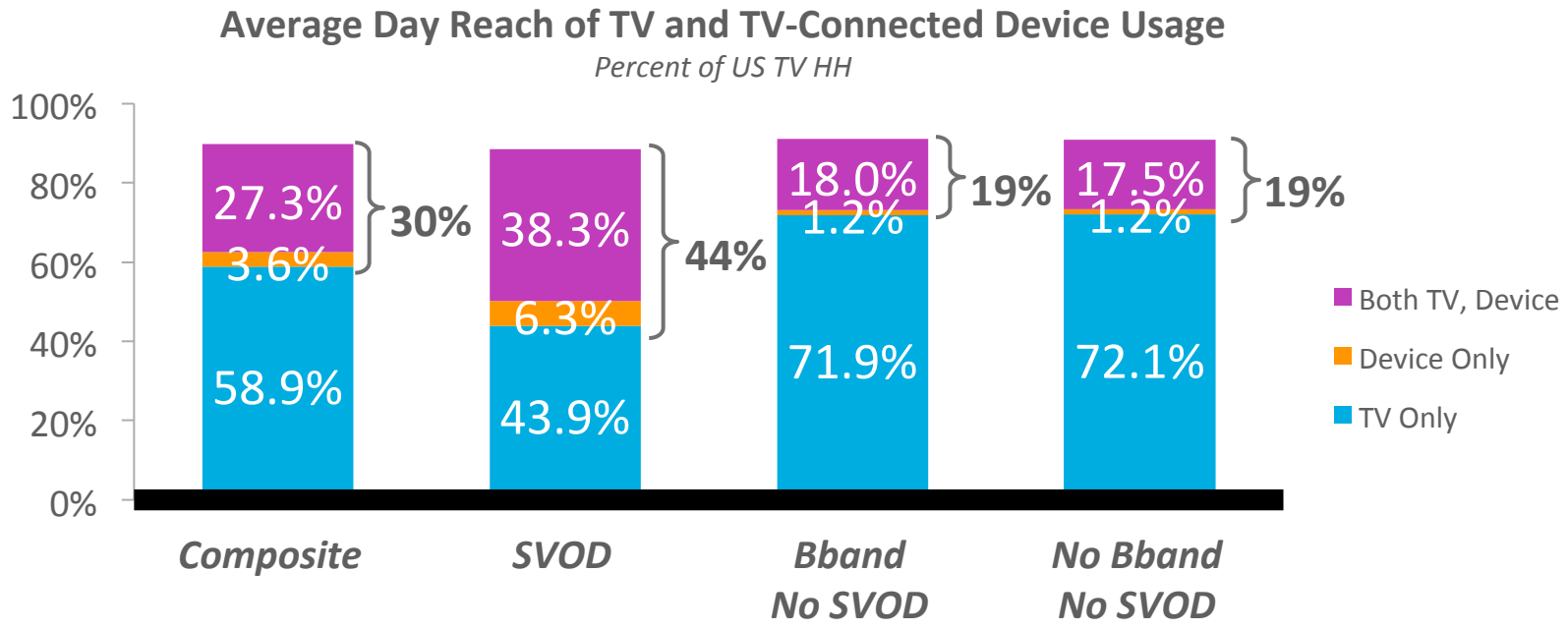
More households including these in their daily viewing




Source: Nielsen NPOWER Reach & frequency reports for dates indicated
TV-Connected Devices = Videogame Console, Internet-Connected Devices, Audio-Video, DVD Playback, VCR Playback

# SVOD HH USE THEIR TV SETS DIFFERENTLY

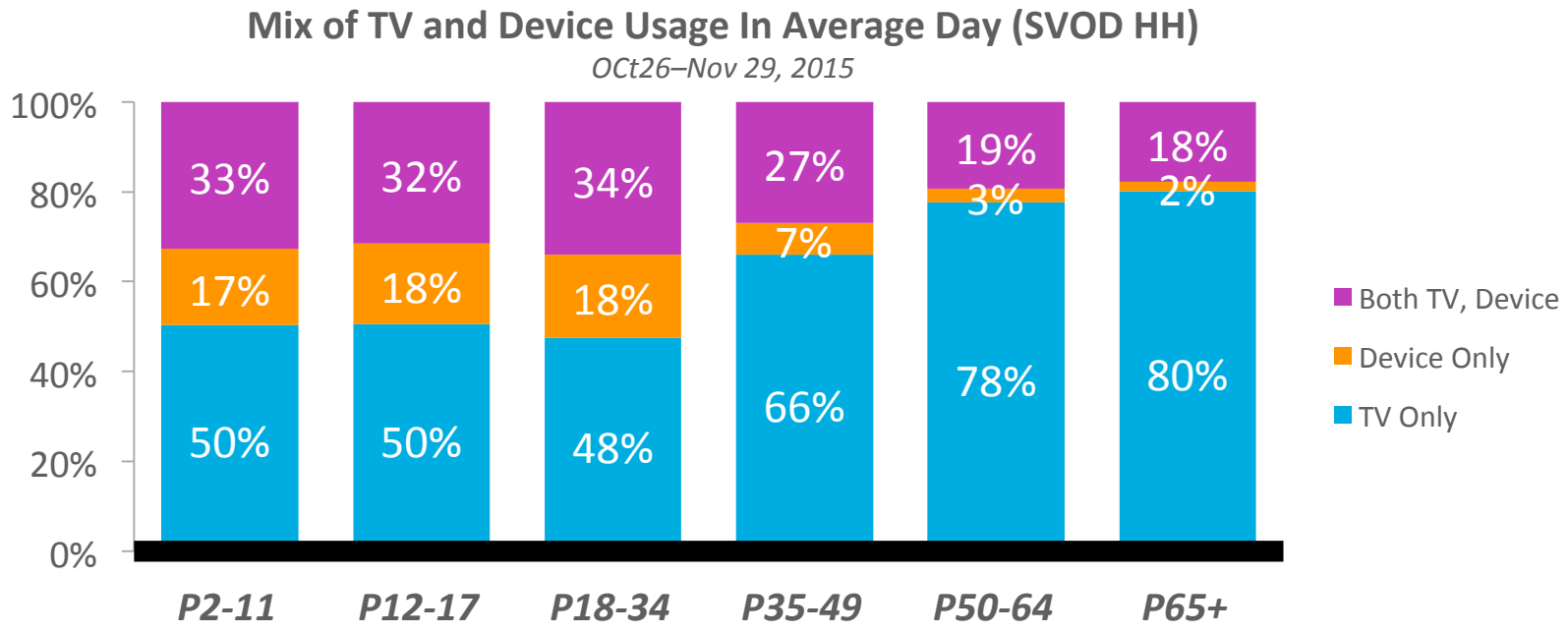
44% use a TV-connected device on an average day



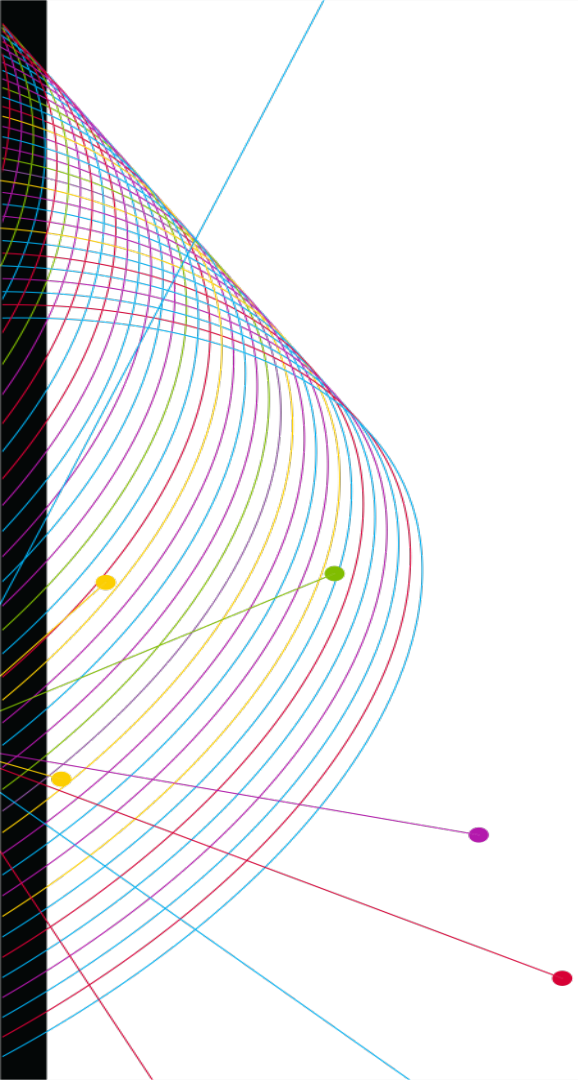

Source: Nielsen NPOWER Reach & frequency reports for November 2015
TV-Connected Devices = Videogame Console, Internet-Connected Devices, Audio-Video, DVD Playback, VCR Playback
SVOD = HH with access to Netflix, Hulu Plus, or Amazon Prime

# 53% OF P2-34 PER DAY USE DEVICES IN SVOD HH

Using device only about one in five days they turn on the TV set



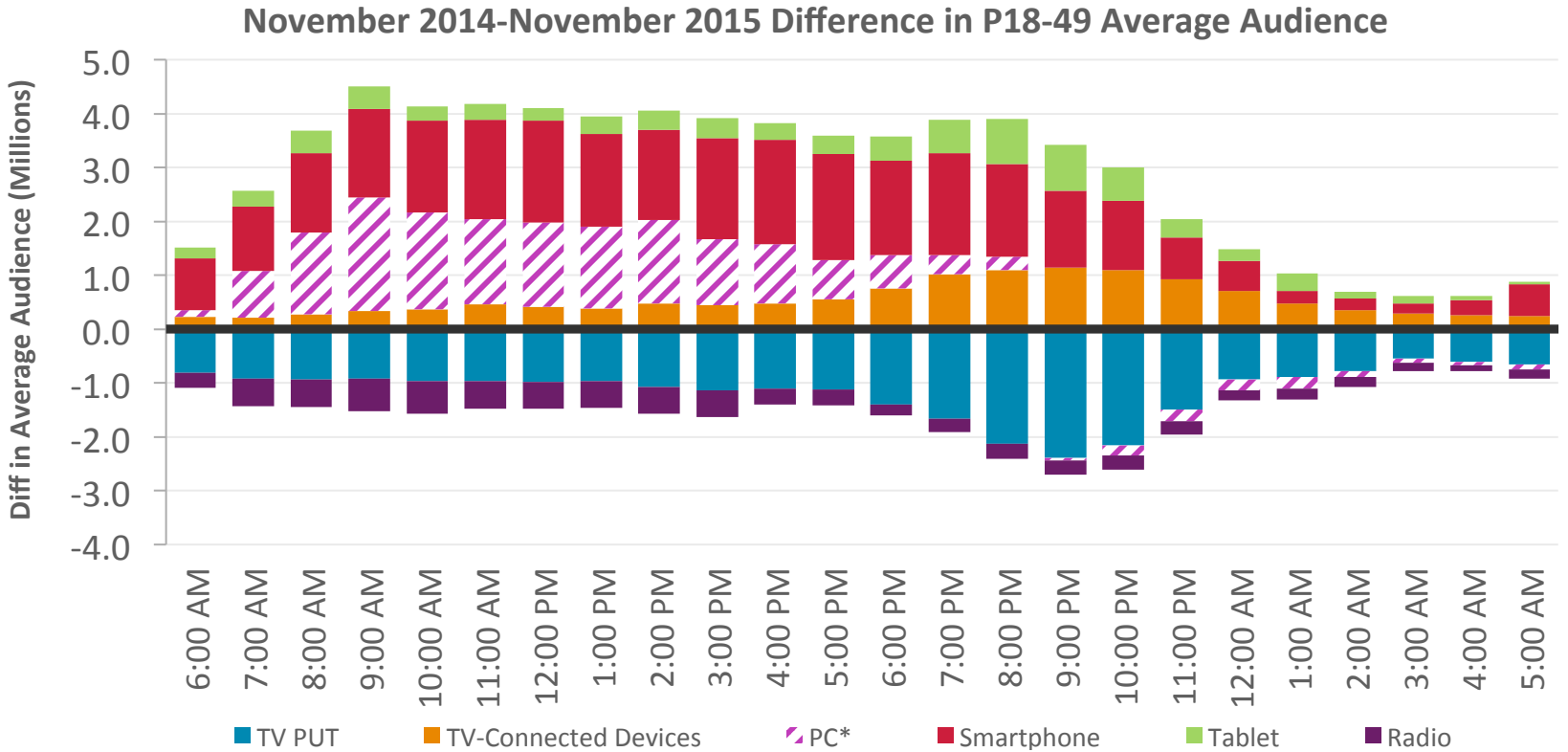

Source: Nielsen NPOWER Reach & frequency reports for dates indicated
TV = HUT/PUT (including time-shifted viewing)
TV-Connected Devices = Videogame Console, Internet-Connected Devices, Audio-Video, DVD Playback, VCR Playback



# THE BIG PICTURE

# USAGE MOVING TO MOBILE AND TV-CONNECTED DEVICES

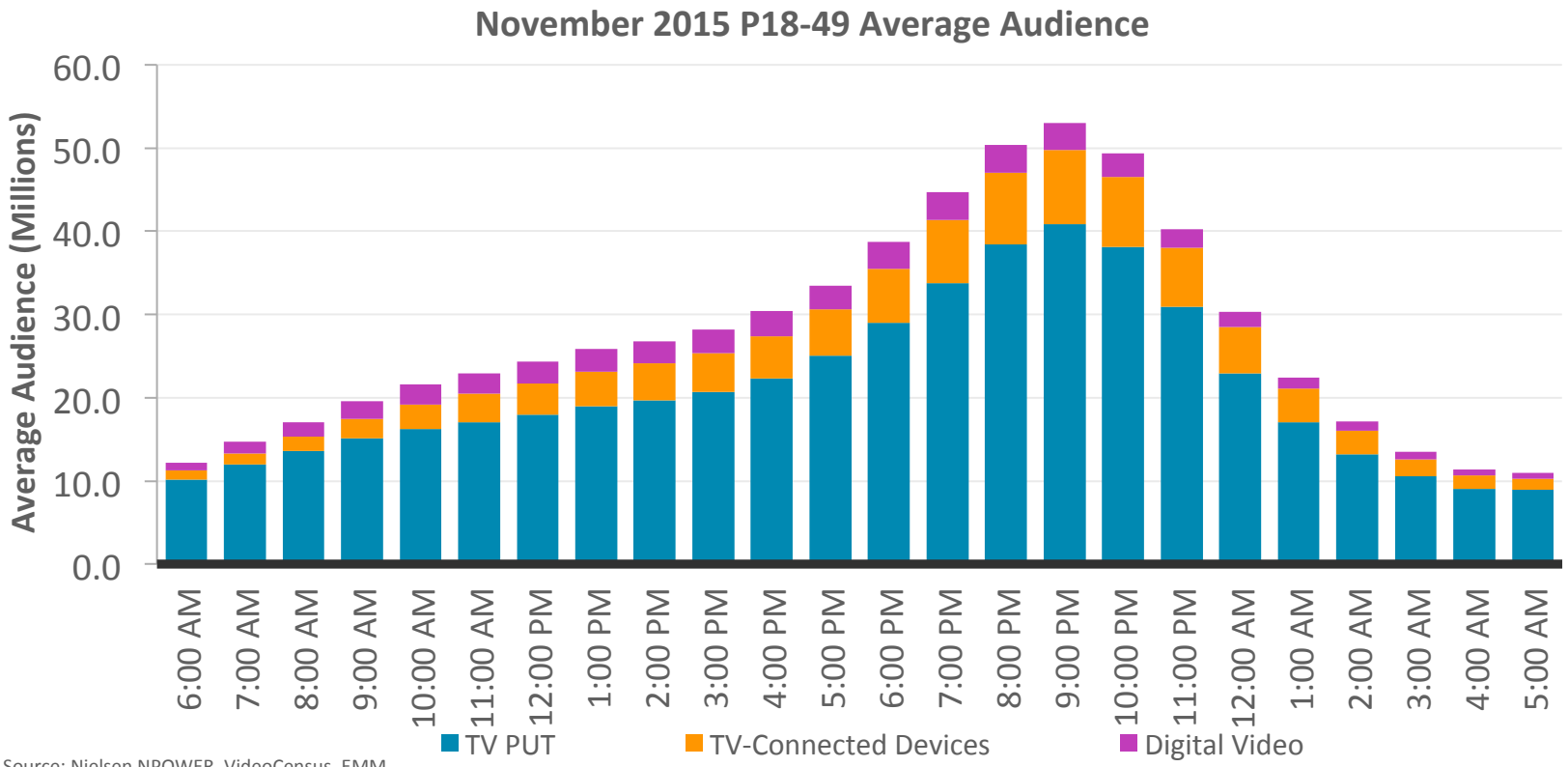
Decline in TV more than offset by increase in Smartphone, Tablet, OTT



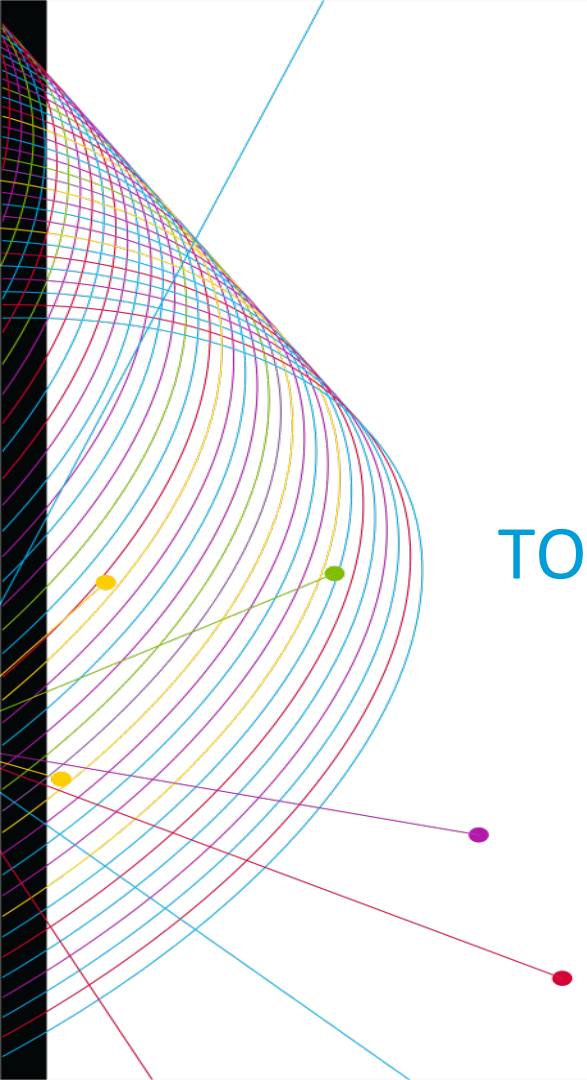

Source: Nielsen NPOWER, Netview, EMM - TV-Connected Devices = DVD, Game Console, Multimedia Device, VCR *PC Crediting rules for duration were updated in August 2015

# MOST VIDEO COMES FROM TRADITIONAL TV

Represents 76% of the usage of these sources




Source: Nielsen NPOWER, VideoCensus, EMM
TV-Connected Devices = DVD, Game Console, Multimedia Device, VCR



# TOTAL AUDIENCE BRINGS ALL THE PIECES TOGETHER

# DATA INCLUDED IN TOTAL CONTENT RATINGS

Live, DVR, recently telecast VOD, including mobile app and computer viewing (with linear ad loads)

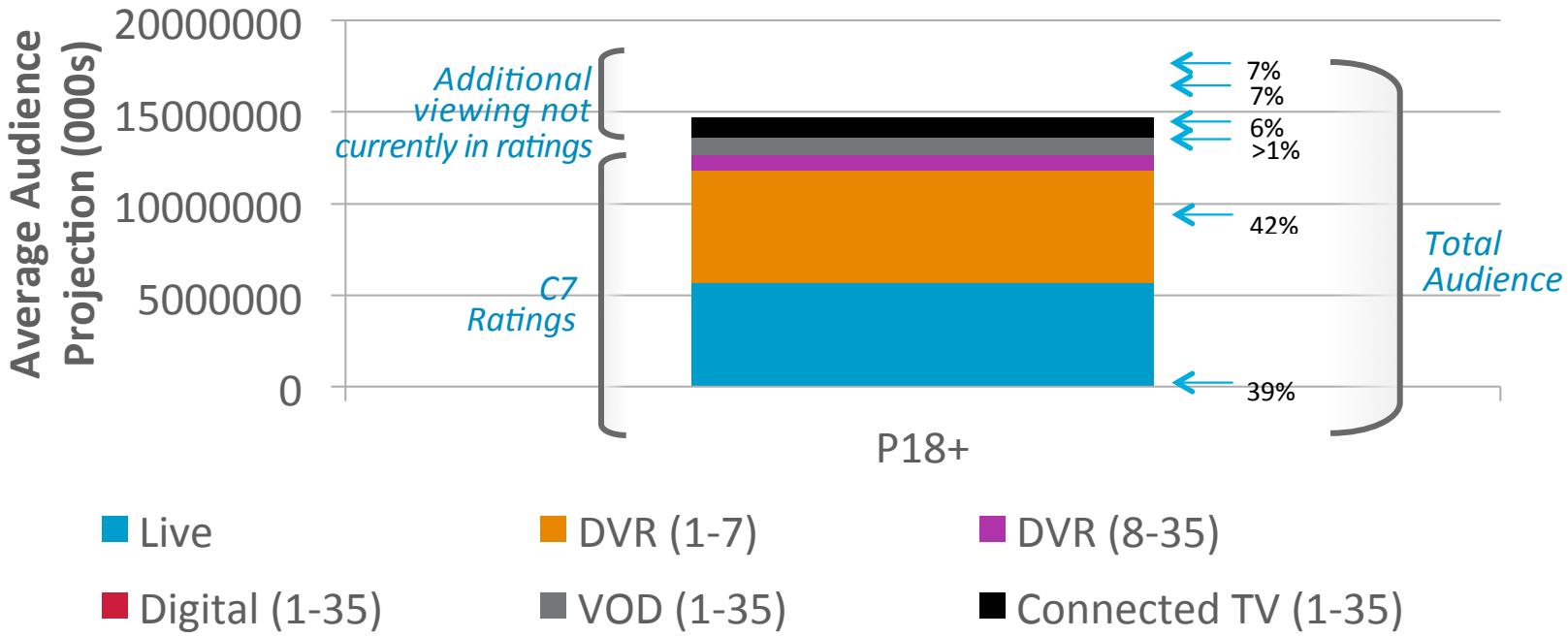
Television viewing from DVRs: Days 8-35 ***new!***

VOD, SVOD and other OTT content hitting the TV screen ***new expanded capability!***

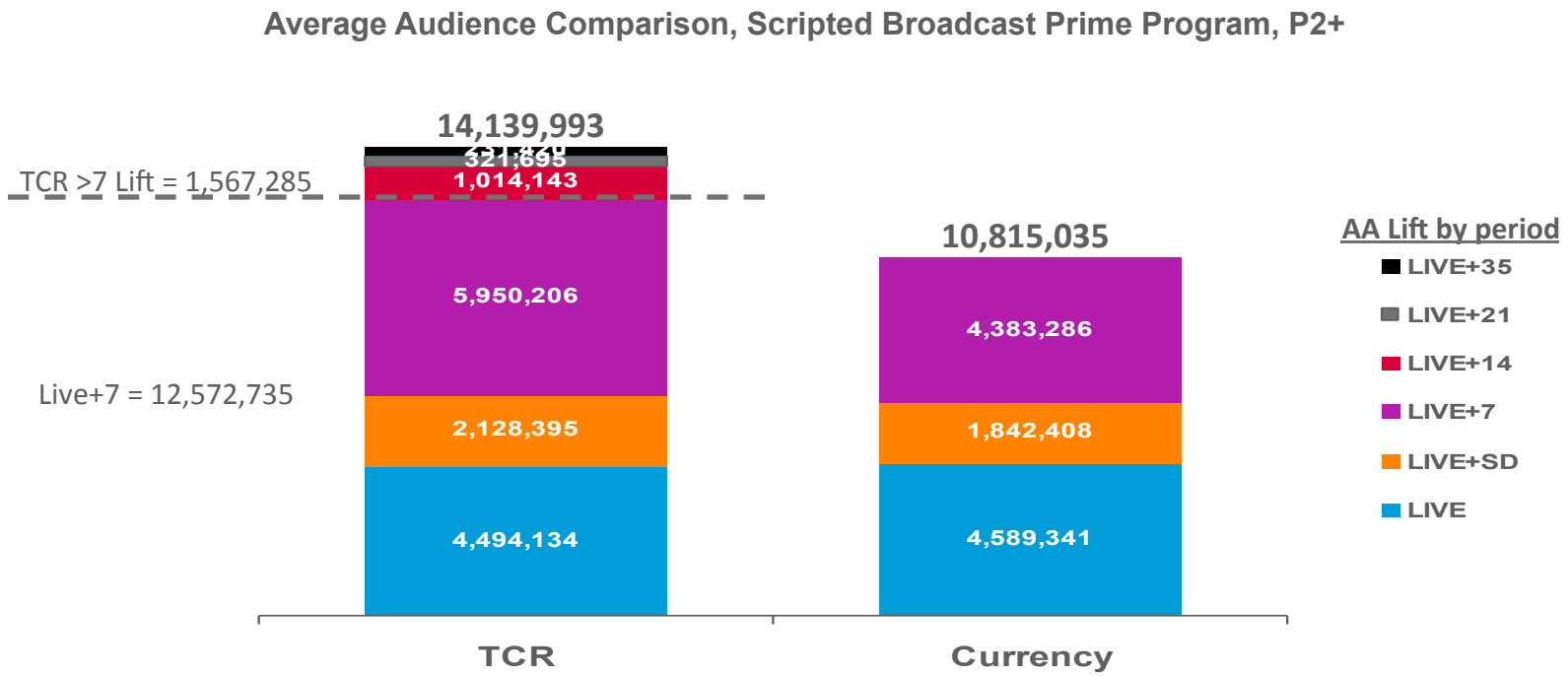
Digital content on mobile devices and computers as measured by Digital Content Ratings (DCR) ***new!***

# TOTAL AUDIENCE SOLVES A CLEAR INDUSTRY NEED

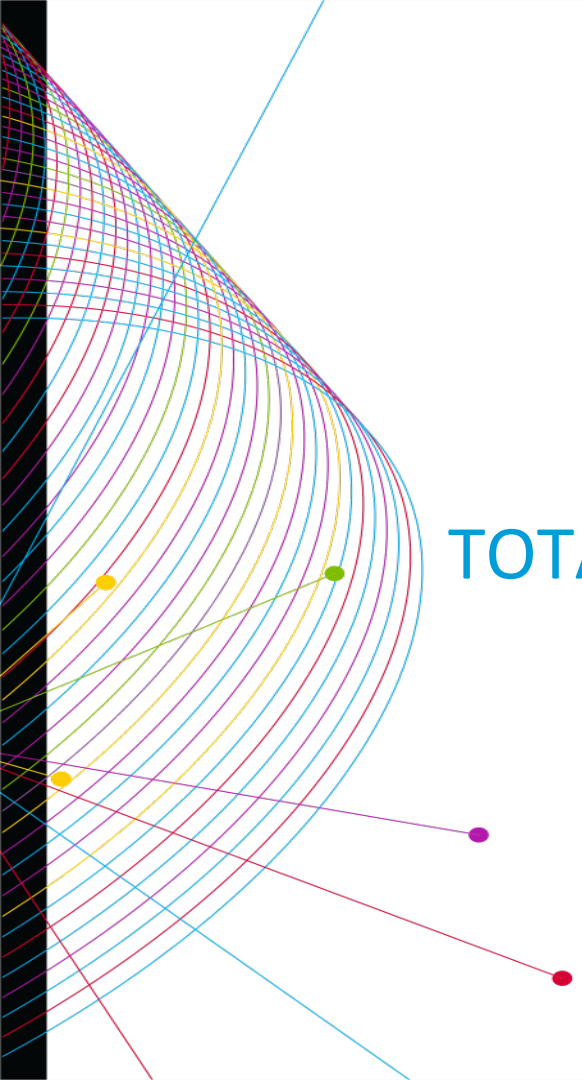
Example of a Broadcast Prime Drama at Telecast/Episode Level: November 2015



# TOTAL AUDIENCE VS. EXISTING CURRENCY




Source: Currency data pulled in NPower, Live Only, Playback within 7 days – Linear, and Playback within 7 days – VOD Only
TCR data pulled in Nielsen Content Ratings

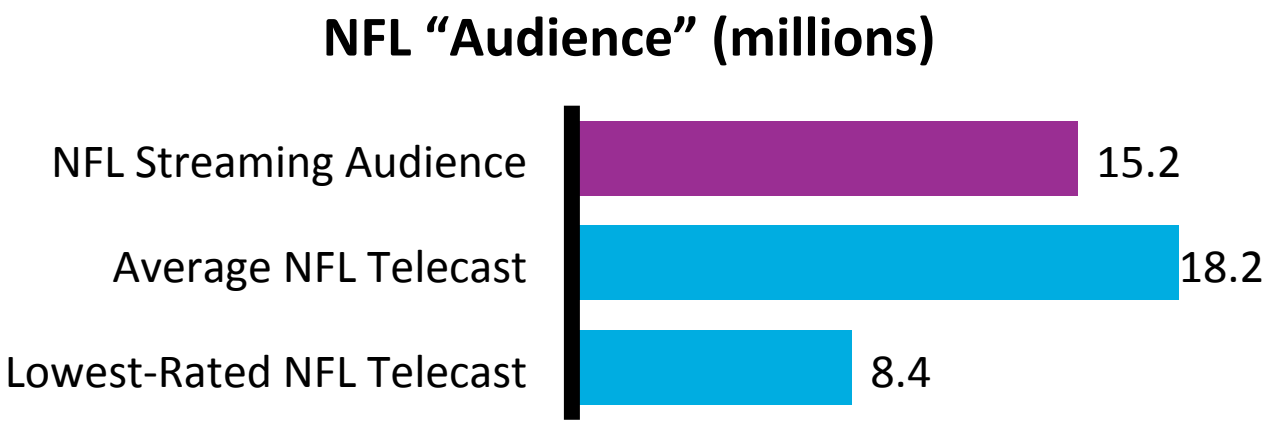


# TOTAL AUDIENCE AND THE IMPORTANCE OF COMPARABLE METRICS

# COMMONLY MISUNDERSTOOD METRICS

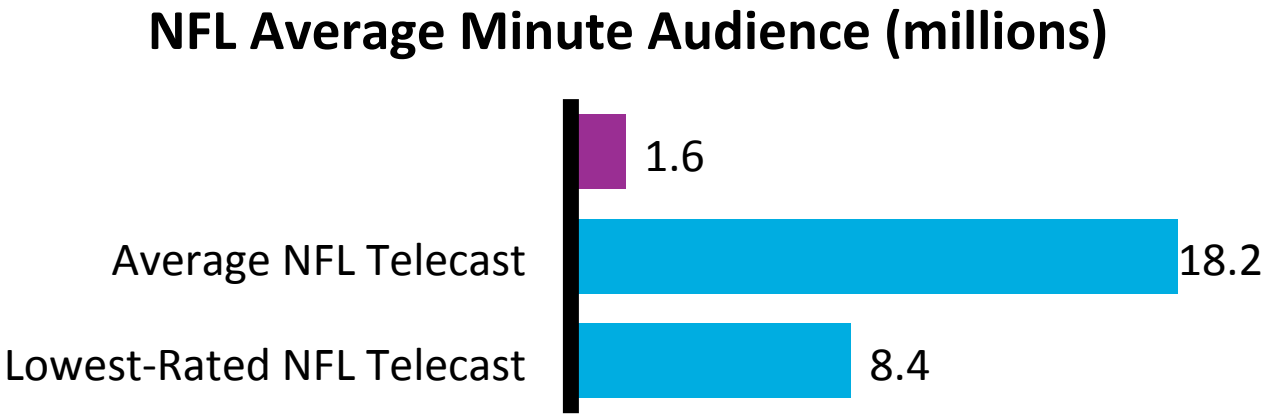
| | Reach | Average Minute Audience |
|---|---|---|
| TV | 209.4M | 51.6M |
| PC Video | 86.4M | 2.1M |
| Smartphone Video | 88.6M | .332M |
| Tablet Video | 41.9M | .269M |

# NFL LIVE STREAM GAME – 10/25



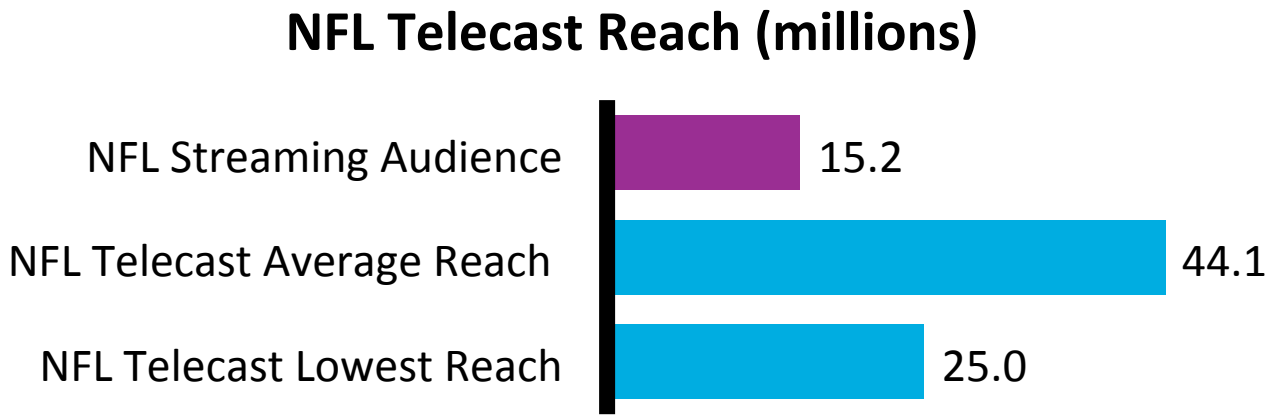

Source: WSJ 10-26-2015 (for reported streaming audience)
Nielsen NNTV, NPOWER 9/10/2015-11/9/2015, excluding NFLN (P2+)

# LIKE FOR LIKE METRICS TELL A DIFFERENT STORY




Source: WSJ 10-26-2015 (for reported streaming audience)
Nielsen NNTV, NPOWER 9/10/2015-11/9/2015, excluding NFLN (P2+)

# A COMPARABLE VIEW




Source: WSJ 10-26-2015 (for reported streaming audience)
Nielsen NNTV, NPOWER 9/10/2015-11/9/2015, excluding NFLN (P2+)

# TOTAL AUDIENCE ENABLES COMPARABLE METRICS FOR TV AND DIGITAL VIDEO

Providing a Consistent Set of Metrics Based on Total US Population

| | |
|---|---|
| Average Audience Rating | Audience to the average minute of a program or video |
| Unique Audience (Reach) | Total de-duplicated audience across TV and digital |
| Views | Number of total times viewers began watching a program or video (video starts) |
| GRP % | Total views expressed as a percentage of the universe |
| Average Frequency | Average number of views per unique viewer |
| Total/Average Time Spent | Total duration of all views and average time spent per unique viewer |

# VIEWS, GRP AND AVERAGE FREQUENCY

Traditional TV Calculations

**Reach** = number of unique viewers to a program
**Average Frequency** = average number of times a unique viewer watched a repeated minute of a program
**GRP** = Reach X Average Frequency (Projection and %)

**Example**: Viewer 1 watched all 30 minutes of a program on Monday, watched the first 10 minutes of that same program on Tuesday and the last 5 minutes on Wednesday

Viewer 1 gets a Reach of 1 and a Frequency of 2

# VIEWS, GRP AND AVERAGE FREQUENCY

Traditional Digital Calculations

**Reach** = number of unique viewers to a program
**Views** = number of total video starts
**Average Frequency** = Views/Reach
**GRP %** = Views divided by population

**Example**: Viewer 1 watched all 30 minutes of a program on Monday, watched the first 10 minutes of that same program on Tuesday and the last 5 minutes on Wednesday

Viewer 1 gets a Reach of 1 and a Frequency of 3

# ALIGNING TV WITH DIGITAL

Views, GRP and Average Frequency

| CREATE A VIEWS METRICS FROM TV PANEL DATA |
| --- |
| Start with each TV tuning event, but create a minutes threshold between tuning events to consider it as a separate view |
| The threshold accounts for channel changing behavior on TV |
| Create Average Frequency for TV data by dividing Views by Reach – consistent with digital data |
| |
| |

# TOTAL AUDIENCE AND TV RATINGS

## Changes from TV Ratings required to bring comparability to the metrics

| FEATURE | LINEAR TV RATINGS | TOTAL AUDIENCE |
|---|---|---|
| **Reporting Level** | Telecast-level reporting | Episode-level reporting |
| **Program Only Ratings** | Rating includes both program and commercial minutes | Rating includes program minutes only |
| **Ad Model** | Only includes viewing where the full linear ad load is served | Includes all viewing regardless of ad load |
| **Universe** | US TV Households | Total US Population |
| **Time Shifted Viewing** | Time shifted viewing is credited to the day of live air | Time shifted viewing is credited to the day of view |
| **GRP Projection** | Based on reach times average frequency | Based on total video views |
| **Frequency metric calculation** | Average number of times at least one repeated minute is viewed by each unique viewer | Average number of video starts per unique viewer |

# TOTAL AUDIENCE DELIVERS

TOTAL AUDIENCE

- *Consistent metrics for all video across TV and digital*
- *Inclusion of all platforms, including DVR playback beyond 7 days, VOD, OTT and Digital*
- *De-duplication of audience across all devices, regardless of ad model*
- *Syndicated data and competitive view of the marketplace*

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AN UNCOMMON SENSE
OF THE CONSUMER™