

Introduction to Time Shifted Viewing

9 November 2011

Introduction



Lindsay Mouat
Chief Executive Officer

The logo for thinkTV features the word "think" in a bold, black, lowercase, sans-serif font, followed by "TV" in a bold, blue, uppercase, sans-serif font. The entire logo is set against a light gray background.

Rick Friesen
Chief Executive Officer

Today's discussion

Nielsen TAM:

- 1 How the ratings work
- 2 Why the change to Time-Shift?
- 3 How the changes will be introduced

The Broadcasters:

- 4 Terminology & trading
- 5 Important facts
- 6 Planning considerations & campaign delivery

Television Audience Measurement

The Nielsen logo is positioned in the bottom right corner of the slide. It consists of the word "nielsen" in a lowercase, serif font, with a horizontal line of seven dots underneath it. The logo is contained within a white circular shape that is partially cut off by a white curved line at the bottom of the slide.

nielsen
.....

TV Audience Measurement

- Nielsen's Peoplemeter system is the industry currency for Television Audience Measurement (TAM) data
- TAM data or 'Ratings' provide:
 1. Information about audiences on which programmers can make decisions on what to buy and where to screen it; and
 2. A currency for the buying and selling of commercial air time

PeopleMeter for Audience Measurement



The Peoplemeter

- Peoplemeter methodology is global best practice
- Continuous investment has been required to ensure the TAM panel keeps up with the speed of technological change in homes
 - All new TVs are iDTVs
 - Digital Switchover is approaching
 - The advent of PVRs has been the catalyst for a fundamental change in methodology from frequency measurement to audio matching

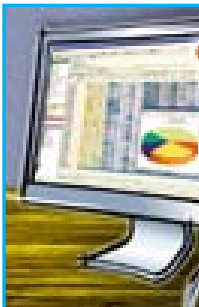


The Ratings Process ...

Establishment S



Analysis



Quick Facts:

- 500 Households
- ≈ 1,250 individuals
- Fully National
- Statistically representative
- Every set is measured
- Maximum 6 years on panel
- Independently audited

oleMeters



olling



The Ratings Process ...

Establishment Survey



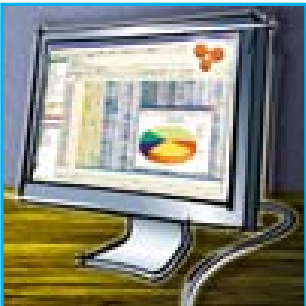
Panel Recruitment



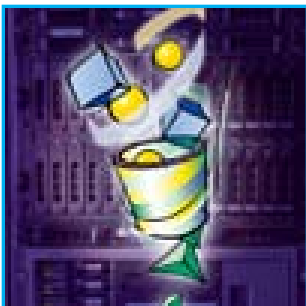
PeopleMeters



Analysis



Production



Polling



The TAM Panel & what's ahead in 2012

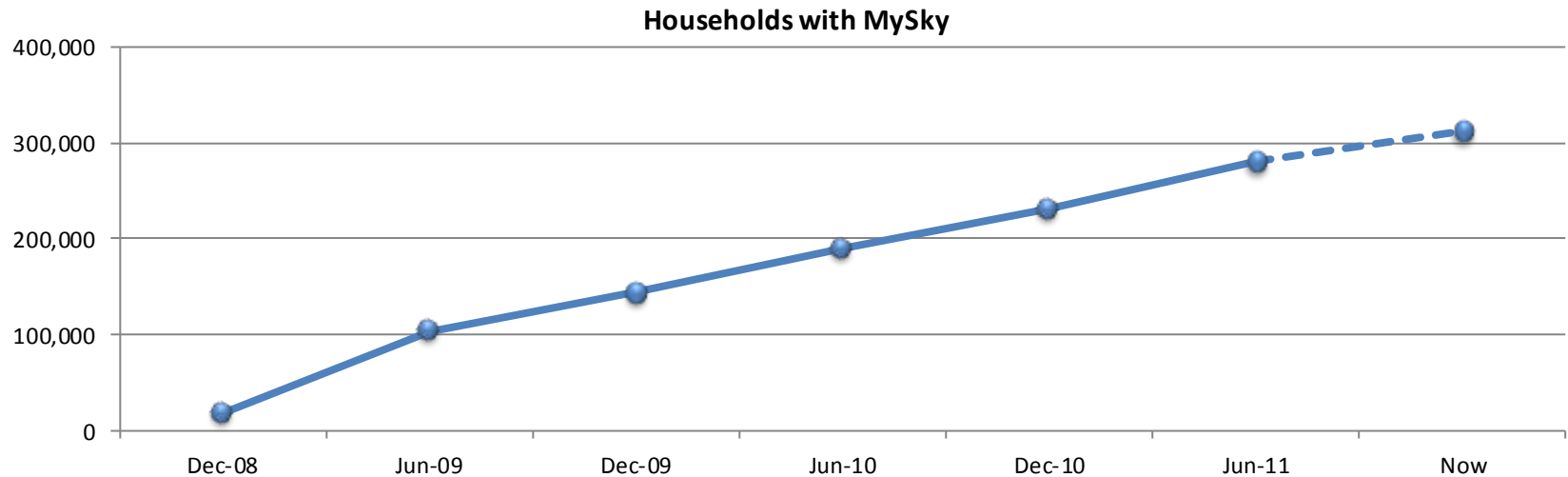
The current Panel:

- Captures live viewing only
- Operates in an environment of significant technology uptake and change

2012 will see the most significant change to television audience measurement since the move from diaries to Peplemeters in 1990.

- The panel will expand from 500 to 600 homes
- The measurement universe will be expanded to include time-shift viewing (TSV) via PVRs

Why is TSV being introduced?



SOURCE: Sky Financial Reports

- MySky uptake has grown rapidly since it was introduced
- The technology is now in around 19% of all New Zealand homes
... or close to 40% of all Sky homes
- A further 5.5% of homes have a non-MySky PVR (MyFreeview / TIVO / Generic)
- The move to TSV measurement ensures that the panel remains representative and that viewing behaviours are being accurately represented

Expanding the Measurement Universe

The Nielsen logo is positioned in the bottom right corner of the slide. It consists of the word "nielsen" in a lowercase, serif font, with a horizontal line of seven dots underneath it. The logo is contained within a white circular shape that is partially cut off by a white curved line at the bottom of the slide.

nielsen
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Just what is UniTAM?

- The next evolutionary step of Peoplemeter technology
- UniTAM is platform agnostic - the focus is on content, not the delivery mechanism
- Audio matching replaces traditional frequency measurement
- An approach that helps to protect the panel against future environmental changes and the unclear technology horizon

Consolidation Window

- 7-day consolidation window will apply; i.e. any viewing that is played back within the 7 days following transmission will be included
- BARB first applied this rule in 1991 based on analysis which showed 90% of VCR playback occurred within a week
- Analysis in Ireland in 2010 shows that rule of thumb holds true in the PVR environment
- The most commonly utilised approach
- It's user-friendly – on a Monday, you'll receive:
 - Sunday Overnights;
 - Sunday of the previous week's Consolidated

How will the sample be introduced?

The Nielsen logo is located in the bottom right corner of the slide. It consists of the word "nielsen" in a lowercase, serif font, with a horizontal line of seven dots underneath it. The logo is contained within a white circular shape that is partially cut off by the bottom edge of the slide.

nielsen
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The Logistics of Implementation

- The overall panel size will increase from 500 to 600 homes
- Test panel of MySky homes was established in 2011
- December 2011:
 - 50 MySky homes will be migrated to the Live panel
 - Only live data will be reported prior to 15 January
- 15 January 2012:
 - Remaining MySky homes switched into the Live panel
 - Universe officially moves to include PVR homes and TSV

Minimising change

- PVR penetration is expected to be around 28% of NZ households by “Go Live”
- On a constant sample size, this would have driven a change in 28% of panel homes on a single day
- Sample increase helps minimise sample churn
 - 28% = 170 homes (n=600)
 - 100 of those homes will be added as part of the overall panel increase
 - Remaining 70 homes will be swapped out on 15 January
 - 12% churn on the day
- Reduced sample churn means more stability in the data

Time Shifted Viewing

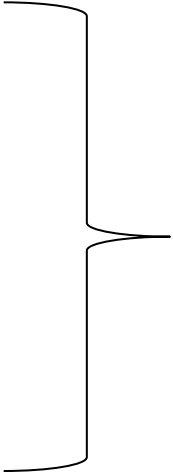
Planning and trading in the
new measurement world



Terminology

“Overnights”

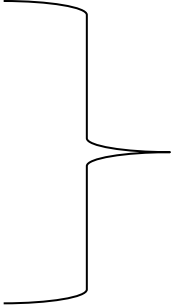
Viewing of television broadcast content that occurs on the same day as it is broadcast. Includes viewing that is live and that which is time-shifted within the same broadcast day (2am-2am).



*Available
9.30am the day
following
broadcast*

“Consolidated”

Viewing of recorded television broadcast content which occurs between 1 and 7 days after original broadcast



*Available on
day 8 following
the day of
broadcast*

Trading currency

The trading currency will be **“Consolidated”** across all broadcasters

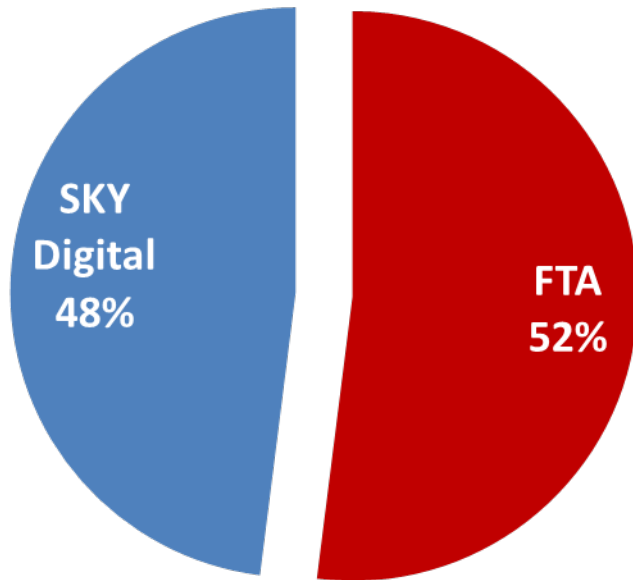
For time sensitive Advertisers (i.e. 1 Day Sales) alternatives may be considered on a campaign by campaign basis



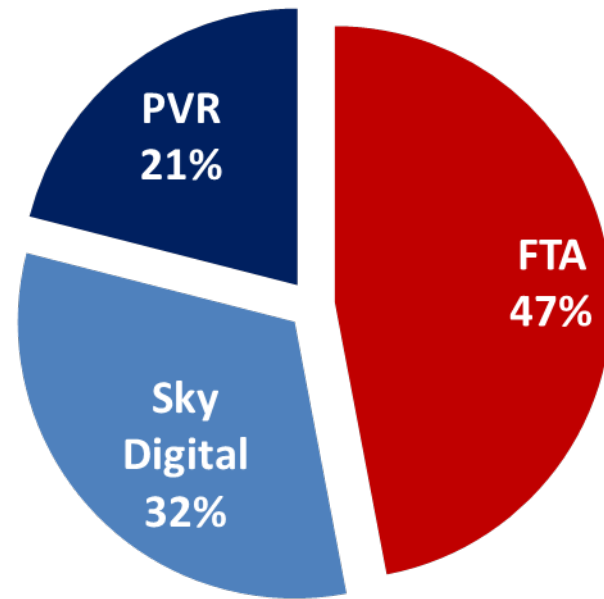
**The panel composition
is changing and will not
be directly comparable
to the current panel**

A new panel composition

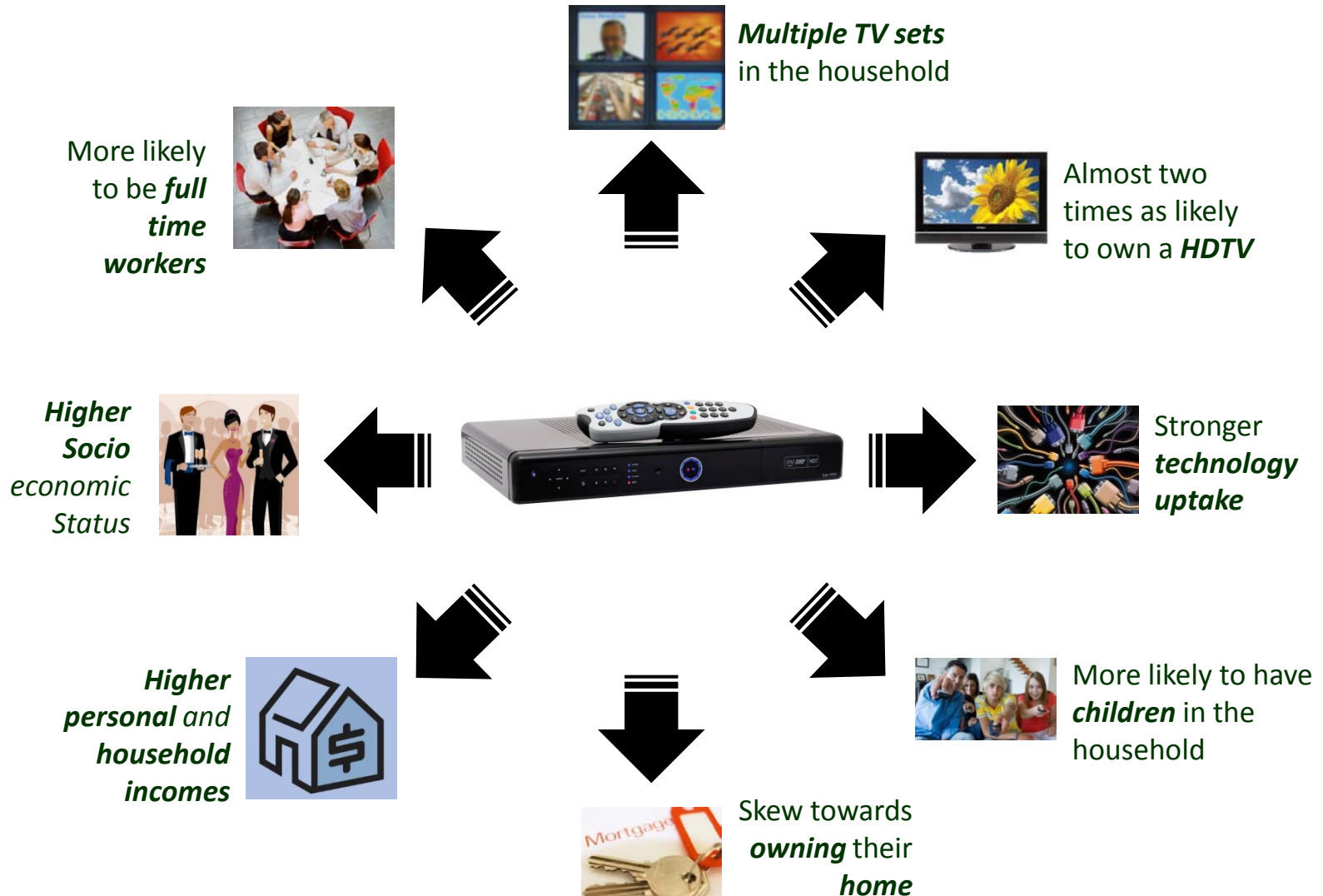
Current Sample Composition



New Sample Composition



PVR homes have a different profile

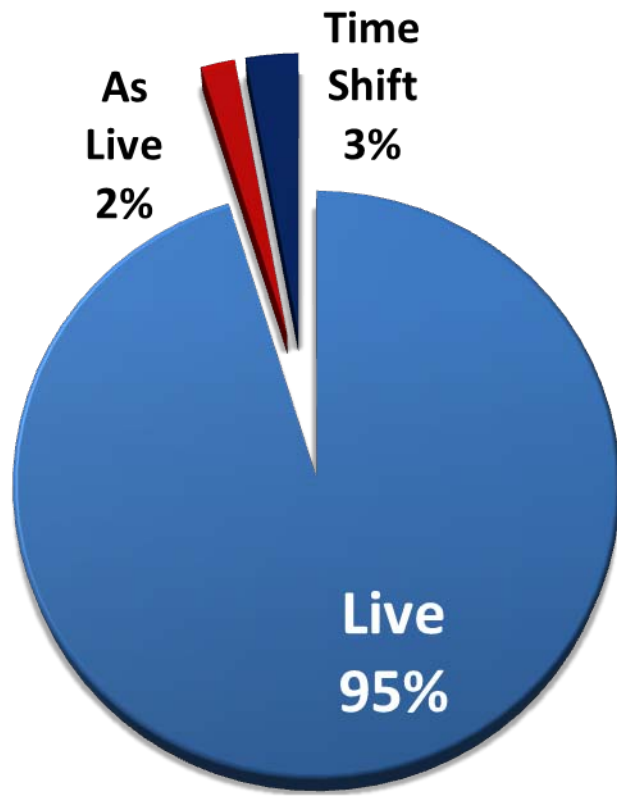




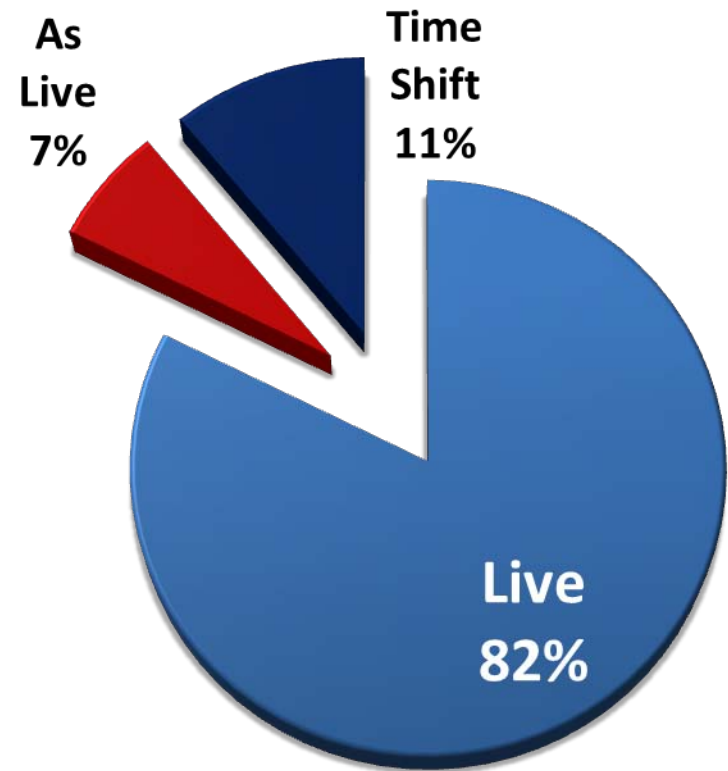
**The vast majority of
viewing remains Live,
*in all homes***

Majority of viewing is Live in all homes

All Homes



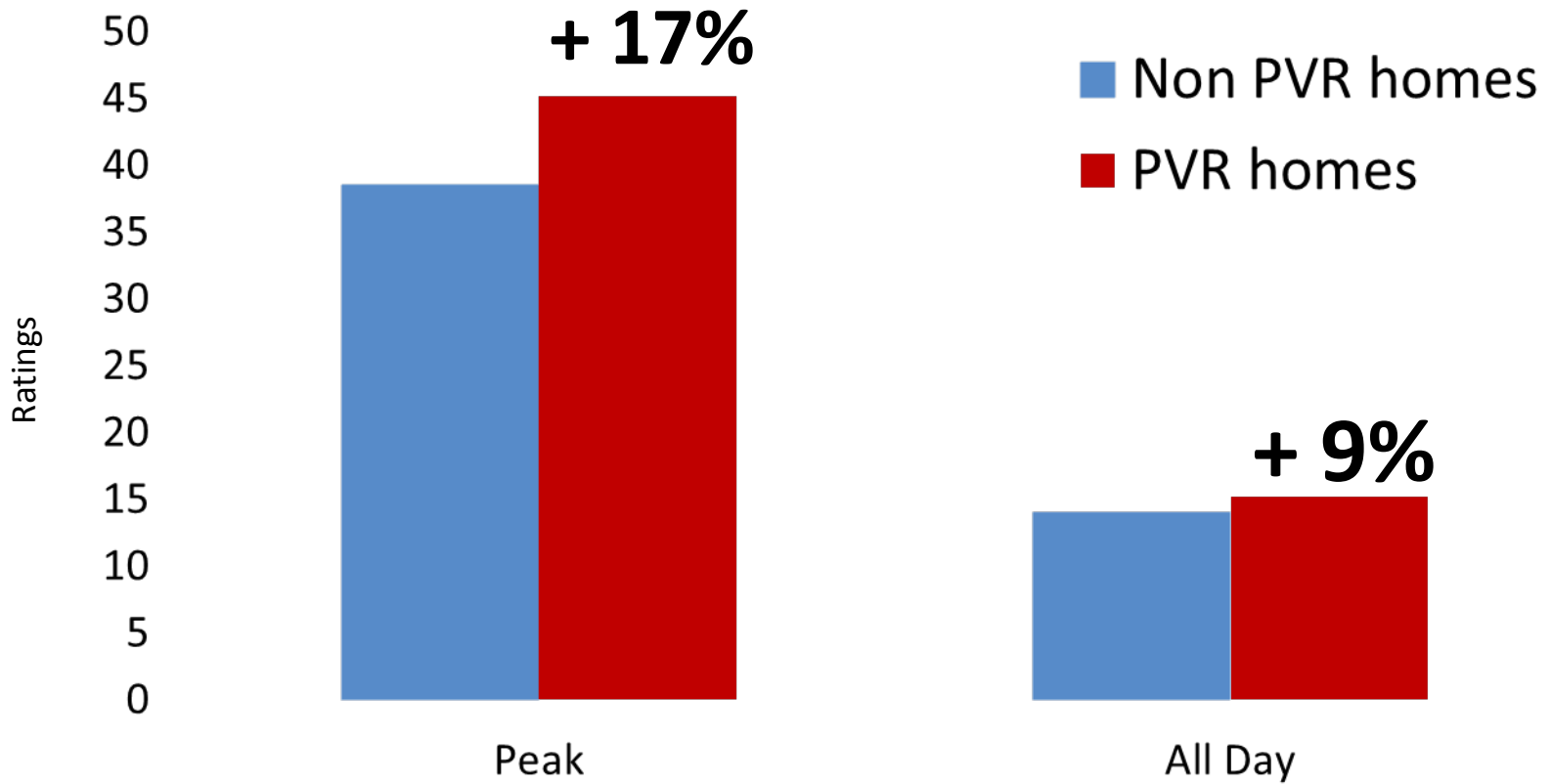
PVR Homes





**People with TSV
capability in their
homes watch
significantly more TV**

PVR homes watch more TV

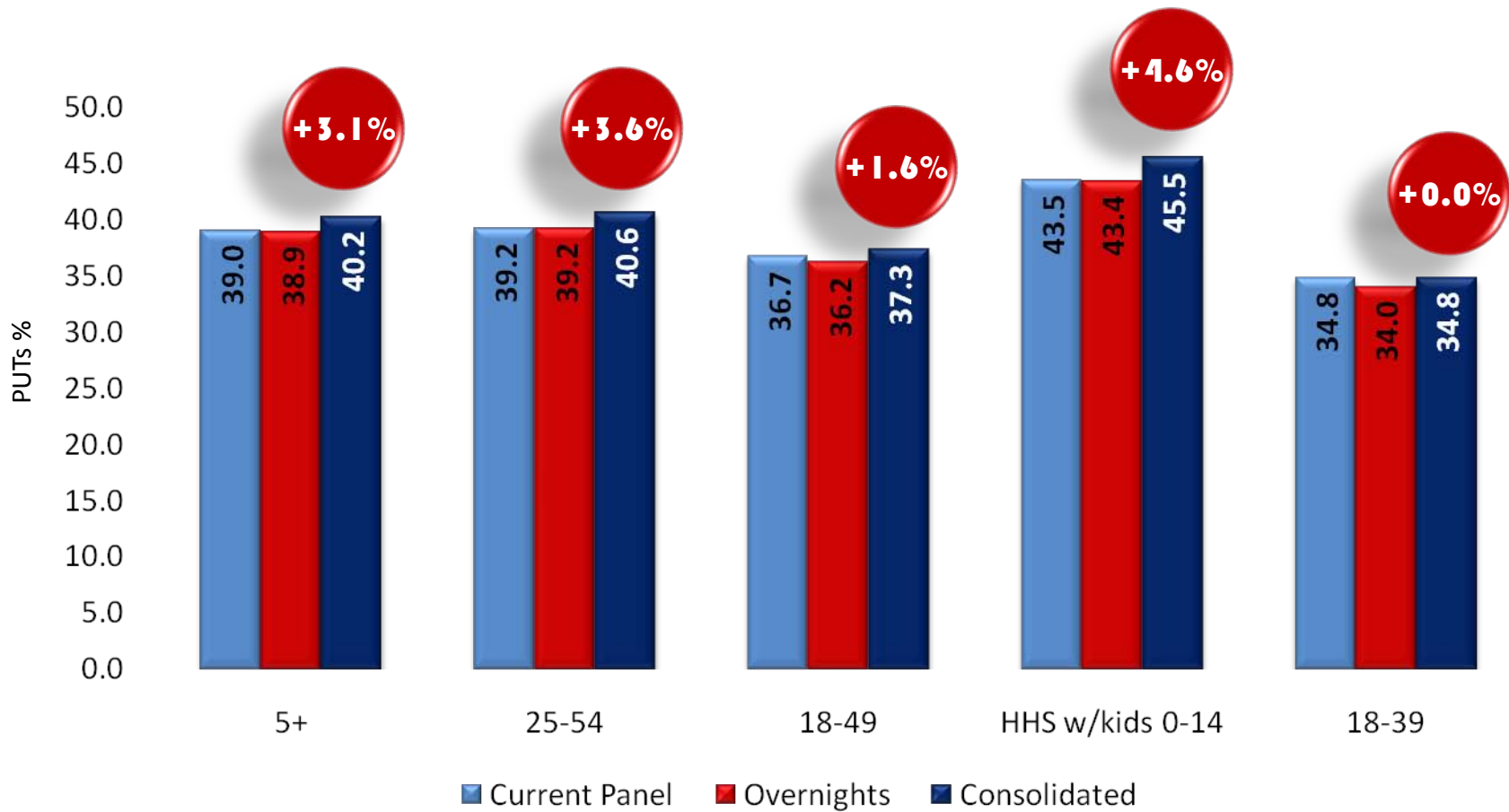




**As a result, we will see an increase in
PUTs from current panel to
consolidated for most trading demos**

*More so for Household Shoppers
Less so for younger audiences*

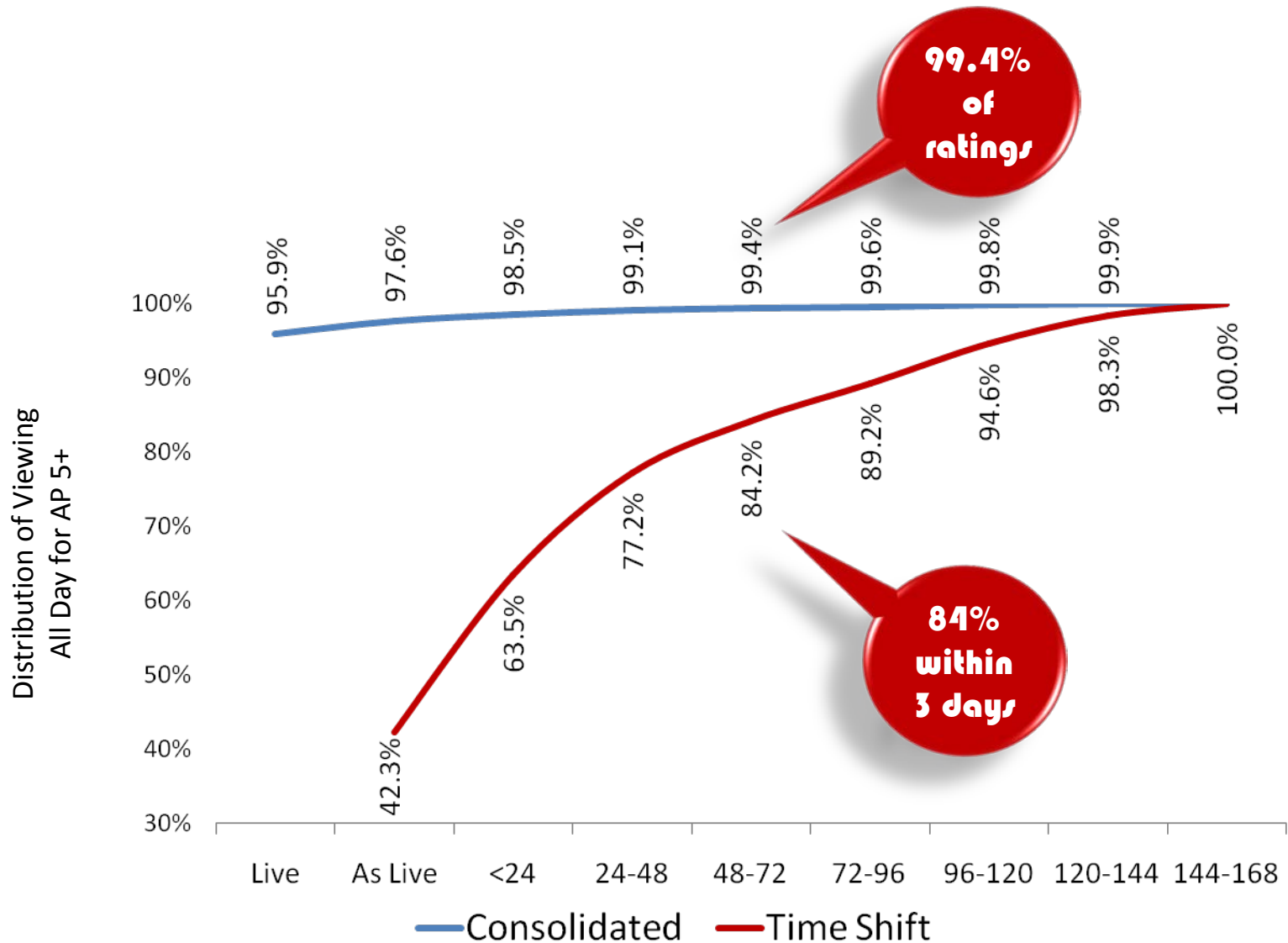
PUTs improve with TSV measurement





**Time shifted viewing
occurs close to
broadcast**

Time shifted viewing occurs quickly



99.4% of ratings are delivered within 3 days

Overnights

97.4%

$$\begin{array}{ccccccccc} \mathbf{14.4} & \mathbf{+} & \mathbf{0.3} & \mathbf{+} & \mathbf{0.3} & \mathbf{+} & \mathbf{0.1} & \mathbf{=} & \mathbf{15.1} \\ \text{LIVE} & & \text{AS LIVE} & & \text{1-3 DAYS} & & \text{4-7 DAYS} & & \text{CONSOLIDATED} \end{array}$$

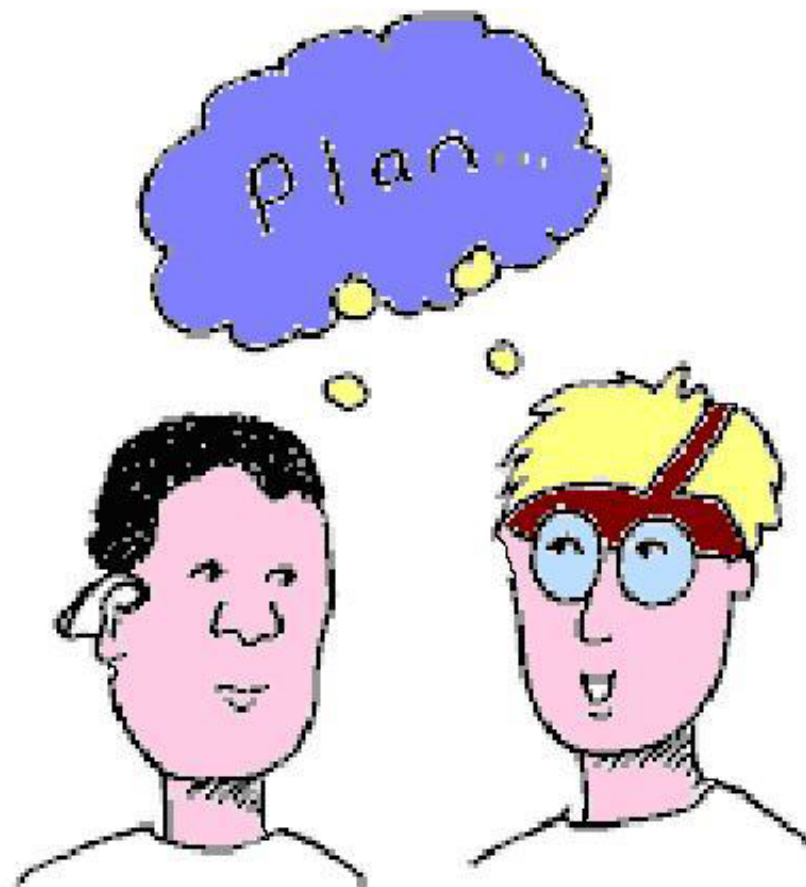
Within 3 days

99.4%



Only viewing taking place at standard speed playback will be included in viewing data

“Trick” activity – pausing, fast-forwarding and rewinding – is excluded



Mandarins *with* Oranges

- Estimating campaign performance in the new measurement world will have its challenges initially
 - Significant changes in the panel means that both STLY and recent weeks will not be accurate in isolation
 - STLY did not capture all viewing, whereas the new measurement will (up to 7 days)

Two areas for learnings



Upfront Rating estimates

By understanding the differences in the current panel to consolidated at a market / campaign level

By demo, by genre, TARPs and Reach



Campaign monitoring

By providing a guide on how much ratings you can expect to gain from Overnights to Consolidated

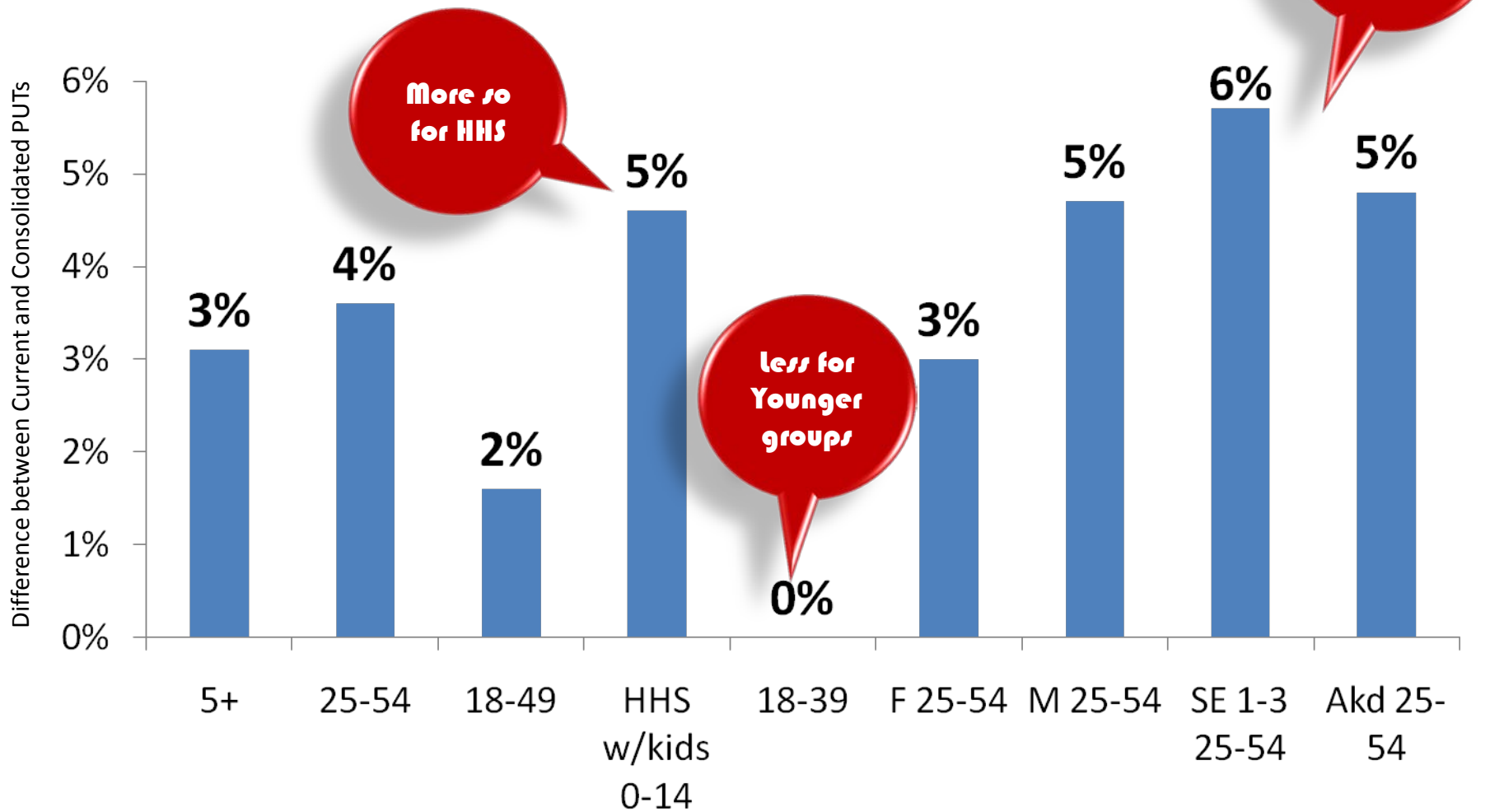
By demo, by genre

Two areas for learnings



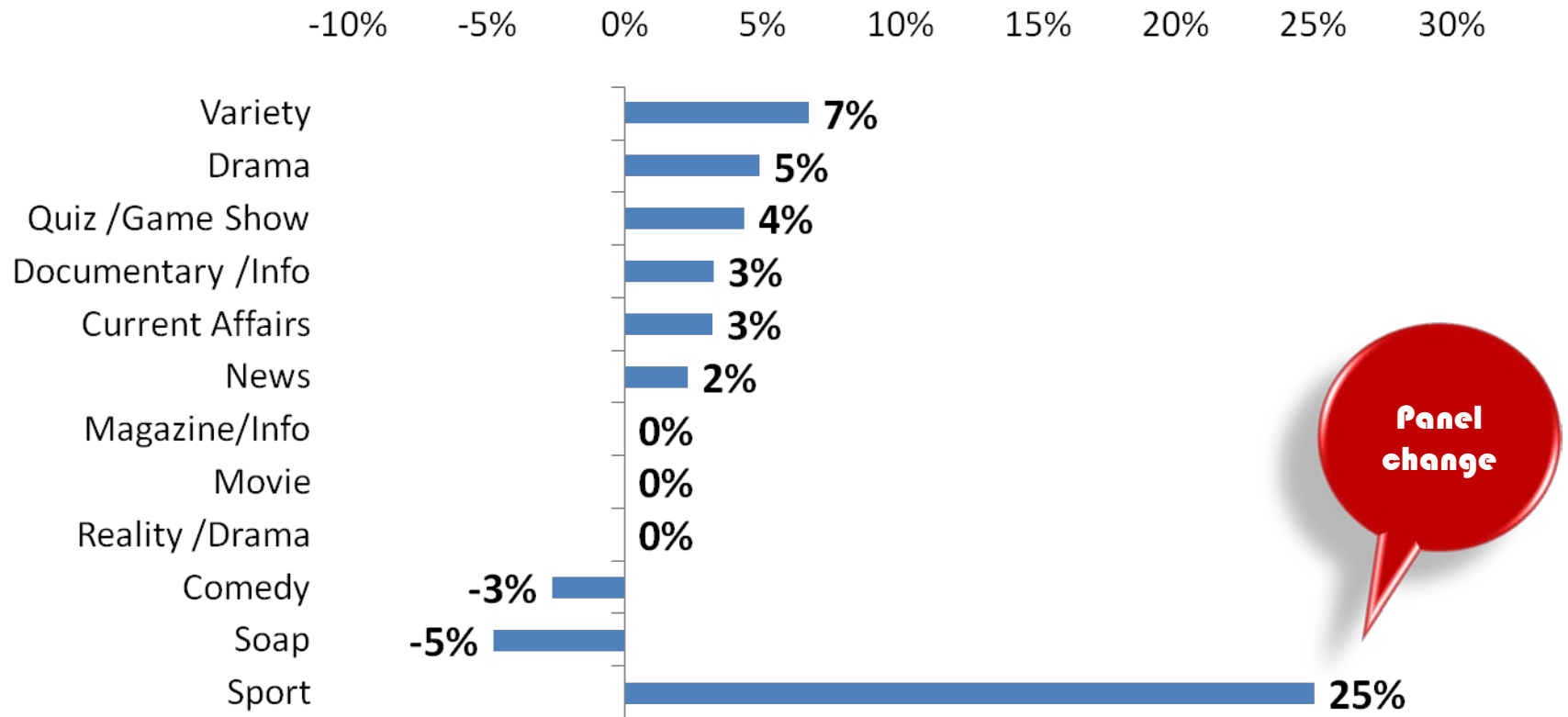
Current → Consolidated

Current to Consolidated PUTs: *for most demo's PUTs will increase*



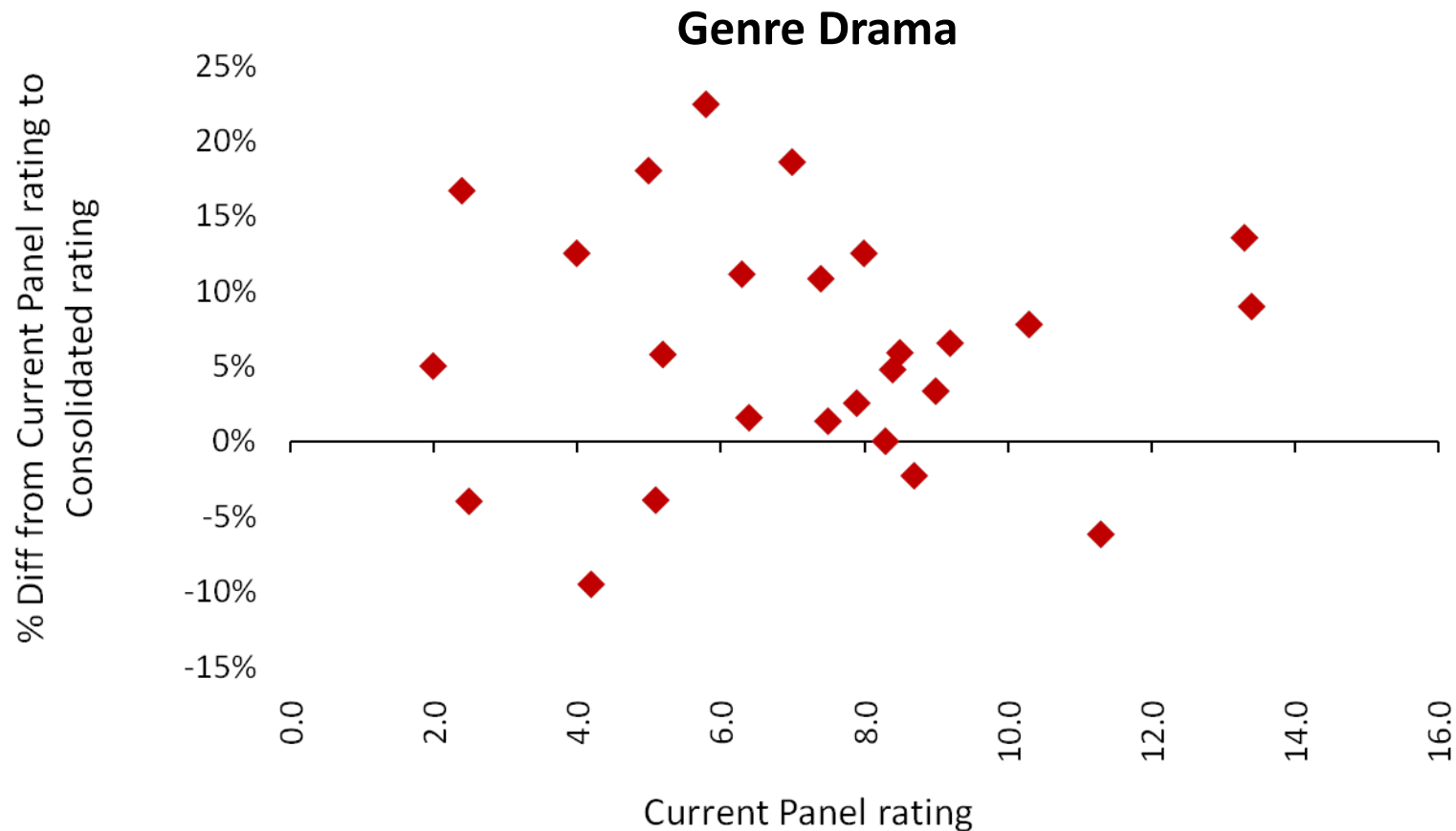
Current to Consolidated PUTs: *shift from current differs by genre*

25-54, all monitored channels
Difference between Current to Consolidated



**Panel
change**

NOTE: there will be significant fluctuations from programme to programme



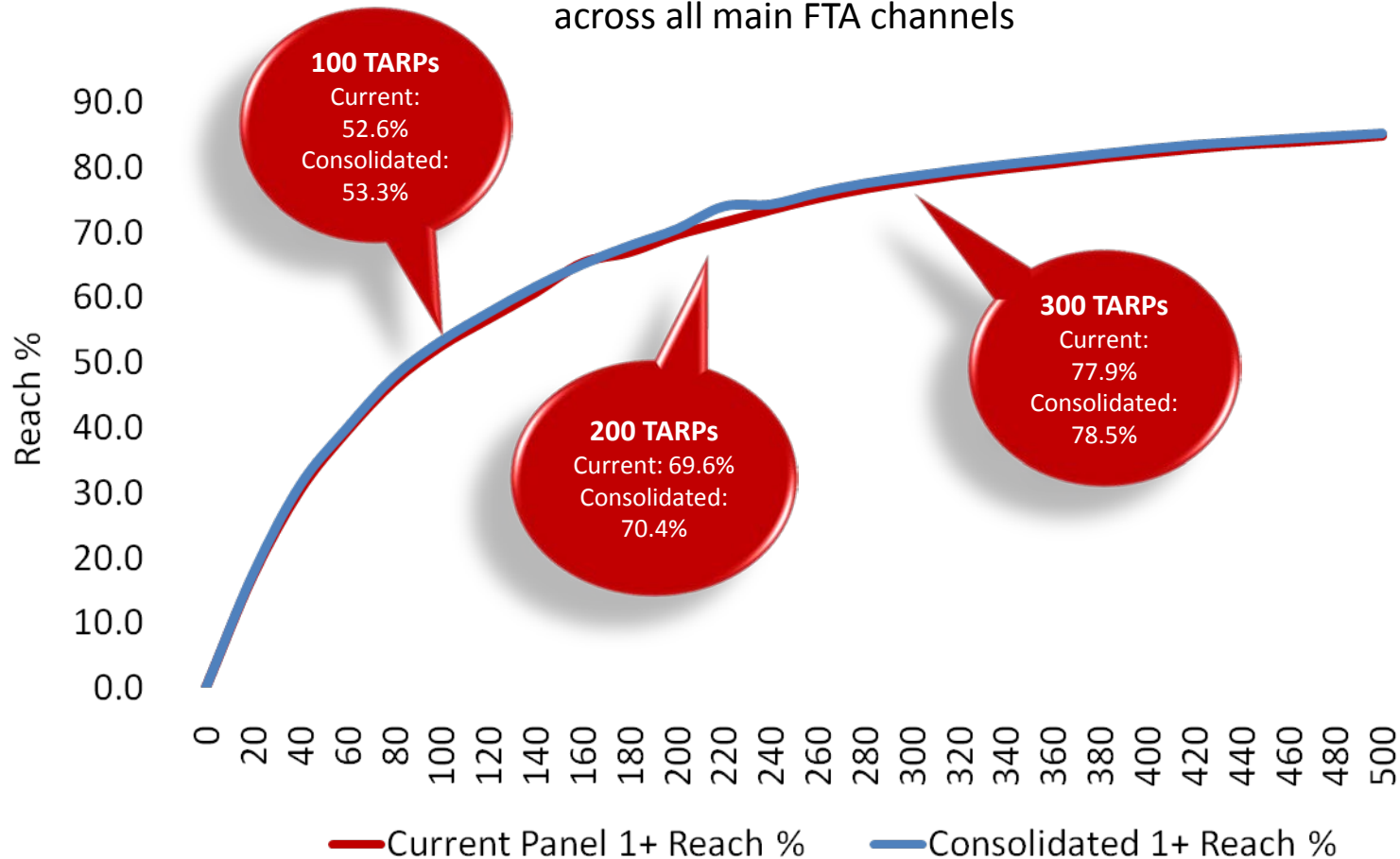
**Given fluctuations
at a programming
level, initial
adjustments will
need to be made at
a campaign level**



Minimal change to reach curves for 1+

1+ Reach Curve for 25-54s

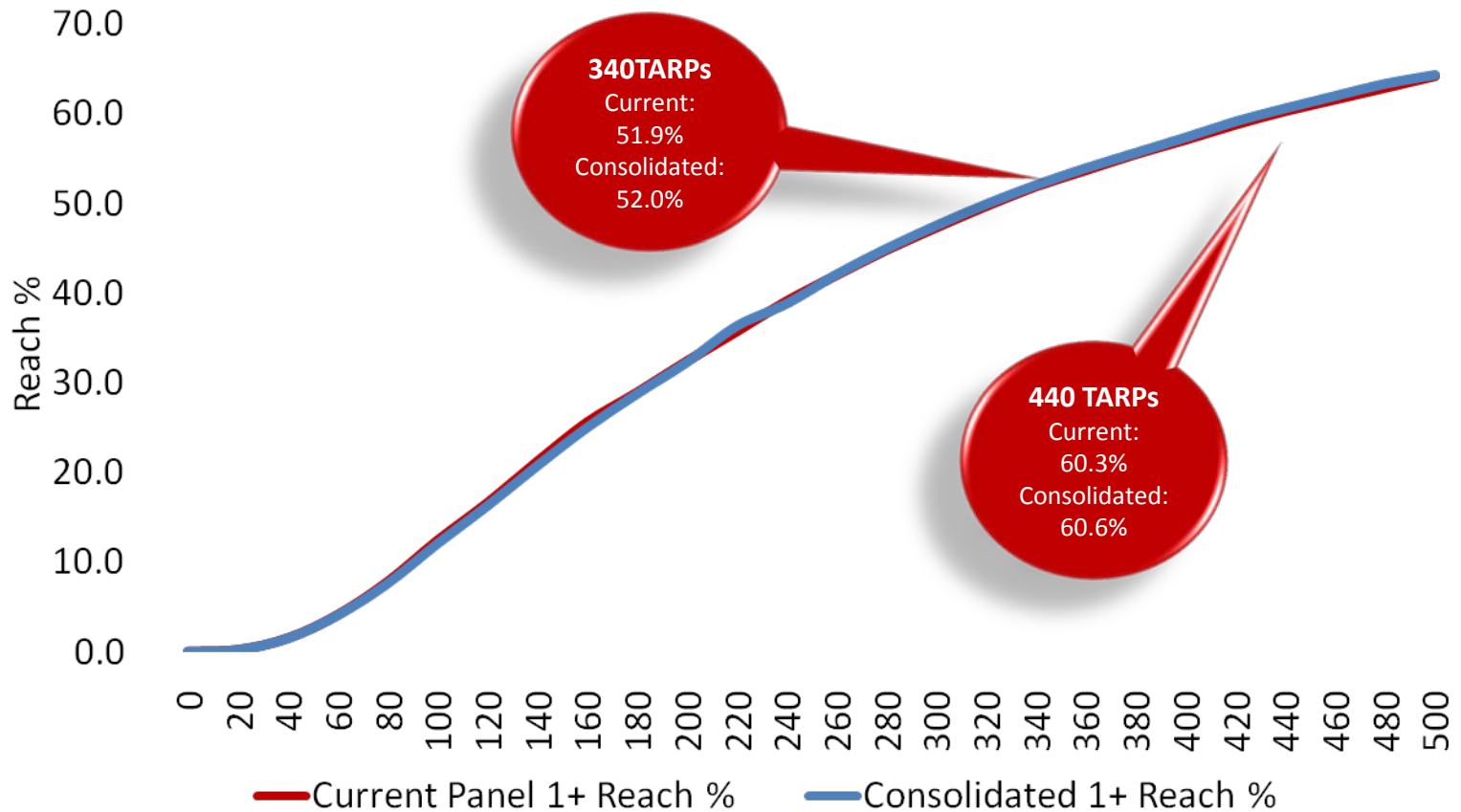
50 campaigns with max delivery of 500 TARPs across all main FTA channels



And 3+...

3+ Reach Curve for 25-54s

50 campaigns with max delivery of 500 TARPs
across all main FTA channels



Two areas for learnings



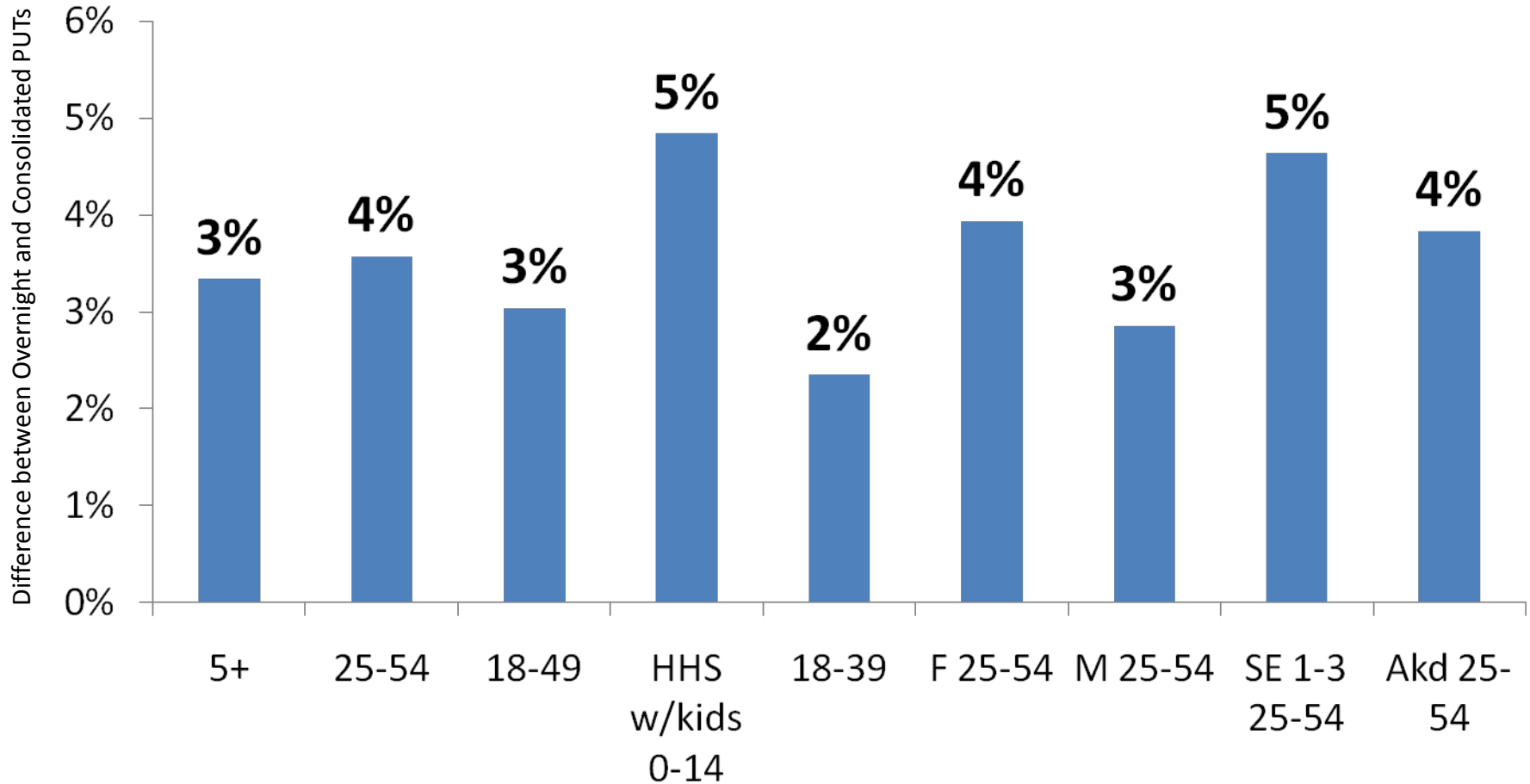
Current → Consolidated



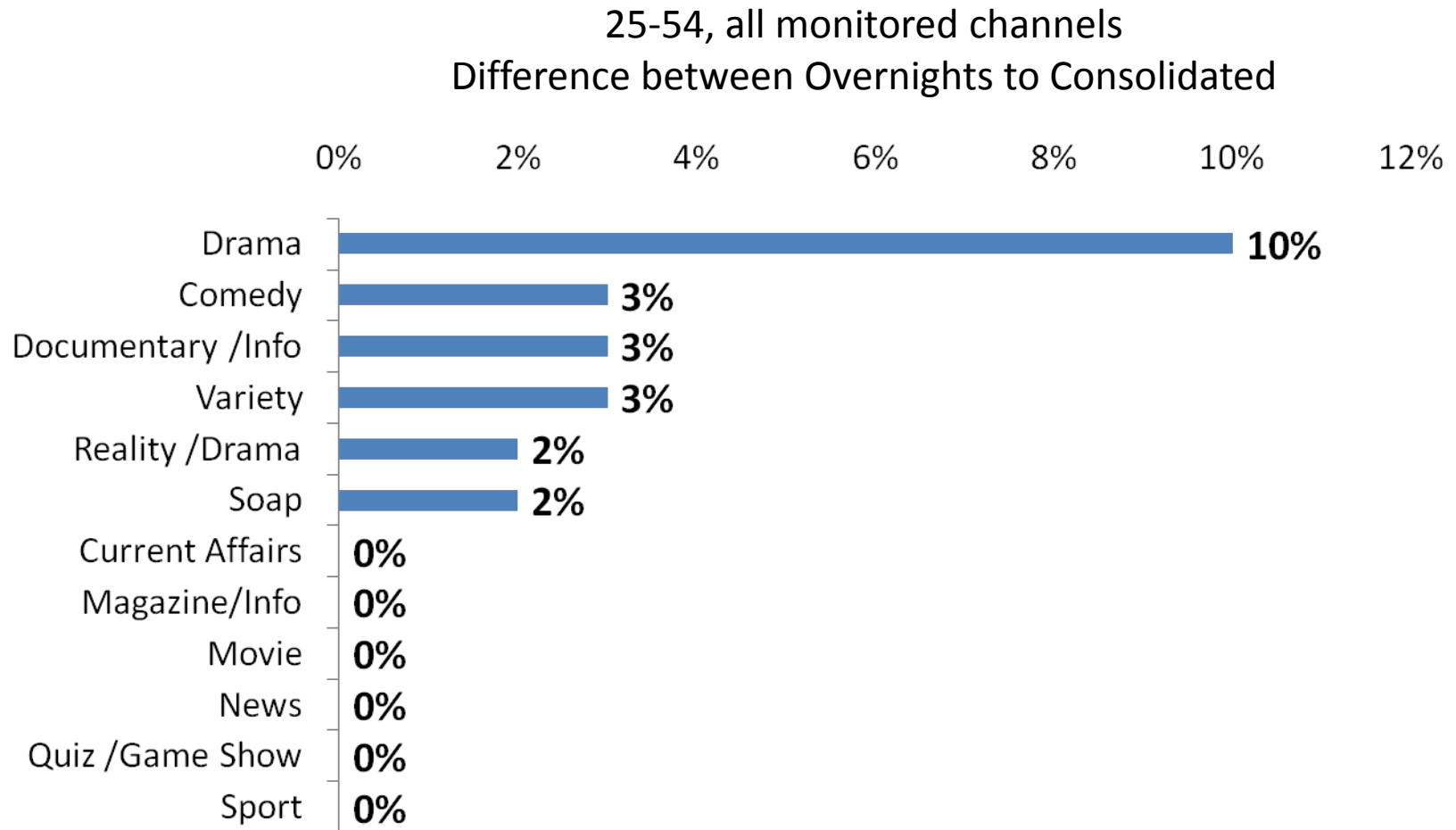
Overnights → Consolidated

Overnights to Consolidated PUTs:

all demos will experience a lift



Overnights to Consolidated PUTs: *but not all genres are time shifted*



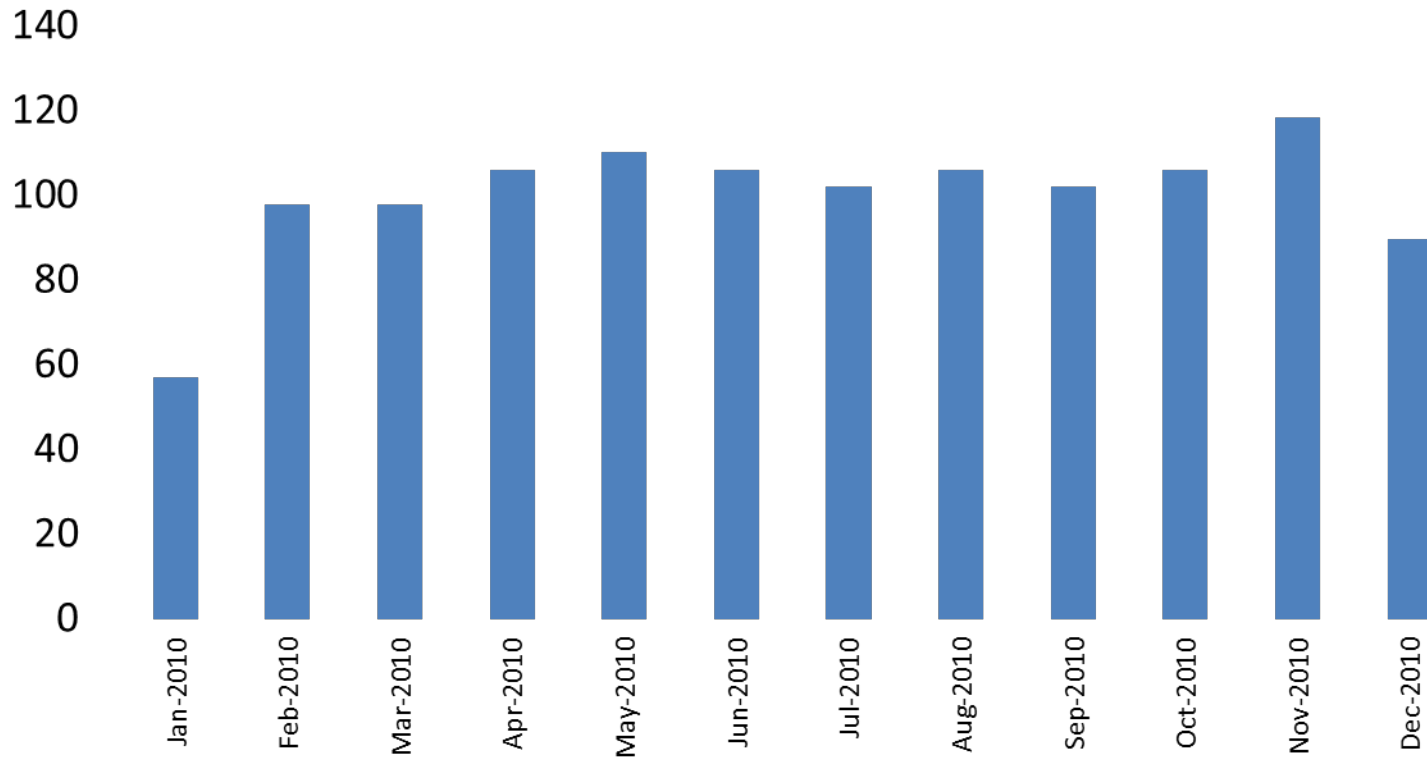
**Time shifting
activity is lower in
January so
minimal
adjustments will
be required for
this month**



January TSV close to half in Australia

Australian metro data for 2010 against all individuals

Monthly index against average for the year



Simulated buys

Bank brand, All 25-54, 89% peak

	TARPS	1+	3+
Current Panel	1644	90.6	84.3
Overnights	1616	90.5	84.5
Consolidated	1678	90.6	85.2

Current to Consolidated

34
2.1%

Overnights to Consolidated

62
3.8%

Retailer, All 25-54, 75% peak

	TARPS	1+	3+
Current Panel	2635	91.6	88.3
Overnights	2561	91.6	88.0
Consolidated	2635	91.7	88.6

Current to Consolidated

0
0%

Overnights to Consolidated

73
2.9%

Fast Food, All 15-39, 73% peak

	TARPS	1+	3+
Current Panel	1979	89.8	78.6
Overnights	1912	88.2	76.7
Consolidated	1952	88.4	77.5

Current to Consolidated

-27
-1.4%

Overnights to Consolidated

40
2.1%

Cleaning Product, HHS 20-44, 73% peak

	TARPS	1+	3+
Current Panel	496	88.0	58.5
Overnights	492	87.5	59.3
Consolidated	507	88.6	60.9

Current to Consolidated

11
2.3%

Overnights to Consolidated

15
3.1%

In summary...

- 1 There will be a significant ***evolution*** to the television ratings measurement system from 15 January 2012
- 2 The changes in rating delivery are ***small***, even more so in January
- 3 It is likely that most campaigns will deliver a ***slight increase in ratings*** from the Current panel to Consolidated
- 4 However, performance will ***differ by demo and genre***, as it does now
- 5 Reporting ***timelines will need to change*** to accommodate the 7 day Consolidated window