

**Minutes from Quarterly CRE Meeting
June 11, 2014
Convene Conference Centers
New York, NY**



Members in Attendance: Brad Adgate, Cheryl Brink, Artie Bulgrin, Joanne Burns, Laura Cowan, Janice Finkel-Greene, Ed Gaffney, Janet Gallent, Hadassa Gerber, Tanya Giles, George Ivie, Pat Liguori, John McMorrow, Dan Murphy, Dave Poltrack, Beth Rockwood, Bryon Schafer, Stacey Schulman, Ceril Shagrin, Ira Sussman, Judy Vogel

Present by Phone: Michele Buslik, Jeffrey Graham, Mark Kaline, Billy McDowell, Sharon Warden, Keenan Pendergrass, Emily Vanides

Absent: Paul Donato, Nancy Gallagher, Michael Nathanson, Jed Meyer, Robin Thomas, Tom Ziangas

Also Attending: Tom Campo, Laura Carpentier, Lynda Clarizio (phone), Shelley Drasal, Bob Liodice, Horst Stipp, Richard Zackon

Opening

Ceril Shagrin called the meeting to order at 1:02 pm and began by reviewing the history of the founding of the CRE in 2005. At a senate hearing in that year, Nielsen committed to annual spending of \$2.5 million to improve its methodology.

She reminded the members that the role of the CRE is to advance the knowledge and practice of methodological research and audience measurement by conducting empirical research. The goal is to avoid a reoccurrence of the issues that resulted in the Senate hearings. Ceril said she has been concerned that the CRE is losing focus on its role, looking away from purely methodological issues. She requested that that members share their thoughts on the subject.(see Addendum 1)

Steering Committee

Pat Liguori informed the council that two Steering Committee meetings that have taken place since the last council meeting, largely addressing membership issues.

The Steering Committee recommended the following individuals for membership: Joe Abruzzo, Havas Media; Susie Thomas, UM; Andy Rainey,RAB; Kathleen Bohan, Univision; Buzz Knight, Greater Media; Tony Marinaro, LIN Media; Howard Shimmel, Turner Television and Stacey Shulman, Katz Media. Ceril Shagrin stated that Dan Murphy has agreed to step aside should Kathleen Bohan be voted in. A motion was made to vote on the approved slate and all were approved without opposition.

Radha Subramanyam of Clear Channel had requested membership to the CRE and the Steering Committee suggested that she join a committee. With this suggestion, Emily Vanides expressed concern for this requirement when some of the committees are already too large. She asked if this would apply to advertisers as well and Richard Zackon replied that it would.

Hadassa Gerber, Laura Cowan, and Dan Murphy will remain in the CRE as bridge members through the end of the year.

The second item for discussion was the Facilitator's compensation. Pat stated that the facilitator was unanimously granted a long overdue increase.

Lastly, Pat stated that the Steering Committee has to take up some issues regarding the bylaws concerning active participation and may be looking to amend the bylaws in the future.

Finances

In the absence of Treasurer Michael Nathanson, Richard reported that spending for 2014 is currently anticipated to be \$1.9 million, which includes all currently approved projects. He said \$1.1 million is currently budgeted for new spending.

What Nielsen Measures-Laura Carpentier

Laura Carpentier of Nielsen reported on the movement of the sub-committees announced at the Nielsen Client meeting. The committees focus around the areas of universe definition, local business strategy, HUT definition, and panel and census measurement. Laura stated that Nielsen is creating a cross-functional team to work with the committees. There are already Nielsen and Client leads. Kick-off meetings for universe definition and local business strategy have already taken place with kick-off meetings for HUT definition and panel and census measurement currently being planned.

The main theme within the committees is laying out how we get from today to tomorrow. The committees have identified what they want the end state to be and acknowledged how much there is to do to get there. The kickoffs have focused on defining the problems. Laura laid out a timetable through the end of summer with a goal of actual recommendations by fall. She invited CRE members to volunteer to serve on the committees.

Richard Zackon confirmed that there was a CRE member on each committee.

Big Data Committee

Stacey Schulman said the Big Data primer is nearly complete. The intent is to have it available at the Nielsen 360 conference. She also reported that part one is more of the basics and part two would be completed in the future with a more in depth look at vendors and other pieces.

Stacey also reported that the committee is discussing an event, which was originally planned for July and is now targeted for early September. The event will share case studies with the industry and Stacey requested of CRE members to share projects for the event.committee.

Communications Committee

Emily Vanides spoke to the committee's plans for the upcoming Nielsen 360 Conference. The focus is on educating clients about the CRE, especially advertiser clients. There will be opportunities at a speed networking event. The CRE will also have a booth at a high traffic area and members will receive a member upon check-in which will be attached to their badge.

In addition, participants will be asked to submit research questions and also be entered to win an ipad when making the submission. Participants will also have the opportunity to sign up for CRE communications. A fold over, a nice looking leave behind, is also being produced and there will be microfiber screen cleaning cloths with CRE branding for participants.

Emily emphasized the desire to share the same message when speaking to clients. She shared some key points that the committee wanted to share with people: that Nielsen funds the CRE but we are separate from Nielsen, and that the CRE tackles big challenges that the industry is facing and that no one single company could accomplish on its own.

Tom Campo reported on the news coverage from the Talking Social TV II findings announcement in April. Janice Finkel-Greene requested that when each research committee gives its report, the chair speaks to how the research relates to the methodological mission of the Council. Richard seconded the request.

Social Media

Beth Rockwood first reviewed the names of new committee members. Then she discussed follow-up questions to the Social Media II Study including program discovery, age of audience, differences in the super-connector groups, differences in reach and frequency and co-viewing. That information is available

for review. It will require an additional \$5000 to analyze frequency distributions of second-screeners. In addition to that amount, Beth requested \$32,000 for costs above the planned contingency fee. The total request was \$40,000.

Janice questioned the methodological basis of the study. Beth spoke to Nielsen's social media product. Ira Sussman asked if the analyses would be posted for general release and if the committee would dig deeper into the data it has collected. Beth said it could be discussed. Ceril said Insights to Practice is where learning with Nielsen can be discussed. Ira expressed concern with the short term research learning of consumer behavior versus long term needs of a product roadmap. Richard suggested to Ira to get Social Guide involved.

Joanne Burns suggested maybe CRE serve as an advisory council for Nielsen's projects. Ira called that a double edge sword and was concerned with intellectual property rights. Richard proposed discussing this at the next quarterly meeting. Pat Liguori expressed concern about the independence of CRE from Nielsen.

Richard returned the discussion to the funds for Social Media which were approved.

George Ivie suggested Nielsen look at social media as a way to communicate with its panelists. Ira re-expressed his intent to challenge CRE to make sure the outputs are as efficient and effective as can be. George said CRE and Nielsen should build the bridge so that the CRE's insights serve Nielsen. Ceril suggested that Nielsen ought to respond after the Insights to Practice process and describe what it is able to use. She asked we schedule time to discuss at the next meeting. Richard noted we are also waiting for Michael Link to review how previous CRE has impacted Nielsen.

Bath completed by requesting CRE members at networks to provide some information on program promotion to help the last phase of the academic study on social media. This information is otherwise difficult to secure. She will follow-up by email with specifics.

Digital

Bryon Shafer provided an update on the ethnographic research the committee has been doing, specifically the longitudinal research.

At current standing 100 households have been visited across the selected markets with a subset of 25 chosen for multiple person, in person visits throughout the year and 75 using the participant toolkit. An IOS or Android application was used to allow people to combine photos, video and their own voice to tell stories such as describe their top three devices and platforms. We call it "hyperviewing" when there is an event driven occasion. The main TV set is central to the home.

Bryon shared a timeline of future topics to explore and considered transitioning respondents of the acceleration study into the longitudinal study. This will require some additional funding to be requested at a future date.

Richard Zackon suggested to Ira that we share the findings with Nielsen's engineering and product development people and have them be a part of the committee calls.

MC&E

Laura Cowan provided an update on the Cross-Platform Metric Alignment study, white paper process and the literature review.. The white paper as you may remember is the outgrowth of the Impressions Committee as we seek to find a research agenda to more efficiently and effectively get at cross platform media impressions. This is basically going to inform further empirical research.

The second research, the literature review is basically complete. We expect to have it complete by the end of next week. We're finalizing the interview list right now and interviews will be starting within the next couple of weeks. We basically have the questionnaire finalized, however, until we have the final interview list we can't really say that the questionnaire and interview guide is final.

Laura reported that in March, 2014, she expected to request an additional \$30,000. The amount has been reduced and the amount requested is \$20,000. The funds will be used for an additional 20 interviews with true industry experts. Betsy Frank will be hired to conduct the additional interviews. At the completion of these interviews, the two findings from Betsy and Horowitz would be included in one document.

A question was raised as to why Horowitz was not being used for the additional interviews. Laura responded that although they have done good work, they have not shown a depth of knowledge in media research history whereas someone like Betsy will much better conversationally with some of the deep experts. The two groups that Betsy will be speaking with are industry experts as well as advertisers, specifically to the CRO's of various brands to insure that there is a good representation of the people who are actually purchasing the advertising.

Richard commented that advertisers have been a tough group to include in the research and that the MCE committee is fortunate to have Bill Duggan, from the ANA as part of the committee. Ten additional interviews will be from advertisers with 50 interviews in total being completed.

Pat Liguori questions whether the interview questions were the same for thought leaders versus others and the reply was yes with one minor question in regard to how they sell media.

Lynda Clarizio asked when the research would be completed. Laura responded by saying by the end of summer. Richard shared that there was currently text that could be shared with Nielsen, however it did not include the interviews. In relation to making CRE research more actionable, Lynda informed the council that July is when decisions are made to allocate resources going forward, particularly plugging the gaps in our cross platform measurement and that it would be helpful to get anything preliminary now because by the end of summer it would be too late to have an impact on decisions being made now.

A motion was made for the \$20,000 and approved by the Council with no objections.

Lastly, it was stated that since Laura is a Bridge Member, the MCE committee was in need of a Chair.

ROI

Dave Poltrack thanked CRE members for voting funds for its recent proposal on marketing mix modeling. He addressed the methodology issues by saying the application of metrics is critical and that is what the new study addresses. Both TV and other media. It also addresses long term effects of advertising on ROI.

The first part was a study of long-term measures that go into ROI development and the second part was the inputs, the television and we were focusing on television. Now that has been expanded that to include other media.

Ira asked about who the Nielsen partners were and Dave said Leslie Wood and Neil Canter.

Richard congratulated Dave who was recently elected into the Broadcasting Hall of Fame, the first research person so elected.

Sample Quality

Ceril Shagrin reported that the Sample Quality Committee would very much like to focus their next piece of research on millennials and how to get them to cooperate better and to remain in the sample. She asked for confirmation from the Council of the importance of the concept. Janet Gallant and others offered support without a negative word. Ceril said an RFP would be planned.

Local Measurement

Billy McDowell began by commenting on Horst Stipp's earlier remark that diary measurement will not be used by the year 2020. Billy commented that unless things change dramatically, that diary measurement would probably still be used. He addressed two initiatives.

The first is possible funding of post-doctoral studies at three universities. The committee will issue an RFP.

The second initiative is around predictive modeling. Billy stated that there had been discussion with Richard Zackon about applying machine learning and what are its limitations. He had questions for Nielsen: has Nielsen looked at machine learning for local ratings? If so, what did they learn? Would they consider a recommendation from CRE? Ira said he would bring that to Michael and Paul.

Return Path Measurement

Pat Liguori shared that there was no report.

Bob Liodice, ANA

Bob Liodice, President and CEO of the Association of National Advertisers, shared his thinking about the "Measurement Mandate" that his organization along with AAAA, ARF, sophistication, 2) MRC and IAB are pursuing. The new "Gold Standard" includes: 1) Cross-platform analytical sophistication, 2) Marketing mix modeling improvements, 3) Measuring the plethora of unmeasured media, 4) Industry standardization for currency and transactions and 5) Ongoing measurement "governance". He said it will not be easy to create measurement governance and said it meant no one will be in charge, there will be a common agenda development and an oversight "working group" to insure adherence. He proposed an industry-wide business proposition mentality: invest millions to generate billions. He offered 3MS as a model. There was lively dialogue with the Council, the transcript of which is available.

Ira Sussman said he was a little confused by what the ANA is seeking to do. Janice thought it important to have advertisers at the table with CRE. Richard suggested some CRE dialogue as to how to respond. Ira questioned the goal and felt CRE does not have a place in a governance committee. George Ivie considered the effort a positive direction and did not think it would be an issue for CRE to join the conversation in a positive way. Tom Ziangas suggested we ask ANA to bring advertisers to CRE. Beth agreed it is important to have advertisers in the conversation. Dave said it was important to find the right people. Ceril thought maybe the interviews Betsy Frank is conducting may help us find the right people.

New Business

Richard stated that he would like to hear from John McMorro and Artie Bulgrin as this was their first meeting.

John McMorro assessed the meeting as awesome in that he saw how much hard work happens across committees. He had only viewed activities from a single committee before.

Artie Bulgrin stated he was very impressed with broad nature of the issues and especially the session with Bob Liodice.

Adjournment

The meeting was adjourned by Ceril Shagrin at 4:30 PM

Addendum 1
June 11, 2014
Convene Conference Centers
New York, NY

PAT LIGUORI: I agree. I think we need to, before we forge ahead we need to take stock where we want to go and how we might get there best. I just want to add that we should make the distinction between basics and basic. Basics being foundational and basic being simple. Whatever we want to measure, whether it's cross platform or something that hasn't been created yet, we still need to look at, we still need to have good foundation. So I don't want anyone to think that this is an old media versus new media. This is the process. Whatever you're measuring there is a process and you can't skip the steps, not all of them anyway.

BETH ROCKWOOD: Just when I think things have gotten as complicated as I could manage to keep up with they seem to get more complicated again. I think it's not getting any better. I keep trying to simplify things and that's so that I can really see the trends of what's going on and, again, things just seem to be conspiring against us in terms of doing that. So I think the CRE's role is probably even more important than when it was started because I think being able to get together and try to understand what's happening and what solutions there may be available to us all is really, really important.

TANYA GILES: You know I think taking stock is very important. You mentioned the year 2005 and a lot of technology has changed since 2005 and I think this council has been responsible in responding to those new technologies in the interest of the research that we're doing. I think forward thinking is really important. I think that, at least in my day job, I'm constantly thinking about those new technologies. So the balance of what I do in my day job is actually mirroring what we're doing in the committees. So that's why I think the focus has been right. But I'm all for, as Pat mentioned, taking stock and really thinking about our true purpose here.

JANET GALLEN: I too have really gained a lot of insights through the different projects that we've had. I always cite them as probably truly the most excellent social [BACKGROUND NOISE] stuff. I can't tell you enough how much I cite. Going back to even the Mike Hespidy [phonetic] of the mapping study. All this has been great, the mobile. There are definitely issues with regard to quality that I think we should be focusing on, particular sample, not even just on Nielson, but I think one of the biggest calls that I'm seeing today for action is young people and getting them to participate in Gen Pop studies. I'd like to kind of work on that a little bit more within the organization.

BRAD ADGATE: Yet I think, you know what I used to because things are moving so fast and things are so complicated that I just try and do a deep dive. You know, one thing at a time and then you come back and visit it a couple years later and then you do it again. You just work on project to project and that sometimes work for me. It's just like you go in and you do something really granular and then come up and do something else. You get at least a deep understanding of [BACKGROUND NOISE] deep understanding then. I think we have a tendency just to skip over a lot of the stuff and go in peripherally instead of a little deeper. It's going to be harder to do that.

JOANNE BURNS: I hear what you're saying Ceril. In large part but not totally. I think we have done in the beginning it was almost purely methodological. We've done more behavioral than methodological. But I do believe that and if any of us are straying, we need to get back on that course. We're advising Nielson how to measure based on behavior. So if it's a project just to learn what consumers are doing and how they're doing it and say, wow that was interesting, we do need to start a project and say, at the conclusion of this what do we hope to advise Nielson? Because of the things from the digital that we've learned is, and it just came up in some recent seminars, it's okay that PCs are not at the forefront any more because the PCs was one of our seminars. The PCs returning to be a PC and the mobile devices are really now the video viewing device. That was a big ahah because initially I was thinking, God how could Nielson be abandoning PC? They've got to stay on top of it. So learning priorities, learning where people are using the devices to help follow the measurement to better measure it. So in summary, I agree with you that it's not purely methodological as long as when we do a behavioral study we keep in mind what we hope we will learn to advise Nielson on methodology.

JOHN MCMORROW: I agree with Ceril. Listen the foundation methodological core is vitally important. We have to always keep our eye on the ball with that, especially with all the different research that's out there and being published. I have sales managers running into my office every day with another article [BACKGROUND NOISE] okay well who is that and what did they do? Those people are running around it's the like the Wild West in some instances.

DAN MURPHY: Certainly with the fragmentation of media and consumption devices it's been hard to keep pace. I think there are two fronts where we're going to have to really consider how we move forward. Number one, is on the data front. With tools to process large quantities of data are becoming available and as the, I think it was the mix modeling research demonstrated, you really need subject matter experts to actually introduce the rigor, the methodology to actually do things the right way. Tools with data in the hands of people that don't know, scary. On the other front, right now Nielson is measuring video and audio very well. But they don't measure HTML, for a lack of better descriptor, very well to your point Joanne and that's a front where I think we really need to help them get in because they're not, when they miss that part of it, they're not understanding the whole pie.

ED. GAFFNEY: I think there's, we need to find the balance between the old school stuff and the nice new bright shiny, because the old stuff, let's say diaries, don't really keep up with the way technology is behaving and people are behaving. We've got to look at that, but we've got to keep on top of the new things too because that is what everybody comes into our office and asks about.

LAURA COWAN: Though I agree with Ceril, at the same time Nielson itself did not measure as much as it measures today in 2005. And I think we need to really consider the business case of are we only going to help Nielson with television and methodology or are we going to broaden out with audio, digital and the monopoly of measurement that is being offered today? I think I kept that closer to 15 seconds.

DAVID POLTRACK: As it came out of the ARF meeting the discussion for this measurement mandate. One of the things that came out of - - you've got the CRE, you've got SIMM, you've got MRC, you've got all these organizations dealing with audience measurement in some way or the other. From my perspective I look at CRE in the context of all of these organizations and I say, everything I want to know which is the best organization to handle which part of the process? I believe that CRE has a unique relationship with Nielson and has substantial funding and those are the advantages of CRE. I'm more focused on applying that funding and making the most relevant use of those resources.

LAURA CARPENTIER: I was going to say I don't really see so much this as choosing between one or the other. But really the relevancy and the value that I think the CRE has in it's relationship with Nielson is helping to understand not only where we want to go, but how to get there and helping with those priorities. Any decision that we're making to do from a measurement strategy, taking that from a methodology perspective and breaking it down into tactical stapes that we can take. So I really think that's the key to any of these projects is making it relevant, making it something that we can make actionable.

LYNDA CLARIZIO: Yeah, no I just want to agree with what Laura said and I also want to agree with what Dave Poltrack said. I mean as you all know Nielson funds the theory and we provide substantial funding and we're committed to that funding. However, we're painfully aware of the gaps, where gaps exist in our measurement across the board with cross platforms. We all want to work together to fill those gaps, to do what we can and need to do. If we need to bring in different forms of measurement, alternative forms for measurement and we want to work with you in a way to make that - -. You know sometimes, I'm new to this group and I'm new to the company. My fear is that some of the work that the CRE is doing is not that helpful to Nielson in terms of to actually do stuff that we can take action on to use to improvement our measurements. Because what I want to do, and I'm really speaking on behalf of Mitch and everyone at Nielson, is we want to make this stuff happen. We want to operationalize this stuff. We want to stop talking about and make it happen and we really, really want to work with you as to how you can do stuff that we can put into action at Nielson to address all the concerns that you've all articulated so well.

IRA SUSSMAN: So Laura Carpentier is going to be bringing up four committees that we're working on, which are also working to bridge that gap from today to tomorrow. So I think that's a good context. I want to kind of challenge the CRE as well as Ceril did. The value to Nielson is what you bring back in the results of the studies. The challenge of that is also the timing that it takes to get the results back from the studies that bring something new to us that we haven't figured out already. So we have to figure out that dichotomy of spending a lot of money, going out there and getting results and then that being actionable far enough in the future that we can then build on that. As opposed to well we already have a roadmap because we also have to be running at this real hard. So that's our challenge. I mean it's a lot of money and if we're not getting value out of this, we have to figure out how to use it and I would ask the question, if I was asked about this and I love the CRE, but is this the best method? Should you be an advisory council to what we're doing today as opposed to a research arm that's looking at R&D for the future if it's not informing our future, it's not fast enough.

BRYON SCHAFFER: I am particularly concerned with Nielson's cross-platform measurement strategy. I'd like to see money spent here, better that.

CHERYL BRINK: across platform in real time and forward-looking measurement.

JUDY VOGEL: I agree that there needs to be a balance because I think that the focus on the basic methodology is important but the innovation needs to continue and technology and new ways of measure is important for us, I think, as a group to continue to focus on.

ARTIE BULGRIN: I agree with Bryon on cross platform, but also I agree with the notion that there needs to be balance. My view all these years of being somewhat of an outsider to the CRE but also user of the results is that to me the CRE produced insights on important relevant topics for the industry at a very, very high level. And where we get so much crap every in our e-mails about certain topics, I look to the CRE as sort of being the last word. Right? And I would like for us to develop an agenda that continues to do that.

GEORGE IVIE: I mean I would echo that balance is necessary but I think I agree with Ceril. I mean I was in the original hearing and testified and I'd rather not do that again. That's not something I ever want to do again. Today I think, particularly on the lower side of the business, I could actually see something happening that could lead to a hearing. And I could see somebody, somebody in Congress saying, well what kind of R&D does Nielson do about how to ascribe local audiences to television tuning? About how to measure single person households. About how to measure Asians. On and on. And Nielson may not have good answers for some of those questions, but what I would want to avoid is them saying, well we fund the CRE for two and a half million dollars a year and so we're galvanized against that. And then we all look at that and we go, well that's not exactly what we were doing. So I agree that there's balance necessary and that we should be looking to the future and doing cross platform, but I also think we have some money to spend here on purpose to try to improve the quality of local measurement. Those committees are not sexy. Those committees are hard to get people on to charge through data and figure out whether BET ratings are in fact biased, and guess what, they are. So I think we need to do both but do the local measurement and the current measurement and it can be digital. We need to do it stronger.

STACEY SCHULMAN: I guess I'm biased because I'm on a big data committee. But my short and sweet is, I think there's never been a time where it's more important for us to make the cake for good sound methodology because most folks are starting to think that methodology is no longer important. And that we can just add up everything we see or hear or encounter. So I'm with you Ceril there.

HORST STIPP: Horst Stipp, ARF. I give my 15 seconds to the other speakers. I think we heard a lot of valuable perspectives.

JANICE FINKEL-GREENE: I don't understand the question or the answers. We started off Ceril saying that we were too much of something and not enough of something else. To make a judgment on that I'd need some, like a slide that says too much was spent on these projects, not enough on those projects

and why. And then some criteria for how we'd actually decide the difference between them. I don't think we got anything out of this session of questions and answers that's implementable.

HADASSA GERBER: Hadassa Gerber, TVB. I think that there has to be a balance, but certainly there are many methodology issues that really need to be tackled.

MICHELE BUSLIK: I think I tend to agree that we need to focus on get the research out and really make it on the topic that are the most actionable and most needed to keep Nielson in the forefront and give our clients confidence in what we're doing. That's it.

MARK KALINE: I tend to agree with Ceril and I like to call for balance. But it's easy to take your eye off the ball and chase the shiny objects and lose sight of the basic fundamentals and the methodological soundness that needs to go behind all the research we're doing in this areas.

BILLY MCDOWELL: Yes I agree with Ceril that we've been doing a lot of different things. For example, the sample quality project that she chaired was an important one on methodological issues and I'm still waiting on Nielson to address the findings that were in there.

KEENAN PENDERGRASS: Yeah I think that we have a unique opportunity and a perspective to contribute to the innovative process as we look forward to the challenges that exist and how we can actually make a difference from a true research perspective.

EMILY VANIDES: I'm just going to echo what a lot of people have already said. We need the balance, it needs to be actionable and we need to keep moving forward.

SHARON WARDEN: I think I need to echo the need for balance.

JEFFREY GRAHAM: I've been working on the sound issue, but I'm not sure it's resolved. I would just add that you know in order for audience measurement to be valid, it has to be consistent with the way people use media. So consumer insight, I think, is a really relevant set of techniques and questions for the group.

Addendum 2
Bob Liodice
President and CEO, Association of National Advertisers

MR. ZACKON: So we have a guest today, Bob Liodice from the ANA, many of your know. I read with interest about six weeks ago of some new initiative from the ANA, four A's and a lot of other letters. I think ARF and IAB and I thought it would be great to see if we could have Bob come here to talk to about it. I thought it would be for some lively discussion. So Bob the room is yours and welcome.

MR. LIODICE: It's great to be here and I really appreciate the opportunity. I mean I sit on the ARF board but this is different and I appreciate the opportunity to have a conversation with you.

Let me just give a little background to what's behind this initiative, which we'll go more into 'cause we're only in our infancy right now. I started my career in finance. I have an MBA in finance. I actually thought I was going to become a CPA one day. But I changed over into finance and I started my career many, many moons ago at General Foods. So I was supporting several brands what was then part of their Meals Division. I was a fresh-faced kid out of college.

I had no real life working experience, but my first impression of marketers was that they were all nuts. They were out of control. They were the most unaccountable group that the heavens above ever created. They made things up on the fly. They created numbers on their calculators and it was sheer bedlam. Yet somehow they succeeded I guess because during the Mad Men days they just kept throwing money and raising prices and generator fund and I guess it all kind of worked back then.

But it left me desiring a greater role to improve the accountability of the marketing function. I always felt that there was tremendous opportunity and I always thought that marketing was the least accountable function within any organization. I mean you could never let engineers have the same degree of imprecision as marketers. We'd have collapsing buildings and bridges and stuff. It just wouldn't work. So why should marketers get off the hook?

Well a long story short I found my way out of finance and here I am running a marketer's trade association with all of the experience of one course in college. So that kind of can tell you something about anybody could do marketing. But with that being said, I also believe in the axiom, which I spoke yesterday at the Advertising Research Audience Measurement Conference, is that you can't manage what you can't measure.

So a lot of this stuff has been building up over the years and we've gone and attempted to elevate within the marketer spectrum the conversation of how do we improve accountability? For years we've been banging the drums on how to be able to elevate at least the presence of it and at least to insure that there was a better understanding that shareholder equity is at risk here. And that if we don't get it right, we are going to get it badly wrong and that we really needed to improve the accountability function.

So as I got deeper and deeper into my tenure at ANA, I've been there now 19 years, I looked at the industry and the way we do business as an industry, measurement industry, that is. I recognized that, and I could be wrong on a lot of these things, but my observations were that as an industry we weren't necessarily aligned. There are a lot of silos that were going on. There were a lot of people or organizations doing what they thought was best for the industry. It was all good work, but it was uncoordinated. It was not necessarily overseen by any one particular organization and the agenda was somewhat convoluted. In fact, if you'd even say that there was an agenda.

So you have Nielsen's and Comp Scores and all the other organizations in your own companies that were all kind of doing their things. They looked at the marketers in my association and they were all kind of doing their own thing. There was no real governance

per say. And it's not to say that we didn't make but the question is were we making optimum progress? And the answer was clearly no.

As such, we felt we had to make some changes. One of the first things, which I'll talk about in my slides, was a project that Randy Rothenberg and Nancy Hills at the 4A's kind of started which was eventually called 3MS. You know it worked and did some good things and I'll talk about some of the outcomes of that and get the master of 3MS right here in George Ivie. But that still left a lot on the table that needed to be pursued.

One of the things that we learned from industry collaboration was that things can finally get done. The association world is no better. Up until maybe five to seven years ago we kind of acted in our silos, not really collaborating very well with each other and as such, we all pursued our own things and there wasn't a lot of opportunity to get things done. Then we started to recognize that there were major issues like self-regulation for on-line behavioral advertising. Issues with food advertising and marketing to kids and then of course, digital measurement. In all three of those things the industry worked up, collaborated and we had some terrific outcomes with some wonderful results.

So just recently we said, you know, we really have to take a step back and assess how we can do more for measurement. Let me get into some of the slides and I'll just kind of take you through how we are getting to where we are, which as I said, is in our infancy.

So let's see if we can do this. So some of the strategic media paradigms that we have obviously are measurement, digital media value erosion, which is top of mind among all major associations, media transparency, which is becoming an increasing issue with our ability to make marketing decisions. Training and capability of individuals, I mean we talking about how people on our staffs just do not have the skills sets to be able to perform their jobs. In fact, two years ago the ANA did a survey among people in our association and only 25% viewed themselves as capable to excel in the digital marketing community. Now hopefully that's improved, but that kind of says that on a self-assessment basis, more needed to get done.

Then of course all of the events that are going on in Washington. And then there were the strategic media imperatives I essentially shared at our media leadership conference a couple of months ago. But the top one, those that can see the screen, is on measurement.

The first and only area I'm just going to address today is on measurement. I love this quote from Ann Lewnes who is the Senior Vice President for Adobe and she said, marketing is the new finance. I believe that everything you do can be measured and in her case, online. Your efficiency, creativity and ability to convince your manager that your marketing is working will increase if you start investing in them. Many marketers were not. Many organizations were not. It was just kind of--it was the old attitude,

we'll let the agencies do it. Those were the Mad Men days. Just let the agencies handle them. We're out creating ads and that's all we really, really want to do.

But what Ann is basically saying is what's at the top is no excuse. There really isn't an excuse for us not to progress the science and the art of measurement.

So what did we consider the gold standard and a couple of us just kind of went through this and this was what we thought it was based upon some input. Cross platform analytical sophistication, I mean this seems like it's the Holy Grail and in conversation today everybody is talking about cross platform analytics and there are a number of initiatives that are out there. Nielsen's got one, ComScore got one, CMM is involved in it. George is going at it through the MRC. But then again we're all doing different studies, we're all doing different work and at some point we've got to get together.

Marketing mix modeling and this is an area that you talked about last year as one of your imperatives at one of the gatherings that you held. Measuring the plethora of unmeasured media and under-measured. There's both unmeasured and under-measured. I mean in all honesty how are we going to do cross platform analytics if there is a bunch of media out

there we're having trouble understanding the analytics on? So the level of sophistication once you get past television starts to decline in material ways for a lot of other media.

Industry standardization for currency and transactions and that's where George and other comes into play. Was there one more? Yes, ongoing measurement governance. And this gets at the conversation that I was saying before is that, you know, who is in charge? Who is really steering the ship for what we as an industry need to do? Do we necessarily have a common agenda?

So how do we know that these things are important to at least the ANA members? Well we actually asked them. We survey our members every few years about what's important to them. And out of the 2013, as you can see out of the last five times that we did this survey accountability was either number one or number two in terms of importance to marketers. There were about 15 categories that we put in this. These were the ones that I think appeared pretty much every year we did this survey in the top five.

But it ain't easy and we know accountability is not easy. I had one of my guys create the following because it kind of depicts how difficult it is to do measurement. If you start off with the fact that there's a bunch of things going on in the ecosystem and you start, layer on all the people that are involved in measure and you keep bringing this going out. Then we go after under-measured and unmeasured media and then we've got cable alone as media and broadcast, digital video cable, Huffington Post, blah, blah, blah. You layer on the industry trade associations the 4As, ARF, IAB, ANA, etcetera and there we go. We've got a few things that are coming on. Let me just bring it back. But if you look at that, somehow we have all got our hands in pot of measurement and how is anybody really making sense out of all of this? And that's really what this is about. Is how do we make sense when you think of the millions and millions of dollars that we invest in measurement and the industry organizations that are trying to have their hand at improving measurement, it's really very difficult to make sense out of all of this. That's just the way we've grown up over the years.

So how do we get there? Well this was the inspiration, that last chart was, to figure out how to create some type of measurement and in quotation marks it should be governance. How do we create that common agenda because who's in charge? No one. I mean we all have a role to place. The ARF is involved, George is involved, we kind of play a role a little bit and everybody in this room. I mean you all have things to say. Ceril's involved, Nielsen's involved, I mean that's a lot that's at play here.

It was our perspective as we started to come together and have conversations that we really needed over the long-term to start to develop a common agenda that we could collectively channel our resources and see if we could make some integrated progress. So what we created was this oversight, and I put in quotation marks, working group to begin the process of adherence. The purpose of this was to figure out how we could begin this collaboration process to see if in fact we could do it.

These were the groups that got together and yes we could have, this list will eventually probably be 50 when all is said and done. But we had to get the conversation going and we did. So we've had several conversations about what's important to us? Where do we need to go? How should we be looking to steer the industry? As I said, we do have experience in collaboration.

There are clearly some things that we have done as trade associations and like-minded organizations to know that when we work together we can create opportunity that has payback in terms of dollars, productivity, capability, etc. As I said, this group will certainly grow. We've certainly added CIMM to the project and we will be inviting more because we do want the big tent. We know that the big tent is important. If we look to work that we've done on online behavioral advertising, which is another surrogate for all the privacy work that's going on. That was the only way we succeeded was to open up the big tent and have lots of conversation with lots of players.

So how do we get there? I talked a little bit about this at the ARF meeting yesterday. It's to create an industry-wide business proposition mentality. So what do I mean? So if you looked inside any of your companies and if you were to introduce a new product or service, you would be sure you're talking to all of the function inside your company to insure alignment. Because you're not just going to go off one way and hope that all other functions in your company just kind of guess right and support you. No. You're going to figure out, hey when I was at General Foods we got packaging research, market research, the agencies involved, etcetera, etcetera, all the functions, engineering, manufacturing, etc. How are we going to do all of this? Well if you don't have everybody on the same page, then it's going to be impossible to put out a product or service that works. It's just not going to work.

So why is anything in our industry that much different? If we've got Nielsen doing one thing and Comm Square doing another thing and MRC doing something else, etcetera, etcetera, how are we going to make progress? Well we're not or it's going to come grudgingly, slowly or we're going to do independent efforts that's not shareable because then it becomes proprietary among all your perspective companies.

So when we did 3MS and I'm going to talk about them in a second. I turned to George Ivie over here and I said, George you know when we did 3MS we invested \$6 million among the trade associations, which is a big bucket of money for trade associations. I said, what is, if you just had to put it in financial terms, I said, what was the outcome or what will be the outcome when all of the abilities standards are fully implemented? He kind of looked at me and he had this twisted face and he kind of said, billions. I kind of jolted and I said, really? He says, yeah. He says, it will be billions.

And that kind of said to me that as a proposition we as an industry need to invest millions to generate billions. I mean we can do this. We can certainly be a hell of a lot better than where we are now if we take a small potato out there, recognizing that the carrot is huge. I'm just talking about finances here. Think about the productivity if we were all streamlined working off of commonality? I don't know what the commonality is yet. I have no idea. That's why I said we're in our infancy in this. But if we invested millions to generate billions from a couple of tiny trade associations, we know that when we gather all of you together and get us all aligned we can have a material impact.

So as I said, the classic success story was 3MS for us. This is our inspiration and at the time it was the three associations that came together and said, we got a problem. Here we have what we think is the most accountable media out there, digital, and we can't measure our way out of a paper bag because we have so much disorganization and we have to bring some logic to this. Otherwise, marketers are going to be turning their investments to other media.

So we agreed. Again, learning our lessons that we needed a common agenda, which was digital media measurement. We had a common investment. We pooled our resources, our limited resources and figured out, you know, fishes and loads of how to get this thing done. We had a joint solution and it was very simple or at least the concept was simple of creating a viewable impression versus a served impression, which just intrinsically we all know is better. The outcomes, as I said, was that we created the opportunity to generate billions of productivity.

We also created the opportunity, which we're working on now, of creating a digital GRP, which will provide for greater currency translation across all of the media out there and provide the foundation for cross platform analytics. Again, is it going to work perfectly? No. But the outcome was clearly a positive. It was worth the time and the investment to make all of this stuff happen. Now George is trying to get all of this implemented.

That's why we came up with the term and I think it was Gayle Fuguitt of the ARF that actually coined the term of the measurement mandate. It's that we as an industry know we can do well. We have a case history. This isn't just pie in the sky stuff. We have a common history that we have to figure out how to get this done. Very simply and this is

important, is we agreed that the measurement mandate is about evolving and transforming industry metrics and measurement to improve the ecosystem and decision, I should actually read, decision-making by marketers. It's as simple as that. If we're going to invest money and it's the marketer's money right now, then let's be sure that we're doing it as effectively, with as much precision as we possibly can.

So it isn't much more complicated than that. We're just starting. We're just gathering resources. We're starting to figure out who should be in the room and how much we should do and how we're going to go get our work done. As I said, we're in our relative infancy. That's where we are.

MR. ZACKON: Thank you Bob. Open to questions.

MS. BRINKS: Hi Cheryl from Scripps. Bob in the meetings the last couple of days Gayle talked about not only the common GRP but sales being the thing ultimately that we want to predict.

MR. LIODICE: Yeah.

MS. BRINKS: I think where there's a little bit of a challenge there is it's not just the media that's responsible for that. The creative also has to play a role. The product itself has to play a role.

MR. LIODICE: Without a question, right.

MS. BRINKS: So I am very excited about working with the ANA and others to help with this. But I think we've got to sort out how we measure the various piece parts.

MR. LIODICE: You're absolutely right and that's why I said this is extraordinarily complicated. We're going to have to figure out how to make the baby steps. This is not something that's going to just be a one-year project and out. 3MS took us, I think it's five years, from beginning to end and we're just getting started with the release--is what?

MALE VOICE: We're not done with it.

MR. LIODICE: Oh no and we're still not done. But at least is a lesson for us how to proceed. When we talked about creating the common agenda, it's got to start somewhere, but it's got to start upon an agreed place. How we prioritize all, I mean I'm sure once we get into brainstorming of all the things we want to improve, the list will be about 20 yards long. So then we have to figure out what's important. What's going to have the most impact on our industry? So we need to get through a vetting process, a prioritization process that will say, here are the one to three things that are the most important to the industry over the next couple of years. Then we're going to find the resources to get this done.

So how do I know that we're going to get at least some resources to do it? Well every year the ANA, 4As and the IAB have a joint board of directors meeting. We just did that just a couple of weeks ago. Measurement was one of the three areas that we spoke about. George, why don't you talk about what the focus is at least or what the three boards want to discuss?

MR. IVIE: Yeah. Okay. So I was one of the facilitators of the session with Gayle from ARF. Basically we wanted to come out with a single action oriented priority that all three boards could align with and put their support behind both energy-wise and financially, similar to 3MS. So what we came out on that was all things video, number one, video across all it's different derivations and driving that towards equalization across measurement on all its platforms. That's the first step. The highest priority step, high growth area, high dollar area, especially the combination of them still considered risky because apples and apples aren't achieved everywhere. So that was the number one item that the group formed consensus around.

That wasn't my priority. We were facilitating the session. I'm not saying I'm misaligned with it. But it was a group decision with a bunch of marketers, agencies and digital

practitioners in the room. So it was very, very focused. A single item. There are a couple of complexities and that is we know that the long run picture is more than just video because people come up to me and say, well what about radio, what about print. So speaking for the MRC, we have to think across all different kinds of media derivations. But that's an add-on to the immediate priority.

The other thing was you can deal with that on the basis of GRPs, impression, those kind of metrics, but people wanted to understand how engagement and social metrics. So Beth I'm looking at you, but that was another thing because they just felt like social media kind of turned that corner. And while measuring so of an impression like metric could be important, that environment that really pushes the envelope on us needing to measure something that looks more like engagement.

So those were kind of the three overall topics that came out. But the very first top priority, which the marketers clearly looked at me and Gayle and said, you guys need to help us get assurance that we can measure these video advertisements and content across all the media derivations on as an equalized basis as possible as soon as possible. There are people out there already doing some of that. But those case studies, not many of them have been vocalized.

So just one last thing. So between Gayle and I we have two good-sized associations and we're trying to figure out how we work together to do that. One conclusion we reached was that the MRC's way more into the details of setting the standards, how the transaction works, working with the measures about perfecting processes and implementing good quality processes. The ARF is more into the usage of that data. So how are we going to make good decisions with that data? How are we going to highlight and promote best practices that may already exist to help inform us. So we sort of divided roles along that way. So that might be more likely, but that's how I view the outcome.

MS. BURNS: So I'm going to look at the two of you.

MR. LIODICE: Sure.

MS. BURNS: Am I taking from this, and it's not definitive, but it's directional, that GRPs thousands is where the advertisers side is looking for cross platform?

MR. LIODICE: Common GRPs.

MS. BURNS: Common GRPs. Only because earlier, a lot of us are involved. There's a lot of committees within Nielsen now as they're going cross platform to redefine HUT, to redefine universe and if it is cross platform, there is no HUT and the universe is everybody.

MR. LIODICE: Right.

MS. BURNS: Because, so I'm trying, if I was hearing you correctly, that is the direction you're going in?

MR. IVIE: That is the direction and there's a standard setting project already underway at MRC for digital GRPs and then cross media GRPs. One of the first questions on the docket is universe basis for project, all that kind of stuff.

MR. BULGRIN: Just to comment on what Joanne said, but there isn't a HUT but there is a persons using devices metric already. We have it from Nielsen. We have a pretty good idea from Nielsen already. For example, I know today that when you tally up all the video devices that could be measured by Nielsen among, and we focus on men 18 to 34, just 42% of that usage is going to live television. Right, which gives us an indication of how much video, potential video usage is happening on all these over the top video consoles, DVD players, and things like that. Which is another important metric, right.

MR. IVIE: So in addition to the fact that we, we also need a measure of reach across these devices. So the GRP is one thing. I think the problem with the conversations I've been hearing the last couple of days at the ARF right is the term impression versus GRP. They're both the same thing. Right? They really are. But the problem is there is sort of

this gap between sort of the digital side and sort of the traditional media side where the impression has been used very differently over the years. It's I send the ad. Boom there's an impression. Whereas in the traditional media side it's a measure how you get to impression is really a function of average minute audience, which was a surrogate for what an impression value is. But the beauty built into that--I mean the definition of rating is the rate of usage and built into that is reach, time and we have to measure both of those at the end of the day.

MALE VOICE: Time is tough.

MR. IVIE: Time is very tough across these two platforms.

MALE VOICE: Very tough.

MR. IVIE: And that's the biggest--time is of the essence in this measurement. If we could figure that out, we can get the rest of it. If I look at time spent on my digital platforms on ComScore versus what Adobe tells me, they are this far apart.

MS. FINKEL-GREENE: I have a huge question that's a lot more basic than what you're describing here. If you have impressions and then something to divide it by, it doesn't mean that what the result is equally valid in all cases. We're measuring, we've got measurements that aren't accredited for instance. We have some that are in the process. We've got others that are solid. Just because you've got a rating and I'm guessing in a lot of cases these ratings when we start to go to hyper local targeting are going to look like rounding errors. Why would be creating ratings of that size with that many decimal places for say an individual MSO area? How do we combine them? How do we make sense of something at that granularity and then how could you possibly say with that small a sample that a rating based on that tiny area is comparable to say a national rating?

MR. IVIE: I think one of the things that we're dealing with...I'm sorry. I can't answer all that question. I mean that's a really tough question. But I can tell you some thinking. One of the things we're dealing with is the fact that we have, we really good measurers, in the scheme of things. We're very good measurers of transaction data. Whether a transaction is an actual transaction like you think about it or a viewing instance or an instance somebody's using electronic device. We can measure that in a very clean way.

What we can't do in that environment well is assign demography to it. So we can have very good granular measurements all the way down to discreet geographies of transactional data, the long tail, whatever you want to call it. But when you start assigning demography, these products break down a lot. So we're living in that world of how do you do that?

So you mentioned samples. I think some of this is moving away from samples. Samples are an informative device to make sure that you have a standard of truth that these samples can be--this transactional data can be calibrated for bias for example. You use checkbook data. Well not everybody in the world has a checking account. Guess what, that's not randomly distributed. So if you think you're using big data, you need to assess it for its representativeness. So you need to have base data that is representative to adjust it.

But we're not talking about the same world. We're talking about a world where maybe using transactional data informing that with some kind of audience assignment, trying to make that process work right, accurately. These are really big difficult questions.

MS. FINKEL-GREENE: What's the definition of accurate? This is really a central issue. So if I could just lately it's become so clear to me that a lot of the industry's problem is that we've tied our compensation and our revenue to demographic data that has become not stable enough for that purpose. You said we could, we have a problem with demography. If we're doing this, I would strongly caution that we try to separate business issues. Because the business issues can cloud the measurement issues when you see the ratings going down or costs going up. There is a natural feeling to protect your business. But if we could accept that with new measurement comes a new kind of valuation in currency, then maybe we could get somewhere. But that's a bigger leap than just the measurement

alone. So I don't know how you prepare to accept that kind of a change and we can't just leave the house, raise it and build it again. We've got to live in it while we renovate. So there has to be some sort of a sensible transition or we'll all go out of business.

MS. LIGUORI: I understand what you're saying about all coming together but yet I question does the 3Ms involve local broadcasters, local agency people? Because very often things are determined with the group that spends the most dollars, which would be your national clients, but there are 201 markets of broadcast stations and agencies and collectively they spend a lot of money. I think it's a misconception to think that because we have a screen and it comes out of a box like a network or a cable network that the measurement can be the same. To Janice's point, sample size is on a local level are much more of an issue. So I would encourage whatever your next efforts are that you have adequate local representation because there are different requirements for local measurement.

MR. LIODICE: When we did 3MS did we not have the broadcast community as part of the working groups?

MR. IVIE: No really. Because first of all 3MS was a digitally focused initiative on like digital currency. But I can tell you that the GRP project that we're working on and moving that in the direction that has like just today it has maybe 150 companies on that project team. We've cast a net out to broadcasters, everybody we can find to be on that project because this can impact all different kinds of media types. So you need to really cast that net out wide, which makes the project even more difficult.

MS. LIGUORI: Artie and I work for the same parent company and we have very different needs. Somebody at ABC network could still be different, ABC Family and it's the same in a lot of other companies, Univision, CBS, NBC and Fox and so on.

MR. LIODICE: Yes and all very, very good points. I am not suggesting that we're going to slay every dragon that's out there. But what I do think that we can learn is to figure out how to spread the process of collaboration better so that it becomes far more organic to the industry than we've demonstrated in our history. I think at least 3MS has given us sort of the guideposts to figure out how to get it done. If we can populate, we'll call it process improvement centers, that will allow us to tackle multiple sets of issues or concerns, then I think we will have the wherewithal to be able to move the industry in a decidedly positive direction.

That's going to take some work and thinking about how to go do that. It's going to require some structural change. You know George had mentioned about the ARF and the MRC taking a lead to get some of these projects going. But the issue is going to be broader as we will need some type of governance situation--just like the ANA speaks for marketers and the 4As for agencies etcetera. Who speaks for the measurement arena? We don't have that necessarily at this point in time.

Until we get that common conversation going, we're not going to be able to, I think, to have the holistic conversations across the board that take into a lot of your respective concerns and issues. You know this far better than I. I mean I don't do that for a living. I just know what some of the implications can be. But I'm committed as are, I think at least the other associations and organizations are involved, to start putting the resources so that we make some tangible improvements. Even if we get 20% better, it's 20% better than what we have right now which has implications.

We've got to learn. We've got to learn how to do this. We just learned a hell of a lot just with 3MS. That took us five years to do that one particular project. So as I said, there's a lot of work to be done. I know to some of you this may be pie in the sky type of stuff, but I will tell you this. I think our three boards of directors doesn't believe that. They believe that this is real and certainly something that we should aspire to achieve. Can we get there? Time will tell.

MR. SUSSMAN: As I was listening I was trying to figure out, you said an ongoing measurement governance.

MR. LIODICE: Yes.

MR. SUSSMAN: Is that creating a dialogue, we had a great dialogue even just here.

MR. LIODICE: True.

MR. SUSSMAN: Is that creating a standard. I mean go to George usually for some of that and he pulls the industry together. Is it a project, is it research? I'm not sure what it is that you're kind of speaking about? What is the outcome of this idea? Because I hear it being kind of, there's a lot of that stuff going on already. I mean when we're doing our project roadmap for example, we listen to the industry, maybe no 100% but I don't know what the outcome is that--

MR. LIODICE: [Interposing] let me see if I can give you an example. One of the points that I mentioned before Ira was that one of the things that we obviously want to spend some time and attention on is cross platform analytics. And I mentioned, and there's probably about 100 more than this, but I mentioned Nielsen has a study going on, CIMM has a study going on, MRC has a study going on, ComScore has a study going on. So we've got four organizations that are spending time and resources on the concept of cross platform--

MR. SUSSMAN: [Interposing] they compete with each other.

MR. LIODICE: Right.

MR. SUSSMAN: So we wouldn't combine forces to create a single service or single point of view necessarily.

MR. LIODICE: Why not? No let me just--and I challenge you because this is exactly the mentality we have to overcome. If we do not get to that common agenda and start to recognize--you know it's kind like insurance.

MR. SUSSMAN: [Interposing] are your marketers doing the same thing? Is Ford and Chevy getting together to come to one--I'm not sure I understand. I really don't.

MR. LIODICE: Well I'll bring it back to the ANA. Mark Kaline's on the phone. There is a lot of conversations with people who are competitors of each other. P&G and Unilever sit in the same room with Kimberly-Clark. We all talk about things that can advance the science of marketing. That's what we do at the ANA is we bring companies and individuals together to share best practices and to share insights that hopefully advance the state of marketing. It's in that sharing that we learn from each other. I mean I consider the ANA a college or a centerpiece for being able to discuss what takes place.

Right now I've got 19,000 individuals across 600 member companies that do that. They share their best practice. We put the on stage at conferences to talk about what it is they're doing. We have committee meetings that talk about things, which may be, I won't say super proprietary, but at least indicative of how we can continue to do business better.

I mean Coca-Cola put its incredible agency management system on display several times at our ad financial management conference. These are the kind of barriers that we have to break down if in fact we're going to move the ball ahead. But it's not going to help the industry having multiple, as an example, cross platform analytical studies that's going to yield four different kinds of results and perhaps many more. What are we going to end up following? I mean that's not going to be very helpful to the marketers. Who am I going to believe so to speak? Who do I put my faith and trust in.

MS. LIGUORI: That's why you need three of them.

MR. POLTRACK: I'll ask the question that I think is giving me the most frustration over the years and that is the lack of transparency of what advertisers really want, how advertisers really function and their lack of any participation in all of these bodies. If you look at MRC, CRE all the--anything related to audience measurement in the industry, the media companies are--without the media companies nothing would happen. I'm not talking about the money. The money is certainly coming from the media companies. But the people in

this room it's driven by the media companies. And that makes sense because we live and die by measurement. So our employees are here. Everyone in this room knows their job is to show up at these meetings and to make sure that we get the best measurement system possible.

We were talking before you came in and you hear it a million times. We need more advertisers. We can't get advertisers to sit in these meetings. We can't get advertisers to share with us how they evaluate the medium. At CBS we just invested a significant amount of money to do a survey, outside people do a survey of advertisers about the decision making process in media.

The question was with all of the new analytics and all the new tools why does the actual up front negotiation end up being an obsolete surrogate demographic rating measured in an inaccurate and irrelevant CPM basis? Why is our business transacted like that?

The answer that came back, and this isn't from the media companies, this is from major advertising agency decision makers and major advertising decision makers was that the CMO gets measured on the efficiency of their medium. The efficiency of their media buy based on CPM and things like that basic fundamental efficiencies. And they do not want to move from that because they do not want to move their ultimate compensation and career measurement tools into an unknown measure from the current safe measure.

So we're frustrated. We want to move forward. We want to do all these things. We get no support from advertisers and the advertisers that do participate in the process, the ones that realize how important it is like Procter and Gamble, they don't share anything. They're just here to listen and they don't share, so they don't open up. So we look to the ANA to solve this problem. I mean we're not going to get the solution your advertisers want if they're not going to roll up their sleeves, show up for these meetings and share with us how they use this data and how they make those decisions.

Right now this business or this measurement business is driven by essentially media companies and some enlightened advertising agencies. Even in the advertising agencies they'll tell you they're getting less and less support for I mean the media research area in advertising agencies is not be as well supported as it was five or ten years ago. There was more support for the media research function in advertising agencies when everything was television and there were four TV networks than there is today. The more complex it gets, seems to be the less actual support there is.

MR. LIODICE: So I'm going to do something you may be surprised at. I'm going to agree with everything that you've said without question. I mean you may have been out of the room when I opened up my remarks here, but the advertisers were the most unaccountable function inside a corporation. And yes, they don't participate and candidly that's been a major part of a lot of our issues. It's way beyond just measurement. I mean it's the old characteristic of let my agency do it or let my research company figure it out.

I completely agree with you. We've got to get these people off their can and start doing some real heavy lifting. You just can't ask for improved measurement if you aren't going to participate in the process. That's the reason why I'm sticking my neck out on the line and personally engaging myself to get this done, which is what I did with 3MS. We've got a lot more crap to do. Look George will tell you how long did it take me to finally get close to your organization? Years. Years.

MR. IVIE: Years. I kept going to see him--

MR. LIODICE: [Interposing] yeah he hammering me and I kept resisting him. I totally get the intransigence that takes place among advertisers. Because they either have their foot-- this is dirty work. Marketers don't like to get their hands dirty. They like to create ads and do all that fun stuff. When it comes down to stuff like this, it's touch for them to get knee deep into it. Fortunately, for 3MS we did get the involvement, engagement of several ANA board members.

But we have a lot of work to do. We have a lot of behavior to change. That's why I said, we've got to get ourselves to the point where we are getting exactly what it is you want. So I will not disagree with anything you've said. Everything from my viewpoint is spot on and that's my job is to motivate, at least my constituency, to get their hands dirty and become engaged.

MS. BURNS: I just asked somebody. I'm the first one to admit ignorance. In three sentences what was 3MS? What did you do? What did you find? What is 3MS?

MR. LIODICE: I'm sorry. 3MS stands for making measurement make sense. The issue about 3MS was when you start with what is essentially the served impression, that impressions were being measured upon advertising that was being served, that just got thrown into a computer whether it could be viewed or not. The reality is on average about one-third of ads that are served are not seen. So from a marketer's standpoint, which they did not know, they were just pissing away a third of their money.

So the goal was to develop a level of standardization that would allow us the opportunity to change the definition of what currency would be transacted on and how we would conduct business. So we moved from just a broad conceptual basis from the served impression to a viewable impression, which George and his organization have helped to fine, which is what one second per 50% of the screen for display?

MS. BURNS: Oh so I read that. That came out of the 3MS?

MR. LIODICE: Yes. Yes. That's it.

MR. ZACKON: Bob you've been wonderfully open and wonderfully generous here and I'm going to take advantage of that and propose something and you can - -. We're in the middle towards completion of a major study. Bill Duggan has been working with us reaching out, look at the literature on cross platform impressions and aligning them. We've gone out to about 50 people in the industry. We'll have that together and we'd look to hold an event similar to the one that you attended for ROI from Dave's study. Would that be something the ANA might want to work with us? We'd certainly reach out to the ` , maybe the ARF as well to have a board industry conversation on what we found and then where we go from that.

MR. LIODICE: Well if you've already got Bill Duggan involved, yes.

MR. ZACKON: And Bill's been wonderfully helpful--

MR. LIODICE: [Interposing] we'll continue in that. We'll support you to the end.

MR. ZACKON: You can stay for as long as we want to have this discussion. I think it's a wonderful discussion.

MS. SHAGRIN: I think everything you said is meaningful, important and I love all the comments that have come around the room. It seems to me that your organization needs responsible, accurate, actionable measurements. This organization is dedicated to provide actionable, accountable measurement. So we have a lot in common. And I think we have to talk to each other. To Dave's point about we can't get advertisers to be active in this group, we keep trying. We're going to try again. We're not going to stop trying. But if in the course of the work you're doing, we can continue to have dialogues together even if it's at a meeting like this, I think both organizations will benefit.

MR. LIODICE: Without question and part of what our observation, when we said that nobody's in charge for the industry was meant to say that there are a lot of great organizations that are doing great work. I mean you've got the BPA, the I can't remember their letters, but the old ABC, your organization and dozens and dozens of others that we don't have necessarily familiarity with but which are doing good work. Part of this is just information sharing and listening to each other. I mean honestly, I'll plead ignorant. I didn't now about the CRE until about a year and a half ago myself. I didn't know what this organization was or did or what you do. I mean I just learned a lot by sitting here and having a conversation with you.

That's part of the battle is to get everybody on the same page. If we do nothing else, whether we actually create a new organization that has everybody as members and partners, we have to share the information in the same way that we share information among associations like mine. We share stuff at the ANA among marketers. I mean that was my big ahah. My first committee meeting when I joined the ANA in 1995 was watching P&G and Unilever share stuff. We have to be able to do more of this so we all understand each other's issues. We all understand what needs to get done. The only way we're going to do it is doing something like this. So that's why I was pleased to--

MR. MURPHY: If I could build upon what Ceril was saying. I no longer think that Royal Caribbean, Nike and Coca-Cola are flat products. They're live in living color products. Nike sells a band that's a social experience that has audience metrics to it. That's one of the reasons they need to be at the table with us. We also, to Dave's point, need to have some visibility into how our audience, ad campaigns are impacting that audience so we can see how to retool our products to better align with what we're doing. So they have more reason to be at the table, especially with the data as well. The data that they're using in their media X models and the systems that they have are using the same data that we're using. So they have more reason to be at the table with us vetting, not only the audience metrics, the digital ones, the social ones, but also the data that's out there.

MR. LIODICE: Well you know part of what and I couldn't agree with you more. Part of is an issue is that nobody's really showing them how to do it. I know that sounds a little illogical, but we're not pulling with the same--we're not rowing the boat together. So when we talk about Nike and Coca-Cola and Royal Caribbean, we need to energize them to say, you know what, you're, no pun intended, your boat is going to rise when we all are rowing together.

A lot of times they don't get that. Because they don't necessarily see the industry moving collaboratively with the same agenda in mind where, you know what, maybe I've got to give up a little bit of my confidentiality in order to be able to fuel an effort that's going to elevate everybody's productivity and make better decisions. The thing I always love to do is try to put everything back in economics, going back to some of my finance background.

We had a Board of Directors conversation back in January and this is on a different subject, but we started to talk about the lack of transparency in the digital media supply chain. The thing I said to them was, did you know that roughly 50% of the dollars that you're putting towards digital are not necessarily reaching the digital media? And they look at me like I had 12 heads. They said, what do you mean 50%? I said, 50%. I mean you can call it for whatever reasons, whether it's viewability or click fraud or complexity within the supply chain, going through agency trading desks and the 32,000 ad networks and whatever that are out there. I mean there's a lot of stuff that's not getting to the media. So half of your dollars are not getting there and several studies have supported that. Whether that's the right number or but it's close. And they were stunned.

Nobody's telling them that and that's part of what we have to do is to develop the communication that we are all getting on the same page. When they think about the amount of dollars that are not necessarily working on their behalf, well it becomes a whole different ballgame. When they say, well jeez I spend \$500 million on digital and you mean to tell me it's only \$250 as working media, to use that old term? Yeah and \$250 million is not working media somehow.

Well that presents a very, very different story when we get into something they do understand. It was an eye opening experience. That's part of the reason why we, the ANA is at least trying to step a little bit forward, perhaps out of our normal comfort zone of what we have historically been and trying to do these things. We recognize that there are risks. But to be honest with you, I actually don't think there's any down side. If in fact it forces us to spend some time in order to become more intelligent about what the issues may be and to start to do something about them on a collaborative basis, well there's only up side, because if we get smarter we make a better decision.

To be honest with you, that's the way I sell the ANA to prospect. I go out and say to the guy that's going to make the decision about whether to join, I say, if you have ten people that you're going to involve in the ANA and they all walk away with one nugget of insight and information that they didn't have. Well that's going to translate into lots of money for you and lots of productivity and a better built brand. I said, if you don't want that that's fine. But you're walking away from the collective insights of 600 member companies that represent \$250 billion in advertising.

You don't want to spend a couple of grand in dues just for whatever? That's the point, is a question of we need to expose ourselves to the universe of information that's out there. How we organize that information and share it? I don't really know the answer how to do it. But I do know that when we do it, it has very positive outcomes. That's why I said, this is just the start of what's a long-term issue that we have to overcome and I can guarantee you we're all going to win as a result of it, whatever direction it takes.

MR. ADGATE: What do you think five years from now, where do you see optimistically how all of this digital and cross platform is? Do you have a crystal ball working with George? Are you optimistic, pessimistic?

MR. LIODICE: Oh I'm very optimistic. I really am. I have seen what's just happened in the last five years when the accountability question, which was a hot topic. I mean we were, remember it was a recession. Marketers were getting slammed by their CEOs because they couldn't demonstrate where that next million dollars of advertising and marketing really, really made sense. Remember CMO tenure was reported to be like 18 to 20 months? Well they deserved to get booted. They honestly did and I'll raise my hand.

Half of the CMOs out there really didn't know which way was up at that point in time. They needed to get slapped around to recognize that it's back to fundamentals. Having come from living inside of marketing, to see and talk to marketers that their level of advancement in terms of accountability and measurement is far beyond anything that I would have ever expected them to be because they know they have no choice.

They understand that the only way they're going to build their brand is to make smarter and smarter marketing decisions and that's going to come from a plethora of measurement media. Because the CEO and the CFO are saying, you guys have to build my brand, you guys have generate revenue, you guys have to build my shareholder equity. If you're not going to go do it, I'll get the next guy who can. That's the reason why there's much more momentum now and greater interest in being able to do this is because their rear ends are on the line to go do it whether they wanted to or not.

So the sophistication is increasing. I think whoever said it before, David, when he talked about, but you've got share. You've got to learn together. You just can't go do something off in Coca-Cola and that's it. We've got to share this stuff so that we're all working together. I am optimistic that we can do that. Could we have done 3MS? Hell no. There was no way. The ANA ten years ago didn't want to talk to anybody. We just wanted to live in our own little world and pretend that we were making the world better. We weren't, seriously. We're learning how to do it ourselves. So to answer your question directly, yes I'm extraordinarily optimistic.

MR. ZACKON: Comment or question on the phone? And then Beth can go after? Someone on the phone with a comment or a question? Someone in the room, Beth.

MS. ROCKWOOD: Yeah Bob, I'm just, Beth Rockwood, Discovery, curious about your thoughts about structures and how they may help or hinder this whole effort. I mean I sit on the media company side now. We have one group buying traditional television still. We have another group buying digital video. People talk about bringing it all together but still the majority of it is quite separate and I think even at--you go from the creative agency to the media agencies, which are separate. I'm sure within the client organizations there are separations as well. How can we bring everything together when everything is all separate?

MS. LIODICE: That chart that I--it is. The short answer is structure is very, very meaningful. I'll elude to the issue that we had on privacy and online behavioral advertising. I won't bore you with the all the gory details. But what came out of our collaborative efforts was an organization called the Digital Advertising Alliance. They provide the ongoing structure to insure that we have the best standards out there for insuring responsible marketing over the digital online behavioral advertising platform.

The reason why I think structure is important is because it allows for the building of systems. I believe that you just cannot one shot it. You have to have something, which is reliable, replicable and capable. The only way to get there is through systemizing and the only way you get there is to have somebody that's going to oversee Bill with great reliability and continuously improve and that's a structure.

That's the reason why I said we need kind of an oversight body that's going to provide the governance to insure that the effort just doesn't die on the vine. There have been many efforts where you see task forces. Task forces are great, but they're surgical. Boom, they're start up and start down. People leave the task forces. They come and they go and then nothing. You get far below what the expectation was.

But when you have structure that provides the assurance of continuity of effort, you at least know whatever effort you pursue is going to some degree of a finish line or they're going to say, sorry we can't fix it. One way or the other, but you're going to at least get that. So I think structure is a component and an important component in the equation.

MS. ROCKWOOD: Thank you.

MR. BULGRIN Bob.

MR. LIODICE: Yes.

MR. BULGRIN: So I wanted to add on to what David was talking about with respect to participation on the advertiser's side, which I still think is a critical question.

Now I've been, as you know, a huge proponent and supporter of 3MS going back several years now.

MR. LIODICE: Absolutely.

MR. BULGRIN: The right thing to do. But there is a, I think there is still a gap in our industry in terms of that focus. Which is essentially creating standards and metrics for measurement, right, that can then be picked up by other vendors and used to sort of satisfy the measurement needs an up until now primarily of ads. Right? That's one side of the problem.

The other side of the problem in our industry is just cross platform measurement. Right? We in the media need it. I desperately need it. I've been investing millions of dollars in certain efforts, I won't say the word because we're in Nielsen room. But there's an urgency also, the frustration that I see, there's an urgency also on the advertiser's side and even on the agency's side, but I think ultimately that funding comes from advertisers.

I get the sense that there's sort of the lack of appreciation or a lack of understanding that we need broader content measurement to understand behavior so that we can plan and understand where the consumer is going. Here's where I'm going and I think I'm sort of losing faith or losing hope in the idea that we will get the proper investment, not just to create these metrics. That several vendors can come up and try and make money with, but to actually, for the industry, across sort of the triangle of the agency, the advertiser, and the media companies to investment in a measurement service, a measurement system, which is really what we need. Right?

I mean we need to understand what American consumers are doing across platforms. What the implications are for our brand. We were talking about this essentially with Joan Lewis at our table, right, that understand. But there doesn't seem to be an urgency on the advertiser's side.

I think what I'm proposing here is that maybe a role that organizations like the CRE can provide to help you is to sort of evangelize the need for that understanding. Here's why we need that bigger picture. Here's the implication on your business. It's not just about companies like ESPN, CBS and Univision trying to sell something, that's not it at all.

I mean we know we just need the understanding otherwise we're not going to know how, because the paradigm shift in our business, I think, and it's certainly been in my business and I'll speak for the Walt Disney Company, we're no longer really selling advertising any more. We've been moving to the position of sort of advising our advertisers how to purchase our advertising and how to get the best ROI. That obligation is already there, which is why we're sort of forced to invest all this money. We know there's upside for us. But if we didn't do it, we wouldn't get anything. We risk losing our business.

But none of this is going to happen. We will never have this Holy Grail of cross platform measurement to truly understand what's happening in the world of media and advertising the bigger picture unless there is investment in these services. I just don't see any movement, you know, and I worry about that.

We're going to create these metrics and we're going to have sort of a wild, Wild West of various media companies creating. But, you know, Nielsen's not going to do it for free. Comm Score's not going to do it for free. It's going to cost, and when I think about the \$250 billion, if we had one half of one percent of that, we'd be done already. Right? I think what we could bring to bear on this process is education.

MR. LIODICE: Great. We need that. Artie it's absolutely, that's the reason I use colloquialisms like investment millions to generate billions because we don't know what that's about. We don't understand the implications of what improvement can do. If the CRE or any group can provide insight and provide it in very pragmatic understandable terms, we'll evangelize it. Crap the thing I've been trying to do for the ANA is to improve our connectivity to our members. That's been emblematic of what we do and we've got lots of communication platforms to be able to put the message out there. That's what I've been trying to do both in the industry and inside in conversing with our members.

I don't have the stories, I really don't. It's not my day to day knowledge about how do we communicate what the opportunity is? Did you know that if you X or knew Y, that the outcomes could be A, B or C? I need stories. The ANA, the way we deal with our members is essentially on case histories. We have libraries of case histories of marketer's success, building their brands, doing different things, thousands and thousands of case histories.

I need to story tell. Just like a brand needs to reach its consumers through story telling, I have to do the same thing with my members because they, and I'm sure you know this well 'cause you deal with them, they've got a million things going on. So I've got to bring forward the message that's going to capture their attention and they're going to say, yeah we have to do that, we have to support that.

George may know this and this is the reason why Gayle is now the co-chair of the ANA Measurement and Research Committee is because the Measurement and Research Committee was the lowest performing committee inside the ANA. We couldn't get the level of traction. It's finally grabbing attention. So I understand the frustration Dave is talking about because I've had it myself. We need stories. We need to make them smarter.

If the CRE can help us, I'd love it. I'd love to be able to pump out a story a day that will start to--look it's frequency. It's reach and frequency. I've got the reach. I don't necessarily have the frequency of what it is that they should know that's going to make this system better and capture the attention that says, come on, get going. I do know that we must be doing something right because measurement has been our last two joint boards of directors meeting.

So we're getting there. It's grudging, it's slow, but give me case histories, give me the opportunity to educate and I'll commit to this group. You can document it again.

MR. ZACKON: I'm listening and you're being recorded.

MR. LIODICE: And I will be the evangelist inside the ANA and hopefully others will pile on and let's convince them all. Thank you. Yes?

MR. STIPP: This is Horst. I just really want to support this point too that Artie's making because I fear too that there is so much talk about big data that there are a lot of CFOs and CEOs who are not like really researchers. They think, oh why would you build a measurement system? There will be some big data out there that we can use that answer all our questions. Well it's sounds very unsophisticated but that's what they are when it comes to research. Right? I just, somebody was telling me examples of where they were trying to get budget for some research innovation. They were saying, no, no. We'll spend this on big data. That's what's hot today.

MR. LIODICE: Yeah what do I do with it?

MR. STIPP: That's what we're up again. True?

MR. ZACKON: George is the last word.

MR. IVIE: Minor point. When we're building these guidelines we do, we are building [BACKGROUND NOISE] content as well as ad measurement.

[CROSSTALK]

MR. IVIE: I know you are, but I think it's got to be applied to a service, either a company or a collaboration of companies that actually bring it all together and create a measurement service. Right? And that's where I see the potential lack of--

MR. LIODICE: You need an independent arbiter to be able to do it. It's kind of, there are certain organizations that exist in the advertising communities that are the independent arbiters to be able to advance. I think George is one of them, for example. We need to find that which cuts across a number of conversations. That's the thing I'm becoming smart about is the number of conversations in this community that are taking place out there. We have to make everybody aware of all of the things that need to get improved and then figure out the process to prove them. I would love to be the guy spinning the dishes on the Ed Sullivan Show and to be able to move that forward and to insure that we're spinning all of the dishes simultaneously and insure that none of them are dropping.

MR. ZACKON: I want to make sure that we bring our ship in in a timely way. First I want to thank you Bob.

[APPLAUSE]

MR. ZACKON: I've never seen the council sit so quietly and intently for so long. It was really great to watch and I think you made real progress in moving it forward. Now we got the dirty work that you described. There are things we need to do but at least we know who we can do them with.

MR. LIODICE: You can do it absolutely.

MR. ZACKON: Yeah. So thank you.

MR. LIODICE: Good show, thank you. Appreciate it, thank you all.