

Minutes from Quarterly CRE Meeting
March 24, 2016
Convene Conference Center
101 Park Avenue at 41st
NY, NY
10178 Pershing Hub



Members in Attendance: Joe Abruzzo (Bridge Member), Kathleen Bohan, Cheryl Brink, Artie Bulgrin, Joanne Burns, Ann Casey, Tim Daly, Sara Erichson, Janice Finkel-Greene (Bridge Member), Janet Gallent, Hadassa Gerber, Buzz Knight, Billy McDowell, David Poltrack, Ceril Shagrin, Howard Shimmel, Tom Ziangas

Present by Phone: Tanya Giles, Jeffrey Graham, Pat Liguori, Andy Rainey, Stacey Schulman, Robin Thomas

Also Attending: Mark Braff, Lynda Clarizio, Shelley Drasal (by phone), Kim Miller, Naomi Nuta (by phone), Christine Pierce, Mainak Mazumdar, Horst Stipp, Richard Zackon

Absent: Paul Donato, George Ivie, John McMorrow, Jed Meyer (Bridge Member), Keenan Pendergrass, Tony Marinaro (Bridge Member)

Opening

Billy McDowell opened the meeting by saying how he liked the new venue. By way of introduction, Billy invited members to share what bold moves Nielsen, the industry or they personally needed to take. The responses can be found in the appendix.

CRO Meets CRE

Billy welcomed Mainak Mazumdar, Nielsen's new Chief Research Officer. Mainak described how his team is organized. His mandate is to ensure that data science is closer to the product and the client, which means more access to Nielsen data scientists and more collaboration. Mainak added the need for more speed and decisiveness at Nielsen, but not at the expense of quality.

Billy mentioned that he read a recent Nielsen interview about Nielsen replacing local diaries. He invited Mainak to attend an upcoming meeting of the Local Measurement Committee.

Tom Ziangas asked about inter-connected devices. Sara Erichson replied Nielsen would be providing brand level detail about devices such as Roku, Apple TV, Amazon Fire, Chromecast as well as Wii, Xbox, and PlayStation. Sara also addressed some specific questions.

Artie Bulgrin asked about future plans to provide granularity of content. Sara replied the data are robust for total usage by daypart.

Nielsen Research & Development

Christine Pierce gave an update on R&D so the committees can contribute to the fundamental research questions which Nielsen is asking.

Christine stressed that Nielsen's Methodology combines the stability of census measurement with the accuracy & depth from panels. Nielsen claims accurate insights into behavior by assigning modeled demos using provider and/or panel data. Calibration is conducted to correct for misattribution and coverage errors. Panels provide deeper insights into people and behaviors.

Consistent with its goals of strengthening total audience measurement, Nielsen's research priorities for 2016 include 1) measuring and linking people and 2) understanding behavior. Measuring includes de-duplicating in- and out-of-home and more passive/less burdensome single source. Understanding behavior includes definitions of viewing and listening and consumption behavior such as device sharing, co-viewing, simultaneous usage. Possible use of PPM for in-home measures both of these concerns.

Ceril Shagrin raised the question of requiring computer measurement in the TV panel. Christine noted that this was really a question for the set meter markets. It has to do with the right balance of homes and offered to hold further discussions on the issue.

Howard Shimmel expressed concern about capturing usage of tablets and cell phones in the TV internet panel. He said it would be good if data science had more control over the product road map. Lynda Clarizio assured Howard that the various Nielsen entities are increasingly working together as one team. Tom Ziangas raised a question about Nielsen conducting persons weighting verse household weighting. Christine indicated it would be a good exploration if one of the committees wanted to take it on and Nielsen might even bring in an external expert. Ceril agreed that CRE or a separate Nielsen committee should newly consider weighting. Mainak noted that on the buy side, Nielsen measures on a household basis and on the watch side, it measures on a person basis. This is a long standing issue. Tom Ziangas stepped up to help on this issue.

CRE Leadership and Membership

Billy noted that CRE membership was currently in need of replenishment. We are low in agency members and we do not have many trained data scientists. Dave Poltrack asked if Nielsen could help. Sara Erichson requested a membership list and targets so Nielsen can help scour its client list. Howard suggested reaching out to data scientists at Nielsen clients to discuss the CRE and its projects. Mainak said it would be helpful if the CRE could provide some benchmarks for data matching which has become very important.

Steering Committee

Ceril Shagrin reported application from two potential members, Pete Doe of clypd and Lucy Hughes of Media General. The Steering Committee is recommending both members. Richard added that Pete Doe had said that if he was approved for membership, he would serve as Chair of Insights to Practice.

The second topic was whether there should be term limits. The Steering Committee took no position on this issue. Ann Casey suggested that Chairs groom a replacement (Vice Chair), but

no formal term limits. Pat Liguori commented that with our current reduced membership we should let Chairs continue to serve as chairs. Hadassa Gerber added that it is not always easy to get committee chairs so we should not limit their terms. Howard Shimmel would like to find ways to have young non-CRE members involved in our committees.

Ceril then spoke to the situation when the chair loses his/her job, can they remain chair as a bridge member. Janet felt that was a good idea because it allows for the chair to complete a project and keeps the committee intact. Joe Abruzzo said it would allow for a smoother transition.

Ceril then raised the issue of whether results should be released when there are questions with the research. Various points of view were offered by council members and it was decided to return this issue to the Steering Committee. Ceril addressed the issue of whether the Steering Committee should weigh in on the appropriateness of research questions. Richard noted that this has not been the role of the Steering Committee and Joanne Burns said so as well. Ceril suggested that Steering could assure that research questions were being asked. Janet Gallent said Insights to Practice might be the appropriate forum for this because they address those research questions at the end of the research.

Finally, Ceril addressed the question as to whether there would be CRE committee meetings at which Nielsen is not allowed to participate. Steering said this should only happen if there is a bidding situation and Nielsen is involved in the bidding.

Finances

Richard reported that for calendar year 2015, the Council spent \$2,020,000 of its \$3 million, leaving \$980,000 unspent. Normally, Nielsen does permit a rollover of funds, but an exception was made late last year to fund the device bias study. A question remains whether the rollover should be \$600,000 (what we believed when it was granted) or \$980,000 (what the books now show).

New Research Proposals

Platform Evaluation

Tom acknowledged Joe Abruzzo for bringing the project to the point where he stepped in. Last year, Hub research conducted a study to measure the main effect of the impact of viewing platforms (TV, PC, and Mobile) on content and ad engagement. We are now looking to measure the effect of additional variables. We are considering a partial factorial design looking at a relatively small subset of possible combinations of variables which would include ad load, ad repetition and ad placement, fast forward disabled and viewer controlled (countdown block). We will also include two live TV combinations as controls. Ceril has also recommended a Hispanic cell. The cost would be \$216,000 plus an additional \$51,200 for Hispanics, totaling \$267,200. Richard questioned whether each study should have special Hispanic components. Janet asked whether the Hispanic sample would permit us to drill down across the different conditions (platform, ad load). Pat Liguori and Hadassa Gerber both questioned the value of the Hispanic sample given its size. Joe commented that in the original study we did not test each cell individually. Horst Stipp noted that the study does not control for creative and that there is growing evidence of creative importance. Tom acknowledged creative is not included in the proposal. Richard added that we look to present the findings of this study at the Nielsen 360

conference in June.

Neurometrics

Howard Shimmel said his committee had a proposal to use biometrics as it relates to Nielsen's definition of viewing. He expressed appreciation for his Vice Chair, Beth Rockwood, and the members of the committee, as well as the team at Nielsen, Kelly Bristol and Nielsen Neuro (Bill Moulton, Patti Wakeling, Naomi Nuta).

The purpose of the proposed neuro/biometrics research is to consider a change in the industry definition of viewing and how Nielsen coaches panelists. The project consists of two phases. The first will be in lab (Time Warner in NY and Nielsen in Boston) to learn how people use devices as they watch TV. The second phase, which will be in home, will address use of people meters. Ceril challenged the measurement of engagement and the practicality of using that measurement. She asked what Nielsen would be able to do with the results of the study. Horst said we are not measuring or defining engagement, we are using a biometric measure to register whether someone looked purposefully at a screen and where their attention was. Beth added that we are looking at greater specificity regarding the instruction given to people meter panelists. Howard went on to say that in phase one, we plan to look at four viewing situations: solo viewing, solo viewing with second screen, co-viewing, and co-viewing with second screen. The data will be collected through biometrics, facial coding, eye tracking, behavioral coding and an exit interview. In addition, we will test the pilot for phase two to see how people react to the people meter. We are only voting on phase one today.

The cost of phase one is \$527,935 and the pilot for phase two is \$43,000. Total cost for phase one and the pilot is \$570,935.

Dave Poltrack noted that historically the problem is with transitional areas: coming home from work, settling in, going to bed. Howard replied that the in lab portion won't capture this, but the in-home will. Dave added that the viewer's declaration of viewing is subjective. The real power of biometrics would be to determine what occurs for people in the presence of a television set.

Beth said the purpose of phase one is to establish a baseline. Naomi Nuta said that Nielsen has worked with Reality Mine in the past to record content on a second screen. It will be incorporated in phase two. Horst commented that Dave was raising an important issue, however, it will not be addressed in the first phase. Janice Finkel-Greene questioned what we would do with the information and how it would affect advertising sales. Horst replied that the study will give us precise scientific data that shows us to what extent people are attentive to television commercials. Mainak Mazumdar commented that perhaps Nielsen could improve its measurement if all of this can be tied to the instrument that Nielsen uses with its panel. Howard said the results of this study would go to the training of the people meter panelists. Pat Liguori questioned how long the information would be applicable due to changing devices. Janet Gallent said the question is not about buyers and sellers, it is about the quality of our measurement. Sara noted that Nielsen has not changed its definition of viewing for 30 years and the research appears actionable to her.

Proposal Voting

Billy said that there were two studies to be voted on: Platform Evaluation, Part 2 and Neuro. Richard assured the council that it could afford to do both projects.

Tom initially proposed \$216,000 for the Platform Evaluation. Kathleen Bohan raised a

question about Hispanic participation. Richard suggested the Steering Committee as a place to focus a general policy on Hispanic measurement. Janet suggested Nielsen consider including streaming from the internet as part of a TV platform. Dave Poltrack reminded the CRE that its role is to do complex research that individual member companies cannot independently fund. He did not want to see further compromises to the study and felt Hispanic audience was of growing importance. Consideration was then given to the full versus fractional factorial design. The full design would be \$292,400. Tom held to his proposal of \$216,000. Cheryl Brink suggested he give himself some wiggle room and propose \$292K. Joe Abruzzo expressed his concern that sample will be sufficient to answer the research question. The proposal was approved at \$292,400, which includes Hispanics. The committee will work out the details with the vendor.

Regarding the Neurometric proposal, Howard proposed \$571,000 for the in-lab and in-home pilot. Pat Liguori questioned the value of the research. Christine said the purpose of the research is to determine if people are actually in the audience more than Nielsen's current people meter protocol would suggest. Pat said the study represented a narrow application which Nielsen should do on its own. Beth reminded the CRE that the first phase of this study would show differences on how people view alone, with others and with devices. In addition, we will test the introduction of the people meter. Janet encouraged the council to vote for biometric research because it plays such a role in understanding behavior. The proposal passed overwhelmingly but not unanimously.

Audio

Buzz Knight gave a quick update. The small market dual measurement project is out of the field. He promised a full report by the end of April. He added some advanced highlights of the research.

Big Data

Stacey Schulman spoke to the targeting modeling validation study. She said that there had been a few hiccups. Gerard Broussard is interviewing ad networks and providers of "truth" files and the task is proceeding more slowly than planned. There is much concern with proprietary methods. Stacey said she would reach out to the ANA to help bring advertisers into the process.

Concurrent Screen Usage

Janet announced that the Council would be hosting an event on March 29th to share the findings of the Concurrent Platform Usage study.

Data Quality

Ceril Shagrin reported that the Non-Response Bias Study that is looking at multiple devices in the home is on schedule. The committee has contracted the University of Michigan and is confident they're going to be very helpful.

Ceril stated that the first draft of section one of the whitepaper on data validation being written by RTI was too academic and that Evan Kutner of NBCU is leading the effort to make it a better read.

Digital Research/Social Media

Richard stated the CRE is currently without leadership for the Digital Committee. He mentioned that pending the decision of the Steering Committee, we are also without a Chair for the Social Media Committee as Beth Rockwood is now a Bridge Member. Richard suggested that maybe the two committees be combined.

Local Measurement

Billy McDowell reported that John McMorrow will serve as Chair starting next week and Local will continue to partner with the Audio Committee.

He also stated that the committee has spoken to Sorenson Media about Smart TV data and that they may want to investigate further.

The committee has also been working on an RFP to explore a longitudinal study to look at habits of people as they enter college, graduate, get jobs, have families. Their behavior could be tracked over the long term.

ROI, Dave Poltrack

Dave Poltrack noted the challenges in the latest phase of the media mix modeling analysis that Sequent Partners has been conducting. The current issue concerns quality of local media data inputs. He said Nielsen is fully engaged in the process but it is complicated and we need to be patient. He is not requesting any additional funds at this time to complete the project.

Insights to Practice

Richard noted that Insights to Practice is without leadership and that Pete Doe has agreed to step up to chair. The Council accepted his offer.

Communications

Joanne reported that Shelley is in the process of back loading historic RFPs for our projects to the website to make them available for review.

We have a new graphic artist.

We began a section of our newsletter called "Ask Nielsen" but it has evolved into "Ask the CRE Expert". The section will address specific methodology questions proposed by readers.

The CRE Cross Platform Evaluation study conducted by Hub will be presented at this year's Nielsen 360.

Richard & Shelley have produced a one-page set of guidelines for effective conference calls. It will be distributed by email.

Mark reported that there will be a press release issued following the event on March 29th. We have added additional press to the CRE Newsletter distribution.

Joanne also announced that she will be leaving Fox in May and is looking for what's next and

will remain a bridge member.

Education

Richard stated that the Education Committee is in need of a Chair as Jed Meyer has a new position at Univision.

He also noted that their work is continuing on a summary document comparing the offerings of the primary syndicated data providers.

Virtual Reality

Jeffrey Graham said he like to have CRE begin to explore virtual and augmented reality. The idea is to understand the landscape, the opportunities and the potential for measurement. Janet Gallent, Howard Shimmel, Cheryl Brink, and Tom Ziangas all expressed interest. Shelley will put a note out to the Council with a date of the initial meeting.

Adjournment

The meeting adjourned at 3:59 PM

Appendix

Billy McDowell: there are a couple of quotes that I really enjoy about this. One comes from a former FCC Commissioner, Michael Powell. You may know him as the son of Colin Powell. He said my dad used to tell me never play in the baby pool. And that's a great reminder to all of us. And then one was written on a book that I got on my wedding many, many decades ago. That said, "El que no es un aventurero no cruzará el mar," which is "He who is not an adventurer will not cross the sea." And I thought, those are things I try to tell my kids. Do bold things.

Sara Erichson: I'm going to say faster decision making about everything.

Howard Shimmel: I'm going to brag about my company in bold moves. You know, one of the things I think we all acknowledge is we need to improve the commercial experience on TV and stop driving people off of the ecosystem to Netflix. One of the things we've announced with two of our networks – Tru TV and TNT – is we're actually going to produce originals that have more programming time in an hour and fewer commercials. And you think about the boldness of that knowing that you're going to monetize original content and less ad revenues. Big bold move.

Joe Abruzzo: And I would like to hear more about what's happening with the effectiveness of social media. I think the jury is still out.

Tim Daly: I think the boldest move we could...to think about is measuring commercial viewing at the meter level from Nielsen, both for verification of what commercials there are and then how much viewing is going on.

Cheryl Brink: I don't have a bold suggestion.

Christine Pierce: I would like us to be bolder and faster in our solutions for local measurement.

Mainak Mazumdar: And I'll echo Sara's sentiment. For us, the speed is of essence.

Mark Braff: I'm not a researcher, so I'll defer to you experts on that question.

Kim Miller: I will also do a plug for Nielsen and say that we're excited about the bold move and measuring connected devices which we announced yesterday.

Artie Bulgrin: I think a bold move in our industry would be to spend more money on measurement.

Dave Poltrack: I guess my mantra now is moving from counting the house to measuring results. And I think the boldest move the industry could do is to put in a...to say, we deliver and to start demonstrating that for advertising.

Kathleen Bohan: So I'm going to echo Christine. Bolder, faster, better, local measurement.

Buzz Knight: I'm not going to use the "I" word, meaning the innovate word. I'm just going to say I wish our radio industry would try some new things.

Beth Rockwood: I'm going to totally agree with the faster notion. Everything is moving waytoo slow in terms of both sides of the business. I think the measurement potential people getting on the wagon and actually adopting it. But I think we also have to be bold. We have to simplify a lot of this stuff. It's way too complicated and I think it's confusing a lot, especially the senior level management.

Ann Casey: My bold move is going to be a little bit more personal and that I want to become more acclimated with this group and participate more. But I concur with everyone else's comments before this.

Hadassa Gerber: I agree with faster, but I also don't want to lose sight of better measurement for local.

Janice Finkel-Greene: Don't be afraid to admit when you're wrong. Don't be afraid to throw out an entire project if it's headed in the wrong direction. Don't be afraid to start from scratch. And don't stay wedded to the past.

Joanne Burns: And mine actually dovetails off of yours. I'm trying to get people to think about not taking their current business and adapting it to another. So meaning, linear television should pretend you're building a digital business that's going to expand to linear. A very different way of thinking about it. So, I'm a syndicator and the thinking is just so backwards because we keep trying to catch up to digital. Start from scratch, I'm a digital company, and then we'll expand to linear.

Tom Ziangas: I would say bold move is what we've done at AMC Networks. That's really to work with our business intelligence team and make them a part of collaboration in an era where big data will start to rule a lot of the information that's being put out there.

Janet Gallent: And I'm going to be bold in the sense that I'm going to be a little bit self promotional for March 29th. I hope you'll all come. [Laughter] and listen to the Concurrent Platform Usage presentation.

Horst Stipp: Everything that I could think of has already been said. Thank you.

Ceril Shagrin: And I want to see all the bold moves taken without giving up on quality.

Richard Zackon: And I say it's bold; I'm impressed with the boldness of people who come to work every day given all that's happening and being able to handle and juggle. It's a lot of juggling and handling. And Lynda, would you like to add a word about being bold?

Lynda Clarizio: No, I think I'd rather just listen.

Andy Rainey: Yeah, I agree with what everyone said. I would like to see two things. I'd like to see radio give people a reason to be excited again, and I'd like to see less focus on quantity and more focus on results.

Tanya Giles: I'm going to get personal and a bold move would be for 10 seed Syracuse to win the tournament. [Laughter.]

Jeffrey Graham: For me, being bold is having a bias towards risk.

Robin Thomas: Yeah, I think what I was thinking was that in a couple of different ways that I want to remind people that the businesses change and we can't do things the same way as we've done them in the past.

Pat Liguori: Hi. I think a bold move, whether professionally, personally, to leave your comfort zone, to leave the things you know best and to try and think outside the box as you approach your daily work or life. Try something new.