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MANAGEMENT DISCUSSION SECTION

Unverified Participant

Okay. You're funny. I know I'm live now with Kelly, we just like – I just want to make sure the [ph] chair (00:09) – I actually been worrying about that. For the past two days that I'm going to roll off this little mini-stage and that's going to show up on YouTube. It's like Bernstein analyst literally does a back-flip. So, it hasn't happened yet. Let's cross our fingers. There's no breaks on these things.

All right, look at that, the room quickly came to order with that introduction. All right. So, thanks, everybody. Here we are. So, we're now with Nielsen. And so I have David and Kelly, two very senior product leaders within Nielsen's watch business. David is a return guest to this conference and Kelly is a familiar face from Nielsen. I think your first time at this particular event.

Kelly Abcarian

Senior Vice President, Watch Product Architecture, Nielsen Holdings Plc

Yes.

Unverified Participant

So, welcome.

And so, we're going to go through Nielsen's sort of state of play and in view of the challenges of measurement. Well, first of all, so let's just start with. So, what exactly do you guys each do at Nielsen? Let's start there.

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

Sure. So, since last year actually, I've had a little bit of a change, which is exciting. It's a little bit of a bigger role. So at Nielsen, I run our digital product. So basically, our digital content rate, our digital ad ratings products as well as the panels that underpin those services. So, our computer and mobile panels. And most recently expanded my role to include the Nielsen Marketing Cloud. So, the formerly eXelate business, now the Nielsen Marketing Cloud. So, I manage product as well as strategy for those types of products and assets.

Kelly Abcarian

Senior Vice President, Watch Product Architecture, Nielsen Holdings Plc

And then I oversee our traditional media business. So across national television, local television, radio, print. And really, Dave and I work collectively together on bringing the kind of total audience framework to live which will include products like Total Content Ratings.

Unverified Participant

Yeah. All right. This is why we have two people here and why we feel so lucky to have that. All right. So sort of for both of your then, if you put the two together, you'll see the whole thing, right? So, kind of like I did with Bill earlier this morning. Can you – let's start with – can you just help us through like what's going on in the product pipeline? Like what – where have we come recently? What milestones and products have been introduced? What's in the near-term future pipeline? What – help level set us on all of that stuff so then we can paint that picture and get underneath it.

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

So, I'm happy to kick us off just to talk a little bit about digital and then we can kind of complete the picture on that traditional side. But, I mean, what the shared framework which both Kelly and I and the entire Nielsen team work, we're going to raise the total audience framework which is again, I'm not going to repeat the four pillars because [indiscernible] (3:22) much time, but the principles behind it are basically that we want to measure all consumers for all their different media access points in all distribution platforms.

And the whole purpose of total audience when we first announced it and the objectives of the framework were to make sure that Nielsen was approaching measurement in a completely holistic way to account for all the fragmentation in the marketplace.

So that has underpinned the pipeline and the developments that we've had up to today and are going to continue to as we continue to develop along the total audience strategy. So within the digital side, I think the important part of that story is around Digital Ad Ratings and Digital Content Ratings where it's all about coverage and inclusion of different advertising platforms and different media distribution points. I would highlight a few things.

So, OCR, when it was first launched, now known as Digital Ad Rating. It's now six years old, first started as a computer measurement. 2014, it evolved to become the first person-oriented, cross-platform mobile measurement solution for advertising.

And then in the last two years, we've been adding on OTT platform, so really focusing on providing person-based demographic reach measurement for OTT platforms, starting first with Roku, which we announced two years ago and then most recently with Hulu, focusing obviously on ad-supported OTT platforms and looking to continue to expand that.

So, on the ad ratings side, it's really about continuing to expand coverage and to make sure that all of the relevant platforms have been measured and few other kind of milestones. These are not necessarily product releases, but we've seen a lot of really positive validation in the marketplace with publishers who have said, I have validated, I've looked at this measurement. I now put my hand up, I am willing to guarantee and use Digital Ad Ratings on my advertising.

And we've seen those pronouncements made by basically all of the major digital advertising platforms and publishers: Facebook, YouTube, Pinterest, Twitter, Snapchat have all publicly, as part of press, gone out there and said that we will guarantee on Digital Ad Ratings. So, again, hand-in-hand to make sure that we have adoption coverage and inclusion of all that fragmentation, all that measurement.

And on the Digital Content Ratings side, similar story where we initially launched just last year, we went to syndication and had been expanding to make sure that every platform is included as part of that.

Kelly Abcarian

Senior Vice President, Watch Product Architecture, Nielsen Holdings Plc

And then on the traditional television side, a number of coverage expansions, if you will. I'll start off first with just really extending that one-year window out to C35. So, we brought C35 metrics to the industry in the same comparable way that we produced C3 and C7 streams. So, we delivered that for our clients to really understand that time shift to dealing with linear-based audience.

And then we recently received accreditation for our digital and TV ratings. So, that's really allowing all of our clients across TV Everywhere platforms, their own O&O platforms to take all of that same linear ad consumption and viewing, and contribute that directly into the C3, C7 metrics. So, we have a number of clients actively participating as well as TV Everywhere platforms being included against the ratings measurement today. And that receives MRC accreditation for the demographic measurement in February, which is also critical, and then critically important as we think about the combination with a national television-accredited service.

And then, thirdly, lots of fanfare around our out-of-home measurements. So, it's really targeted to help measure our new viewing segment that we haven't been counting into the audience to date. So, ESPN kind of came out in April when we launched the service. They talked about their audience to ESPN and ESPN2, and their ability to bring the younger demographic to the table, right? I think they talked about generally that younger audience lift. They're seeing a 7% to 9% lift increase. And then, Fox recently on Monday, talked about their subscription to the out-of-home service.

We have a number of agencies also subscribing to that data, so that that data can be monetized and then contributed directly in a way in which they package and sell their inventory across that linear window.

And then, when you think about kind of the VOD in the connected device space and the SVOD space, we continue to make great progress there as well. We have hundreds of thousands of episodes under measurement in the VOD space, on the video-on-demand, and that enables our clients to truly understand kind of the size of that audience and the demographic composition makeup of that audience, so that as they look to evolve the windowing and the ad models that they want to put into that, and even the availability of when they want to make that content available to consumers, they can leverage Nielsen's data in which to drive monetization of those transactions.

And then, as you move across to the OTT space, we've been providing linear OTT metrics forever. Meaning that as OTT content was being viewed in a linear-based mode, that's always contributed to the ratings. But as David mentioned, we have expanded the ability to capture that more addressable ad model that's being kind of inserted into that content consumption.

And our unique relationship and partnership with Roku really enabled us to embed the technology inside so that when publishing partners come onto the platform or want measurement across their ad inventory, it's already

enabled in which they can get started and monetize in that comparable way to television, which is the most important because Nielsen's got an understanding of the true co-viewing nature of that audience, sitting behind those Roku devices in the living room.

And then, as you think about SVOD, which still may not be ad-supported today, there may be a time when that becomes a more ad-supported medium. But truly understanding the size of that audience, Nielsen measures over 25,000 episodes of Netflix and we provide that measurement back to both publishers as well as studio houses. And that brings a lot of value to an understanding of the size and reach of that audience and the demographic makeup. But also more importantly kind of an understanding of that audience and demographic makeup, composition, and correlation to linear consumption.

So, trying to truly understand the dynamics of viewing and how viewing is evolving and changing, and where time is being spent, Nielsen is able to tell our clients, with high level of granularity, exactly how time is evolving and where the evolution of time consumption is occurring.

Unverified Participant

Yeah. Thank you both. One thing I've been trying to do consistently over the course of the morning so I'm going to do it now is just quickly help the audience understand the various sort of assets and data-capturing sources that each of the different measurement entities has at their disposal. Now, we could do that. It could take all day with you guys. I don't know if you can do it quickly.

But just a quick rundown of the different tools you have in place would be great in terms of how you capture consumer behavior. And I think basically that's a number of various panels and a very – and then directly capture data. But if you could do that without taking the next half hour, but just to give a sense of how you capture what consumers are doing, I think that'd be very helpful.

Kelly Abcarian

Senior Vice President, Watch Product Architecture, Nielsen Holdings Plc

Yeah. So, I can get started and David you can add in. I mean, when we created the audience framework, we really set out to standardize the way in which we capture that measurement and then calibrate that measurement in order to bring it together in a comparable way.

So, Nielsen's television panel, the national representation of that panel, as well as an inside of the local markets is extremely the kind of backbone and core ingredient to everything that we do. It not only measures consumption of television, but it measures consumption of OTT to understand it, measures consumption of PCs and mobile devices. And so it is the only representative, person-based panel out there that enables us to then bring that in combination with big data. Whether those big data sources come from set-top box, those big data sources come from smart TVs, those big data sources come from digital tagging or digital SDKs. And what that enables us to do is to calibrate all of that data.

And then we've, on top of that, established strategic partnerships that provide us a registration panel and access to registration panel on the digital side that Nielsen can enable measurement across the entire digital ecosystem using that large reach digital registration panel from Facebook and then using our own Nielsen high-quality credited services to truly calibrate all of that data and then bring it together in that comparable way.

So, it's really panels at the core, big data and using our panels to clean up all that big data and then partnering with folks like Facebook to help us drive higher quality demographics for our clients.

QUESTION AND ANSWER SECTION

Q

Yeah. Anything to add to that, or is that...?

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

I mean, actually, it's funny because we're starting with Total Audience, so I think that Kelly is being a little bit modest with the diversity of the first data that we have. But I mean the only thing I would add is on the digital side, we have again, we also anchor on a source of a panel-based data source as well. We have computer panels and mobile panels which have on-device measurement.

The couple of other additions that I would say are we have a robust census data collection platform which can collect data from tags, from SDKs, from server integrations and from – with OTT platforms.

And in addition, another source of data which we've been investing and innovating on has been the consumer ID pool that we have as part of our – formerly known as eXelate, now the Nielsen Marketing Cloud as well which is another kind of data, a data source which uses similar, at least, technology to collect data but allows another view of consumers. So, I think that's also exciting. I mean the other dynamic which is happening more on the local side is that we are investing in set-top box data and incorporating that into some of those services. And in addition, we also have the ACR data that we have from the recent Gracenote acquisition, which I think is a very powerful new set of data, which is not being incorporated into current view at this time, but is allowing us to expand the set of analytical and research capabilities that Nielsen has.

So, you name it. [indiscernible] (14:35) we're making use of it. Might not just be in currency, that's all.

Q

Yeah. Right. So as product leaders with so many assets that you can bring to bear and so much activity in progress you feel you're bringing forth all the time. I wonder how much [ph] fuel (14:58) on a daily basis to read [indiscernible] (15:01) everything else, how unhappy a lot of people, stakeholders in the industry seemed to be about the state of measurement. What are your thoughts about the reconciliation of like all the progress that Nielsen and others feel like they're making in terms of capturing all this and all the effort you put into that and you get the sense that your clients never seemed quite satisfied?

What's underneath that? What are the big unmet needs or pressure points that you hear that you feel like that's okay – that you need to work on to make them happier? And do you think they'll get happier publically?

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

Well, I would say that despite some of the news and the trade that overall that we're moving towards a much happier place, right? As we continue to expand coverage, we continue to enable measurement across the marketplace.

I mean there's – I would highlight a couple of things that you asked me more about the state of the marketplace and what could be underneath it. I mean there's the challenge of complexity, right? You have so many different sources of data which you have to reconcile with different understandings of the media. And so it's very difficult to have a consistent story because there's another data point which may or may not be correct and you have to try that to reconcile that. I think the value that Nielsen has always brought to the marketplace is a consistent understanding which is sensible and backed up by solid research, right? It's always easy to create a number. It's even easier now to create a number but it's very difficult to be the number which people refer to and they look to as part of a reference point. And so there's always sort of a natural, I think right now a concern because if another piece of information that's out there, you end up having to explain and to reconcile differences. And when we put the effort in, it is almost always a case that we are able to explain how the data sets relate and also why different assumptions may or may not make sense.

So that's one thing I would highlight. I mean the other is that the nature of measurement is that it is a – you can only measure something after you've had a chance to actually – to research and understand it. So I think the one thing which we've invested a lot more and then trying to change the way that we develop product is trying to pick up velocity. So in the past, it would take a lot longer, I would say, for Nielsen to be able to respond to a change in the market when new forms of media came out, when new platforms came out.

And what we've been doing is trying to pick up the pace of that innovation so that that we can understand and to put out measurements faster and to iterate with our clients to get it to the place it needs to be. I mean, iteration always means there's a lot of discussion and there can be disagreement. And so I think that's a little bit now [ph] part of the course (18:08) to try to get to alignment across the marketplace.

Q

In your defense, this might be something Kelly maybe sees more than you do is I mean, sometimes I think it's fair to say, I will say that you hear clients say, we need more and more faster, faster. And then sometimes your client – you bring it and then clients say, well wait a minute, slow down a bit, right? Especially and I think locals is an example of some – of that as one case, in some instances, right?

So pesky customers are hard, especially when you serve the entire marketplace. It's a challenge to make everybody feel like they're getting what they need, I guess, right? Let me kick off a whole bunch of sort of news, flow items or new products or things that people ask me about and what is Nielsen doing about that. So I'm going to throw a bunch out there and just hear what you – so let me throw some at you.

So, OpenAP, programmatic. Let's start with those two, right? Do we even know what OpenAP is? And whatever it is, what does it mean for Nielsen? Are you a party to it? Will you be incorporated into it? Is it a competitor to you? How does it relate to what your customers need you for?

Kelly Abcarian

Senior Vice President, Watch Product Architecture, Nielsen Holdings Plc

A

Yes. I'll take that one. We've been working with obviously our clients: Fox, Turner, and Viacom. And really at its most simplistic form, it's just a different view of the consumer based on kind of same set of ratings as you were,

right? So what they're trying to achieve is really an ability for an advertiser to come with some consistent audience definition and to be able to kind of buy that audience definition across the telecast and then being able to understand how to package of that inventory, to sell and enables the purchasing of that audience.

And so, if you think about it, it's really just a different view of the same consumers, right? Because it's still at the end of the day, you got to understand the reach of that telecast, the reach of that rating because it's all about linear television, by the way. Just in case there is some confusion because when you talk about audience-based buying, people start going addressable and programmatic, but it is about how to basically describe audiences in a more enriched consumer-centric way.

And so, Nielsen has actually been providing datasets for many, many years across the marketplace that describe consumers outside of just age, gender. The marketplace is just kind of relegated around transacting on age, gender against the C3, C7 metrics.

You think about kind of the CPG in retail space with Nielsen Catalina and Nielsen Buyer Insights that really brings the credit card spend and the loyalty data to the marketplace. You hear more and more about clients talking about the target shoppers or serial buyers. So it's really about, well, how do you define a serial buyer? How do you define a target shopper? And every advertiser may have a different nuance in the way in which they think about that consumer.

And so Nielsen has been producing datasets for many, many years to not only understand kind of age-, gender-based rating, but we produce kind of [indiscernible] (21:34) against all these segments. We collect hundreds of segments across our panel that describe consumers, auto intenders and pet owners. And all of these things that then go into an ability to basically create segments, right? And then to overlay those segments on ratings.

And so we'll be bringing that same view of the consumer base and the audience delivery to the telecast out to the OpenAP system. And really what that's about is how does an advertiser log in, define kind of their definition of consumer and then kind of seamlessly go across a set of networks. So those networks can say, when X advertiser asks for a target shopper, it means Y. And everyone that goes back and looks in their inventory avail looks at the Nielsen data, understand their ratings delivery against that, how do they basically come back with the pricing proposal against that segment?

So we're actively involved in those discussions. Our data underpins all of that just like it has in the linear age, gender-based play. And at the end of the day, it's about buying people, right? And so at the heart of it is buying persons and the reach of persons to a telecast or a process at a telecast, and you can't do that using indices, right? Advertisers aren't looking to buy indices against auto intenders. They're looking to buy actual reach and frequency metrics just like they do in television today.

Q

Yeah. You mentioned addressable and programmatic. So that was another – the next one I throw out, I get a question every day. Well, it's programmatic and so therefore what does that mean for Nielsen? And so what do you say to that?

David Wong
Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

So, I mean, programmatic is a method of buying and it's a natural evolution from ad networks and the way that inventory is being treated across the marketplace. I mean, for data-oriented buying, there's a number of ways that Nielsen has been participating in the marketplace and supporting it. What I would say is, one, the measurement needs still remains for programmatic. So, just because you're deciding to programmatically bid on advertising, doesn't mean you don't need to still measure outcomes, right? Just because you've chosen a different way to be able to select the inventory.

And so, what we've actually seen with, particularly the video-buying platforms and DSPs is that they've been some of our strongest partners on product like Digital Ad Ratings and some of the marketing effectiveness products because they still need to demonstrate that. If you're going to put all the effort into having to select your data and then set up a bidding strategy and then deliver it, are you actually getting a better outcome as a result of buying this way?

And so, we've actually, again, had very strong partnerships on Digital Ad Ratings as well as a brand lift and sales lift type studies with these companies, so all the major video platforms we've been working with. We've also been participating in the data marketplace because Nielsen has valuable information about consumers. So, data assets like Nielsen Buyer Insights, which is related to credit card and debit card spending as well as Nielsen Catalina, as well as just the TV panels themselves and some of the other data sets we have, have been supplied into the data marketplace. And the fact that Nielsen, through our acquisition of eXelate, has now even a greater position within, that marketplace has been [ph] reaping (25:05) all the benefit from the growth there.

The other dimension, though, is that I would actually say that the entirely data-driven buying approach has, I think, fall under greater scrutiny lately where big brand advertisers have started to question, well, does it make sense for me just to use data to buy, am I losing something? And I think that with a lot of the recent sort of brand safety and fraud issues recently that this question is being raised more and more, whether or not it's truly paying off when you lose contacts, right? And I think that that's started to shift the story a little bit there and again have created some emphasis on more scrutiny for a third-party independent measurement.

Q

Yeah. A lot of times in my very simple universe, the terms programmatic and addressable get lumped together. They're actually completely, I think, different things. So what about it? Addressable – and the question investors ask me is, well, in an addressable world, come on, man, an advertiser just wants to reach serial buyers and they have some way of reaching that. And again, like what – maybe they have their own database, right? And so, they'll just buy serial buyers, and again, what is Nielsen's role in all of that?

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

So, I mean, it's just related to the same points which Kelly started with on OpenAP which is that, if you have a list of consumers that are the serial buyers you want to reach, you still need data to be able to understand the consumers that are actually viewing that programming or viewing the advertising. And so, on the televisions, on the national TVs in particular, the highest quality and the source of truth that our clients, including those that are involved with OpenAP use is the Nielsen panel.

And so, what we do is we'll work with advertisers and say, well, who is in our panel are serial buyers based on your definition, and we'll match that in and we'll then produce ratings on that basis or indices, or whatever kind of metric they would like to see. And I think that – it's a natural extension of some of the work that we're doing there.

On the digital side, this is sort of the bread and butter of the Nielsen Marketing Cloud where we have established relationships with marketers to provide a complete picture of their consumer with their data included, but also Nielsen data assets and other digital activity. So, for all a lot of these clients we have, we have a number of brand clients which are now using the Nielsen Marketing Cloud. They can bring their data in, their list of serial buyers. They can tag up all their sites in their apps to see who is actually interacting with their own media and their consumer applications. And then they can also understand how their ad exposure and their content exposure is related. They can see these altogether in a single consumer view and then act on that to measure what's happening. I think that's sort of the next iteration, the direction that we're building towards as more and more of our clients bring us this kind of richer consumer data.

Q

Yeah. So starting another question the same way I've said it. So with outsiders as we're trying to often assess how well the industry is receiving all the work you're doing and new product enhancements you bring to the marketplace, this concept of adoption and how investors try and track that often ends up just being the local [indiscernible] (28:33), who is publicly raising their hand and saying we will guarantee audiences using some new Nielsen metric, right? And so in the TV world, that's the – what is the currency for the upfront or something like that, or the adoption of total audience in some way? And so we try as outsiders just listen to public statements about that.

From your standpoint, how do you gauge the sort of traction of your products? And how well they're meeting the needs your customers are saying they have and sort of on the spectrum of full adoption of the Nielsen solutions to like partially get. How do you track that and where do you stand?

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

Kelly, do you want to maybe start off on the TV side?

Kelly Abcarian

Senior Vice President, Watch Product Architecture, Nielsen Holdings Plc

A

Sure. It's continued press releases as well and testament of using our data out in the marketplace is definitely a gauge of that for certain and then growth of just our services as a whole, right? So our coverage and our ability to kind of cover not only traditional linear television but VOD and OTT and SVOD, and all the services that we bring to market to help our clients understand the true consumption of the consumer.

And so we've seen great adoption of the kind of corpus of Nielsen data that really measures that ecosystem. And many of our clients have been using that data even before the premise of Total Audience kind of came alive.

Really, what the notion of the Total Audience framework was to do is to bring that comparability conversation to the table, right? Which is as Nielsen brings television and digital together in the ways in which we will ensure that that same comparability can exist across all players in the ecosystem, because it's not just looking at traditional media players side by side, but now you're looking at them in alignment with the Facebooks and the Googles and the Snapchats and the Twitters. And agencies and advertisers need to understand kind of comparability of audiences and understanding of an audience buy that they would want to make and not making it hard for them to try to translate metrics across these dynamics.

And so I think its adoption of our Nielsen Media Impact solution on the agency side. So we have a majority of the holding agencies leveraging that. That all of the kind of corpus of Total Audience data is being filled into that. And that's helping them make better buying decisions not only from a strategic side of – strategically how I want to allocate my clients' budget. But then on a tactical side, what properties do I want to allocate it towards?

And it really enables them, without spending a single dollar of their clients' money, not only optimize against reach and frequency, which is really still kind of the foundation of advertising. But to then optimize against sales lift. So they can bring in their marketing mix models of their advertiser, they can bring in attribution data and, once again without spending a single dollar, really understand what the effects of that plan that they're building to buy on behalf of their advertiser really can deliver on.

So I think it's just a continued adoption and growth of products that sit on top of our data set and the continued growth of the participation of coverage and the measurement of that data set that I think are great indicators of the success of our products.

Q

I'm assuming, since you're not jumping up, David, you agree and don't have much to add that wouldn't be redundant. Let me see if there's anybody and I suspect there might be in the audience with some questions and I know there are and I have one here. I don't see a microphone and I think we're webcasting, so why don't you state the question and I will repeat it for the microphone?

Q

I'm not quite sure how to frame this, but we've heard over the last day and a half how the ecosystem is changing, fragmenting, disintegrating, whatever you want to – whatever word you want to use to describe it. And it doesn't – it sounds like Nielsen's in a position to measure everything and so on. But you're still [indiscernible] (32:42-32:48) currency for the old ecosystem when the new ecosystem might require a whole bunch of different things?

Q

I don't know how to repeat that for the benefit of our Internet audience. But anyway, it's a great question. Basically, marry the parent – the possible disconnect between the way the currency is defined in a very sort of traditional C3, C7 way, and the arguable disintegration of the underlying habits of consumers which might call for a much more robust way to describe what they're doing. Is that fair?

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

Yeah. I mean, I would answer it in kind of two parts.

The first is that the existing currencies that we have or the existing C3, C7 metric that we have are for a particular kind of advertising buying, right? It's for a linear broadcast advertising model and we anticipate that that model is going to remain a solid part of the marketplace and it's going to – it's continuing to be supported.

As there's new skinny bundles and there's new ways for traditional television content to be consumed, we'll measure that in all places. And that will be, again, a cornerstone of the way that Nielsen has established our franchise.

On the digital side where I think you're describing about this fragmentation, the disintegration – I don't know what the exact words during yesterday's session, but the approach that we're taking there is that – well, first is that we are establishing a foundation for currency there with consistent, comparable measurements across all those different digital platforms.

So, the observation that we make and the feedback we get from our clients, buyers, and sellers is that they like the diversity and the innovation it has in the space. But at the same time, they look to Nielsen to help to provide some foundational metrics. And so what we've been doing is to make sure that we have standardized, consistent, comparable measurement of digital advertising, regardless of how it's bought and sold. So if it's addressable or programmatic or linear, that we want all those ad impressions to be measured in a consistent, comparable way, and that's the reason why we have Digital Ad Ratings, and while we have Digital Content Ratings for the content viewing to be able to have a foundation.

The way that we've been trying to approach the addressable or the non-linear space is to focus on what other consistent comparable measurements do our clients want and do they want to see to help demonstrate the effectiveness of the advertising. And this is why we've had a very strong emphasis on marketing effectiveness solutions, focusing on things like brand lift and sales lift and multi-touch attribution at extended parts of the portfolio specifically focused on digital, because so much of the question that we have right now is great. You can measure how many people but are we getting the same results, right?

Sure, millions of people saw those Facebook ads and millions of people saw those YouTube ads, what can you tell me about whether they actually went to the store and bought something? And I think that's been made really evident by some of the recent announcements that we've made and some of the recent research we've put out. So, for example, with Facebook, we did a bunch of work with our Nielsen Catalina business where we proved sales lift and effectiveness. We've also done a number of studies around how viewability is related to outcomes by taking a look at brand lift in comparison to viewability.

So it is the role that we see Nielsen playing and the way that we established the same dependent, sort of dependency for currency within the marketplace is by providing consistent foundations for that, I guess, more dynamic and fragmenting space.

Q

Question down here and there's a microphone coming, [ph] Justin so. For Laura (36:48), here it comes. All right. Thank you.

Q

Can I ask this to the panel, too. But, there's a lot been written about how Google and Facebook are kind of sucking all the growth out of the digital market or it's absorbing all of the growth in the digital space. And I wonder why you think that is and has it got to do with measurement or is it more on the ad tech buying side of things, I don't know. And whether or not it continues from here or is there going to be – are they just going to continue to dominate in your view? You're still involved in the space; I'd be interested in your perspective.

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

That's a pretty big question. I mean the trend doesn't seem like it's abating anytime soon. I mean what we've been able to see in the work that we do with them and as well as the work we do for advertisers is that the marketplace is trying to be efficient and to allocate spend where there's acceptable advertising.

And so, what's been demonstrated, I think, by Facebook and Google has been that they are able to deliver acceptable advertising at a good price. And I think what we're seeing more than anything is that they're taking growth in digital and it's coming at the expense of some of the other traditional players and that they're trying to take advantage of the consumer trend towards digital platforms and it's having less of an effect on traditional television. TV is still strong. They're still growing their ad revenues, their live ratings maybe down, but time spent and access to TV programming remains very strong and even growing.

Why it is that they're more efficient or more effective? I mean I would say that access to superior consumer data is one aspect of it, where Facebook and Google are uniquely positioned in the marketplace to understand the consumer, right? And that's why we can help to demonstrate performance as well because they are able to understand who you are as well as what your intent, as well as what your activities are and then thus be able to show you the right advertisement to shift your behavior. The behavior being to go and buy something or to sign up for a service. So, it does have to do, I think a lot with their access to data. And what I imagine will happen is that the marketplace will respond. It will find ways to be able to compete and to build those types of systems to, again, create just as effective in advertising product. And so I'm curious to see what happens to that. Programmatic platforms have that vision in mind and I think that it will come to pass where they'll start to catch up.

Q

Do you, if I can – do you see – when you – just continuing on the last part of that. What other companies do you see as having the potential to start to build that competing ecosystem? Are there particular companies that you think are well-positioned there? Who's collecting that kind of data or building that kind of system? I don't know if it's Adobe or someone, I don't know.

David Wong

Senior Vice President, Product Leadership, Nielsen Holdings Plc

A

Well, I think, naturally, Nielsen plays a role in that. I think – as I mentioned, the Nielsen Marketing Cloud, we have this asset where we have a broad set of consumer data and we can understand consumers through the information that we have. I'm going to actually focus more on publishers though, where the hallmarks of the types of clients or the types of publishers that will succeed are those that understand the consumer best, that have large sets of registration data that understand people at the personal level as opposed to who have anonymous visitors. And so, I think that the innovation will come more from the publishers. That they will find a way to be able to create the ad products which are going to be – they're going to be competitive that it's not necessarily going to be the savior. It's not necessarily going to be a data platform or a technology platform because it has to do with the engagement with the consumer.

Q

Other questions? Yeah, one over here.



So, obviously you just came through upfronts. What are you hearing from advertisers most commonly about product as far as where they're placing their money? The Viacom JV? What are the differences that you see or that you hear about as far as pros and cons to what the currency is at Nielsen and what other people might be pursuing at this point?

Kelly Abcarian

Senior Vice President, Watch Product Architecture, Nielsen Holdings Plc



So, many clients have kind of moved to a C7 metric, and that's kind of an acknowledgement of the time-shifted nature of consumption that's occurring across consumers. So, I think we're hearing more and more about deals being completely done on C7. That doesn't mean that C3 is not relevant anymore. There's a number of advertisers who – that recency and that understanding is still critically important.

And I think as the ecosystem continues to evolve with the way in which they're windowing their content, the way in which they're going to make an addressable advertising market space out of that, Nielsen data is kind of being provided as the backbone, and one should not only understand the research behind that, but then to figure out the guarantees that potentially are done as secondary guarantees and/or primary guarantees.

Many of our clients as they start to get to scale in the addressable world, the advertisers and the majority of the large branded advertisers are demanding Digital Ad Ratings in which to measure that inventory. And the benefit and value of the reason why those demands are being made is because that they have confidence in that advertising being very comparable in a way that they can make strategic allocations across the media types and have confidence in the reach of those audiences are reflective in the same way in which they've had confidence in the television metrics that Nielsen has provided for decades.

Unverified Participant

So, I'm looking at that clock and this clock, and so we're about 20 minutes behind, I think, where we're supposed to be. So the good news is if you have more questions, we have a panel coming. They're probably just as suitable for the panel as they would be right now. So, we're not so much ending this conversation, it's [indiscernible] (43:45).

David and Kelly, first of all, thank you so much for taking time out of your busy schedule and being here. Kelly, I think you get the lucky – I think this is true, tell me – I think you're hanging out, staying up in the panel. David, you can just go sit and handle the tough questions from the audience.

We're going to bring Nielsen and comScore and Jon Mandel back up here and reset the stage. Measurement panel coming as soon as we can reset the stage, so stay tuned.

Kelly, David, thank you so much.

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