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Nielsen Holdings NV *(NLSN)*

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MANAGEMENT DISCUSSION SECTION

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

All right, let's settle down. This is the info-services track of the TMT Conference. Thanks for joining us. I'm Andrew Steinerman, your business information services analyst. I'm pleased to be with my colleague Dave Lewis on your left here. This is the Nielsen presentation. Thanks for joining us. I think we have a great line up here of the top management of Nielsen. On my left is CFO, Brian West. After him is Steve Hasker, he heads up the Watch product; and Liz Zale of IR is on my right here.

So why don't we just start, if it's okay, Brian. For people who are less familiar with Nielsen or might just think Nielsen is just Watch, could you give an overall view, profile of the company, the mix of business and then transition to what are the longer-term growth ambitions, organic, and what are your margin ambitions over the intermediate term?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

Sure, great. Is this on, we good? All right. Thank you and thanks for having us here. Nielsen is all about being wrapped around two fundamental engagements with the consumer; what they watch, what they buy. And no one else has those two fundamental engagements, and believe it or not, they work together. So one, we're unique in that front, and two, we do it all over the world, 100 countries.

And for us, our Buy business is about two-thirds of the revenues of the company, and that is very much all around helping multi-national clients like Pepsi, Nestlé, Procter, Coke figure out what their market share is and how they grow their businesses all around the world, including this market. So it's a big part – it's a bigger part of the business. It's been around for a long, long time; multi-year contracts, very high renewal rates.

And right now for us, what we are following in the Buy business is this big macro trend of more people entering the middle-class in emerging markets, bringing a ton of purchasing power with them. Our clients see it. We see it.

We invest ahead of it, and over the last five years, the revenues we collect in our Buy business in the developing world have doubled; over a $1 billion franchise. So it's a big part of a big macro trend and a big investment profile that we see for the company.

That side of the business is all about following consumption, following coverage, and as long as we continue to follow consumption, you know what people take in and we do – where they are living and working in all around the world, that's coverage, we'll be just fine. As a matter of fact, as we continue to expand coverage, it deepens the moat we have and makes the moat bigger, because we're in a 100 countries; my next biggest competitor is in eight countries. And it's because we have for decades continued to extend the competitive advantage by continuing to cover the consumer.

On the Watch side, the other third of the business, it's – the foundation is a TV ratings business, largely in the U.S.; that again helps our advertiser and our media clients understand audiences and understand how audiences behave, how they consume video, no matter what distribution platform they're on or what device they use it on. So for us, again, as long as we continue to understand consumption of video and advertising, and we can do it and cover any way they get that, it's again increase the competitive moat we have in the business.

So on that side, we are investing heavily in understanding how we measure across platforms, be it online, mobile devices or how you'd consume a tablet, smartphone. Those are the investments in that side of the business and the ones we feel great about, because as you look out over time, the consumption of television, online, mobile and video and audience lift is just increasing across the board. And it's not like a zero-sum game; we see a very expanding pie as marketers look to attract those audiences.

So, a big part of the business, margins in the Watch side higher than the Buy side, just by virtue of the fact of the competitive positions as well as the investments we have; and ones that we think over the long-term as long as we continue to expand coverage broadly either Watch or Buy and we continue to follow consumption, there are investments we'll make and returns that we'll provide to investors over the long-term that are attractive and in excess, and we feel great about it.

So I'm happy to have with me here Steve Hasker, who could answer anymore on the Watch side as that might come up.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Okay. Could you be specific about intermediate term growth ambitions for the overall...

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

Sure.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

...organization where margin ambitions might be as well?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

Sure. So the growth for us over the long-term, meaning over cycles that might go up or down, we've always said mid single-digit growth company, right. And we did that because coming out of the 2008, 2009 timeframe, it's about what the company did. So we figured that if we could remind investors that over any cycle this thing is resilient, you count on Nielsen to grow.

Now, over the last couple of years, our growth has been in the 5% to 7% range. It was 6% last year constant currency, and this year the guidance back in April that we communicated on the call was 5% to 7%. So that's where we have two big fundamental drivers to that growth; one is developing markets, which will be double-digits near-term expectation as we continue to invest in those markets; and as well as making sure that we protect the very healthy Watch business. So that's the at least revenue discussion as of late.

And as we think about the margin expression, we're in investment mode, which means that we will expand margins, but we will tamper back the expansion because we're going to invest proceeds back into the business, primarily developing markets. So you could expect from Nielsen that this is going to be something that's going to be growth-y, where margin is going to expand. And as long as we talk about reinvesting, we're reinvesting for returns, it will be in excess and ones that we think will be attractive to lots of shareholders.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Okay. And what percentage of your business would you consider subscription or reoccurring versus more transactional?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

So when I ended the year, 70% of my revenue I have visibility to, right. It's a little different between the two sides of the business, Buy and Watch, but in general 70%. So that gives me high level of visibility and confidence as we enter a year. And on the Buy side, call it two-thirds of my business is retail measurement services. That's where I literally track retail measurement on millions of products for my clients all over the world, and I tell them everyday how their market share is; their toothbrush versus their competitor or their shampoo versus their competitor.

That's very fundamental. It's embedded in my clients. Thousands of people use that information everyday from the supply chain to price and to distribution. So, multi-year contracts, high renewal rates, that's the subscription part of the Buy business. On the Watch side, probably 80% plus of those revenues are in the subscription model; long-term contracts, near triple-digit renewal rates driven by the competitive positions; a very attractive business. And the other 20% is where I help inform that information and give them insight.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Okay. And one of the things you said along the way, Brian, was investments. Is this the type of company where we just always have to make consistent investment? Is there periods of streaks of times where we've made investments and then we can enjoy the fruits of our labor and what unique capabilities come from these investments versus the [ph] competitors (0:07:32)?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

I hope we're investing for the long time, I really do. I don't think we ever sit there or sit around and think about, gee, we want to stop investing. Because all the investments we have are literally tied to a opportunity in the future that we feel confident about, which is all around growth and ones that we feel would derive excess returns to shareholders. So I hope we're always investing.

Over decades, the business has been investing, believe it or not. And so this isn't just a one-time developing market phenomenon. We've invested as video has gone from broadcast TV all the way to over-the-top TV and everything in between. We've invested in all sorts of new capabilities and coverage opportunities across our Buy business. So if we're investing, we think that that's going to be attractive.

That said, right now on the margin side, I am simultaneously investing in three of the biggest market opportunities in the world, rural China, rural India and Africa. I will not always be simultaneously investing in the three biggest markets. So that investment tends to be – we'll reduce. I hope I find something else to invest in; because as long as we stay to our model and as long as we continue to point towards excess returns, I think we're all going to like the answer.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Okay, it sounds good. Steve, if you can just go over, first of all, what the Watch business is, definitely speak about the Buy side, the ad agencies, the sell side, the TV stations and how Watch works?

Steve Hasker
President-Global Media Products, Nielsen Holdings NV

Yeah. So the – traditionally, Nielsen's Watch business has been built around providing reach metrics and currencies to around television audience measurement. So that was the sort of – that's the long established and storied franchise. And we're extending that, building on that and deepening it and extending it in three pretty critical ways. The first is to extend beyond TV to three other devices, so the PC, the tablet and the smartphone. So extending that reach metric across platform, which – basically counting the number of eyeballs who see a particular program or see a particular ad commercial. That's the first investment that we're making.

The second set of investments that we're making is going beyond reach into the effectiveness of a particular commercial or program. And the third area of investment is to really take those products and those services into international markets. We operate in about 35 international markets today, but there's lots and lots of room for us to expand that footprint and that platform.

Traditionally, we have served mostly the television networks, so first broadcast and then cable; and increasingly, we are serving the digital media players, whether they'd be in online or in mobile. And one of the things that's being, I think, very exciting for me and my team has been the extent to which we are central to the plans of the major digital providers of media, so whether that be a Facebook or a Google or an Apple in Silicon Valley. So, that's the sort of the first, if you like, extension in terms of the client base.

We are developing a set of products, the first of which is Online Campaign Ratings and the second which is Cross-Platform Campaign Ratings that are targeted very much toward in addition to the media clients to the advertisers themselves. And those of you who have seen the announcements around Unilever and a number of other advertisers picking up those new products and using them as their measurement systems will note that. And that of course leads us to be central to the activities of the agencies; because in order to get the attention of the agencies, you've first got to get the attention of their clients.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Right. And when you at look at your Watch business, how would you divide up your customer base between kind of sell-side customers and buy-side customers?

Steve Hasker
President-Global Media Products, Nielsen Holdings NV

Well, traditionally the customer base that's been the lifeblood of the business has been the sell-side, so those who are selling inventory, the media companies. But as I said, increasingly, we are helping not only the media companies sell and measure and inform their cross-platform advertising and programming place, but we're helping the advertisers understand not only the number of eyeballs who see their commercials in different platforms, but also the effectiveness of that spend. And that starts to get us toward the sort of the Holy Grail in terms of marketing spend effectiveness, which is I think a pretty fertile area for us and the one we're excited about.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Okay. Could you give some background on Online Campaign Ratings, OCR and how this is changing customers' perception and use of the product?

Steve Hasker
President-Global Media Products, Nielsen Holdings NV

Yeah. So a couple of years ago, we looked hard at the set of problems from a marketer's perspective in the online or the digital world. And what we learned was that, while Nielsen and other players were providing estimates of audiences, so they were based on panels, so they were based on cookie data, there was no credible independent third-party measurement that an advertiser would trust. And the evidence to really support that was the fact that if you break down the spend in digital or in online specifically, a vast portion of it is in search, and of the remaining, a vast portion of that is in direct response. So the portion of actual brand building online was and continues to be very narrow.

And in our view there are a couple of reasons for that. One is the media companies themselves haven't come up with really solid ways to bring creative to life. So video is helping in this, but there's always been some sort of noise around the effectiveness of a banner ad. So the first barrier was creative, and the second barrier was measurement and that's the one we're really focused on. There is no independent third-party credible audience measurement in online. So we said about two years ago creating Online Campaign Ratings. We announced it in 2010. We launched it in 2011 and this is a system that we built.

It's basically a census measure of everybody who sees an ad, be it a big campaign or small campaign; be it on video, be it on a PC or on the web-based tablet; and we extended into smartphones and apps going forward. And effectively, we launched back in the fall of last year. So we're seven or eight months into it. And we've had 18 of the top 25 advertisers working with it. We've had a number of them – a significant number of them sign-up to long-term commitments. We've had advertisers demanding guarantees, so make-goods, audience guarantees on the product, which for us is a pretty excitement step forward. And we've had publishers offering their inventory at guaranteed OCR rates.

And then last but not least, we've had the agencies really come in and support the product led by GroupM, which as many of you know, the world's largest buyer of media. And they've bought together their TV buying with a digital buying and used OCR in this year's upfronts as the means in which if a TV player doesn't meet their commitment on their TV buy, then they can make some or all of that up in online as long as they use OCRs, the measurement system. So it's early days for OCR, it's only seven or eight months old. But what we're seeing is a real step toward the creation of the currency and the evidence around that is the fact that both buyers and sellers of advertising inventory are using the product to guarantee the delivery of an audience.

Brian J. West

Chief Financial Officer, Nielsen Holdings NV

Just on that one the progress in the last year, better than we thought because of the constituents that Steve just represented. So our enthusiasm is high, momentum is very good, which means we're just going to be as patient as possible so that we can let this thing become the standard we think it is, so we feel great about it. And I know there is a lot of interest in it and I think from us, it couldn't be going better.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

Is it the guarantees of the audience or an audit of the audience?

Steve Hasker

President-Global Media Products, Nielsen Holdings NV

Well, to begin with, as any information product, it starts as really an analytics product. And then people figure out use cases around that and there are all kinds of use cases around OCR, where both buyers and sellers have gotten value from the transparency it provides and the data that it provides. But the audience guarantee is a very significant one, because that's where the trade is made. And so to the extent to which you move out of analytics territory into currency territory, really the test is our people guaranteeing against it. So that's the one that I highlight is for us a very significant forward; and candidly something that has occurred sort of six months or 12 months ahead of my expectations. And to Brian's point that's one of the reasons we're excited about.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

Okay, that's cool. And could you just contrast OCR to your NetRatings product?

Steve Hasker

President-Global Media Products, Nielsen Holdings NV

Yeah. I mean NetRatings product is an audience estimate product. So it's informed by a panel, it's informed by cookies, and it's basically used by ad sales people to inform the sales process just as the number of competitors products are in their ad sales presentation. So, it's an indicator of audience. None of the products out there are particularly accurate and none of them have ever gone close to currency status of being the basis of guarantees.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

Right. It sound like NetRatings is more kind of front-end, let's sell the ad; OCR is back-end, did we deliver what we promised?

Steve Hasker

President-Global Media Products, Nielsen Holdings NV

Yeah. And what OCR does, as every day goes by, it becomes closer and closer to being a standard and being a guarantee. It enables us effectively to reinvest in our planning products and build them around OCR, which is something we're pretty excited about.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

Okay, super. And could you talk about the relationship with Facebook, who is paying who, how does Nielsen hope to benefit?

Steve Hasker

President-Global Media Products, Nielsen Holdings NV

Yeah. So we – when we first designed Online Campaign Ratings, we decided firstly that we're going to build the census product, that in the online environment where each of us visit dozens and dozens and dozens of websites everyday and there are hundreds and hundreds of thousands of websites that have meaningful audiences that need to be measured, where a panel-only product wasn't going to be good enough. So, we started with not an online panel that's recruited online, but we started with our Cross-Platform Homes panel, which is the lifeblood of our media business and one that we visit four times a year. We know everything there is to know about the 30,000 people who measure or where we measure the TV and the online.

Next, we decided we needed to go to publishers and we started with Facebook and in fact they were very aggressive about approaching us. And the reason we started with Facebook is that they have 901 million people registered – in their registered database, and the demographics, so age and gender, and the DMA information, geography is very, very accurate. And we've tested this exhaustedly, people tend to lie about who they are on Facebook; and if they do, their friends or their one friend then will correct them, and if they do, we can correct for that.

So, Facebook are a data provider to us. They benefit from this system, in that we're providing an industry; it's not a Facebook specific metric, an industry currency metric that helps them be compared to television. And that was really what was in it from the Facebook perspective. It allows them to get out of a $4 billion display advertising revenue pool and play in a much bigger pool and be compared with the television networks and television inventory using a Nielsen GRP that is directly comparable to TV.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

Right. And I think you mentioned a little bit with Online Campaign Ratings that there is a shift in your customer base more to the advertiser. Are there just new sets of non-traditional customers that seem to be arising from OCR where you feel like become larger customers overall to Nielsen?

Steve Hasker

President-Global Media Products, Nielsen Holdings NV

Yeah. So from a sort of a selfish Watch side perspective of the business, we've done – we've always done a little bit of work with the advertisers, providing them with TV ratings and analytics. But this sort of opens up an entire new set of advertisers in every single category of branded advertising firstly. Secondly, we've seen and announced – or at least the publishers themselves announced a number of the digital players with whom we had not previously worked like Tremor and Hulu guaranteeing against our product and being subscribers to the product. So in summary, it's opening up a new set of digital players that we weren't previously serving in any meaningful way and the advertisers directly; and that's a source of some excitement for us.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

That's great. I'll squeeze one here in for Brian, Steve. How should we think about OCR being included in the existing Watch contracts when that's being introduced, second half of this year I think is the timing, more so next year, is it just going to be layered in or it should – is it going to be incremental or...?

Brian J. West

Chief Financial Officer, Nielsen Holdings NV

Well, I think two things there. As Steve mentioned, I'm going after a whole new client opportunities. So these are actually new contractual commitments that we are structuring to look just like television. So it's the new side of the dollars of revenues that we would expect to collect over time. In terms of incorporation into an existing media client contract, that will happen as time goes on. But initially, it's all about the advertiser, because as Steve mentioned, to validate the validity of that metric it's – you need that advertiser to believe in it and to understand it. And eventually all of those costs likely will get passed into the system in a way that's happened traditionally. But for us, it's really the new advertisers as new revenue clients, it is our focus.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

And then can you – can you elaborate on in terms of mobile, how – what your thoughts are there and tablets, those two items, and what percentage of revenues do those represent in Watch right now? I think online is in the mid-teens or so, that's in the neighborhood.

Steve Hasker

President-Global Media Products, Nielsen Holdings NV

So what we've done, we've made and have behind us some pretty significant investments in measuring iPad viewership, so whether that's consumption of video or other types of media on an iPad and the same for smartphones. So we have a meter that works – we've tested and it works very well in the iPad environment and the same in the smartphone environment. Both of those meters and the data that flows from those meters are producing what I would call analytics revenue streams for us today, which is the first step. So in other words, our clients buy that data, look for insights in that data to try to understand what their audiences are doing with those devices.

There is a I think a secondary and bigger step for us, which is to make sure that the data from those devices, so whether it's viewership of for example television on an iPad or video in a smartphone, that both of those are in fact incorporated back into the currency. Now, we've done in my view a lot of the hard work in terms of having meters that work, that are robust and that are tested. And now, the fun starts in a sense because we really have to lean into the industry, so whether that's the bias of the advertising, the sellers of the advertising or the agencies or a body like the Media Ratings Council, to help us determine how those impressions are embedded back into the ratings. We provide the ratings, but we play a role in determining what those ratings are, and so you're going to see that process unfold over the next quarters and years, right, it does – our experience is it takes time for the different protagonists to decide how to incorporate those impressions back in the ratings and that's the path we're now on.

Andrew C. Steinerman

Analyst, JPMorgan Securities LLC

Great. Let's open it up for questions.

QUESTION AND ANSWER SECTION

Q

[Question Inaudible] (0:24:00)

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

We won't let that happen. This is a new budget and new dollar. The benefit of having the Buy side is that for some of the biggest advertisers in the world, it opens a great door. But then you got to go basically have that commercial discussion over here for a new product that adds different value and we're very deliberate about that.

Steve Hasker
President-Global Media Products, Nielsen Holdings NV

A

The other thing is that there is a set of advertisers that we're not as deeply penetrated in, who are in headlong with OCR. So whether that's the automotive guys or pharmaceutical companies, they're building brands online. They're very focused on doing that and using this as a measurement system. So it does expand as well.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Questions? Go ahead.

Q

[Question Inaudible] (0:25:05)

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Sure. So for us, our developing markets revenues that's on the Buy side is a little over $1.1 billion; and that has doubled in five years, because we deliberately shoveled resources to the parts of the world that our clients were dying for better measurement, which meant go measure rural China, go measure rural India, and by the way go measure Sub-Saharan Africa. And those are decisions that we made very deliberately to invest ahead of our clients. So when that happens is you basically have to invest two to three years ahead of clients. That's the time it takes for you to basically understand the retail footprint and then go collect the right level of data, so then they're willing to buy it. And we are willing to invest ahead of clients in all of these geographies, as I mentioned Africa, India, China, because that's where our clients are going for the next dollar growth.

So those investments, we make those investments, literally we are hiring people to go out to these parts of the world and collect data. It's more traditional trade, meaning it's not big box retailers with electronic [ph] points of (0:26:21) information. It's actually out there in these traditional markets, which is a huge competitive advantage, because we have that scale, that capacity and that infrastructure to be able to make that very seamless for clients. So we give them that new coverage and we light up certain parts of a province or a geography and then we light up brands and categories in each of those provinces; those are all new revenue dollar opportunities for us. They're called out under a big MSA or a big contract that goes across the globe.

But as soon as we light it up, clients buy it, and that's the benefit that we have had that as we – and as you build it, it comes because they need that data as they go navigate these geographies and they're looking for their next source of growth. It is not coming from the developed world. It's coming from the developing world. So it plays right into our clients' interest and it follows this big macro trend that I described. So it's about the easiest bet we make. And let's just say that for some reason the world starts to look a little shaky and you've got to stop the investment, I dial it down as fast as I dial it up, because literally you're just hiring people to go out there and cover. So it's a pretty attractive proposition from our vantage point.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Yeah. Go ahead.

Q

[Question Inaudible] (0:27:31)

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Yeah. Some of these are within a few quarters. They're all different as you can imagine. But what the big vision for us is for these markets will eventually look like Brazil. Now, Brazil is a developing market economy for us and over-indexing on growth. I don't have any investments anymore because we pretty much covered it. The number of local clients is like 70% versus multi-national which is 30%. And whenever you have a market dynamic that it has, is fully covered, i.e., no incremental investment and you've got local clients who come in at similar price points to multi-nationals, then you have expansion opportunities. And the margins in that market look like quite frankly a lot like a developed part of the business, because they don't carry that investment and they've got that local phenomenon. As we look at the other parts of the world, that's what we are geared towards to be able to have them look like Brazil eventually. And they're all at different stages, but that's the promise, and we think that as you – [ph] expressive (0:28:35) it's excess returns in the long-term that we just are going to keep investing in, because we think it's a no-brainer.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Say that again, Brian. When you're looking like Brazil, what percentage of your business comes from local consumer products companies?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

70% of our clients in Brazil would be...

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Local.

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Local guys trying to compete against the big multi-nationals.

Andrew C. Steinerman Q
Analyst, JPMorgan Securities LLC

That's awesome.

Brian J. West A
Chief Financial Officer, Nielsen Holdings NV

And that's been – it happens over time. So Brazil is in the later stage of the game, China is kind of the middle third and then Africa just gets started. So that's the promise. As we met – as we monitor that, measure that portfolio that $1 billion franchise, it just says, invest as much as you need to because those clients, that's what they're actually most interested in.

Andrew C. Steinerman Q
Analyst, JPMorgan Securities LLC

Okay.

Q

How many years [Question Inaudible] (0:29:24)

Brian J. West A
Chief Financial Officer, Nielsen Holdings NV

It's all Brazil. We've been in Brazil for a long time in terms of not having to invest. Because what you – you don't just invest in China and you're done; you actually invest in all parts of China and then even deep within the market to be able to get the new views on categories, brands [ph] and the product side (0:29:43). So it will happen to evolve over time. Look, I think that for us right now we're simultaneously investing in three biggest markets in the world. As we exit 2013, my expectation is those investments will start to decelerate, because they will all be at new stages and will not require quite that level of investment. So it happens over years, but it's one that every day the return gets better and better because you're collecting new dollars either from multi-national or you're inviting a new local to come in. And in these markets, we make money. Make no mistake, these make money and it's just that the margins on a relative basis are not quite as high as the average, because they're carrying the investment.

Andrew C. Steinerman Q
Analyst, JPMorgan Securities LLC

Any questions?

Q

Can you talk a little more about your efforts to address the over-the-top market launch?

Steve Hasker A
President-Global Media Products, Nielsen Holdings NV

Yeah. So we announced last week a full set of new metering capabilities, which enables us to go sort of from traditional TV to over-the-top TV to these other devices firstly; and part of that is development of software metering that as – whether it's a third-party box or whether it's a video delivered direct into the TV, we'll be able to measure that and meter that. And in fact, the extent to which we can have our meters embedded in the software in those sets, it actually provides us with a lot more flexibility to increase our footprint and do that pretty rapidly.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Questions?

Q

[Question Inaudible] (0:31:18)

Steve Hasker
President-Global Media Products, Nielsen Holdings NV

A

Yeah, it's great. I'm counting the days. So it's interesting, because what I'm hearing more and more is not so much slowdown; but Cross-Platform Campaign Ratings like let's get underneath the wood, let's understand what that is. We need to make sure that that suits our business and I love that, because for every sort of comment that says Nielsen is behind or Nielsen is slow, if you get to the people who actually know what we're doing and see our roadmaps and are working on them, they have the opposite reaction.

Their reaction is, don't go so fast, get it right, right? They want to make sure that we get it right at every single turn, and so we'll get there. I think we've got – we're heading in the right direction and it's definitely getting better. We'll always have some comments in the marketplace because of the role we play. If you think about the sporting analogy, we're the one with the black and white stripes on, and if you're not winning the game, you may well turn your direction towards that referee and it's a fun role to play. But it does always attract some of that sort of commentary.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Right. Steve, so I think what you're saying is Nielsen's not slow, the media industry is slow?

Steve Hasker
President-Global Media Products, Nielsen Holdings NV

A

I think Nielsen is rapidly accelerating in terms of the speed at which we bring products out. So nine months ago last fall, we brought out Online Campaign Ratings. A month ago, we brought out Cross-Platform Campaign Ratings. That's a pretty quick cycle time firstly. Secondly, if you look at the media industry more generally, the – for example it took ESPN 17 years to be profitable after it was first created. Changing consumer behavior happens pretty quickly. Changing advertising spend and moving advertising spend between one property or another, or one platform or another, has tended to be pretty glacial. The exception to that is probably search and the rise of search. It's accelerating, but it's tended to be slow. So I hope that answers the question.

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

And I want to say that it's not technically difficult to do what we do. Believe it or not, we can – we have the ability even to be able to go beyond [indiscernible] (0:33:57). It's just that whenever you're trying to organize constituents who have different self interests, that's where the game is played. And we're perfectly comfortable to be in that referee position, but technically speaking, innovation, I think in the last four or five years, it's been accelerating and we feel good about it.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Okay. Questions?

Q

[Question Inaudible] (0:34:20)

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Yeah, good. So this quarter, we introduced the Walmart data in our U.S. business, contract going fine; and we're in the middle of the final stretches of dotting I's, crossing T's as you can imagine and we're enthusiastic about the prospects.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Okay, great. I think that's actually a good note to end on. I appreciate everyone joining us. We actually have one more company on info-services track Fitch Moody's is next. If anybody wants me [indiscernible] (0:34:45), you could drop off a business card. Thanks for joining us.