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Nielsen Holdings Plc (NLSN)

Cantor Fitzgerald Internet & Technology Conference

CORPORATE PARTICIPANTS

Kelly Abcarian

Senior Vice President-Watch Product Architecture

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Cantor Fitzgerald Securities

MANAGEMENT DISCUSSION SECTION

Youssef Squali

Cantor Fitzgerald Securities

All right. Good afternoon, everyone. My name is Youssef Squali. I am with Cantor Fitzgerald. I'm the Internet Analyst here. And it is my pleasure to introduce Kelly Abcarian, Senior VP for the Watch Product Architecture for Nielsen.

Nielsen is a leading global information and measurement provider, which enables companies to understand consumers and consumer behavior. Nielsen measures and monitors what consumers watch and what they buy on a global basis. The company has a presence in approximately 100 countries. And in her role, Kelly focuses on aligning cross-product solutions for TV, digital and cross-platform content and advertising. So this is a great background obviously for the conversation that we're going to have, so this is mostly to discuss the impact of cross measurements, et cetera.

So, Kelly has been with Nielsen for nine years and has been focused for the last three years working with publishers, agencies, and advertisers across the globe. Prior to Nielsen, Kelly held senior leadership positions at Siebel and Oracle. So, Kelly, welcome.

Kelly Abcarian

Senior Vice President-Watch Product Architecture

Thank you.

QUESTION AND ANSWER SECTION

Youssef Squali

Cantor Fitzgerald Securities

Q

So, considering this is really more of a tech or Internet-centric conference and investor base, maybe you could just start by giving us a brief overview of Nielsen's effort with digital measurement and the path you guys took to Total Audience measurement from the TV origins?

Kelly Abcarian

Senior Vice President-Watch Product Architecture

A

Sure. So, Nielsen's goal is to measure – our mission is to measure consumers, regardless of where they consume, how they consume and when they consume. And so, we've been on a path for quite some time to establish a digital currency that's comparable with TV. Back in 2011, we introduced a first-ever advertising currency called Digital Ad Ratings. At the time, it was called OCR.

Youssef Squali

Cantor Fitzgerald Securities

Q

Yeah.

Kelly Abcarian

Senior Vice President-Watch Product Architecture

A

And what this really did was it accomplished kind of two things. It introduced the first time a true, comparable, digital GRP that the advertisers could have the same confidence in understanding the delivery of their ad exposures out to the consumers in the same comparable way that they use the ad measurement currency from Nielsen on the television side.

And then secondly, it started to kind of bring some clarity around the digital space around how advertising inventory should be bought and sold in a more cross-platform way. And so since then what we've been really focused on is – that started on the PC side. So we introduced it at the time, if you really think about it, [ph] it was just (02:43) kind of crazy given how proliferated mobile has grown in a very short time, PC was kind of where the growth was that everybody was really hyper-focused on how to bring advertising dollars across and our goal was to establish a currency that allowed advertising dollars to flow with confidence.

So in 2012, we released a Total Ad Ratings product that really brought an unduplicated reach across TV and digital so that once again for the television and the PC measurement of digital ad ratings you could understand the unduplicated reach that you were getting by moving dollars across into digital.

And then in 2013, we started down the path because many of our clients said, it's the year of mobile. We got to capture mobile. The consumers are heading there and we need a similar currency metric across there. So we did two things. We actually in parallel launched Digital Ad Ratings over and across in the same type of big database, big [ph] census (03:42) data architecture using Facebook as our data provider a comparable measurement for digital ad ratings on mobile devices.

And then in parallel, we shored up the content side, both from a linear television side so many of our broadcast clients were wanting to leverage mobile [ph] on a ways (04:00) in which they could capture their viewers that

were watching live TV but potentially not live TV on a traditional television device. And so, we introduced what we called Mobile TV Ratings, so that the credit of the eyeballs regardless of where they [ph] consumes (04:15) could be added into the traditional currency.

And then this past year, what we've really been focused on is bringing that whole picture together on the content side. So, it's really creating the total audience that allows you to understand the consumption of the given program or episode across all platforms and across all times. So there's no limitations of through seven days. It's DVR viewing out to 35 days. It's VOD or SVOD viewing out to whatever the asset in that window stays alive.

And then all of the digital consumption added in, and so that's really what we've delivered on at the end of last year is now we have a total content ratings, and we have a Total Ad Ratings. So it really kind of frames out the Total Audience measurement framework, so that both the buyers and sellers have a complete understanding of consumption of media. And that's really what our mission has been.

Youssef Squali
Cantor Fitzgerald Securities

Q

And so when did you launch this integrated product, the Total Ad Rating?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Total Ad Ratings came out in 2012. So soon after we launched Digital Ad Ratings in 2011, we did a fast follow-up. The big question we started getting from advertisers is, hey, this is really great. There's comparability to the television currency. But I don't know how many incremental eyeballs it actually represented.

Youssef Squali
Cantor Fitzgerald Securities

Q

[ph] Right, you need to do... (05:35)

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

And so we wanted to create a deduplication metric so we could truly understand like, depending on the goals of their campaign whether it was frequency or reach or a combination thereof, how do they think about those eyeballs? Were they getting [ph] some (05:47) incremental, were they getting overlap, and how do they adjust the way that they think about their advertising spend?

Youssef Squali
Cantor Fitzgerald Securities

Q

And can you help us kind of understand the underlying data...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Sure.

Youssef Squali
Cantor Fitzgerald Securities

Q

...behind that? So I know you guys have been...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Sure.

Youssef Squali
Cantor Fitzgerald Securities

Q

...doing Facebook. What are you getting from Facebook [indiscernible] (06:05).

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah. So let me break it out. I kind of call it TV plus and digital.

Youssef Squali
Cantor Fitzgerald Securities

Q

Okay.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So, TV plus comes from our 100,000 people highly representative panel where we're going out and knocking on people's doors and we're installing meters across every television set in their homes. We say we measure 100% of total TV screen time and that's because anything that a Nielsen panelist is watching in their home, we are capturing and measuring.

So, whether that's viewing happening on a TV connected device, viewing happening on a set-top box and viewing happening on a smart TV over-the-top app. So, we're capturing that 100% of total screen time. So, the first component that's made up of is starting with currencies, taking that Live Plus Seven Days and then taking that time-shifted viewing out to day 35. So that's one.

Youssef Squali
Cantor Fitzgerald Securities

Q

And then just from that...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah.

Youssef Squali
Cantor Fitzgerald Securities

Q

...are you guys still doing the handwritten diary things or?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So, there's a difference between the advertising markets of national and local. So, national is 100% electronic metered measurement across 210 markets that we project out across the representative audience. On the local side, you really have to break it down because the lion's share of the advertising dollars and spend is happening in

the top 70 markets, in which we have the same comparable electronic base measurement in. We are still [ph] measuring (07:26) diaries but we're working on a retirement plan to kind of modernize that. But the advertising spend in those markets, 71 through 210, is very, very small in comparison like 20 versus the larger markets, which is extremely much larger.

Youssef Squali
Cantor Fitzgerald Securities

Q

Got it. Okay. And on the digital side?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah. So, on the digital side, it's quite simple. We've enabled a big data approach and how we do that is we deploy an SDK into clients' apps or browsers across mobile and PC and we literally collect every impression that is being consumed, whether an ad exposure or content.

And then, we take those impressions and we send those to our third-party data provider, Facebook, who has an 180 million persons, high-quality representative database, but we don't take them as gospel or truth because we're an independent measurement system working to provide comparable metrics to the industry so because we have a representative panel that includes TV and digital, we're actually able to take our panel and adjust what they say who those impressions were exposed by.

So we correct for things like misattribution where shared devices – I'm logged into my Facebook account, but my eight-year-old [ph] gets (08:46) on and uses the computer and Facebook says, it's a female aged 25 to 45, and we correct for that to say no, no, no, it actually was not a female 25 to 45. Facebook doesn't cover the entire population. 180 million out of 300 million is a great coverage gap, but it doesn't cover the rest [ph] and so we use our (09:07) panel in which to assign those impressions across because it's representative and we can do that.

Youssef Squali
Cantor Fitzgerald Securities

Q

How big is the panel?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

It's a 100,000 person panel.

Youssef Squali
Cantor Fitzgerald Securities

Q

So that's on the TV side and on the digital side, I think you talked about putting your SDKs into apps. How big is...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So, SDK is the big data collection approach that goes up to Facebook and then we calibrate that data down. The panel that we use to build the calibration model, this is the combined TV -digital panel that we measure TV and PC devices in our television homes today. We just don't use the digital portion of our panel observations [ph] we collect in (09:40) our television homes to project from.

Youssef Squali
Cantor Fitzgerald Securities

Q

Okay. As you look at the addressable market – I don't know if you have any opinion on this. But have you guys put any numbers around the size of the Total Audience measurement market today when you kind of aggregate...?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Sure. The digital measurement or digital market opportunity more so, digital market opportunity is somewhere around the 500 million market size opportunity. And so, we look at that in two ways. One, the coverage play that we've made over the last four years to five years, to really fill in – if you think about a total audience grid where you would have all of the platforms across the top and the linear and dynamic addressable ad model across the left, we've made a concentrated effort to fill in every box to ensure we can measure the consumer regardless of what box they go in and how the ad gets served to them or no ad at all.

And so, for our traditional media clients, we look at it as a way to earn price, right? The investment we make to ensure that they can measure their consumer and monetize regardless of where they're consuming. And then on the digital side, it's purely incremental. It's bringing new digital players to the table for us in which we can build a growing business against.

Youssef Squali
Cantor Fitzgerald Securities

Q

All right. comScore is supposed to be here this morning. They – or this afternoon so, unfortunately for weather reasons, they couldn't make it. And I was curious to know, if there's a way for you to kind of contrast and compare your Total Audience measurement today with what they have but potentially what they're expected to have in April – and I know it's not a fair question, since we don't even know what their product looks like. But competitively, how do you guys see yourselves?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Sure.

Youssef Squali
Cantor Fitzgerald Securities

Q

What are your competitive strengths?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah. So I would say it's kind of four things. The first thing is that we use a common underlying framework in which to bring TV and digital together. And I think that's truly important, if you're going to drive an advertising currency in which to provide that same confidence out for the marketplace when they're going to move dollars across, and so the approach that we've always taken was, we use television as the base architecture of and how to then layer a digital big data solution on top. Otherwise, you're kind of cobbling stuff together and I'm not certain [indiscernible] (12:05) comparability somewhere in that [indiscernible] (12:06) together solution of how to produce the data. So, that's one. The second thing is...

Youssef Squali
Cantor Fitzgerald Securities

Q

Can you – just on that one, can you use digital as your basis to build then the TV data or measurement on top of it that they may be getting from Rentrak or is that?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So, you have to have a representative panel, period, across digital and/or across television because big data has holes in it, right? Big data is actually not smart data. It's just big. And so what we – our methodology that we stand behind and any data scientist that you talk to out in the industry would not argue this point, which is that at the end of the day, you're trying to measure consumers and people. And so the more that you have a true measurement instrument that's longitudinal, which means that you measure across time, not just a point in time, you can take those behaviors in which to accurately correct for big data.

So, I think the challenge that they have is I'm not certain how they're going to correct their big data – set-top boxes have lots of problems. You don't know if someone's in front of the television set or not. I mean how many of us in this room probably leave our set-top box running, walk out of the room and/or just leave it running but turn the television off, right? They have representation issues. Because set-top box data doesn't capture over the air and if you think about Hispanics, younger Hispanics watch almost 15% of their content over the air, believe it or not.

And so, how you [ph] impute (13:37) that gap, I'm not even certain how you get there because anything you [ph] impute (13:41) to see, if you don't actually have a source of truth in which to [ph] impute (13:44) from you're just kind of making it up or guessing how far off the truth it is. So I think you have to have that true underlying framework, and the currency has grown over the past 50 years, 60 years because of the consistency in the measurement and the reliability of that measurement. And so I think if you don't have the ability to start from currency, I think it's a really hard challenge in which to prove to the advertisers that they should have the same level of confidence and rigor in that underlying currency.

Youssef Squali
Cantor Fitzgerald Securities

Q

So that a question we often debate with clients is is there – how does the industry evolve over time? Do you ultimately again have a single currency for people to trust it and be able to do an apples-to-apples comparison or is this market just too big that maybe it allows for two currencies that as long as they're comparable to each other somehow that's actually fine?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah, so I don't think [ph] we just hold this financing. (14:44) The industry holds [indiscernible] (14:46) as well as media markets outside of the U.S. But a single currency works because it provides a unification across the entire marketplace. I think you guys all know quite well because you're in the financial investment industry that money moves with consistency and money moves and scales with consistency and grows much faster than when there's chaos kind of in the marketplace around – just imagine if like I always use the horserace analogy is that at the Kentucky Derby, all the horses could basically call in their results. How do you compare that because maybe this horse ran on a much faster track and they groomed it and paid a lot of money in which to get it just right and this other kind of horse ran on a slightly muddier track? And how do you have comparability around players, which is why captive metrics have never worked.

I mean I think Google will be the first to say that the reason they kind of moved across to establishing third-party management of the way for their advertisers to transact against us because we recognize that self-proclaiming how well they did just it doesn't move dollars, right? So a single currency drives consistency and drives scale, and I think this media industry as well as the global media industry has proven that by using a single currency that everyone has an understanding [ph] how (16:05) comparability across players because it's not just about one player. It's really understanding how do I position and/or buy across the entire marketplace.

Youssef Squali
Cantor Fitzgerald Securities

Q

That's fair. The...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Can I get back to the differentiation really quick?

Youssef Squali
Cantor Fitzgerald Securities

Q

Yeah.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Because I started on the first thing, and I see a couple of people nodding their heads. So the second thing is coverage, both distribution and devices. So, because Nielsen is not reliant on a set-top box kind of approach, in which to cover television measurement, and the fact that we have meters that capture 100% of total screen time, we capture 50,000 connected devices today, all of the consumption happening [ph] there (16:45) in a representative way that we can project from. So, we actually are capturing 100% of total TV time, and we're not reliant on installing other things or doing other kind of mechanics, in which to try to get all of that consumption that's still happening on that big screen just potentially coming through a non-set-up box device. So, I think that's really important. I gave [ph] you over the year example as (17:08) another one.

The third thing would be that the granularity of reporting. We are getting down to a true program episode across all platforms, and that's very, very hard to do. Getting a granularity at a network level or at a brand level is one thing. But truly getting [ph] down (17:30) cross-platform measurement at an episode level and linking all, not only just linking the assets together, but truly doing it in a comparable way is extremely important and we don't believe anyone else in the industry is doing that.

And the last thing I would say is comparable metrics. Nielsen has spent the last 12 months to 18 months spending a lot of time, we actually produce a quarterly Comparable Metrics Report now because we see the importance of the industry being able to speak languages that are the same, meaning if you're going to compare a digital audience to television, you need to speak in the television metric language, so average minute audience to digital average minute audience.

If you're going to speak in the language of digital, they like to speak in views. There was never a concept of TV views before, so we spent a lot of research time creating a concept of if the digital guys want to talk about views, the TV guys can talk about how many views they get on television. So I've heard them and others say about comparable metrics, but I would ask them what have they done to produce comparable metrics because it's not

about shoving metrics together and saying, oh, well we – here's the metrics that digital uses and here's the metrics that TV uses and here's like a bunch of metrics lined up that you can choose which metric you want to use. No, it's really creating a television average minute audience, a digital average minute audience, a television view, a digital view and really bringing that language not only across but allowing people to still speak in the languages that are native to those platforms.

Youssef Squali
Cantor Fitzgerald Securities

Q

Yeah. I don't want to speak on their behalf, but I think if you talked to them, they'll probably tell you that, clearly, this is a work-in-progress. They're still in the process of gathering the right data sets...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah.

Youssef Squali
Cantor Fitzgerald Securities

Q

...to be able to then...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

That's a very good point. It actually requires – and this is where I think it goes back to kind of the underlying framework and the device coverage. You have to have representative coverage to have those inputs, in which to be able to bring that comparability. So I think those are really for us, the four things that we are hyper-focused on around ensuring that we can produce a currency grade planning data set that complements the currency transactions that people use in which to post and transact against.

Youssef Squali
Cantor Fitzgerald Securities

Q

Do you see a benefit in that total home solution that they're going after and that you guys – what you guys are doing there?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah. So let me just go back again. We measure 100% of total TV time so we don't need to roll out some total home, which not very clear what it means. I think...

Youssef Squali
Cantor Fitzgerald Securities

Q

But the way I understand it's effectively, the router, the [indiscernible] (20:09), everything that anybody is doing through that router so whether it's you're using your [indiscernible] (20:15)....

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah. So let me talk about what I'm doing and then I'll talk about the three facts that I think need to be kind of asked when you guys get in conversations with them because I'm not certain I understand what they're doing

100% but I know what it takes to kind of get a measurement across connected devices, which is what I think their ultimate goal is.

So for us, we're measuring 50,000 devices today. We've been measuring those since we started erupting on to the landscape because we have the relationship with the home and we have the meter connected to the television set and every input that gets brought into that home and [ph] is getting in front of the (20:54) television set gets measured.

And so, what we do is, today, and this – some of this measurement, where the confusion in the marketplace comes is because a lot of this measurement doesn't have linear C3/C7 qualified content. So we've been providing to our clients – we have over 36-plus clients, including studio houses that subscribe to the service today. It sets out [ph] product (21:18) currency. It provides them comparable metrics on consumption across all their assets, whether that's viewed in Netflix, whether that's viewed in Hulu, whether that's viewed in another kind of over-the-top app.

Youssef Squali
Cantor Fitzgerald Securities

Q

And how are you able to capture it again?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So let me – so we can capture two ways, our standard audio watermarks that our broadcasters embed into their content as they move it through the distribution platform. And then I think everyone is well known that Net flix has stripped our watermarks out of the content.

Youssef Squali
Cantor Fitzgerald Securities

Q

Yes, yeah.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So, what we're doing is we work with our clients to send us their audio signature, their audio files, right. And we create a signature, unique kind of digital signature that when the episode is playing on the television set, our [indiscernible] (22:09) listening for that. And when it listens and it doesn't see a watermark, it then goes and does a reference check into the library to say, hey, do I know what this is, and well, we have a unique digital signature, and we can automatically say this is this, we assign that tag, and then we measure the content. So, we've been doing that now and providing measurement.

We introduced a signature measurement approach last March. And we've seen not only our clients have said they've gotten the same comparable insights that they've got against our watermark content but they've grown our asset library substantially over the last nine months because there's such a need to understand kind of the value proposition that they're getting or not getting on their Netflix.

Youssef Squali
Cantor Fitzgerald Securities

Q

So, when you look at adoption and granted it's brand new products and it'd probably take some time for the industry to rally around it. But what kind of adoption are you getting on the total audience?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

On the total audience?

Youssef Squali
Cantor Fitzgerald Securities

Q

Yeah.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So, for total audience, we have 72 network clients today that are getting evaluation data. So, we went live in January and we're in this evaluation phase because they're seeing the data for the first time across TV and digital. And some of them are still working to get their digital assets enabled for measurement. And so, we see great engagement and feedback and we're engaging with the industry on a multiple of outreach ways.

The first one is we've got this what we called client advisory board. So it's your typical kind of product lifecycle where you go and ask for client's feedback on the product and the enhancements and they help you kind of prioritize the features they need to make the data as usable as possible. So, we do that on a quarterly basis with our clients.

And then the second thing is we've been holding industry discussions and really the whole objective of those industry discussions is to really talk about like as the industry kind of moves to a full marketplace view of the system, how do they want to think about the ad measurement side and the business rules that they've established that haven't largely changed since 2006. How do they want to think about as consumption and behavior is changing and how do the buy side and the sell side want to get together and update those rules because at the end of the day, we're [indiscernible] (24:25) the currency but we don't make the rules, right? We [indiscernible] (24:29) basically ensure third-party independent measurement.

And so, we're seeing great engagement in those discussions, and then we're doing kind of engineering and [ph] comms (24:41) outreach to really educate both the [ph] comms (24:43) departments across the marketplace because this data set is not kind of like a linear telecast world data set. I mean it's really kind of taking a linear world and kind of putting it on its side. And there's a whole host of things that are different about it.

But one of the big things is instead of being anchored to a telecast, we're just – we are literally producing a total consumption at a program episode level on a day-by-day basis regardless of when the telecast ever came out, right? You can get to that in the data set, but the goal is what is the total consumption for that given video asset, for the life of that asset, and how does the buyer and sellers want to take advantage of reaching those very valuable audiences.

Youssef Squali
Cantor Fitzgerald Securities

Q

Okay. So if it's still in the testing phase, have you guys talked about how you're going to price it or do the clients know how the products are being priced?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Well, yeah, of course, we're in discussions with them. I think that...

Youssef Squali
Cantor Fitzgerald Securities

Q

You're not generating any revenues yet?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

I think like – how you should look at it is our traditional television clients are long-term MSA contracts, right? And so [ph] a lot of through that is earnings (25:51) price, and so both in current contracts as well as in renegotiated contracts, we'll continue to use the coverage and measurement capabilities and investments we make to continue to earn that price.

And then, as I mentioned on the digital side, this is really, truly bringing new, incremental digital players to the table in which to – especially Google has become one of our largest digital clients on our digital portfolio side. And what they really I believe want to do is to be able to [ph] compete (26:26) – and be willing to be compared to television, and which to help to tell their story across, how they believe that they're also a very valuable channel in which advertisers should bring dollars across.

Youssef Squali
Cantor Fitzgerald Securities

Q

So, under that last point, I think there was a little bit of confusion in the marketplace about your relationship with Google or DoubleClick...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah.

Youssef Squali
Cantor Fitzgerald Securities

Q

...and comScore's relationship, right?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah.

Youssef Squali
Cantor Fitzgerald Securities

Q

I think comScore was the first to sign a deal for vCE and then shortly thereafter you guys got a deal signed.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah.

Youssef Squali
Cantor Fitzgerald Securities

Q

My understanding is that maybe vCE may be more deeply integrated, I'm not really sure, but so if I'm an advertiser – or I mean who decided on...

Kelly Abcarian

Senior Vice President-Watch Product Architecture

Sure.

A

Youssef Squali

Cantor Fitzgerald Securities

...what to use? Do I use vCE? Do I use DAR?

Q

Kelly Abcarian

Senior Vice President-Watch Product Architecture

So, what Google has done – and you'll see this across kind of the ad landscape, which is ensuring – so on the DoubleClick platform, the marketer or the publisher can really decide one or both, to be honest. If they want to understand what the results would be, whether they ran it this way or that way, they can choose that. What we have found though that for a video and premium display that Digital Ad Ratings continues to be the preferred audience guarantee that they use.

A

So the integration itself, I can't speak to [ph] how late it is (27:42) or exactly – but at a macro level, it's the same, meaning you log in to DoubleClick, you see a check box for vCE, you see a check box for Digital Ad Ratings and then that's up to the marketer or the publisher who wants to run this campaign as to what they want to use for third-party measurement metric. What is a little different is that we are the only one at this point in time working internationally with Google. So we are in additional countries outside of the U.S. providing Digital Ad Ratings across the DoubleClick Suite.

Youssef Squali

Cantor Fitzgerald Securities

Okay. I think comScore now said they're international but they haven't rolled that out.

Q

Kelly Abcarian

Senior Vice President-Watch Product Architecture

Yeah, I have no idea. We've actually rolled out with DoubleClick so it's – I think Australia, UK, Canada, Brazil to name a few so.

A

Youssef Squali

Cantor Fitzgerald Securities

And any reason why Google hasn't extended that relationship either with you or comScore to other properties like YouTube?

Q

Kelly Abcarian

Senior Vice President-Watch Product Architecture

Well, I mean DoubleClick's the ad serving platform versus YouTube is a content delivery platform, right? So this is all about ad measurements, right, being able to measure the ad delivery that's being termed up using the DoubleClick Exchange...

A

Youssef Squali
Cantor Fitzgerald Securities

Q

[ph] And (28:53) it actually measures whether it appears on [ph] third party's... (28:57)

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

That's right. And DoubleClick doesn't just serve YouTube, right?

Youssef Squali
Cantor Fitzgerald Securities

Q

True.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah.

Youssef Squali
Cantor Fitzgerald Securities

Q

Okay. I have more questions, but if there any questions in the audience please just let us know. Yes, [ph] Hashim (29:10). There's a mic coming.

Q

[inaudible] (29:20-29:30) your point on currencies on why the market would want one currency. The counterpoint they were making was, on total audience at least, on having two products so that there's competition among – there's a healthy ecosystem of competition in terms of pricing and for the larger media companies to have options.

And I think at the top of the [ph] phone (29:55), I don't think anyone is questioning Nielsen [ph] to deliver (29:59) or to have the strong position they've had forever, but I think, when you look at local, and you look at lower-rated stations or lower-rated cable networks, is there a room for another option? What would you say to those people who are saying, hey, we want to have a second option because honestly we don't want to sign another seven-year contract at X-percent escalator for not the premium part of you what offer but for this new product?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

I think there's a key difference between analytics and currency. I do think there is a lot of room for analytics players to provide different planning data sets to help inform the buy, if you will. But I feel very confident – I was just at a Media Insights Conference last week, that is basically all the media researchers that are there. And they made it very clear themselves on stage. These were words that came from them not me, that they believe that a single currency will have to continue and remain, in which to drive the consistency of the dollars across the marketplace.

So, we welcome competition. We have no issue with competition itself. And what we think what competition does bring is it does bring the things you mentioned, like innovation and ability to kind of look at things in different ways. But I think if history predicates anything, if you look across not just the U.S. market though that being the

largest advertising market out there, the 45 countries that we operate in, there is very small number of countries that try or to establish a dual currency and the reason is because the advertising market needs to scale and grow, and it scales and grows with consistency across the marketplace in the numbers that people are using to buy and sell on.

Youssef Squali
Cantor Fitzgerald Securities

Q

Any other questions? So you recently – well, recently maybe six months ago, you acquired eXelate.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Yeah.

Youssef Squali
Cantor Fitzgerald Securities

Q

It's a little surprising to the Street. Maybe you can help us understand kind of the reasons for that acquisition and just what does it do for you and what does it create?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

Sure. So eXelate is actually a very exciting acquisition because if you think about kind of what Nielsen's heritage is built on, it's built on helping support big brand advertising and really measure that in a comparable way. And so, we always talk about that as the measurement of many, meaning that everyone in this room, when you watched the Super Bowl, you saw all the same set of ads, right? That's big brand advertising.

Really this helps us to get to the activation of one, so really into the programmatic buying and selling space and being able to use data in a data management platform that really allows the industry – and I think there's an interesting article in the Wall Street Journal just the other week about kind of these walls gardens that are popping up. And I think for the – once again in order to kind of move dollars seamlessly across the marketplace, kind of having a common exchange, if you will, where people can come and see a common set of numbers, whether that's being bought programmatically or more on a traditional direct sales approach, but really understanding kind of how that CPM pricing needs to net out across players is really valuable. So for us, it was kind of four things that was they brought an interesting [ph] tax pack (33:23), so they're connected into over 120 ad platforms today, their data pipes.

And two, it brought a digital marketing talent and just grew our pool of talent. So not only from data scientists side where we already have 900 data scientists today across the world working on measurement, but it really put us into this hyper digital marketing, multi-touch attribution space that's extremely valuable where you can leverage the programmatic engine against.

And then it also brought a common kind of tech platform that can really scale. So allowing us to not only load Nielsen data assets in because what they actually do is they have connected devices – they have information on devices, all kinds of devices, and people and IDs across the U.S. as well as consumer behavior data and buying profile data because of the relationships and the data ingestion that they do. So it's about kind of taking what they have, adding the Nielsen data on top, and then as well offering to allow both clients to bring first party and their third-party data in in unique ways, in which to make the data even more actionable and more rich.

So for us, it was really about moving from or supporting not just the measurement of many but the activation of one and really enabling us to have a best-in-class tech platform and pipes and to kind of that ecosystem that drives and fuels that so that we can enable our clients to seamlessly in the same way that they use Nielsen kind of currency linear data today to transact very seamlessly in that world as well.

Youssef Squali
Cantor Fitzgerald Securities

Q

Did eXelate start as a DSP maybe or...

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

No.

Youssef Squali
Cantor Fitzgerald Securities

Q

Didn't.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

No. They kind of started as more of a probably a targeting platform, if you were. And then they kind of evolved into this data management platform, which is the reason that we bought them was for the data management platform capabilities and scale that they bring.

Youssef Squali
Cantor Fitzgerald Securities

Q

So, it doesn't provide any channel complex to you guys, right?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

That's right.

Youssef Squali
Cantor Fitzgerald Securities

Q

Okay. All right. I guess my last question really is one that I'll ask just directly because, obviously, there is a lot of questions around just what does a comScore plus Rentrak mean to the industry. How do you think that combination changes the industry, if at all?

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

So, I think first point I would make is that we've been focused on the Total Audience vision well before any kind of announcement ever came out. So, Megan Clarcken, who's the EVP or President of Product Leadership reporting to Steve Hasker, penned an op-ed in November of 2014. And what she talked about was the need for Total Audience. And so, we've been down that path and very focused. We delivered 25 of 25 deliverables last year, in which to get that system out the door at the end of last year.

So, for us, I think what it did was just validated our strategy to some regards, which is that I think they recognize that they measured pieces of the marketplace or slices of the marketplace. So if what the industry was calling for and what clients needed was to measure not just slices, but to measure it together, I think that it was almost a necessity for them to get together.

And so, we have a product out. We're getting adoption and traction against it. And at the end of the day, we still underpin \$80 billion of television currency today and we're seeing a growing amount of underpinning of digital currency as well. And so, we think we're very well poised to continue to provide the currency and like I said, there's a lot of room for players to provide analytics and planning data sets to help augment how to think about the [ph] post-buy (37:33) world...

Youssef Squali
Cantor Fitzgerald Securities

Q

With just one currency.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

A

...but I firmly believe that we'll be a single currency moving forward.

Youssef Squali
Cantor Fitzgerald Securities

Okay. All right. Unfortunately, that's all the time we have. So, Kelly, thank you so much.

Kelly Abcarian
Senior Vice President-Watch Product Architecture

Thank you.

Youssef Squali
Cantor Fitzgerald Securities

Thanks.

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