PARTICIPANTS

Corporate Participants

Jamere Jackson – Chief Financial Officer, Nielsen Holdings Plc

Other Participants

Thomas William Eagan – Managing Director and Senior Research Analyst, Telsey Advisory Group LLC

MANAGEMENT DISCUSSION SECTION

Thomas William Eagan, Managing Director and Senior Research Analyst, Telsey Advisory Group LLC

I think we'll start. Good afternoon, everybody. My name is Tom Eagan, I'm the media analyst here at Telsey. We are thrilled to have Nielsen back again this year, and for Nielsen we have Jamere Jackson, the CFO of the company. He has been there since 2014. Before that he was at GE in various financial roles, CFO of various subdivisions and before that he was at Pepsi.

So I'm going to start off asking Jamere about 2016 and then we'll roll on into 2017, but we get to questions too later, if you guys have any in the audience.

So with that, Jamere thanks for coming here.

Jamere Jackson, Chief Financial Officer

Great. Thanks. Thanks for having me, Tom.

QUESTION AND ANSWER SECTION

<Q – Tom Eagan – Telsey Advisory Group LLC>: So 2016 was an eventful year in Nielsen. Nielsen is comprised of two divisions, the Buy and the Watch division. So why don't you just maybe give us a little detail about the operational achievements in 2016?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So it was certainly almost a little bit of a two-speed world for us. We started off the year with a lot of momentum in our business coming out of all the work that we did in 2015 actually in our Watch business. So, our Watch business launched our Total Audience Measurement initiative. Basically all of those products were in place at the end of 2015 and we really saw really good momentum going into 2016 with all the initiatives there. So a combination of digital ad ratings, digital content ratings, our Linear TV business was very strong and all of the things that we've been doing around Marketing Effectiveness to help our clients amplify the value of their inventories or in the case of advertisers, help them understand the return on investment that they're making on the media side. So lots of momentum and very strong performance by our Watch business in 2016, and we're pretty pleased with all the things that we had in place in 2016.

And our Buy business was a year where we actually saw, coming into the year, that while the business was going to be under a little bit of pressure because of the pressure in the end markets, we actually had pretty good momentum in the first half of the year. On the back half of the year, we saw some of the pressures that were happening in the end markets really start to take its toll on our business. So it's no secret that the clients in the CPG space were having a pretty tough time; flat volume, flat pricing, lots of competitive pressures. And certainly, while our business is pretty stable through the cycles, we're certainly not immune to those dynamics.

And so, in the third quarter, we typically have about – in our Buy business, about 60% of our business is actually recurring revenue, we have great visibility to the remaining 40%. But clients do have the ability to go take work and move it from quarter-to-quarter, et cetera, and so we started to see things slide to the right on the calendar. And then in the third quarter, it was pretty apparent that some of that work just wasn't coming back. And so we made the decision internally to say, there's certain elements of the business, quite frankly, that we're not going to rely on in the future. So custom survey-based research, some of those kinds of things that tended to be a little bit more, I'd almost say, discretionary in nature, although that's not a great word because clients use these things to help them run their business. But the level of investment in certain products and services just wasn't there.

We saw clients get really focused on how do they go take cost out of their [ph] P&Ls (03:58). We've certainly seen the impact that 3G has had on the industry. We've seen many of our clients working on their own cost-out and productivity initiatives. And so, as a result of that, we got really, really focused on the things that matter most to our clients, things that are helping them with answering those everyday questions about, how much volume did I move through the system? Why did I move it through the system? And what do I need to do to move more case volume through the system. And we talk more about the initiatives that we are working on in our Connected System. And that initiative kicked off in full effect in the third and fourth quarters of last year.

So, again a little bit of tale of two cities from the first half to the back half of the year, but we've been laser focused on 2017 and beyond and the things that we need to put in place to be successful.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah. How do you – Nielsen again is comprised of two divisions, Watch and Buy, how do you prioritize your time and then the company's investments in Buy versus Watch?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So our business is almost – it's almost 50-50 Watch and Buy from a revenue standpoint. Our Watch business obviously is more profitable than our Buy business, just given the nature of the business. It's a business in total that I wake up on January 1 and I have about 70% of my revenue in backlog and pretty good visibility to the remaining portion of that revenue that we need to go chase in a year.

The Watch side of the business actually is probably closer to an 80-20 or 85-15 sort of recurring revenue to discretionary revenue, if you will, mix. And Buy is a little bit more 60-40. So we're focused on the portfolio in total, how do we go drive returns in the business in total. And we prioritize everything inside our company that way, so that we're maximizing sort of returns on the total business.

The neat thing about the two businesses is that there's actually an intersection of Watch and Buy, where we basically take our media data and our buy data, put those two together to help advertisers and publishers, as I said earlier, amplify the value of the inventories or determine the return on investment and media spend, if you will. And we've seen that piece of the business grow double-digits over the last couple years or so, and it's an area that we continue to double down in terms of making sure that we have the right assets in place and the right platforms in place to take advantage of those dynamics.

So it's about measuring – it's about making sure that we're driving overall returns in the business and it's about making sure that we keep two very healthy franchises, because the combination of those two give us just a great business profile inside the company.

<Q – Tom Eagan – Telsey Advisory Group LLC>: And I would think that that third area, the area where there's kind of a intersection between Watch and Buy that that area would provide you some kind of [ph] comparative (07:06) advantage over other companies because no one has that, right?

<A – Jamere Jackson – Nielsen Holdings Plc>: That is true. So, the reality is, is that on the media side of the business nobody has the kind of media measurement assets that we have inside Nielsen. So if you think about us being the currency for television audience measurement, you think about all the investments that we've made in measuring digital content, whether it's digital ad ratings or digital content ratings, you think about our audio business, nobody has those kinds of media assets if you will.

And then on the Buy side of the business and – nobody has the kind of relationships that we have with those big CPG companies that are all asking the questions around, how do I make sure that I eliminate waste from my marketing spend. And so they are asking ROI questions every day. And so we sit in this unique position where we have these great data assets, great client base on both sides that are all basically coming together to ask the question; if you spend media dollars with this publisher, that publisher wants to be able to provide reasonable assurance to a big advertiser that they're going to get the audiences that they paid for, number one, but also that those audiences are going to move the needle for an advertiser at retail. And that's really the Holy Grail.

And as I said, every marketer wants to be more efficient in the way they spend those media dollars. And so the intersection of Watch and Buy is a really unique place for us to play. It started from basically very little revenue to – last year it was a business that was growing kind of double-digits for us and well north of a couple hundred million dollars.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah. Over the past couple years you have made a couple acquisitions, Gracenote most recently, Repucom, eXelate. How do you look at the returns? Like, what is the profile you guys use to look at M&A?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So we start with a pretty deep strategic look about where we are as a business, what are the things that we need to measure. Oftentimes we are looking at either amplifying what we currently have or adding to with our current measurement capabilities and in some cases we actually find new things to measure as we're looking at things to acquire.

So it starts with that strategic look. And then immediately after we sort of figure out what are the targets out there, and then [ph] it kicks in (09:40) a very rigorous review of the returns on that business. We typically try and target something north of a 15% return on invested capital. And so all the businesses that we look at, even though some of them make a lot of sense for us strategically have to sort of get through those hurdle rates as well. And our business units do a pretty good job of understanding the trade-offs there. And we've been fortunate to find tuck-in acquisitions that have added tremendous capability to the company, but also generate good returns for the shareholder.

<Q – Tom Eagan – Telsey Advisory Group LLC>: So I guess over the past two years how would you evaluate some of the past couple deals?

<A – Jamere Jackson – Nielsen Holdings Plc>: We've got a pretty good track record. I start even a few years ago with the Arbitron acquisition...

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah.

<A – Jamere Jackson – Nielsen Holdings Plc>: ...where we got into the measurement of radio if you will. Tremendous asset for us. Is a business that was growing low single-digits. Number of synergies inside – the cost synergies inside the business. That business is generating tremendous margins and cash flow inside Nielsen, and probably one of the most successful acquisitions that we've had in the last few years or so in terms of the returns.

And then there is still some growth upside to those businesses. When you think about the fact that we'll have the ability to measure digital audiences in addition to the terrestrial audiences and then there is the international expansion capabilities. As those tenders come up for grabs, we've been able to go in and start to win those with the assets that we have inside the company. So a tremendous win for us.

In the last couple years, we acquired eXelate. eXelate is the platform that we bought that has turned into our Nielsen marketing cloud. So as big media companies and advertisers are looking to identify and target audiences and then have measurement capability on the backend to say, did I actually reach the audiences that I paid for in the front-end, the eXelate assets have been a tremendous addition to the Nielsen family. We were already a client of eXelate, and – where we continuing to get request [ph] and (11:56) pump more of our segmenting data into these platforms to help advertisers and publishers identify audiences, and it's has been a tremendous win for us from that standpoint.

The latest acquisition, you mentioned Gracenote. We just closed on that one the last couple of months or so. Will be a tremendous addition to the Nielsen family as well. Gracenote today provides metadata, so it's basically data about data for the things that we're already measuring. So not only do we have to know who's watching, but the Gracenote data says, what are they watching if you will. So Gracenote has always provided sort of interactive program guides and deep media data about the programs. And so, again, we were a client of Gracenote. We use their data inside our platform. Lots of synergies between the client base there, so a good business for us as well.

There are a couple other assets as part of that acquisition that have us excited. They have audio data. So, in the world of connected cars, they have data there that's very useful for us as we're thinking about measuring all of that activity.

And then probably the one that we didn't talk a lot about when we did the acquisition, but probably holds the most upside is the ACR technology or the Automated Content Recognition technology that's actually embedded inside of 20 million smart TVs if you will. And so that technology holds the promise of, enable us to do media measurement in a much more efficient way than we do it today.

So, today, we have our panels and then we're actually acquiring set-top box data to give us more granularity from a tuning standpoint. So think of ACR technology as having a meter inside of a smart TV. And the promise of that means big efficiencies for us as a business. And so while we were going through the acquisition, we liked all the pieces that are sort of in the current business. We really loved the upside potential of the ACR technology inside those smart TVs.

<Q – Tom Eagan – Telsey Advisory Group LLC>: So does that mean that you'll finally be able to measure Netflix?

<A – Jamere Jackson – Nielsen Holdings Plc>: We're already measuring Netflix today. It's not the way that we do measurement for the rest of linear TV. But today, we actually will get the audio signatures. Our meters have the capability to [ph] listen (14:33) to that programming. And then, because we know the audiences in the home, we do a pretty good job of measuring Netflix content today. I think the unique thing about the way that we're doing that measurement is the demand for that is actually coming from the publishers, if you will, that have sold content to Netflix, whether it's the studios that are producing the original content or the networks that have sold parts of their library content into Netflix.

And so, we're doing a pretty good job today. Our clients are very happy with that product. And again, we'd love to have the Nielsen watermark on all the content and do it the old fashioned way, but our commitment is to follow the consumer. So, whatever it takes from a technology investment standpoint or a methodology standpoint to make sure that we're following where the consumption is, those are the things that we have to do. And sometimes, we do those in ways that are a little less conventional than others, but we've been successful over time adding those capabilities.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah. You mentioned investment. As you look at 2017, you guys have given guidance for margin growth. How do you assess margin expansion versus investing back into technology, whether it's Watch or Buy?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So we run the productivity play with intensity every year. And historically, we've generated 40 to 60 basis points of margin expansion every year. We get great operating leverage in our Watch business. We've been able to expand our coverage in our Buy business. And so, we run this productivity play sort of every year. And then there are years where, quite frankly, the productivity has to be the bill payer for investments that you're making. And so, 2017 is an investment year for us in terms of some of the things that we are doing. So we talked a little bit about the fact that we are acquiring set-top box data to integrate into our TV ratings.

We are introducing out-of-home measurement using our personal people meters. We've expanded the sample size in some of our local markets. These are all things that you have to do over time to maintain your competitive advantage and make sure that you have the capability, as media continues to fragment. So, we're making those investments.

And then on the Buy side of the business, we're continuing to invest in our Connected System initiative that we talked about at our Analyst Day in December, but we're also looking at how do we add additional channel coverage like e-commerce. So those are things that you have to do to follow the consumer, make sure that you have measurement that is sort of relevant as these changes happen in the marketplace.

<Q – Tom Eagan – Telsey Advisory Group LLC>: In terms of the Buy division and the Connected Buy System that you guys have rolled out, how have the clients responded and what should be expected for the roll-out for the balance of the year?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. We've gotten great feedback from our clients. It's exactly what our clients are looking for in terms of their ability to take our core retail measurement data and add analytics on top of that to help them understand not only what's my market share, but what were the business drivers for that market share, and more importantly, how do I use analytics to tell me what to do next and how do I drive more case volume through the system.

And so what we've done is we've had an initial group of clients, I call them our pilot clients, but what they've done, most importantly, is they've helped us think about designing the system in a way that is most useful for our clients, sort of up and down the spectrum of clients that we have in the business. And we've been very pleased with the feedback that we've gotten. We've introduced that capability to a much larger client advisory board. We're going to add more clients into the pilot by the end of this year. And so we're making tremendous progress there.

A couple elements to the Connected System that are really exciting both for Nielsen and for our clients is the fact that we are opening up our platform to allow other third-party applications, some of which our clients are already using, to help them understand business drivers and help them understand what the [ph] activator gets (18:52). That Connected Partner Program is actually expanding.

So, if you go inside any of our big CPG companies, they use our retail market share data on an everyday basis. It's embedded in all of their work flows. It's mission-critical data. They use a lot of our analytics inside Nielsen, so our price and promotion, our marketing mix modeling data, our shelf assortment data, those are things that clients use every single day to help them sort of manage their business. But they are also using other datasets if you will, and sometimes the integration is happening on the client side and they need the ability to go put the Nielsen data with these other third-party applications if you will to help them understand business drivers. And so by opening up our platform, we've eliminated a lot of friction for our clients and it's an upside opportunity for us as well because we're able to participate in the growth of those applications. So we're really excited about the journey there and, again, we're going to add more pilot clients by the end of this year and we hope to by next year start to do a phased rollout across our client base.

<Q – Tom Eagan – Telsey Advisory Group LLC>: So might that be – or might we see a meaningful contribution in 2018?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. In the back half of 2018, you should start to see a meaningful contribution from the Connected System. The work in 2017 is about designing the system, giving the client feedback, expanding the pilot program so that we do the development in a way that we can sort of hit the ground running.

Again, the data that we provide on both the Watch and the Buy side of our business is so mission critical for our clients and so we probably grow a lot slower than most tech companies when they're rolling out systems because this data is embedded in a way that they do business. And any hiccups, any breaks in trend, anything that causes a client to have pause about understanding what's actually going on in their business is a reason for us to sometime slow down and get additional feedback or make additional changes to the system. But that also is a tremendous competitive advantage for us as well because of the stickiness of the data and the fact that it's embedded in a way that our clients do work. And a big client, like some of our top eight or nine clients can have as many as 500 or 600 individuals inside the company touching the Nielsen data every day, and it's everybody from the market research organization to finance, to sales, to the logistics organization. That's how important the data is and so it's really critical that we make sure that we develop a system that addresses all of those. We call them personas inside the company to make sure that we got a product that is going to help them grow their business.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Well, so, the Connected Buy, it sounds very data focused, data rich, probably has a higher margin than the base business, right. And so, what does the margin look like in three to five years for that business?

<A – Jamere Jackson – Nielsen Holdings Plc>: It's interesting because today even though the data is sort of our core businesses, if you will, we deliver that data largely through client services team. So we have Nielsen badged employees who sit at the client site and deliver data and insights around that data on an everyday basis. What we are doing with the Connected System is we're building a system that is much more Data-as-a-Service or Software-as-a-Service model versus a People-as-a-Service model and, obviously, the Data-as-a-Service, the Software-as-a-Service model has a much higher margin profile than a People-as-a-Service business and we're making that transition as we go through. So what we expect on the backend of the rollout is for this to be a stronger business because it is much more connected to the way that our clients are running their business today, but also a higher margin business for Nielsen, and we're in the early innings of that journey, but we're pretty excited about the promise of a stronger higher margin business.

<Q – Tom Eagan – Telsey Advisory Group LLC>: So, if we look back a bit, we saw the Watch business increase its margin over time and its revenue growth rate over time.

<A – Jamere Jackson – Nielsen Holdings Plc>: Right.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Might we see a similar trajectory here looking out the next three to five years in Buy?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. We're certainly planning for that. So, on the Buy business, we've had a couple of dynamics happen. So, for four, five years, we were investing and expanding our coverage in the emerging markets and we actually took our margins down by a couple of points to be able to do that expansion in a way that gave us additional capability in markets where – in some cases, we were a little bit ahead of the revenue, but over time what you see is those markets start to scale and you start to be margin-accretive as you get more volume for the Retail Measurement Services data that you're putting in those marketplaces.

What we're doing with the Connected System is we are actually taking and replatforming our business and changing our business model such that you still have this great recurring revenue business, but it is delivered in a way that is much more data-centric and much more software-centric and have a much higher margin profile in the future. That's what we're working towards.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah. So I gather that you did lose one client on the Buy business, I think Kroger. Remember [indiscernible] (24:40) Kroger was moving over to IRI.

<A – Jamere Jackson – Nielsen Holdings Plc>: No, it's interesting. Actually Kroger is still – they're still providing their data to Nielsen. What...

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah.

<A – Jamere Jackson – Nielsen Holdings Plc>: It's interesting. Sometimes the headlines and what's actually happening are different, but what's happening with Kroger is that they're still a co-operator. We're still getting all the data that we need to get from Kroger in order to do retail measurement. There is one piece of data, Kroger specific data that we no longer offer that they decided to do exclusively with IRI. It was called key account data and they have the ability to sell that exclusively to some manufacturers. But in terms of our core retail measurement data, we're still getting everything that we need from Kroger to do our retail measurement servicing inside the company.

<Q – Tom Eagan – Telsey Advisory Group LLC>: If you could talk about the clients a little bit, so how many Buy division clients do you have?

<A – Jamere Jackson – Nielsen Holdings Plc>: It's interesting. Inside our total company, there are probably north of 15,000 clients.

<Q – Tom Eagan – Telsey Advisory Group LLC>: It's a huge number.

<A – Jamere Jackson – Nielsen Holdings Plc>: It's a huge number. Just in the U.S. alone in terms of our large retail measurement clients, we have about 1,500 if you will. So we have this broad array of clients from really big global multinationals down to some really small regional clients, if you will. What the Connected System actually does for us is it enables us to have more product offerings in the long tail.

So, if you think about the smaller clients, they are not able to necessarily afford an onsite client services team. But if you can build a system that gives them the ability to do Data-as-a-Service or Software-as-a-Service or more self-service capabilities, then you have an opportunity to expand your revenue opportunities and your margin opportunities with those clients.

It's a little bit like – I've talked about a little bit like the transition that ADP went through. I mean, many years ago, their target client had about 2,500 or 5,000 employees. And today, they have, with their ADP RUN platform, if you're a mom-and-pop organization or the car wash and you've got two employees, you can utilize ADP's payroll platform and be able to service your payroll and do that in a self-services manner without needing a big client services team. And so the promise of our Connected System not only helps our large clients, but the Data-as-a-Service or Software-as-a-Service component enables us to offer more services into that long tail.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Right. So, how many Buy division services are there? What is the menu of services?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. The menu of the services is literally hundreds. The flagship service for us is our retail market share service, which gives retail market share to all of the big manufacturers. But we have products that range from looking at shelf assortment, pricing, promotion. We do a number of analytics around marketing mix modeling, multi-touch attribution. These are all things that clients use every day as they're trying to find competitive edges at retail. And this is a portfolio that's been built up over time, some of it organically and some of it inorganically. And we're always looking to add the next set of measurement capabilities or the next set of analytics that are most relevant to our clients to help them grow their business.

<Q – Tom Eagan – Telsey Advisory Group LLC>: So, the upside on the revenue would be deeper penetration of all the clients who don't take more than one or two services, right. And then, in terms of the lowering of the risk, what is the percentage of revenue of your biggest client?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So, we have no client that's more than 3% or 4% of our revenue inside the total company. So, we've got this great diversity, if you will, of blue chip clients that have – many of which have been around the Nielsen franchise for 30 years, some of them have been around for 50 years-plus. And we have these long-term contracts that typically lasts 3 to 5 years, some of them go as long as 7 to 10 years. Typically, a contract has pricing escalators sort of built into them. So, it's a great business model that gives us a lot of visibility and, as a result of that, we have good visibility in the things that we need to invest in and on behalf of our clients, and they stay with us long enough for us to get a return on those investments.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Moving over to the Watch division for a second. You mentioned – the company mentioned that there'd be a limited release of what's called Total Content Ratings, but it doesn't appear as what's going to impact the financials. Is that because of this recurring revenue model?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So a couple dynamics. One is just the nature of the contracts that we have today. But the other dynamic that we have, and probably more importantly, is that the products that we are bringing to the marketplace are available for those clients that actually want to use them. And you've seen a number of big clients say, that we're going to move forward and use some of those Total Audience Measurement capabilities to do deals even in this year's upfronts.

And so the significance of that is whenever there is new measurement capability that is going to help a client sell more inventory or amplify the value of their inventory, they don't necessarily wait around for everybody to go with them. If you believe that you can take these datasets and these tools and tell your story to an advertiser on the other side of the table and make guarantees against that, then as soon as those things are available in the marketplace, you use them. And we've talked a lot about this in the past. Before we at Nielsen had our digital capabilities in the marketplace in a syndicated way, no client waited for everybody to accept the metric or be ready to go. We had clients that were literally trying to sell their audiences based on their own server log data, for example.

So our responsibility is to make sure that we bring the measurement capability to the marketplace that is independent, it's verifiable, it's unified, and then it's the buyers' and sellers' responsibility to determine the way in which they want to use that. And sometimes, we will have a measurement capability that there are media publishers that are ready to go. They've done their work, they've done integration on their side, they understand what the impact is on their business, and they're confident in being able to do business in the marketplace using those metrics.

And other clients need more time. We see that over time and, as a result of that, we're sensitive to the timing with which we do syndicated releases of certain datasets. But by and large, it doesn't have a financial impact on us. But as soon as we have measurement capability that's available and clients start using it, we get paid for those incremental measurements.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah. I've thought of the job you guys have on the Buy side – on the Watch side as kind of trying to, like, herd cats to cross the finish line and some will get there faster than others, but they will eventually get there. What are the next data milestones we should be thinking about in terms of the TCR rollout?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So, we said we would be ready to do syndicated rollout sometime in the second quarter. That gives our clients more time and then we had clients who specifically asked for more time.

<Q – Tom Eagan – Telsey Advisory Group LLC>: Yeah.

<A – Jamere Jackson – Nielsen Holdings Plc>: And what the kind of the running joke at Nielsen is it was sort of when was the last time a client asked us to slow down. So, we gave our clients more time to understand the impact on their business and their business models. We'll be ready to go with syndicated measurement in the second quarter.

And then there's always a discussion of what's going to happen with the currency. And again, our role in that process is to sort of facilitate the process by saying, here are the measurement capabilities that we have, here are what the design to do, we give the impact data, we let clients sort of roll around in it, if you will, to see what it actually mean, what the data says, what it means for their business models. And then the industry decides when they want to use it as a currency. So, the last big example we had was sort of the C3 environment and, I guess, it was 2006, 2007 timeframe, took the industry a while to align on it, but it's usually a big agency or advertiser and a big publisher that says, this is the way that we think we should go, they took the lead on that and then build consensus and then you have the birth of a new currency.

But again, as I said before, nobody really waits on that to happen. If you have the ability to convince an advertiser with the set of data to transact in a certain way, then you do that. The market works most efficiently when you have one referee on the field with one currency, but clients don't always wait for that.

<A – Jamere Jackson – Nielsen Holdings Plc>: Well, the irony of Jamere's comments are that a lot of the networks have been asking you to hurry up. And now you have a couple that are asking you to slow down.

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. Listen, we don't take any of this lightly. I mean, listen, the reality is, is that what we do from a measurement standpoint underpins $70 billion of spend, if you will. So we take this very seriously. It's why oftentimes when we have [ph] best steps (35:07) with clients that make it into the media that we will slow down and be much more client-centric and make sure that we really truly understand what we have in the marketplace and what the impact is on clients and we never approach any of this with a level of arrogance because at the end of the day we're successful when our clients are successful. And we just want to make sure that we have the best product in place to underpin a very important and large market.

<Q – Tom Eagan – Telsey Advisory Group LLC>: So, the timing is important on this rollout because the Upfronts are upon us, it's a spring/summer event in every year. What are you hearing from clients about use of, I guess, of the new services for this year's Upfronts?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. We've heard from some of our large clients and they've said it very publicly.

<Q – Tom Eagan – Telsey Advisory Group LLC>: CBS.

<A – Jamere Jackson – Nielsen Holdings Plc>: CBS, for example, has said very publicly that they're ready to move forward. And if you think about where CBS is and you think about the great work that they've done to build some great content and they have just a tremendous franchise, if you will, it is in their best business interest to monetize as much of that audience as they can and to the extent that there is independent third-party data that will help them do that, then they're very enthusiastic about the things that we provided from a measurement standpoint and they're going to – they've been very public about using some of that as part of their upfront process. And so you have clients at various places on the spectrum in terms of what they'll use and how they'll use it, but we're very pleased with what we've heard from both agencies and from media publishers around using our metrics and our capability in the Upfronts.

And the other dynamic that you have that's happened now for a couple of years is that, in addition to sort of the currency discussions is you had a number of publishers and advertisers focused on outcomes-based metrics and those have been underpinned by Nielsen datasets as well. So we provided data in terms of measuring ROI, and you had clients, as they're building their stories for why an advertiser should advertise on a particular show, they're using not just our ratings data to tell that story, but also a number of our other analytics from a Marketing Effectiveness practice to help them tell that story. And so, it's a pretty exciting time, lots of work that needs to be done in the industry, and we're continuing to iterate on our products as well, but we're very pleased with our competitive positioning.

Last year alone, for example, we probably had 100 iterative releases on the capabilities that we brought to the market in the last few years from a digital standpoint, and those are all things that are helping us systemically improve what we're doing, responding to the request from clients, and we're pretty pleased with the execution by our teams around the world.

<Q – Tom Eagan – Telsey Advisory Group LLC>: On that score, I know we're almost out of time, but what the sense I've gotten over the past six month in the media space is the big concern on advertising has been concerned about fraud, viewability, bots. And so, the question is maybe we need to think less about some of the digital measurements and more about the veracity of those measurements. How does that reform how you guys roll out your new services?

<A – Jamere Jackson – Nielsen Holdings Plc>: Yeah. So a couple of things. One is we partner very closely with the big players in terms of fraud on the frontend because the first question that any advertiser is going to ask us, did somebody actually see my ad. And so, it's really important to make sure that you can answer that question. And then, once that question is answered, then they want to know, did I get the audiences that I paid for. So we have to work very closely with the viewability solutions and we've built basically an open platform to be able to plug-and-play any of the big fraud platforms on the frontend.

I think it's a question that's going to continue to be out there because what's happened is you've reached a point where advertisers get the promise of digital. In the linear TV world, you pay a premium for reach. It's the most efficient way to reach a large unfragmented audience. In the digital world, you're paying a premium for precision. In other words, I should be able to get a lot closer to exactly the audience that I want and I want to be able to verify that on the backend. And so answering the fraud question upfront and then making sure that you can verify that you actually reach those audiences on the backend is really, really important, and we're playing right smack in the middle of that space.

Thomas William Eagan, Managing Director and Senior Research Analyst, Telsey Advisory Group LLC

Well, it's going to be a very exciting 2017. And with that, I want to thank Jamere for being with us. Thank you, Jamere.

Jamere Jackson, Chief Financial Officer

Thanks.

Thomas William Eagan, Managing Director and Senior Research Analyst, Telsey Advisory Group LLC

Yeah.

Jamere Jackson, Chief Financial Officer

Good to be here, Tom. Good to see you.