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# Nielsen Holdings NV (NLSN)

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## CORPORATE PARTICIPANTS

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

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Paul L. Ginocchio

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## MANAGEMENT DISCUSSION SECTION

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

So, good morning, everyone and welcome. I am Paul Ginocchio, the info and business services analyst for Deutsche Bank. It's my pleasure to have with us and well, I'll introduce Megan Clarken, Executive Vice President of Global Product Leadership within the Watch division at Nielsen, she's been with Nielsen for about 11 years, running various parts of the Asia-Pac region and focusing on digital and media. And before that, she's had 30 years of experience in publishing, online, technology, and working for various start-ups and including doing some consulting for Akamai in News Interactive. Megan is going to start with a five-minute presentation and then I'll ask some questions and open up to the audience.

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Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

Thanks, Paul.

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Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Megan, welcome.

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Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

Thank you. Gosh, 30 years. I'm frightened when I hear it like that. Let me start by – I wanted to give you an overview today of something that I think will come up a little bit in this morning's session, which is Nielsen's commitment to what we call measuring the true audience. This is a very important initiative for us. It takes us beyond what is traditional C3, C7 ratings. So, opening up measurements and accountability to all permutations of advertising and content, regardless of the ad model, and regardless of the device from which it's consumed through.

So, just to set some backgrounds for a context, as I talk about this morning and making it – having it make sense for you, total audience for us is about measuring both ads and content and separating those two things, so producing ratings for ads and ratings for content. What's important to understand that when we do this, we do this using the same architecture regardless of whether or not it is TV or digital, using the same processes, the same panels, the same underlying MRC accredited processes and technologies in order to produce and de-duplicate audiences between ad models and across devices.

The total audience is two flavors, total audience, total ad ratings and total content ratings. Our effort is to move the market away from the traditional C3, C7 Ratings that they've been used to trading on now for a number of years towards a more relevant and more comprehensive rating service that we're calling total audience.

We also are changing the names of some of our products and so this is announced this morning, you'll hear me referring to what has traditionally been called online campaign ratings, or OCR, is now being referred to as digital ad ratings. So OCR is now being called digital ad ratings. It makes it more relevant. Online is a relatively dated term, so we're turning that into digital. And we're going beyond campaigns and actually measuring down to individual ads. So online campaign ratings becomes digital ad ratings.

The other thing that we're doing is instead of referring to things as cross-platform XCR and XPR and all of the alphabet soup that we've used in the past, we are calling it simply total ad ratings and total content ratings, and I'll explain what that looks like as I go through the explanation of how we're measuring that and how we're rolling that up. So OCR is now digital ad ratings and our cross platform products are now total ad ratings and total content ratings.

In terms of what total audience is, some of you will have heard me speak about this before. The way in which we think about measurement is through what we call the grid, and this grid here outlines for video all of the different devices and access points that consumers get access to content across the top. And down the left hand side are the ad models, business models have been used to trade and sell and monetize that content and ads.

The reason why – so across the top TV, connected devices are Apple TV, Roku boxes, all of the devices that are connected through to the TV and bring content through those devices to the glass, to the TV screen, and then we have PCs, tablets and smartphones. And within tablets and smartphones, I should say, specifically and connected devices both apps and browser based measurement. So the two different access models are encompassed in there as well.

Then the left hand side, the reason why program – why linear is displayed there as one line is because linear refers to when you see a piece of content, everybody sees the same ad at the same time. So it's a traditional TV broadcast model. And therefore when you measure the content, you're also measuring the ads. So we see it from a measurement perspective as one line. We break out the content and the ad into what's called average commercial minute, which gives us those C3 ratings.

Digital dynamic is separated. Digital dynamic kicks in when the ad load has been changed or in a digital first environment the ad that you see when you're looking at a piece of content is not necessarily the same ad that somebody else sees looking at the piece of content. And because of that we need to measure the two things separately and therefore you see two breakouts there for content and ads from a digital perspective.

Total audience is our ability to measure every single cell in that grid, every single cell in that grid, and bring that to life for our customers, the ads for the advertiser customers and the agency customers and the content for our broadcaster and publisher clients.

What's important I should say inside of the measurement of this is that we must measure it consistently, because we must de-duplicate those audiences and show incremental reach between those cells so that our publisher and broadcaster clients can better understand how to monetize those assets for the specific audience who manages to consume their content through a specific or a particular channel. And the way in which we do that in order to get to a true de-duplication is unique to Nielsen. I'm going to run through this architecture so quickly, it's very important.

Is that our measurement from a video perspective, always sits on top of the same traditional underlying TV measurement platform. And the TV measurement platform is a panel as you know, of which it's representative of the U.S. population, we go into those homes, we install devices, they push a button when they're watching something, we collect that data and then we project that out to the universe and that is, as simple as it sounds, TV measurement.

To extend that to include digital consumption, we do a couple of very important things. Remember it's built on the same architecture. For us digital consumption happens whether or not you're a TV broadcaster or you're digital first company. So if you're Yahoo!, if you're YouTube, if you are AOL, you're measured in exactly the same way, we don't care, we just know that it's video.

We install what we call an SDK, and we'll talk about that a bit this morning, it's a software development kit, piece of software into those video players, digital video players. What the SDK does is it identifies the content, it's census driven, so it tells us every time somebody has come and viewed that content, we're no longer reliant on panels for digital measurement. And it picks up what's call a device ID. So a PC, it will pick up the cookie ID, if it's a mobile device, it will pick up the device ID that sits in the operating system of that mobile device, whether that be Android or iOS.

With those devices that use that use unique cookie IDs and device IDs, it's sent across to our big data providers. One is Experian, the other is Facebook. What Experian does is it matches those device IDs, cookie IDs with each registration database and it appends four demographic profiles – education, presence of children, ethnicity and income.

What Facebook does, it also matches our device IDs and cookie IDs with each registration database and it appends age and gender, which is the essence of the GRP, reach and frequency by age and gender. And then sends that data back to us and then we use the panel, the TV panel and what's inside the TV panel is a single source panel across platform homes panel to take out any noise to fill in the gaps that Facebook can't fill in for us. For example, Facebook don't have children to reconcile anything that a device that's been shared core viewing and to actually determine and be the judge and jury of what the ratings number actually is.

The last thing that the SDK is it's able to work out whether or not it's C3 eligible, so it's come from a TV broadcaster that's carrying a same ad load as what was ad when it went live on TV for a period of three days or seven days, whatever the industry rule is or not. If it's C3 eligible it updates the TV ratings overnight and if it's not, it updates the digital ratings in two flavors. The ad is updated using digital ad rating, so ex -OCR digital ad ratings and the content is updated using digital content ratings, as simple as that. It drops into digital ratings, or drops it into the C3 ratings.

And that architecture is in play now. It is being rolled out across all of the major publishers and broadcasters and it's what allows us to get to a total audience number. So, I'm going to leave this slide up here.

If that's okay, because we might refer back to it.

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Paul L. Ginocchio  
*Deutsche Bank Securities, Inc.*

Thanks, Megan.

Megan Clarcken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

We will refer back to it.

## QUESTION AND ANSWER SECTION

Paul L. Ginocchio  
*Deutsche Bank Securities, Inc.*

Q

I'll just kick off with a few questions. So, I think with this, we're now at one rating for all content. Is there anything else that we're missing? How does media and how does the Adobe relationship fit into getting one measurement for everything?

Megan Clarcken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. So, firstly, when we bring this to the market and the timing for this is that we will roll this into software so that our clients will use in the second half of 2015. They will have a choice as to whether or not they want to still trade on C3, C7. So, it will show them their C3 number or the C7 number. That will also show them additive all of the other permutations as well. So, whether or not the industry will move tomorrow to C3, C7, that's hard to say. We'll give them that option. So, at some point in time, they maybe go with too restricted by C3, C7, we set those roles, but now the world has changed. They're time shift thing, they're viewing are on digital devices. And so, we want to use that total audience that one number GRP. So, we will make that available to them.

Paul L. Ginocchio  
*Deutsche Bank Securities, Inc.*

Q

And how much viewership is taking place after C7?

Megan Clarcken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

It depends on the genre. So, the industry is now starting to like the sort of C7. It makes sense because of time shifted, but ultimately that content is available forever and it's still valuable, and it's still valuable to monetize and have ad loads in it. And so this conversation is now around C30, C125, C365. The total audience you will be able to role it into whatever number you want because it's cumulative and you can break it out at the end of the month it's this, at the end of the quarter it's this, at the end of the year it's this. So, for us it's about providing that flexibility.

Paul L. Ginocchio  
*Deutsche Bank Securities, Inc.*

Q

Great. And you made an acquisition last week, if I can pronounce it right, eXelate

**Megan Clarken**  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*  
eXelate.

A

**Paul L. Ginocchio**  
*Deutsche Bank Securities, Inc.*

Q

eXelate, can you just talk about what that provides for you? How you roll that into the current offering?

**Megan Clarken**  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

So eXelate is traditionally a DMP, it's a data management platform and we see it as an incredibly important infrastructure play, if you like, that enables us to bring out datasets together and to produce segments for optimization of advertising campaigns or selling of audiences in a programmatic environment. So it's something we've always done, but we've provided planning tools and strategy tools way upstream.

With the world moving towards more programmatic or real-time buys, it's about making that data available into the buying platforms in a timely manner through real-time pushing those segments through to those buying platforms as opposed to just having them available and big upfront strategy tools. And so what eXelate – eXelate play in that space. So they basically bring datasets together, they pin them down to cookie level or individual level, create segments and feed those segments through to a programmatic environment. And that's very important for us, because there is so much buying and selling now going on in that environment that we need to be there and support that new ecosystem if you like.

**Paul L. Ginocchio**  
*Deutsche Bank Securities, Inc.*

Q

Does that get you a little bit more ready for dynamic ad insertion?

**Megan Clarken**  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Absolutely. And both on digital devices, but as that moves to the TV screen, to the TV glass as well, which ultimately we'll start to see more and more traction in that area. It sets us up for that environment.

**Paul L. Ginocchio**  
*Deutsche Bank Securities, Inc.*

Q

Does dynamic ad insertion change your business model at all? That you're already ready for it. There's...

**Megan Clarken**  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. I mean it's just – it's everything on the green area there is dynamic ad insertion. That is what's kicking in when C3 drops out. The minute they change an ad load or an ad pod, then it needs to be measured through our digital measurement. So we're already there, and we suspect that that environment will continue to grow.

**Paul L. Ginocchio**  
*Deutsche Bank Securities, Inc.*

Q

Great. Let's go back just to the Adobe deal, can you just kind of remind us of the significance of that? How much content you now can measure or just display content?

**Megan Clarken**  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. So the Adobe deal is a really important one for us. I described the architecture before, which requires the participation of publishers and broadcasters to implement the software, because it's census driven – it's not – no longer just using the panels. And implementing that software is actually a – it's a pretty tough call. It takes a while to do that. It's onerous on the publishers and broadcasters. But unfortunately to measure they have to implement it.

Now Adobe some years ago, I think 2008, acquired Omniture. And Omniture is the world's largest web analytics company that already has SDKs and tags installed in their client base. And in fact they measure – do web analytics for about 75% of the Internet, that's how much penetration they have out there already of that code.

So what our relationship enables us to do is simply piggy-back off the code that they already have in the marketplace. And have them collect the data that we need, and then we take that data and we run it through that architecture that I just talked you through. And we're able to produce content ratings for mutual Nielsen and Adobe clients.

Now that doesn't mean that digital content ratings are only available to Adobe clients. If you're not an Adobe client then you get Nielsen's SDKs and tags. But it just enables us to fast track getting that software installed into clients via the Adobe relationship. It's pretty powerful for us.

**Paul L. Ginocchio**  
*Deutsche Bank Securities, Inc.*

Q

Great. And so and maybe just shifting back to digital ad ratings. The SDKs, has anybody not accepted it? Is it pretty much fully rolled out now? Or you're still waiting for some...

**Megan Clarken**  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

So for digital ad ratings it is – we have now 20 of the top 25 advertisers are using digital ad ratings, so it has gained incredible traction over the last four years.

**Paul L. Ginocchio**  
*Deutsche Bank Securities, Inc.*

Q

That's – you added one since?

**Megan Clarken**  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

I added one since you and I spoke last time – there you go. And I didn't just make that up, but we added it last week.

So for digital content ratings that requires the SDK. So that's the one that's a [ph] slower bird (16:19), hence the Adobe relationship. The good news is that we released the SDK in October of last year. It's a new piece of software for us. It needed a great deal of testing with clients in the marketplace, their applications or their video players if you like were in different states of readiness.

And so we took a good sort of couple of months bedding that down, getting bugs out of it. And what we require is that for every publisher and broadcaster that installs it, it needs to be certified by us. So we need to be able to

guarantee that we can produce ratings off it, so there's a backwards and forwards in getting it certified. And then if they've got an iOS application, it needs to go to the Apple Store and it needs to be implemented into the Apple Store, which takes some time as well.

The good news is that in the last four weeks we've got some really good traction. So while I can't expose who those clients are, there's now seven pretty big clients that have got their SDK installed, and we've got a pipeline of clients waiting in the queue to get going.

So great traction. It is going to take time, because it just takes time to do it. But like anything where you're looking for unique client participation. This is new for us and new for the industry, so what I would expect is that we'll look back after 12 months, 24 months and go, we got over that hurdle in the same way that we look back at sort of the need for them to install watermarks and encoding into their TV content, and it's just part of their workflow.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

And those seven clients that are installed, what percent of the web would that represent, roughly?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

30% something like that.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

And when do you get to 50% or 75% or...

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. So the process is that, we are looking for aligning the sense of a particular percentage of which because they are our distributors because some of them are distributors and they are distributing content for multiple broadcasters. They need a time in which they get industry buy-in. So, there is an industry period of which they will say, okay, we are ready to send these ratings live, distributor, broadcaster take a look at those numbers, see that you are comfortable, because, it's a syndicated service, so we'll go on live at one time, see if you are comfortable and then, when you are ready, we'll flip that live. But for MVPDs, that will be the process is that, we'll get an industry preview period. For individual broadcasters that have implemented the SDK as soon as they're comfortable with those numbers then they will be live.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

Okay. Let me just talk about maybe the competitive landscape, who else can do total audience measurement if any one and when be your lead time?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. No one. That was the leading question. Nobody can do this, because in order to do total audience, you have to supply the TV ratings currency. You have to be able to de-duplicate the audiences between the C3 ratings and every other permutation out there. And we have a privilege position where we do provide the C3 ratings. We have a fantastic architecture which we have been able to build out the single source to de-duplicate those audiences and



this isn't Franken-metrics, like we are not – we're not taking different measurements from different cells through different methodologies and trying to fuse them or cobble them together to de-duplicate audiences.

We're actually taking a single source approach to this, building on top of the TV currency to produce numbers in its purest form. And I think that is what the industry needs and that is what you have to be able to create to get quality metrics and metrics that the advertising community can rely on and feel confident to invest money in advertising.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

And maybe a question about margins and maybe a bigger picture. As you move from a – you always have the TV panel, but as more and more of your content is going through online and the SDK...

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

...you're switching out of relatively high cost of goods sold for an expensive TV panel to just technology that's very – less expensive. So, what happens to your cost of goods sold as more and more of your ratings or the volume of video content is consumed online?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Well, the good thing is that the architecture that I just talked to, the digital architecture is built and it was built four years ago. So, everything that you see us doing is sitting on top of that architecture that's already in place. So, there is, the investments being done, and now it's a volume play, it's just continuing to build on that, get clients, and move the digital measurement on to that architecture and so the margins become bigger. So, they're not – the investment's already been made. And so, it's a good story for us. All of the additional products as well, the digital content ratings, the segments that we create out of total audience measurement and feed into the eXelate platform all of that stuff is built and sitting on top of an investment that's already been made. So, the return on that will continue to grow.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

Okay. Can we just talk about how – in the digital ad ratings is there a – within your subscriptions or is there a way to – is it tied to volume of revenue or all your contracts based on a fixed fee or do you have some volume based CPM?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. So, it is so for digital ad ratings, it is volume based, which is a great mechanism for growth because the volume will continue to be there as we see the traction of dynamic ad insertion, the traction of more and more traditional TV assets they moved across on to digital platforms, the volume will increase. So it is a volume play. The contracts are annual contracts. Sometimes they're made outside of the MSA agreement, the larger contract that's made with the broadcaster and sometimes they're not, sometimes they bundle in and they're part of that

deal. So it's a bit of a mix of the two, but mostly on the digital side and particularly for digital ad ratings it is volume based.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

And looking back at audio and TV are those also volume based or are those basically just subscription?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

So, audio – so, again everything in green there is volume based and then across the top where we're measuring digital in the C3 environment, that is part of rolled in to the MSA agreement, it's part of the C3 agreement.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

Great. We got 10 minutes left. If there is any audience questions, here first.

Q

Yes, thank you. Three quick questions so. In terms of the audience, like you talked about at your analyst day how you are pretty much – all of that audience is now measured as to wherever it's going. So if you – take an example CBS, as you get through the second half of this year and everything is rolled out, will CBS have an excuse to say that part of our audience isn't measured, and so it's not monetized? Or at that point all of their audience should be monetizable?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

So again it requires them to install the software.

Q

Yeah.

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

So if CBS has the software installed across all of the cells in this grid, then they will be measured. Everything will be measured. If they don't have the software installed, then they would be able to say that some of these areas of their business are not measured.

Q

Okay thank you. And then in terms of the SDK, if I've got that acronym right, what percent of U.S. households in terms of your sample are now measured or have that implemented by the MVPDs, so are you – do you have like 5% of U.S. households or 10% of U.S. households with that?

Megan Clarcken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

For digital management or for traditional?

Q

For all audience measurements. So you said you needed the distributors to implement SDK.

Megan Clarcken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. So about 30%.

Q

30% okay. And then the last question I had in terms of dynamic kind of ad insertion, but through a ODCR, or on-demand credit rating (sic) [on-demand commercial ratings] (25:21), how does your – is that completely separate for you? Or is that part of our measurement as well?

Megan Clarcken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

It's part of my portfolio, but it's part of the C3 ratings.

Q

Yes.

Megan Clarcken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes.

Q

Okay. Thank you.

Paul L. Ginocchio  
*Deutsche Bank Securities, Inc.*

Q

Question right here in the front.

Q

Just like an update on the – your progress with getting the SVOD players to be able to provide – get ratings from them either voluntarily or involuntarily?

Megan Clarken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. So the big ones, the Netflix, for instance, are still not prepared for measurement. So they're stripping off our watermark. There are a number of ways in which we're trying to get around that. The first one is that they need to implement – if they implement the SDK, we're in good shape, but they're not prepared to do that. The second way is that for SVOD within the three-day window, it's picked up by the panel and it's reported – if it's advertising supported, it's reported inside of the C3 ratings.

There are two other ways in which we're getting to that data. One is something that we have just rolled out in December and starting to see some traction on that now, is using audio file. So the distributor and broadcaster send us an audio file of the content. The meters are able to read that audio file through signature matching. And they're able to say to the broadcaster, this program was consumed in this household. And we can't attribute it to any source. The broadcaster actually knows their deal is with Netflix. So the broadcaster looks and says that's my Netflix, so thank you very much.

The problem for us around that, although it's great and the broadcasters love it, we can't syndicate it and we can't show the source. And ultimately we would like to get to a place where we can show the source and syndicate it.

And so what we're doing there is we're developing a piece of hardware that connects into the back of the meter, which actually taps in to the Wi-Fi inside of the home and is able to identify content that was consumed – that is not attributed to C3. And we see the source as being Netflix or Amazon Prime. And that being the case, then we can roll that up and publish that inside of the rating service.

That is work-in-progress. So the hardware device has been built. It's still being tested. Clearly these things need to take time to be rolled out into something that's industrial strength. So I can't see that coming in 2015. I think we're sort of a long way into proving the proof-of-concept on it, but I would say that that's closer to sort of a 2016 rollout.

Q

[inaudible] (28:18 – 28:22)

Megan Clarken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. To the specific broadcaster on their content, yes. Correct.

Paul L. Ginocchio  
*Deutsche Bank Securities, Inc.*

Q

Great. Maybe I'll just ask a question if no one else has one, about local TV or local measurement. There's been sort of a lot of noise around it. It's about 20% of your Watch business. It grew 5% last year, which was a nice – or 4.5% last year, a nice growth rate. Can you just talk about what you're doing in the local markets to sort of reinforce your position there?

Megan Clarken  
*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes. So it did have a good year last year, 4.5% really good. And that came from all the renewals and new clients as well. We've made a number of announcements and progress on beefing up the local rating service. One is that 45 of the diary markets will go to electronic measurement this year and that's a very big plus for those local markets. They've been on diaries for long time.

Secondly, we're introducing local ratings stabilization. And what that means is that for some of these long-tail markets, the panels are small and so what they see week-to-week is fluctuations in their data and so one week they may see number – they may see ratings numbers and the next week, they'll see zero, zero [ph] sell (29:45).

And through a statistical methodology, we are able to smooth out that, so that they will see a much clearer line of sight into their ratings without having to deal with fluctuations in theory. And the third thing that we're doing is something called zero assignment where we are seeing data come through and we're unable to attribute it to – or it's not coming through – nobody has pushed the button in the home and we're unable to attribute it to a specific demographic. In the past, we've thrown that data out. Now, what we're doing is viewer assignment based on behavior's what we know about the household members, we're able to attribute demographic to that viewer and include that in the rating. So all of this enables the ratings to be more stable and more consistent for those local markets. There is a bunch of work going on there in terms of growth of the panel and stabilization of the numbers.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

I think you recently signed a new contract with Tribune Broadcasting, without talking about clients specifically or did you roll all the digital ad ratings and digital ad content premium pricing or whatever, did you price that contract before that or is that part of the contract – are local TV stations now also signing up for the entire total package?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes, so some of it is out of the MSA, some of the deal that has been constructed where pieces of the digital management are included in the MSA and some are outside of the MSA. The good thing, the Tribune deal was a great deal for us. They believe in total audience, they understand the need for this, the investments that we're making, they see our work in terms of out-of-home measurement, over-the-top measurement, all of the digital measurement is really important to their business. And so they like the story. And out of that, we did a fantastic renewal of Tribune. It's really a good story.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

We have one wrap-up question. So, at the Analyst Day in 2013, Steve Hasker outlined this \$500 million revenue opportunity for 2017. So, here we are at the beginning of 2015, I think you guys said that revenue – digital revenue has doubled in 2014.

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

Yes.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

Where are we on that to getting that goal of \$500 million, is it a linear progress that \$500 million, is it backend loaded? How should we think about where you are relative to the goal?

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

So, the number, we stand behind so, if I recall it was 2% of our video market – 2017 video market of \$15 billion or \$17 billion. And we believe in the video space, it will come down to one provider. And so, that's about \$300 million of that \$500 million. We still feel good about that. The rest of it is made up of – remember, this grade here actually comes to life for us across audio and text as well.

From the text space, that is about display advertizing. And as part of what we're doing, we will continue to pick up and probably pick up more of the display advertising revenue, which makes up a piece of that \$500 million.

And also on the audio side, so the audio, TV ratings and as the audio companies or the traditional radio companies move to digital and the new audio companies are wanting to be measured and compared to traditional, this grid comes into play as well. So on the audio side there's revenue there. So, we still like the \$500 million. And it's a ramp up as products and services comes to life and it's more and more important to making sure that people understand the total audience including the digital piece.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

So, it I think is it linear or is it more back end loaded or...

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

A

I think it's more linear.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

Q

More linear. Great.

Paul L. Ginocchio

*Deutsche Bank Securities, Inc.*

I think we're out time and if there is – I think that's it, so, Megan, thank you so much. Amy, thanks for attending as well. Thanks, everyone.

Megan Clarken

*EVP, Global Product Leadership, Watch, Nielsen Holdings NV*

Okay.

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