



4A's/ANA Report Local Television Ratings Industry Meeting January 15, 2010



On January 15 ANA and the 4A's conducted an industry meeting to discuss local television ratings. The participants consisted of buyers, sellers, Nielsen, and representatives of industry trade associations. There was healthy dialogue for more than two hours that covered the points of view of the various attendees. That dialogue will continue. This report summarizes the issue, the debate, and next steps.

Background

In 4th quarter 2009, Nielsen announced its decision to modify the reporting data streams made available in local markets. Nielsen plans to eliminate the Live Only data stream from overnights and electronic data files in early 2010 and replace that with the new Live + Same Day stream. There would then be three data streams available to advertisers: Live + Same Day, Live + 3 Days, and Live + 7 Days. (For operational reasons Nielsen can only make three streams available and the Live + 7 Days stream must be maintained.)

In late 4th quarter 2009, the ANA Television Advertising Committee, 4A's Media Policy, Local TV/Radio, and Media Research Committees opposed the elimination of the Live Only stream and requested that it be retained. In response, Nielsen agreed to maintain the Live stream through the 1st quarter 2010 and meet with representatives of buyers and sellers to discuss the matter.

Rationale for Live Only Stream

Buyers (advertisers and agencies) explained at the industry meeting that it's critical to recognize that local ratings are based on program ratings and not commercial ratings (national ratings are commercial ratings). All of the "plus" streams include program viewing in DVR playback but do not recognize commercial skipping in DVR playback. It is the strong belief of the buyers that ratings would be significantly overstated as a result. With DVR penetration over 30 percent, the controversy regarding this issue will intensify as DVR penetration continues to grow and an increasing number of viewers skip commercials in DVR playback. Given this issue, a number of buyers asked, "Why wouldn't the industry want a data stream (one of three) for live only viewing?" The buying community at the meeting appeared willing to give up either the Live + Same Day or the Live + 3 Days stream in order to keep the Live Only stream.

Meanwhile, a number of sellers in the meeting stated that the Live Only stream fails to accurately record viewership, given that the continuing increase in DVR penetration means that more and more viewers watch programs outside of the initial broadcast time period.

In addition to the above, the question of whether the Live Only stream will continue beyond the end of the 1st quarter 2010 is significant for several reasons. Many advertisers and agencies negotiate local market deals with the media using Live Only ratings. Many such deals are already in place, so removal of Live Only would impact performance analysis of those deals and impact future negotiations.

Conclusions and Request Actions

Given that three local reporting data streams can be produced by Nielsen, the comments of the buyers at the meeting emphasized that it is reasonable to request that one of these streams be Live Only. Advertisers and agencies appear to have no issue with the other two streams being “plus” streams. However, to make all three streams “plus”—including DVR playback of programs, with no recognition of commercial skipping—seems unfair and unnecessary. At the meeting’s conclusion, Nielsen announced that its current plan remains to cancel the Live Only stream at the end of the 1st quarter 2010. The 4A’s and ANA urge Nielsen to reconsider that decision.

Next Steps

The 4A’s and ANA are prepared to reconvene the industry to continue discussions on this critical measurement issue.