



# **Local Television Audience Measurement**

Unmet Needs and  
Potential Opportunities  
Report

May 2023



# Project Objectives

1. Identify points of alignment and misalignment about measurement needs between local television buyers and sellers
2. Establish key challenges and common priorities.
3. Compare to measurement provider roadmaps.
4. Identify potential solutions for further exploration, such as:
  - Agreed upon local television minimum requirements
  - Or other measurement related recommendations to help local television realize its business potential, for both buyers and sellers, as the industry evolves

## Method

- 36 one-hour in-depth interviews were conducted between February 1 and April 7, 2023
  - 20 sellers (O&Os and station groups)
  - 10 buyers (agencies)
  - 6 measurement providers (Nielsen, Comscore, iSpot, VideoAmp, Innovid, CrossScreen Media)

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# Executive Summary



# Executive Summary

- ❑ Everyone agrees local advertising works; it drives business
- ❑ However, buyers and sellers of local television are experiencing significant market changes, making their jobs increasingly more, not less, complicated – key changes include:
  - **Consumer viewing shifts** - result in reduced average quarter-hour ratings; TV currency requires larger samples and the integration of linear and digital (streaming) impressions. This is blocked by the lack of integrated measurement, systems and a common exposure metric (impressions)
  - **Currency measurement** is widely believed to have become less reliable, resulting in the adoption of Pay for Performance business terms as ratings can't be reliably forecast.
  - **Nielsen** has made abrupt changes which made comparisons to historic viewing trends and ratings forecasting even more difficult
  - **Comscore** has larger samples and reliability, but has not yet gained adoption as the principal trading currency for more than a few stations/groups
- ❑ Continued lack of strong workflow automation systems makes local buying/selling time-consuming and manual

# Executive Summary

- ❑ Buyers and sellers **share the pain** of being unable to reliably forecast ratings and successfully deliver guaranteed buys and are willing to work together to explore solutions
  - Historically, changes in television currency have pitted buyers against sellers, but here, we found a single voice around the detrimental impact of currency measurement instability on the business
- ❑ This sets the stage for a **shared effort**:
  - Short-term, to develop industry-wide agreement for reasonable posting standards, away from Day/Date/Time
  - Long-term, to work with audience measurement companies to provide more reliable and accurate data
- ❑ The adoption and interest in more **advanced techniques** such as advanced audiences, attribution and addressable is less universal
  - More digitally-engaged buyers and sellers see these as table stakes
  - More traditional broadcasters were divided in their interests

# Executive Summary

- Local buyers and sellers appear to have a **clear prioritization of measurement needs** – their greatest challenge is the currency’s lack of reliability and their inability to accurately forecast ratings and deliver buys as guaranteed; all other priorities pale by comparison

1. "I need more reliable ratings – I can't do my job!"

This means minimizing the money and resources lost to chasing UDW due to unstable audience currency

2. "I need to tell a reach story with streaming, but no one can help me"

The focus on deduping linear and streaming occurring at the national level must also include local

3. "I see the Audiences opportunity, but I need to be able to execute"

Local will need the same kind of the data to execute data-driven linear as national

4. "Local advertisers have always been outcome oriented, but I need to know how to use these new tools"

The industry needs more high quality attribution capabilities for local. And more local educational resources, too

5. "I need more clarity about the role of addressable local TV"

Local addressable advertising capabilities are not well established

- However, attitudes do vary: some industry participants believe that the industry **urgently** needs new measurement solutions, but more **digitally-focused** buyers see this as a less urgent priority.



## Executive Summary

- At the same time, **logistic complexity** and the **lack of automation** in processes, systems and workstreams make local television buying and selling extremely difficult
  - Far too manual and time-consuming, for many buyers and sellers
  - Dampens prospects for integrated linear and digital (streaming) planning and execution
  - Some progress is being made, but adoption of more advanced systems appears to be limited

## Executive Summary

- Despite a clear set of unmet needs, all audience measurement companies currently **do not appear to have a clear plan and roadmap** to bring a viable local TV currency product to market
  - Including Nielsen and Comscore
  - Providers shared intentions, research principles, theories, but no detailed plans with product specifications and dates assigned
    - Defined as a product with sufficiently stable and representative samples, broadly accepted persons measurement, integrated linear and digital/streaming, coverage of all TV distribution sources, and coverage of all geographic areas that are required for guaranteed transactions between buyers and sellers
  - Other providers offer campaign measurement systems, but not audience currencies to underpin the full estimating, planning, buying, posting cycle

# Executive Summary -Local Television Currency

## Measurement Recommendations

**Short-term** – (potentially addressable this year)

1. Posting standards – moving away from Day/Date/Time to Pay For Performance or posting to a reasonable level of aggregation

### Long-Term

2. Establish industry minimum standards to guide measurement providers for:
  - a) Much larger and fully representative samples – set minimum sample size per market
  - b) Reliable coverage of all TV markets
  - c) Acceptable demographic impressions estimates
  - d) Integration and deduping of linear and streaming
  - e) Advanced audiences and geo-targeting
3. Develop an industry process for introducing methodology changes
4. Develop industry specifications to direct areas of focus and help Media Ocean, Hudson, Strata, Wide-Obit prioritize efforts
5. Design a process for the objective validation of local television personification methods
6. Devise a process for developing a TV market definitions to aid new audience currency providers
7. Create guidelines for selecting attribution method, data and outcome variable

## Recommended Next Steps

- Form inter-stakeholder working groups to address short-term and long-term priorities
  - Work through recommendations to develop solutions and apply change management process to help all parties find win-win solutions



## Key Findings



Key  
Finding  
#1

**Substantial Changes In Local Television In Past 2-3  
Years**

Buyers and sellers of local television are experiencing significant changes in local television in the relatively recent past, making the job increasingly more, not less, complicated

## Substantial Changes Impacting Local Television

- ❑ The use of impressions for local television planning and buying
  - To correspond nominally with digital/streaming
- ❑ True changes in consumer behavior - pandemic-driven streaming increases
  - Continued broadcast decline has made measurement increasingly difficult
  - Addition of streaming inventory impossible to handle holistically with linear
- ❑ Pay for Performance has emerged as a efficient solution to posting problems and excessive makegoods
  - Stations create audience guarantee estimates and if actuals fall short, clients are billed for what they delivered or are given their money back
  - Frees up inventory and agencies from tracking down under-delivery weight
- ❑ Measurement changes at Nielsen (e.g. injection of Broadband Only homes)
  - Difficult to separate out impact of methodology from real consumer behavior changes
- ❑ Comscore failing to gain broad traction as currency alternative; retooling approach to persons measurement
- ❑ Awareness and interest of alternative currencies VideoAmp and iSpot has grown, but they are only offering proofs of concepts for local, with no full solutions yet announced

## Implications of Significant Change in Local TV

- ❑ Consumer viewing shifts
  - Results in reduced average quarter-hour ratings; as a result, TV currency requires larger samples
  - Necessitates the integration of linear broadcast and digital streaming impressions for managing and reporting local buys; which is blocked by the lack of integrated currency measurement, integrated systems and a common exposure metric
- ❑ Currency measurement has become even less reliable
  - Driving some sellers and buyers to move to pay for performance because ratings can't be reliably forecast
  - Driving Nielsen to make abrupt changes that meet the urgency, but introduced artificial instability in viewing trends, making ratings forecasting even more difficult
  - Comscore offers larger samples and reliability, but is challenged by the industry's lack of adoption of their personification model
- ❑ Continued lack of strong workflow automation systems makes local buying/selling time-consuming and manual



## Key Finding #2

### Shared Pain

Buyers and sellers share the pain around inability to reliably forecast ratings and successfully deliver the guaranteed buy as reflected in an acceptable post-buy analysis and appear willing to work together to alleviate the pain

- Historically, changes in television currency have pitted buyers against sellers, but here, we found a single voice around the detrimental impact of currency measurement instability on the business

**Comment:** The inability to forecast, deliver and post a buy as planned is a challenge of equal proportion for both buyers and sellers. Both sides find it expensive and time consuming. They all want a solution. This need overshadows every other measurement-related conversation. The buy side and sell side may use slightly different terminology and have different levels of technical sophistication, but they all see the same need.

## In Their Own Words - INABILITY TO RELIABLY FORECAST AND DELIVER THE GUARANTEED BUY

*Buyer: Measurement is inconsistent and unreliable. We can't get a trend for forecast. It's not a secret – local measurement of video has been problematic for quite some time. Trying to forecast in local linear - delivery falls way short and chasing all that under-delivery weight – It's problematic for any agencies – especially one our size.*

*Buyer: There are lots of barriers here – In the old days, you would predict audiences and the buys posted between 95 and 110. Now projections are a different conversation. Posts buys are very different – in order for us to deliver for a client, we have to post every week – especially with limited flights to ensure we will deliver the ratings they expected.*

*Seller: We sell based on currency that fluctuates – everyone is trying to predict the future – we're frustrated by sample size, the tech, and there seems to be a lack of credibility in the numbers. Posting is a big issue – no set standard for posting – agency and stations post – anyone can come up with a different post – lack of uniformity and amount of under delivery weight on posting is unbelievable.*

*Seller: Everyone talks about the difficulty in posting [buys]. We have been selling same way for 40 years – share times HUT/PUT from a year ago. We can't do it anymore, but people are still doing it.*

Key  
Finding  
#3

## Two Factors Impact Measurement Priorities: Urgency & Digital Engagement

Beyond this unifying, shared pain, there are two important factors that explain differences in awareness and attitudes about local television measurement priorities

1. Varying sense of *urgency* for solving the industry's main pain points (reliable forecasts and post-buys that deliver guaranteed buys) and adopting innovations such as advanced audiences and outcome measurement
2. The degree to which the buyers and sellers were more or less digitally (streaming)-engaged

## Varying Sense of Urgency

- ❑ Buyers and sellers in the study exhibited different levels of urgency for solving the industry's main pain points and adopting innovation
- ❑ They can be categorized into three groups based on their different attitudes and approaches to dealing with the amount of change occurring in local TV measurement
  - **Early Adopters:** not willing or able to wait for solutions; these people are actively trying new business processes, data sources and tools
  - **Experimenters:** less willing to stake out a potentially risky position, or invest heavily; these people are trying new data sources or tools, or using them to a limited degree; they hope to be ready for change when it arrives
  - **Acceptors:** Do not feel empowered, this could be due to barriers of limited funding, awareness, education, or vision; they are waiting for the changes to be announced

 We describe and hear from members of these 3 groups in the next few pages!

## Urgency Driving Early Adopters

- ❑ Driven by the urgency associated with unreliable audience data and the pain associated with posting and chasing under-delivery weight
- ❑ Early adopters of Pay for Performance on both buyer and seller side embracing radical disruption in work stream efficiency
- ❑ Some adoption of Comscore; mostly to supplement Nielsen in smaller markets, in some instances replacing Nielsen; in some cases to enable advanced audiences
- ❑ Some sellers see elemental threats to the long-term survival of local television marketplace from digital/streaming and improved geographic targeting of national inventory
- ❑ The more digitally-engaged tend to be Early Adopters because their familiarity with the digital media marketplace and measurement has given them a firm foundation in an alternate, non-traditional linear TV paradigm

## Urgency Driving Early Adoption – EARLY ADOPTERS IN THEIR OWN WORDS

*Buyer: We're using Comscore for other digital channels. But don't use it for linear, but we have a relationship with them.*

*Buyer: We're using NBC and Scripps for pay for performance – and making the process easier – we accept their estimate and we pay for what we get. Made some things easier.*

*Buyer: Pay for performance is a big huge time saver.*

*Buyer: We do pay for performance with several partners – moved away from chasing under delivery weight. It's a big benefit to sellers – it's made our posting much better.*

*Seller: So, we said we're going to jump off of it. We're not going to use the Nielsen currency anymore. It's a first-mover approach, but we clearly saw it's not a viable currency to use. It was very expensive, completely unstable. The agencies knew it, and we said, we're done. We're not doing it anymore.*

*Seller: There are a handful of agencies that have gotten progressive in this – they're moving out of the minutia – into pay for performance and attribution vs old methods and measurement. But their legacy business at the agency is still tied to auditors.*

## Urgency Driving Experimenters

- ❑ Some experimentation with local advanced audiences enabled with Comscore data, occasionally VideoAmp, and third-party target audience segments; though category-dependent and dampened by limited data options in local
  - Automotive was the product category most often mentioned
- ❑ Experimentation with attribution models and outcome measurement was less frequently cited, though there are limited attribution options in local; affordability was often mentioned as a barrier
- ❑ Local advertisers have always expected their buys to deliver retail traffic or sales; attribution models makes sense to them, although the cost may be prohibitive for now
- ❑ National spot buyers and sellers are already dealing with attribution at the network level and see its entrance to the local market as likely
- ❑ Experimenters are found on both buyer and seller side; who are more or less digitally-engaged

# Urgency Driving Experimentation

## EXPERIMENTERS IN THEIR OWN WORDS

*Buyer: We worked with VideoAmp to see if they can work with these strategic audiences – based on ACR and STB data – but have some significant limitations to daypart, scale and local media.*

*Buyer: We're using Comscore for advanced audiences – beyond age/gender on some clients.*

*Buyer: Nielsen is our measurement provider, but we're experimenting with Comscore for linear.*

*Buyer: I see us being asked holistically to show the medium is working – attribution, MMM, sales – interest is growing. And local is part of it – clients want to know how it's impacting sales.*

*Seller: In posting, we won't do pay for performance in the Nielsen world. We've tried tests that simply reinforced our concern about that. I'm open to doing it with Comscore because they have bigger data. We can handle that over time.*

*Seller: Guaranteeing outcomes? We are experimenting with a number of partners and have home-grown solutions - with a wide range of clients. We don't transact on it. In general, our job is to deliver audiences.*

*Seller: Creating a standup currency that has benchmarks and rankers – all living in a fluid internal systems will be a challenge. Getting enough investment along the way will be hard. It will be expensive. A company like VideoAmp is not a true alternative currency yet.*



## Less Urgency Results in Accepters

- ❑ The majority of linear buyers and sellers are accepters of the status quo
- ❑ Less willing or able to genuinely break the traditional local TV audience measurement paradigm
- ❑ Many accept that Nielsen will eventually adapt and they will learn to live with whatever they get
- ❑ Believe that changes in local measurement will come long after national TV measurement issues resolve

# Less Urgency Results in Acceptance

## ACCEPTERS IN THEIR OWN WORDS

*Buyer: Average quarter hour versus C3 minute for national, and digital 2 sec of exposure? They're all very different. But it's too technical for most clients to understand – we're not getting that granular.*

*Buyer: More precise time resolution - e.g., second by second vs. quarter-hour. They never did it before, broadcasters don't want it. Nielsen could do it but I don't think they will. But I don't know how to do it. Right now, you're assuming an impression is an impression is an impression.*

*Buyer: Stability to post on day/date/time this will not get solved in this timeframe – it's expensive for Nielsen to upgrade their service –they're focusing on national now.*

*Buyer: Outcome measurement: No, it might be beyond our local team. A lot of that happens on the client side. Attribution is very tricky – if you have national, local, digital, it's very tricky.*

*Buyer: To go beyond age/gender would be useful – but it's not easy to get there. We look at some additional data points for some of our clients, but still only transacting on age/gender.*

*Seller: We don't believe in pay for performance because you don't control the creative – for outcome guarantees*

*Seller: Some Nielsen leaders are trying. There will never be another Nielsen – no measurement service will be that ingrained on both buy/sell side. Nielsen does have the foundation. I'd rather have them fix them because no one else will get there. They have best infrastructure to fix it. So make them fix it.*


*Seller: We have advancements on national measurement, seemingly, but no real progress on reporting granularity and definition of what we're measuring. Local is having another left-behind moment.*

## Summary: Urgency

- ❑ Productive industry change is always driven by a strong sense of urgency and a shared vision, according to the leading expert on change management, John Kotter, in his many books, especially A Sense Of Urgency (Harvard Business Press, 2008)
- ❑ Driving productive change in the local TV industry will require converting Acceptors to Experimenters and Experimenters to Adopters, focusing on :
  - Changing attitudes: openness to change
  - Increasing awareness: and level of understanding of new business processes, data and tools
  - Finding affordable industry solutions : the level of investment of time and money their company is willing or able to make
- ❑ Each will need to be addressed if we want to enable effective solution for local TV currency measurement

## Degree of Digital Engagement

- ❑ Some buyers and sellers were more focused than others on local TV MVPD or linear plus streaming station inventory or both
- ❑ This orientation impacts their awareness and attitudes of local television measurement priorities
- ❑ More digitally-engaged:
  - Prioritize, very highly, the integration of linear and streaming elements of a buy for both reporting and, eventually, optimization
  - Want to be able to sell advanced audiences now
  - Expect attribution to be a tool in their kit eventually, although they accept affordability and other factors that currently limit that option
  - Were among the few to even mention addressable
- ❑ To be clear, the ability to forecast ratings accurately and deliver post-buys showing delivery of impressions as planned are still the most important priorities



We describe and hear from more and less digitally-engaged buyers and sellers in the next few pages!

## The More Digitally-Engaged Buyers and Sellers

- Tend to be Early Adopters
  - Some adoption of Comscore; mostly to supplement Nielsen, in a few instances, replacing Nielsen
  - Tend to be more Early Adopters because of their familiarity with the digital media marketplace and measurement has given them a firm foundation in an alternate, non-traditional measurement paradigm
  
- Some Digitally-Engaged are Experimenters
  - Advanced audiences, attribution and outcome measurement are all table-stakes in the digital world
  - Experimenters can be found on both the buy and sell side

## The Less Digitally-Engaged Buyers and Sellers

- Buyers or sellers of primarily linear station inventory
  - Prioritize only the need to be able to forecast ratings accurately and deliver post-buys showing delivery of impressions as planned
  - Some may be interested in advanced audiences, but most are waiting patiently with no sense or urgency
  - Tend to be **Acceptors**
    - Few buyers or sellers genuinely breaking traditional research paradigm
    - Many just accept that Nielsen will adapt and they will learn to live with whatever they get
    - Believe that changes in local measurement will come long after the national TV measurement issue resolves
  - A few are **Adopters**
    - Switching from Nielsen to Comscore
    - Pioneering Pay For Performance

## In Their Own Words – THE MORE AND LESS DIGITALLY-ENGAGED

### More Digital

*Buyer: We use Nielsen [as negotiations/currency], but are using Comscore for advanced audiences – beyond age/gender.*

*Buyer: I would like to see advanced audiences replace demos.*

*Buyer: Our clients are CPG, services, e-commerce – they're all looking immediate return. Some still look at Impressions, Reach, Frequency, GRPs. We also run a lot of conversion campaigns – with URLs, or 800# but at the end, clients looking for both because we are doing full-funnel -planning.*

### Less Digital

*Buyer: Our business will change - especially as we're potentially expecting local buyers to also start considering streaming and CTV opportunities – because they're gaining familiarity with a new type of measurement in kind of an old paradigm, buying on a DMA level or geo-targeting within a DMA. –There's also a lack of uniform way of measuring CTV.*

### More Digital

*Seller: The current state on digital [streaming] is good. On linear, measurement is very far behind. The linear space has been measured by content proxy and continues to be measured at the AQH level rather than commercial air time level or ad impressions level directly.*

*Seller: we want to see it all in one place – all linear, streaming addressable, digital.*

*Seller: We do a lot of advanced audience work – linear or streaming addressable*

*Seller: We also have attribution through Ampersand ... Smaller local clients know they can measure web conversions.*

### Less Digital

*Seller: Comparability across linear and streaming platforms– JIC is going to talk about that – Should a 2-sec exposure have any comparability to a 30-sec ad? Ridiculous – don't get me started on that.*

## Differences in Awareness & Attitudes

### CONCLUSIONS AND IMPLICATIONS

- Urgency and degree of digital engagement help explain differences in awareness and attitudes about the prioritization of local television measurement needs that follow
  - Varying sense of *urgency* for solving the industry's main pain points (reliable forecasts and post-buys that deliver guaranteed buys) and adopting innovation
  - The degree to which the buyers and sellers were more or less digitally (streaming)-engaged
- They can guide industry action to address those needs
  - The priorities will make clear where industry action is needed.
  - But among those priorities, there are different levels of urgency.
    - This provides a strategy to drive adoption – those levels of urgency need to be elevated.
  - Where less consistency around priorities was found, the primary driver of differences was the buyer/seller's level of digital engagement.
    - This also provides a strategy for where industry action should be focused to keep both more-or less-digitally engaged people involved.





## Buyer & Seller Priorities



Key  
Finding 4

## Measurement Needs - Prioritized

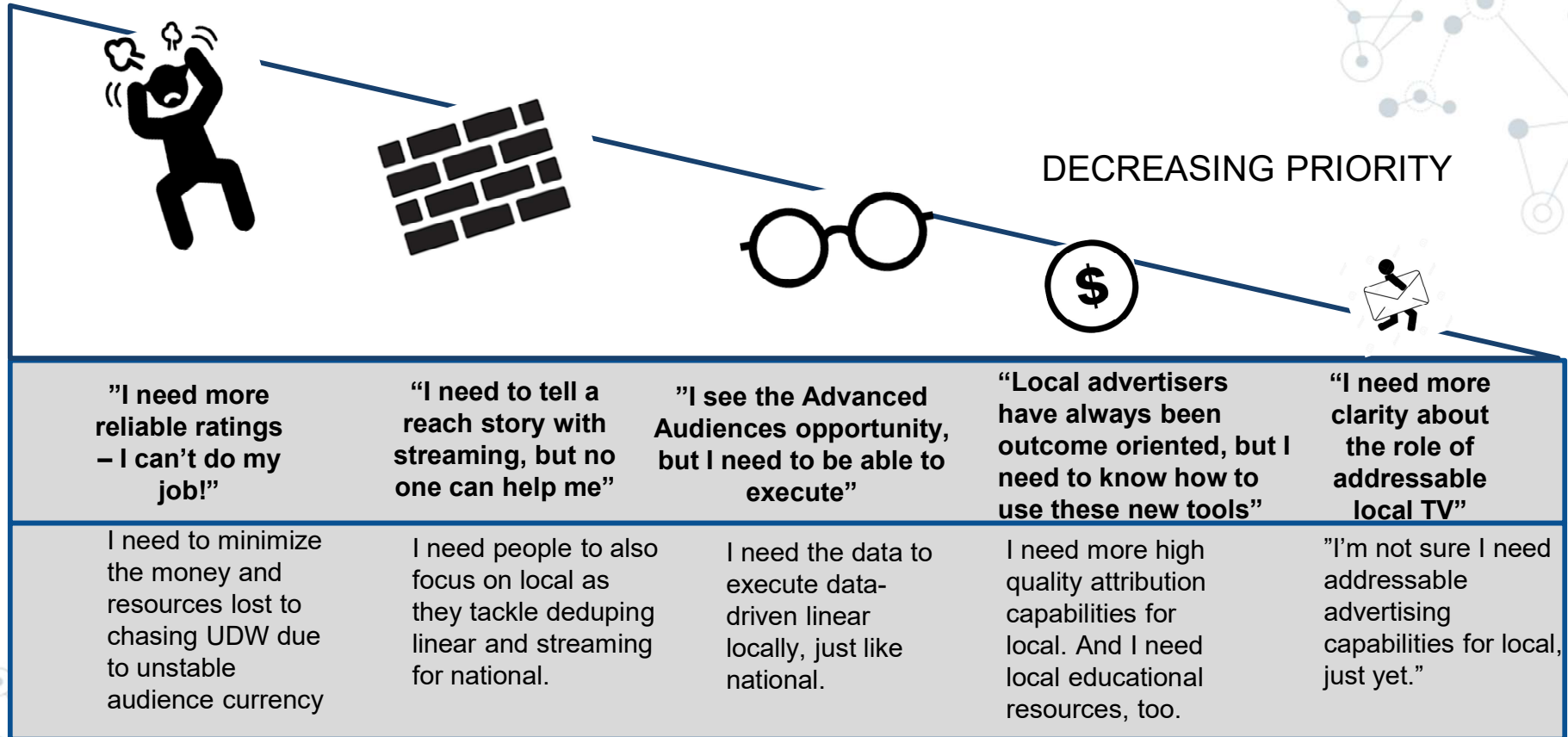
A clear prioritization of needs for Local TV measurement is evident, based on buyers' and sellers' business interests



We detail key findings about prioritized measurement needs and will hear from buyers and sellers in the following pages!

# Buyer & Seller Prioritization of Needs

## FOR LOCAL TELEVISION



## Key Finding #5



## I Need More Reliable Ratings – I CAN'T DO MY JOB

- ❑ All buyers and sellers agree sample sizes are inadequate
  - Lower local broadcast ratings, Nielsen's small sample sizes, and a large number of zero- sample quarter hours create unreliable ratings estimates
  - Comscore has a larger sample, 30M HHs, which provides adequate measurement of all 210 markets
    - However, their “personification” approach to persons measurement is not broadly accepted
    - Measures of “households with” people of particular age/genders are not acceptable to most, but not all buyers and sellers

**Comment:** For all alternative currency providers, it is clear that enormous national sample sizes and minimum sample standards by local market are required. The “personification” issue bedeviling Comscore is faced by all big data providers, including Nielsen

## In Their Own Words — I CAN'T DO MY JOB! UNRELIABLE RATINGS ESTIMATES

*Buyer: The data is so flawed. Statistical error on a Nielsen rating is 30-50%. If we already know we're that disadvantaged, what are we forecasting? We're applying as much smart logic as we can, but we are still have to commit to our clients.*

*Buyer: Nielsen needs to quadruple its survey size – increase it 10-fold. That would improve 18+, bring needed stability and increase confidence. Right now, they have a 60% chance of being wrong.*

*Buyer: I'm not satisfied – we live and die by this – and to have to explain to clients that NY has 8MM homes and Nielsen only has 1300 meters in the market, it's crazy.*

*Seller: Both Nielsen and Comscore need to improve their measurement – need a better sample for Comscore, need a more reliable and consistent sample for Nielsen. Stability is very important. Comscore doesn't change much; the numbers don't move – that's good because you don't have to fight before and after. In Nielsen, that same number could be 2.7 in one book or 5.7 in another book – not sure which is more accurate. I believe the Nielsen sample set is better than Comscore sample – but reliability is worse with Nielsen.*

*Seller: With the Nielsen currency, 85% of quarter hours have relative error over 50%. We're left with only 15% of the quarter hours to project an audience to post on.*



## I Need More Reliable Ratings - UNREPRESENTATIVE SAMPLES

- Buyers and sellers agree samples are not representative
  - Creates bias and unbalanced, unstable ratings
    - Inadequate representation of homes with different television delivery systems
      - OTA, BBO, MVPD and combinations thereof
    - Inadequate representation of household characteristics
      - Number of sets, number of persons, key demos, especially multicultural
    - Inadequate representation of geographies
      - e.g. PPMs are located only in metro areas, not across TV DMAs

## In Their Own Words — I CAN'T DO MY JOB! UNREPRESENTATIVE SAMPLES

*Buyer: Nielsen still has to figure out diverse audience – Hispanic publishers are making sure samples are representative of the market audience – there are still some gaps in that.*

*Seller: Nielsen hasn't done a Hispanic enumeration in 5 years, and you know the Hispanic population has grown and spread out geographically. Those datasets are not linking up. We keep trying to push advertisers, and the lack of care Nielsen is putting into it.*

*Seller: Representativity is a problem in every data set – set top box, ACR or how they're combined, you're starting with a base base that's half over-the-air.*

*Seller: Measurement is a problem throughout the whole process – it starts with Nielsen sample sizes, which are inadequate for markets they're measuring. And then, the panels aren't managed adequately by them.*



## I Need More Reliable Ratings - PERSONS MEASUREMENT STILL REQUIRED

- ❑ Demos won't be going away soon; may still play a role in advanced audience targets
  - Nielsen is the only player with accepted demo impressions
    - Despite complaints that their demo ratings are derived from unrepresentative panels
    - And their use of demo assignment for meter or RPD only sample HHs
- ❑ Other methods for measuring or estimating demographics and viewers per set are not universally accepted
  - Comscore's "HHs with demo" and "personification models" are not generally accepted because it is not a persons measurement; one is household measurement, the other is modeled viewing

### Comment:

- Importantly, all big data sources will require similar personification since the data sources are household or device-based, including Nielsen, Comscore, VideoAmp, iSpot etc.
- Need acceptable local industry standards or validation of big data personification methods



## In Their Own Words — I CAN'T DO MY JOB! PERSONS MEASUREMENT IS STILL A REQUIREMENT

*Buyer: Some people are very negative on demos and say they're antiquated — I don't think there's anything wrong with having them. It's an AND. Should also have qualitative metrics or behavioral — not as replacement, should be additive.*

*Buyer: We have been testing Comscore to look at it. Wouldn't transact off of it — not comfortable with their "HH w" versus actual demos.*

*Buyer: We switched to Comscore for 5 years because Nielsen was still using diary markets. There was stability with Comscore. If anything, we over-delivered. Ultimately, upper management decided to go back to Nielsen. The controversy with Comscore is "Homes with" instead of actual viewers — people who just live in the house, who are not necessarily tuned into the program. I didn't agree with the decision.*

*Seller: Demos are here to stay — there will be other factors that make them less important — already less important than they were 20 years ago. But still it's the bulk of the buys.*

*Seller: Demos may be a part of advanced audiences — W25-54 Auto Intenders, for example. They are doing a lot of HH-with using STB data, but we will always need a panel to ensure representivity.*

*Seller: Most of our digital targets have a demo associated with it. There's still a need for this — industry isn't doing advance audiences. No one is on "SUV owners" audience.*



## I Need More Reliable Ratings - HELD TO IMPOSSIBLE POSTING STANDARDS

- ❑ Measurement issues are further exacerbated by unrealistic posting requirements set by advertisers and enforced by their auditors
  - E.g., Nielsen has stated that their margin of error is up to 30-50% in some cases, but stations are held to a +/- 10% posting standard
- ❑ Some agencies and sellers see Pay for Performance as the remedy for under-delivery and posting standards

**Comment:** Dialogue with advertisers is needed to define a win-win solution. The 4As should consider re-examining posting standards, which are considered outdated and unrealistic. Auditors claim to obtain incremental weight for their advertiser clients by holding buys to impossible standards. But the value of that weight is questionable when it is obtained long out of flight, which seems to be the case with under-delivery weight.

## In Their Own Words – I CAN'T DO MY JOB!

### POSTING CHALLENGES AND THE PROBLEMS PAY FOR PERFORMANCE SOLVES

*Buyer: The threshold is exactly the same from when I started in the business. With all these changes and all this data, it's still the same. Meanwhile Nielsen has come out and said that their margin of error is up to 30-50% in some cases, but it's still a 90-110 posting standard.*

*Buyer: The posting process is the worst - - That's why we're getting into Pay for Performance. No more chasing under-delivery weight – it is a giant time suck that no one makes money on. The beauty of Pay for Performance is the sales side creates the estimates and they deliver or we don't pay, and we all move on. No more saying "you owe me 10 points in Lexington" – and from sales perspective, they don't have to give it away.*

*Buyer: Posting becomes very difficult – by market – results are wildly different than what you estimated.*

*Seller: The amount of time we spend posting buys that never deliver, and the under-delivery weight that's stacked up that won't get paid off for years – has now crushed the local business on the national side.*

*Seller: We're doing more pay for performance. Avoids the constant shuffle of make-goods and the loss of inventory value. That takes TOO MUCH TIME! Need the station groups to come to one position on business rules. There are high costs to activate in local. Industry needs automation, needs standards. Agency auditors are making it harder.*

*Seller: Instability of the data means we're always chasing under-delivery weight and figuring out what's wrong. One month you're # 1 and then you're #3.*

*Seller: Auditors are making it harder on us – but I place more blame on buyers, the activation chiefs at agencies. A lot of the buyers have been buying the same markets for 15 years. They should sit down with the auditors and make some sea change happen.*



## I Need More Reliable Ratings - ABRUPT METHODOLOGY CHANGES COMPLICATES THE JOB

- ❑ Nielsen's abrupt methodological changes (e.g. infusion of broadband only HHs ) further disrupts the ability to forecast local ratings

**Comment:** A local industry framework for introducing major currency changes is needed. Minimally, it should include a time-frame with side by side comparisons and an opportunity to analyze the potential business impact of the change.

## In Their Own Words – I CAN'T DO MY JOB! ABRUPT METHODOLOGY CHANGES

*Buyer: We have planning cycles and then we activate and report on [specific data.] Nielsen didn't even consider that when they released BBO – they didn't have consistent measurement. When we make a contract and we say we're going buy off a certain measurement and then they changed methodology in middle and don't give you an idea of what was happening it's a problem. In 2022 we told clients, we guaranteed on this – and we didn't deliver because Nielsen changed measurement. Nielsen needed a parallel path. They just gave us the data and we had to say to clients, "Here's the situation, here's what we have to do."*

*Buyer: The BBO introduction added many more HHs (which was great) and added lower viewing households. It increased the impressions available, 25% on average across markets. But ratings declined. We couldn't compare to any historical trends.*

*Buyer: Last couple of years, especially with the BBO introduction, everything became even more inconsistent – and harder to estimate. We're seeing huge swings in delivery – and it has been even more challenging.*

*Seller: The introduction of BBOs into Nielsen sample make it difficult going forward. Last year, we had a currency that's been ruined by the new homes in here. With the BBO samples, up to 40% are not watching linear TV. Nielsen says the consumer is changing – we think Nielsen changed the structure of the way the panel works.*

*Seller: We need to help the market understand the nuances of different measurement. With the PPM changes and the BBO change, Nielsen just dumped it and everyone scrambled. The buyers took advantage.*

*Seller: BBO problem – when we use a Nielsen product, they have scrupulous rules on how sellers can use, but don't give direction for how buyers can use it. It's easy for Nielsen to write the rules, to have some consistent math from the non-BBO universe in order to make the transition so we don't continuously have to fight about it. They sent out a couple of brochures educating people, but buyers can use it however they want in a negotiation. Nielsen could fix this.*



## I Need More Reliable Ratings - IMPRESSIONS ARE A BRIGHT SPOT

- The near-universal shift to transacting on impressions in local is helping local television buyers and sellers
  - Facilitates cross-platform buying since impressions are common to both linear and streaming/digital
  - Impressions measurement helps eliminate “Zero-Rating” cells (quarter-hour station viewership by age/gender) and measures delivery to lower-rated inventory
- However, many advertisers still tend to expect agencies to report in GRPs so conversions are made

## In Their Own Words - I CAN'T DO MY JOB!

### NEAR UNIVERSAL MOVE TO IMPRESSIONS HELPS FACILITATE CROSS-PLATFORM REPORTING AND ENABLES MEASUREMENT OF LONGER TAIL INVENTORY

*Buyer: We switched to impression – to open inventory that didn't have ratings but there were people watching it.*

*Buyer: When BBO was introduced, so many more HH were measured. We got more impressions, but ratings declined in a number of markets. Ratings couldn't be used as currency anymore – so we began presenting flowcharts with impressions.*

*Buyer: We've been buying off impressions since 2017 – our plans are presented to clients in impressions. We used to have to convert to rating points to show clients, but now they are beginning to get it for multi-media combinations, etc.*

*Buyer: We're buying on impressions. The clients still want GRPs so we just do a conversion.*

*Seller: We just pivoted to impressions. That practice is coming back because of digital. It will help with the zero rating cells – which are a mile long.*

*Seller: We sell on ratings/impressions since we sell a mix of linear and digital – impressions span both metrics.*

*Seller: We do all impressions now, and it's less of a problem with different measurement system or across local and network.*



## I Need More Reliable Ratings - MRC ACCREDITATION STILL HAS A ROLE TO PLAY IN LOCAL TV BUYING/SELLING

- The MRC's independent review and standards are still important to the majority of local television buyers/sellers
  - A few detractors in local find the MRC's impact is narrow and that it stifles innovation
    - Pulling accreditation from Nielsen had very little on whether local TV buyers and sellers used Nielsen data



## In Their Own Words - I CAN'T DO MY JOB! MRC STILL MATTERS FOR LOCAL TV CURRENCY MEASUREMENT

*Buyer: I'm old school – I care about MRC. It matters that providers try to get accreditation and accept standards versus making up something and selling it. The rigor adds value to our business.*

*Buyer: It's probably pretty important, depending on how many other vendors come out with local measurement products.*

*Buyer: Should be more important than ever – we see new measurement players all the time; we need to hold everyone accountable. Having one formal auditing service is important. If Nielsen is audited everyone else should be, too.*

*Buyer: It's important to us – but other things are more important – which is why we stayed with Nielsen.*

*Seller: There are a different set of standards in digital than in local linear. The standards we abide by with the agency world has different standards for linear viewing (MRC) – but it's like a free-for-all in digital.*

*Seller: MRC is very important to us – we know Nielsen and Comscore's shortcomings– our POV is they have to be transparent and in the process. it's important to us that they are part of the process.*

*Seller: It's good to have. But we also need education about what accreditation actually means. Can be confusing.*

*Seller: Standards are important. They've fulfilled that role. But no innovative methodology has received accreditation – besides typical panel driven audience measurement. MRC doesn't support innovation.*



## I Need More Reliable Ratings - INCONSISTENT METHODOLOGIES ACROSS MARKET

- Consistent methodology across local markets and with national is challenging but not widely seen as essential
  - In an ideal world, measurement across markets and with national would make processes simpler
  - High level of frustration, but acceptance that it will be expensive and difficult to fix
  - Some buyers/sellers have a cursory understanding of the impact of adopting the national measurement currency, but the enormity of the change is daunting and as a result, not attractive

**Comment:** The lack of uniform measurement, particularly between local and national, feels like an oversight, especially for the national spot marketplace. There, local is specifically used to address national under-delivery in key markets.

## In Their Own Words - I CAN'T DO MY JOB! INCONSISTENT METHODOLOGIES ACROSS MARKET

*Buyer: we're kind of used to it – they can't even get past the top 25 markets with LPM because they're so expensive. Financially they won't ever get better than where they are. Don't think it will ever happen. Yes, we would like strong measurement in Top 50. Money goes to metered markets, but in the client's eyes, market number 76 is as important as the big markets.*

*Buyer: There are 5 different systems [with Nielsen local]– that's just the way it is – LPM, Set meter with PPM, without PPM, code reader and RPD+. Clients don't know the difference and it doesn't matter. LPM is the most accurate.*

*Buyer: It's easier dealing with metered markets – the others are more difficult. They report monthly. In the others, we don't even know what's happened in that month until well after the fact.*

*Buyer: It's a huge problem – so convoluted – having all the different types of measurement in markets means different methods to get a forecast and then you have to teach a team how to forecast against 4 different measurement scenarios. We have centralized this – impossible to teach this level of complexity to people –so now, it's in a separate group.*

*Seller: Not a problem – I don't think most buyers look at methodology. They pick their number, whether it's a PM market or HH, or code-reader or Comscore market. They don't care, they just use it. Day to day not an issue.*

*Seller: We never compare market to market – overall the inconsistency in each market is a lot. We measure the sample in every one of the markets to look at bounce, e.g., 1000 watched on Tuesday, and 0 on Wednesday??? Instability is mind-boggling.*

*Seller: It's the way it's been – not sure it's right or wrong. I can always shoot holes in something – in estimating, methodology is hard – I'm assuming they do it for the right reasons (I'll trust) but sometimes you'll see better measurement out of different methodology. It's all about costs, I get it. Better measurement in bigger markets for Nielsen – measurement becomes less sophisticated in smaller markets. Do you need measurement there?*

*Seller: I would like to see consistency with national. We know we will have lower ratings if we go to average minute like national.*

Key  
Finding  
#6



## I Want To Tell A Reach Story With Streaming – BUT NO ONE CAN HELP ME!

- ❑ Three key priorities associated with buying and selling local linear and digital/streaming
  1. Digital (OTT streaming) is extremely top of mind, important and appeals to all types of clients, but Interoperability with linear is essential
  2. Integrating linear and digital requires industry standard for the impressions metric, deduplication and universe estimates
  3. Processes, systems and workstreams make integration difficult to impossible



## I Want To Tell A Reach Story With Streaming – INTEROPERABLE SYSTEMS NEEDED!

- ❑ Digital/Streaming is top of mind, important and appeals to all local television buyers and sellers
  - Sellers sell linear and digital; but not all have both inventory types
  - Buyers can be siloed into linear or digital (programmatic) groups
- ❑ All see the need for integrated linear and streaming measurement and interoperability in systems
  - But for many, this is still around the corner
  - The opportunity for linear/streaming reach optimization and new high-value inventory is appealing to both sides

## In Their Own Words - TELLING A REACH STORY WITH STREAMING INTEROPERABILITY IS VERY TOP OF MIND

*Buyer: We would like everything to come together, but between national and local, it should be similar, and then separately, there's the challenge of combining linear with streaming TV.*

*Buyer: We buy CTV programmatically, so we are cautious – don't want too much frequency. We have a mix of clients – everyone is interested in CTV because of the viewer behavior changes. It has drastically accelerated the way viewers consume it – but exactly who executes it for a particular client is something we are trying to work out internally.*

*Buyer: The needs are the same for linear and streaming. Some clients want DAR, some don't need it – there's no uniformity in the streaming CTV space. We have a lot of rigor around our processes in linear. More than in digital. So we're trying to figure out what the best need is from digital partners – want to make it uniform. They're very different.*

*Sellers: Just being able to measure CTV at a local level is an accomplishment. On the whole, measurement has gotten better. But there's a problem with standardization – and some wild west stuff going on on the digital front. The more we can do, the happier it gets.*

*Sellers: The NFL just signed a 13-year local deal – we're not going away – things have shrunk, but we're not irrelevant. It's been a very confusing ride due to the agencies. It costs agencies a lot of money to activate in local. Our supply/demand – it's costing us. Agencies are recommending the easier path - though local has scale - but streaming is more profitable for them.*

*Sellers: The streaming thing is a real hole. VideoAmp and 605 have great platforms good UIs, and smart people. But there are struggles. The VideoAmp tag has to be accepted by our partners like Comcast and they don't want to do it. Ultimately, we want to pull all the MVPD data together with audience segments. But the MVPDs don't want to allow their data to be put together.*

*Sellers: Looking for comparability across television platforms linear vs. streaming – The JIC is going to talk about that – Should a 2-sec exposure on streaming be comparable to a 30-sec ad? Ridiculous – don't get me started on that.*



# I Want To Tell A Reach Story With Streaming –

## INTEGRATED LINEAR & DIGITAL MEASUREMENT REQUIRED

- ❑ Integrated linear and digital requires an industry standard for the impressions metric
  - Linear impressions are based on stations viewed for the preponderance of the quarter-hour and digital impressions are based on 2-second exposure
- ❑ Yet, we heard hesitation from many buyers/sellers about changing to a digital-like impressions metric, i.e. the MRC's 2-second qualifying threshold and abandoning the traditional quarter-hour rating
  - Some concern that the more granular metric would bring more data instability
  - Many local buyers and sellers, even the more digitally-engaged, just don't know – the benefits are not immediately apparent
  - Some are doubtful it would happen, and buyers are worried about the disruption it would cause

**Comment:** Differences in metrics this extreme will create advantages and disadvantages and requires industry study and consultation. De-duplication of local linear and digital and local market universe estimates will also be required. These are proving to be significant challenges in national and the number/variety of local markets complicate the problem.

## In Their Own Words - TELLING A REACH STORY WITH STREAMING STANDARDIZING IMPRESSIONS ACROSS LINEAR & DIGITAL

*Buyer: We have all kinds of weird standards for digital – it's all very challenging – therein lies the problem of trying to roll these things up – impressions aren't the same across the media channels. How do you roll those things up into one cohesive summary? I don't think you can.*

*Buyer: Yes, we need linear and digital integrated – but they're measured differently. But they are what they are – and you're buying on impressions and they're additive.*

*Buyer: For now, on cross-media campaigns, we put a Band-Aid on the problem and just combine impressions. I know that's not right – but directionally that's what we do.*

*Seller: I still see it measured differently – maybe there are better metrics to align on – length of tuning or average audience and they have minutes streamed - but they're still not equivalents. Not sure what the metrics are, but has to be more than minutes – must be a way to connect better or equalize usage across linear and digital platforms.*

*Seller: Why is the 2-second exposure acceptable on digital, and not on linear? There are a different set of standards on digital than on local linear. The linear standards we abide by with the agency world are from the MRC but it's like a free-for-all in digital. In linear, not the same thing. It's not a fair comparison. Agencies are lax with digital, but not with linear.*

*Seller: Next couple of years will be like it is now – but I see it evolving once people figure out how to be smarter and find a common currency across screens. That's when it shifts. Ran a pilot last year – impressions across screens. Midsize agencies want to do it but can't – why? Measurement? Or because they can't jump in? So we're building a parallel universe to do this – the pilot was all about how fast we have to move – found out we have a couple of years.*





## I Want To Tell A Reach Story With Streaming – DIFFICULT WORKSTREAMS

- Local buying/selling is far too manual and time-consuming in general, much less when streaming and linear are integrated
  - Systems (Hudson, MediaOcean, Strata, Wide-Orbit) aren't up to the task yet
    - Vendor promises made, but not yet delivered
  - Third-party and internal agency and station systems were set up for Nielsen and must be re-tooled for other data
  - Local continues to be logistically complex due to the wide variety of client needs and measurement requirements
  - Local TV measurement is expensive and adding multiple providers complicates the workflow
    - Buyers have the luxury of selecting a single currency; sellers need to accommodate all buyers and their currency choices

**Comment:** We believe progress on tools might be accelerated with industry-agreed statement of requirements

## In Their Own Words - TELLING A REACH STORY WITH STREAMING WORKSTREAMS COMPLICATE LINEAR/STREAMING INTEGRATION

*Buyer: If the consumer is watching WABC or Peacock, it doesn't matter – it's the same viewer and we can't buy it on the same buy. The agency systems, MediaOcean and OX, aren't there either. We rely heavily on them – Media Ocean is very close – they're working on Prisma for TV. Hudson is also trying to race with the finish line. We shall see.*

*Buyer: We're bringing more OTT and CTV into our buys, because of the fluidity of it. Now everybody gets the value of the [reach] extension. I wish I could say there have been automation changes but I can't – it's been years. Hudson and others – all these different players trying to automate buying and selling.*

*Buyer: Automation is my biggest beef – Hudson and MediaOcean are lacking.*

*Buyer: For Hudson we're using their pre-buy program – saved us a whole lot of time. It's not in Media Ocean – they're working on it. We're testing their omni-channel system with them, but they're behind the ball and it's frustrating.*

*Seller: We want to see it all in one place – all linear, streaming addressable, digital. I bought all these things, the campaign has 5 different products in it – but only way we can pull it all together is to go through Experian to do it. No system is pulling all the impressions, onboarding, doing it all in one place, planning, estimating, reach/frequency, flighting, posting, billing – we need it all in one place.*

*Seller: Nielsen has been the big dog forever, and every system is built to handle Nielsen. But that's not what we need. Using Comscore or Innovid means a full build-out – and then if my system is built, does it connect to the agency system? Most can't have Nielsen and Comscore in the system – there's too much data. Becomes exponentially more complicated. It means picking your battle. Need to truly make a MediaOcean or Wide Orbit connection, for sales information structure.*

## In Their Own Words - TELLING A REACH STORY WITH STREAMING LOCAL IS LOGISTICALLY DIFFICULT

*Buyer: It's always a challenge with 210 DMAs and 4 different types of measurement, so each market has its own story. Systems struggle to handle massive amounts of data – fragmentation – they don't even have the lines in the system to handle everything we buy. It's extremely manual – in forecasting, national or linear – it's art and science, not just pure calculation. We want to honor the art and science in a less manually intensive way.*

*Buyer: Another problem: is automation. Huge problem and too much of the buyer and assistants' time is spent doing much manual work – it's crazy. Media Ocean is trying to bring stuff into the same platform. It's supposed to be completed for local this year.*

*Buyer: That's why we're getting pay for performance – the no more chasing under-delivery weight – it's a giant time suck that no one makes money on. We we push for this because we are stewards of the client's money and the beauty of Pay for Performance is the sales side creates the estimates and they deliver or we don't pay, and we all move on.*

*Seller: All of this change depends on the next 3 years – whether the network side alternative currencies make significant investment to handle all the pieces. But everything is much harder in local. It's Ginger Rogers dancing backwards and in heels.*

*Seller: Yes, this will get worse. Nielsen has no solutions for the industry issues. I talked with the new Comscore CEO and told them, don't worry about new things. We have to fix what we have. We have to get a form of measurement we can all utilize. Some publishers are finding their own solution – NBC, Scripps - they're out of Nielsen. But there's no universal support for one solution and that's going to make things worse.*

## In Their Own Words – TELLING A REACH STORY WITH STREAMING MEASUREMENT IS VERY EXPENSIVE

*Buyer: I'm doubtful we would ever have 2 services. Comscore may sell piece-meal, and we would possibly pick them up if the offerings were piece-meal. But no, we would not pick up the whole thing.*

*Buyer: Two services aren't affordable. I don't know how Comscore would price Planmetrics, but we wouldn't transact on it. We wouldn't want Comscore TV, but depending on where their auto segments live, and what the cost is, we might be interested in those.*

*Buyer: I can't imagine two rating services for one market. It will be interesting to see what National does with iSpot and the other tests they've got going on. If it's a better measurement – I could see adoption of it, especially if it's got advanced targets. Nielsen charges a lot, Comscore charges a lot – dropping Nielsen would be problematic not just for buying, but for new business pitches and audits. It's possible, though.....*

*Seller: We're transacting on multiple currencies in our world anyway – but we don't want 2-5 currencies. It's a huge cost. And then sales asks which provider are we planning and posting on? Are you billing digital on 1pp or 3pp data? That's another huge cost. We have to make another \$700K to cover it ... and that could be just one provider. We have to move to something better, but we but don't want to have to feed all the data sources into 3 different systems and toggle between them. Nightmare.*

*Seller: Our measurement provider decision is not about cost – it's about trendable, accurate data. This always cost a lot and it always will. That's not what our decisions will be based on: non-performance is the problem we're having.*

*Seller: But if the agencies adopt a new currency, then we're going to have to adopt it too and have to fund it.*

## Key Finding #7

# I See The Advanced Audiences Opportunity — BUT I CAN'T EXECUTE!

- ❑ Advanced target audiences
  - Greater interest among more nationally or digitally-oriented buyers and sellers
  - Some local testing going on, a few embracing this for certain categories
    - Auto is everyone's first priority, with both advertiser demand and available audience data
  - Local market data dependent
    - Only way to execute is with Comscore because of their large local-market samples; can't do it with Nielsen
    - Nielsen offers Scarborough fusion, but almost no one mentioned that
- ❑ Geographic targeting flexibility vs. DMAs
  - Agencies micro-target on specific accounts
  - Zone targeting already in use by MVPDs
  - Stations can report on delivery within geographies tailored to large local clients, like auto dealers

## In Their Own Words – ADVANCED AUDIENCES

### INTEREST IN ADVANCED AUDIENCES

*Buyer: We are talking about audiences a lot but in local, it will be age/gender and an additional qualifier. It's broadcast – if you want 7 different targets, that's what digital is for. One additional qualifier would be great.*

*Buyer: Definitely expect more in the future – national first, then local. We are doing some advanced targeting with our proprietary systems and 1pp data – not a lot –but our toes are in the water. Not sure how far we would adopt – maybe 25%, because you still do need “masses.”*

*Buyer: As we move into Comscore audience-based buying, we will post on that, but I'm not sure what that will look like—we are still living by posting rates.*

*Buyer: We are looking into DDL in local broadcast with Comscore and testing advanced audiences. The end game is to get away from age/gender and just buy the consumer.*

*Seller: Not much available for us in local. Pretty much, there isn't any.*

*Seller: We do advanced audiences and we'd like more. It's an evolution. We're investing in 1pp data – we can acquire that data. It's all about figuring out how to use it more effectively.*

*Seller: We've had some advertisers who want to test this kind of buy – 3-4 agencies are doing this test, but not to any real scale yet.*

*Seller: The agencies only have 10% of their clients who are forward-thinking on audience-based buying. Still, the business is about who's going to price it lower.*

*Seller: To get away from age/sex demos is Priority 1. We need to have qualitative qualifier, e.g., people who are in market for Blue dog food.*

## In Their Own Words – ADVANCED AUDIENCES INTEREST IN SUB-DMA GEOGRAPHY ACTIVATION

*Buyer: We geofence around auto dealers – we buy the DMA, but we can do a zoned cable buy. We don't do it as much now, but if there's a need, we would do it.*

*Buyer: Will definitely happen – some will need DMA and others will need below-DMA. I don't see the DMA going away, though.*

*Buyer: This is still one of the challenges we have when it comes to non-linear TV, to be able to target below the county level. It's something we need to fix.*

*Buyer: We do zone zip code analysis – especially for franchisees – or any type of businesses with geographic clusters. You have to do that.*

*Buyer: The DMAs are fine – because an auto dealer is not just one dealer, it's a bunch of dealers that are scattered across the DMA – and their money is pooled. To be fair to all dealers, the DMA is best. Some outliers might exist, but the DMA is fine.*

*Seller: Usually clients want specific areas– how tight you want to make it while still reaching right audience – for big ticket items, the sample can be there, depending on the geography .*

*Seller: Holdcos operate at the DMA or interconnect generally. Smaller markets use things like the 10 mile radius around a store. We sell zone markets. We've broken markets into 10 segments to avoid the waste – we have been doing this for a long time. We're ahead of the curve here.*

*Seller: Yes more is happening. HVAC guy in Long island doesn't need NY DMA – we can geofence streaming television assets, and start to identify zipcodes or head ends. We're getting into granular, local geographies. We can get into see store owners and small businesses with these capabilities.*

*Seller: In a perfect world, sure, optimized granularity makes sense, but in real world – it's never that clear cut. If you want someone in a zip or county –the more we try to make it small, the more short-sighted we are. The buying community is trying to manipulate granular availability – in the long run, it doesn't benefit the end client and doesn't benefit us - it's limiting the audience too much.*

## Key Finding #8



### Local Is Outcome-Oriented - BUT HOW DO I USE THESE NEW TOOLS?

- ❑ Local advertisers have always been focused on outcomes – “did advertising make the cash register ring?”
  - By using simple observation (foot traffic, sales increases), but not modeling
  - Some local stations are experimenting with attribution, but the expense is prohibitive for most
- ❑ Attribution is important for more digitally oriented local buyers and sellers
  - Data dependent; limited options in local markets
  - Only a few attribution providers are focused on local market; methodologies of highly variable quality
  - Some sellers do not want to sell on outcomes – too many other variables in the mix
  - Some buyers only want to know if they sold more cars or drove more people to stores

**Comment:** We believe there is need for education and strategy playbooks on outcome measurement in local television.



## In Their Own Words – LOCAL IS OUTCOME-ORIENTED INTEREST IN OUTCOME MEASUREMENT MIXED

*Buyer: Impact of local TV on outcomes? We just did one test. Client couldn't believe what the impact of adding TV did to the results. They'd been doing digital for 3-4 years without TV – we added cable to the schedule and it did great. Local cable.*

*Buyer: A lot of outcome measurement happens outside our team, on the client side for research/analytics. Attribution is very tricky – if you have national, local, digital, it's very tricky. This is not something we're responsible for. But it will be important – if local stations can show or have the ability to show attribution, it can help the industry – but I haven't seen any yet.*

*Buyer: Not a factor yet. I would love to see it, but we're so focused on ratings, we're not looking at what is actually driving the advertiser's business.*

*Buyer: Attribution is a huge deal. We've done it internally and we've also done it with OTT partners. They're more inclined to do as added value. There are strategic decisions being made on these tests. The problem is, someone has to pay for it. It's becoming more and more important – especially if we can get it built in as added value – but if you look across channels – it can get a little crazy.*

*Seller: Auto is a good prospect for outcome measurement if it comes back. They will demand attribution in local. The goal is always-on attribution – a model running in background no matter what schedule you put in – that's the plan. But there are a lot of moving parts to get there.*

*Seller: We do attribution as sales value-add and a one-off sales case study. In the future, this will be more niche, specific to individual clients. You can't do it for every one. Multitouch attribution is tremendously important – it shows our 24-7 connection between our content and viewers, the relationship they have with local news and apps.*

*Seller: Attribution helps better define audience – helps with placements and creative – helps us get smarter and helps local clients get smarter.*

*Seller: We are doing it. With a number of partners and have home-grown solutions - with a wide range of clients. We don't transact on it though.*

*Seller: The end result – my goal is to not need any kind of measurement in 2 years. We will tell a local marketer who gave us \$30K that I can prove I sold "x" number of trucks and met the business objectives. No advertiser cares whether the show they ran in got a zero or a 24 in the Nielsen system because all they care about is the outcome.*

*Seller: Outcomes are extremely important. We have to be able to prove the ROI to get this right and advance this over the next 5 years.*

## Key Finding #9



Priorities For Few Buyers/Sellers

### ADDRESSABLE ... WHAT?

- ❑ Almost no one outside of some digitally-engaged sellers (e.g., MVPDs) expressed interest in local addressable advertising
  - Addressable often bought in programmatic group, not local buying group at agencies
  - Little growth seen for local addressable right now
  - Only one station group mentioned having local addressable inventory
  - Even the digital-engaged sellers are struggling to get addressable to the local level
  - The prospect of integrating linear, streaming and addressable for measurement is daunting

## In Their Own Words – ADDRESSABLE ... WHAT? UNDEVELOPED INTEREST IN LOCAL ADDRESSABLE

*Buyer: I see growth in local generally, but not in local addressable.*

*Buyer: I don't know anything about it.*

*Buyer: internally at the agency – Digital experts they buy it [addressable] – our programmatic arm – better opportunity to get data.*

*Seller: The digital addressable assets of stations are powerful. But sellers aren't trained or focused on it. And that hurts the industry. Everyone has to focus on it.*

*Seller: We need a STB plan for addressable.*

*Seller: We're trying to get addressable to local level – have a lot of work to do. On digital local, we do some geographic addressability – use the addressable function to customize zip code targeting.*

*Seller: As we figure out how to use set top box for addressable in programmatic or attribution, we are guarded (and very privacy compliant).*

*Seller: We are in the middle of the journey from head end addressable to streaming addressable.*

*Seller: There will always be some inventory that you won't be able to sell on addressable – the reality is that delivery looks different from our footprint – we have inventory that will remain "volume" sales." There will still be remnant inventory.*

# Key Finding #10

## Assessment of Industry Priorities Next 3-5 Years

**Comment:** This chart points out where industry efforts should be focused.

Note that Priority and Degree of Industry Consensus are independent of Urgency and More/Less Digitally Engaged. Why? Two people can deem the same issue as highest priority, but with a different sense of urgency and with respect to different levels of digital engagement,

	Priority	Degree of Industry Consensus
<b>Currency Measurement</b>		
Data Stability	●	●
Data Representativity	●	●
Persons Measurement	●	◐
Integrated Cross-Platform	◐	◐
Integrated with National	◐	○
Sub-DMA/Zones	●	◐
<b>Other Measurement</b>		
Advanced Audiences	◐	◐
Outcome Measurement	◐	◐
Addressable	◐	○
<b>Work Streams / Process</b>		
Posting Standards	●	●
Improved Cross-Platform Automation	●	●
Interoperable systems	●	●
Minimal disruption with new offerings	●	●
MRC Accreditation	◐	◐


### Five Point Scales

#### Average Priority

- Highest Priority
- Lowest Priority

#### Industry Consensus

- Universal Agreement
- Little Agreement



**Measurement Providers**  
Today and  
In the Next 3-5 Years

Key  
Finding  
#11

## No Comprehensive Local Measurement Roadmaps

- ❑ No provider has publicly committed to a specific, comprehensive roadmap for the future of local TV currency
  - Some have intentions, principles, theories, even POCs, but no detailed plans with product development milestones and dates



We detail key findings about research providers' plans for local television currency measurement in the following pages

## No Comprehensive Local Measurement Roadmaps (Continued)

- Despite a clear set of unmet needs, no audience measurement company has brought a viable local TV currency product to market
  - Meaning: with the sufficient samples, stable, representative and broadly accepted persons measurement, integrated digital and linear streaming, coverage of all TV distribution sources, and coverage of all geographic areas required for guaranteed transactions between buyers and sellers
  - Some offer campaign measurement systems; not audience currencies to underpin the full estimating, P&I, planning, buying, posting cycle

**Comment:** We believe the industry needs to come together around a set of basic requirements that meet the needs of both buyers and sellers in order to guide measurement providers' product development and accelerate their entry into local television measurement; currency requires adoption by both sellers

## Measurement Providers: NIELSEN TODAY

- ❑ Current local product employs five different methodologies
  - All produce the same viewing metric, based on the same qualifiers – quarter hours viewed, based on 5 minutes of the quarter viewed/tuned
  - Different recruitment and panel management techniques
  - Different measurement technologies, including different treatment of OTA homes
  - Viewer assignment (VPS and demos) used in all but the top 25 DMAs
  - Streaming measured via streaming meter in some of the homes in top 41 markets, unavailable in the next 15, based on a regional panel for the remaining 137 markets
  
- ❑ Struggling to improve sample size
  - Largest LPM market has 3550 HHs – too small for measuring a 0.1 rated program for a demo = 25% of total population
  - Samples in smaller markets bulked-up with RPD data with inherent bias
  - Strategic decision made to not depend upon any data source outside of its footprint – impacts use of RPD data and PPM Data (only in radio metro areas); sound reasoning, but where does that leave market coverage?)
  
- ❑ Struggling to improve representativeness and reduce bias
  - Loss of MRC accreditation for local TV measurement
  - Remote recruitment in 152 markets, and reliance on RPD data present real challenges



## Measurement Providers: NIELSEN TOMORROW

- ❑ No announced local currency roadmap
  - Nielsen just beginning to consult with clients; presumably linked to Nielsen One
- ❑ Sound research principles
  - No data used beyond its footprint (e.g. PPM data beyond metro)
  - Calibrate from one data set to another; not just dedupe and combine
- ❑ Unique Assets
  - Panels for national and top local markets
  - Ability to correct Experian HH demo composition estimates; Experian data is imperfect, Nielsen is able to gauge and correct those imperfections using their panel
  - Delivery system (NLTV) and integrated into 3<sup>rd</sup> party systems
  - Long history of local TV measurement; only measurement company to mention the value of re-transmission rights
- ❑ Big outages
  - Need to build HH data further
  - Need to validate viewer assignment
  - Need sound local streaming measurement and deduplication with linear
- ❑ A strong incumbent
  - This is the moment to provide them with unified industry guidance

## Measurement Providers: COMSCORE TODAY

- ❑ Large samples
  - STB data from over 30 million television *households* in the US across four wired and two satellite MVPDs
  - Added VMVPD data this year
  - Weighted for geography and Experian-sourced HH demographic composition to compensate for biases in underlying data sets
  - 17M Vizio HHs in use for calibration
  - Small HH router-meter panel for calibration
- ❑ Personification method not broadly accepted
  - Blindsided by slow uptake of advanced audiences
  - Need to provide validation of personification, if they hope to win acceptance; claim to have validated versus PPM data
  - Streaming measurement at national level relies on ACR data and “tagless integration” with networks – how this could be applied at the local market level is unclear
- ❑ Consistent measurement and metrics across markets
  - Consistent measurement built from the zip code up with a single methodology
  - All TV markets covered, including Glendive, which Nielsen abandoned (along with Juneau) – demonstrates a commitment to local TV measurement
  - Provide both duration weighted average audience, like national, and quarter-hour, based on proportion of quarter-hour viewed, not preponderance
  - Campaign measurement based on exact commercial exposure for linear, Comscore campaign ratings for streaming
  - Dedupe linear and streaming

## Measurement Providers: COMSCORE TOMORROW

- No formal roadmap, their local product is here today and evolving ...
  - Evolving sample to follow viewers, e.g. addition of VMVPD HHs
  - Recognize need to continue expanding sample size and diversity of sources to eliminate bias
  - Recognize the need to expand router-meter panel for calibration
  - ATSC 3.0 RPD as a future measurement option
  - Just reduced turn-around time for all markets to 48 hours for their Pulse data (early estimate of final ratings)
  - Already in 3<sup>rd</sup> party systems and feeding client systems
  - Value MRC accreditation
  - Supporting development of advanced audiences in local markets, e.g. recent Dentsu study and integration with clients' 1<sup>st</sup> party data
  - Partnering with Data+Math on attribution
  - Recognize the need for education and industry consultation toward standards; working with ANA on Cross Media Measurement initiative; would like to work with TVB, VAB and others
  
- Biggest challenges ahead
  - Cross-platform measurement
  - Personification
  - Language break-out for Hispanic

## Measurement Providers: VIDEOAMP TODAY

- ❑ Focused on national TV currency, but ...
  - Provide campaign measurement to local advertisers —deduping and attributing outcomes
  - For the past few months, looking to provide more publisher-centric, currency grade, cross-platform measurement
  - In trials with station groups (NBCU, CBS, TU, NY Interconnect) – working towards the VideoAmp 2.0
  - Very diverse needs by station group, makes development of a cohesive solution challenging
  - OTA HHs especially challenging; overweight them when found in ACR data, but extreme weights add variance
- ❑ Data scarcity beyond top 50 markets, where they provide high quality data and large sample sizes
  - Below that, ACR data is a problem; STB data is available in some areas but not others. Will need more data
- ❑ Content versus campaign
  - Currently geared-up for campaign measurement; using Vizio fingerprinting in top 50 markets
  - May need post logs
  - Need program encoding for content measurement; industry watermarking would be welcome
- ❑ Personification necessary
  - Same challenges all the providers face
- ❑ Integrating linear and streaming
  - Use clean room integrations; currently in place with Peacock, Facebook, Amazon
  - Will be challenging for local TV

## Measurement Providers: VIDEOAMP TOMORROW

- No announced local currency roadmap
  - Plan to announce by end of this year
  - Thinking there may be some sweet spot between top 50 and top 100 – with the addition of more data sources
  - Developing their own ID graph and experimenting with clients' 1<sup>st</sup> party data
  - Designing sample frame around different types of television signal sources -- OTA HH, bundle HH – cable, satellite VMVPD, and stream only HH
  - Weighting using ARF DASH study
  - Will include (modeled) demos and (data matched) advanced audiences
  - Will include outcome attribution
  - Plan to develop a self-serve platform, also integration into Wide-Orbit and other 3rd parties

## Measurement Providers: iSPOT TODAY



- ❑ Focused on national and important NFL markets
  - Using Vizio and LG together yield 14MM devices
  - Large national advertisers have local investments – doing custom work locally
  - Capture ad occurrences in NFL’s top 38 markets
  - Don’t have local impressions measurement
  
- ❑ Complexities in local measurement; then mentioned:
  - Need to spend more time and thought – hard enough to do national currency – 18 months sorting it out.
  - Each market has its own challenges with personification and sample balancing
  - No local team in-place yet
  - “Hard to answer now. We are not experts in local currency measurement.”



## Measurement Providers: iSPOT TOMORROW

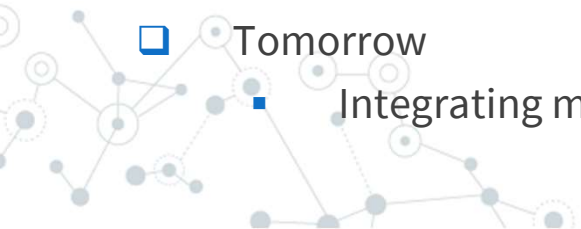
- ❑ No announced local currency roadmap
  - Expect boundaries between local and national to blur due to streaming
  - Will chase NFL ad dollars growing from measuring occurrences in 38 markets today to 50
  - True local impressions measurement in 2-3 years; not sure how many markets will be covered
  - Expect to do personification of HH data (working with Tvision data nationally)
  - Will need calibration panel

## Measurement Providers: INNOVID



- ❑ Not developing a local TV currency
  - Campaign oriented – interest in making brand’s life as easy as possible –Interested in local because it’s essential part of brand buy. No local agenda, but how to understand the value of their buys in their own terms.
  - Ad focused, not content focused. No average viewer minutes metrics for any content
  - Proof of performance (impressions, R&F post) on sell side and optimization/justification on buy side.
  - Not interested in forecasting of A8-49 on WNBC – space is already covered
  - Clients turn Innovid on, connect pipes, access live reporting and live data – daily

- ❑ Tomorrow
  - Integrating more digital platforms / walled gardens





## Measurement Providers: CROSS SCREEN MEDIA

- ❑ Not developing a local TV currency
  - Campaign oriented – their business is primarily buying for political campaigns
  - Focus is cross-platform allocation by market by screen
    - ⑩ Put in goal and media markets, targets screen, they produce a high level optimization
    - ⑩ Measure cross-screen R&F
  - Works when you run their media
  
- ❑ Tomorrow
  - Integrating linear and streaming avails

# Assessment of Provider Alignment with Industry Needs

## — NEXT 3-5 YEARS

Given that no providers had, or disclosed, roadmaps, this chart is based on vendors' statements and Sequent Partners' judgement

	Current Currency Providers		Potential Currency Providers		Campaign Measurement Providers	
	Nielsen	Comscore	VideoAmp	iSpot	Innovid	Cross-Screen Media
<b>Currency Measurement</b>						
Data Stability	●	●	●	●	●	●
Data Representativity	●	●	●	●	●	●
Persons Measurement	●	●	●	●	○	○
All market coverage	●	●	○	○	●	●
De-Duping Linear and Digital	●	○	●	●	●	●
Integrated with National	○	●	●	●	●	○
Sub-DMA/Zones	●	●	●	○	●	●
<b>Other Measurement</b>						
Advanced Audiences	●	●	●	●	●	●
Outcome Measurement	○	●	●	●	●	○
<b>Data Access</b>						
Cross-Platform Automation	○	○	●	○	●	●
Interoperable systems – 1PP, 3PP	●	●	●	○	●	●
Improved data turn-around	●	●	●	●	●	●
MRC Accreditation	●	●	●	●	●	●

### KEY

#### 5-point scale

- Have a local product; or strong roadmap and have demonstrated the assets, skills and resources
- Strong roadmap; not yet demonstrated they have the skills, resources or assets
- Clear intention, but no roadmap; not yet demonstrated they have the skills, resources or assets
- Awareness, interest; no roadmap at this time
- Expressed no interest

The background features a light gray network graph with nodes and connecting lines. In the center-left, there is a 3D structure of blue and white cubes, some solid and some dashed, arranged in a complex, interconnected pattern. The text is positioned to the right of this structure.

# Recommendations

## Short-Term and Long-Term

# Short-Term Recommendations

1. Come together and create guidelines for two alternative best practices for posting
  - Appropriate levels of aggregation to improve stability – e.g., weekly, total campaign, genre, daypart
  - Pay for performance eliminates need for makegoods – optimized within flight
    - Non-binding, but strongly recommended
    - Address data latency for pacing - ideally next-day but for most broadcasters, weekly is sufficient
    - Address value of spots across dayparts, genres, and digital vs. linear – “exchange rate”
    - Education required: guidance on what to do with zero ratings or standard errors of 30-50%
    - Aimed at advertisers and their auditors; Include ANA
    - Update 4A’s standard in world of significantly larger standard errors

# Long-Term Recommendations

2. Establish industry minimum standards to guide measurement providers for:
  - a) Much larger and fully representative samples – set minimum sample size per market
  - b) Reliable coverage of all TV markets
  - c) Acceptable demographic impressions estimates
  - d) Integration and deduping of linear and streaming - adopt a single impressions metric
  - e) Advanced audiences and geo-targeting
    - Develop guidelines for determining feasibility for local television
    - Provide education for sellers and buyers

➡ Recognize that local TV measurement requires an enormous investment
3. Develop an industry process for introducing methodology changes, e.g., industry pre-rollout review, side-by-side comparison period, simulations to assess impact
4. Develop industry specifications to direct areas of focus and help Media Ocean, Hudson, Strata, Wide-Obit prioritize efforts

## Long-Term Recommendations (Continued)

5. Design a process for the objective validation of local television personification methods
  - Provide industry education to guide adoption
6. Devise a process for developing a TV market definitions to aid new audience currency providers
  - The industry should be clear about how this should be done
  - Beyond advertising, it may affect must-carry rules and re-transmission fees, depending upon FCC adoption
7. Create guidelines for selecting attribution method, data and outcome variable

# Recommended Next Steps

- Form inter-stakeholder working groups to address short-term and long-term priorities
  - Apply change management process to help all parties find win-win solutions

## “Kotters Eight Steps of Change”



- John Kotter's 8 step model for organizational change has proven effective for many years
- Applies to complex industry groups as well

■ Kotter, John P. and Cohen, Dan S. *The Heart of Change*. Boston: Harvard Business School Press

## Thank You!

Armed with these recommendations, we believe the 4As, TVB and CIMM can successfully develop an action plan for local TV measurement in the US market. Transformations are not easy, but the first step is laying out the issues, as we have done in this report. From there, gaining buy-in on key issues and priorities will help set short-term and long-term initiatives.

We've learned that complex solutions are always multi-faceted and zeroing in on the most important hurdle, posting practices, will enable local television to get an early-win, build trust and tackle the remaining opportunities.

Sequent Partners looks forward to supporting you on this journey.



Tim Alice

May, 2023