

LIGHTS, CAMERA,  
ACTION:

Media Finance  
**FOCUS**  
MFM bcca 2020

THE BIG SCREEN  
IS COMING TO YOU!

JUNE 16- AUGUST 27, 2020

# MEDIA FINANCE FOCUS 2020

## ATTENDEE SESSION INFORMATION

- If you would like to ask a question, please use the Q&A feature.
- For the optimal experience, please turn off all other functions that use the web; this includes email.
- We recommend having a strong internet connection (speedtest.net).
- Each session includes a minimum of three polling questions. **Those requesting CPE must answer all** to qualify. Individual attendee answers will not be shared.
- At the end of the session, the CPE code and session survey will be in the handouts section in the upper right corner of your screen. Remember to capture the code and complete the survey to have a chance to win a \$100.00 gift card or free registration for the 2021 conference!

**If you need assistance, please contact:**

[Jamie.grande@mediafinance.org](mailto:Jamie.grande@mediafinance.org)

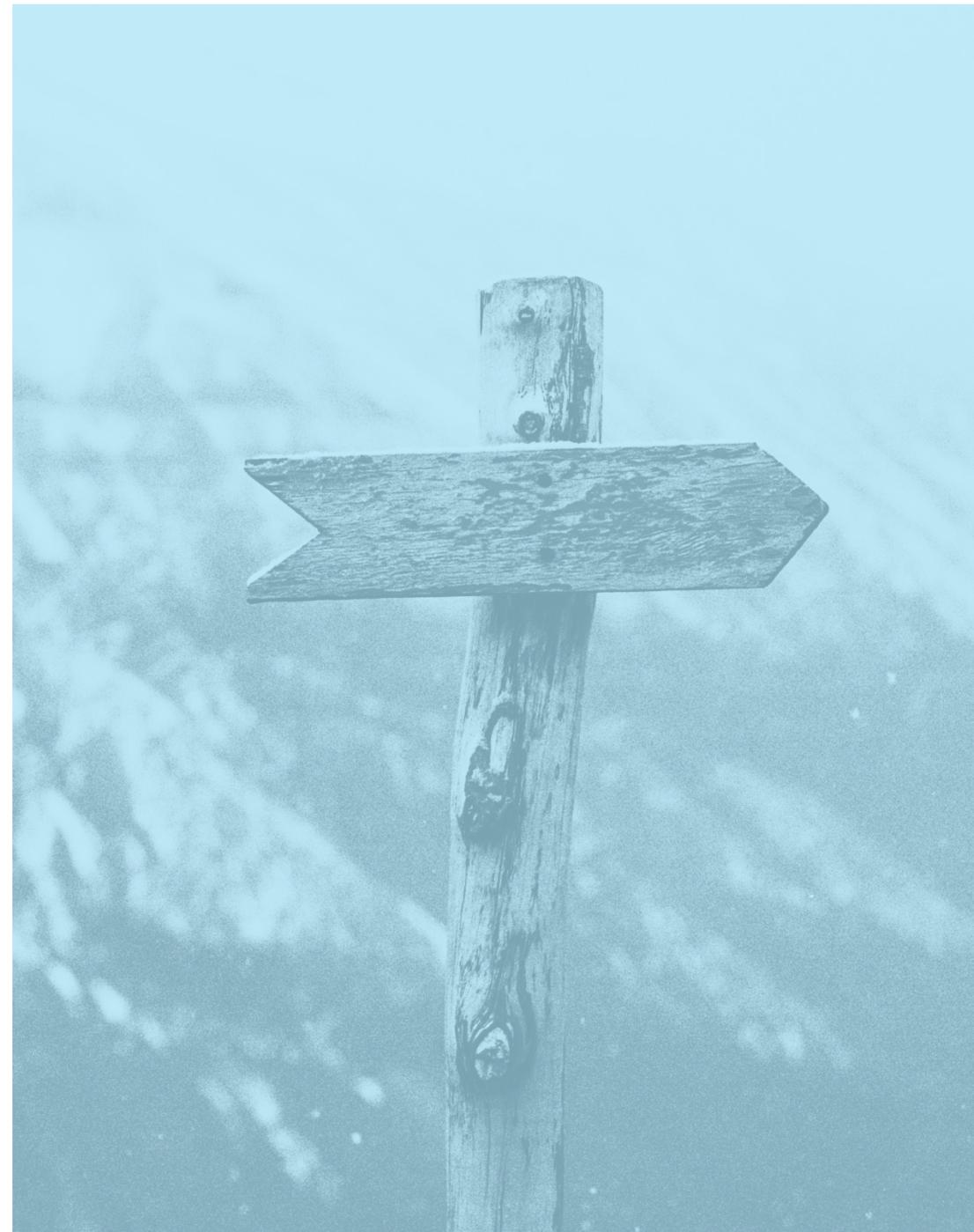
# Transitioning to Impressions from Ratings



# TABLE OF CONTENTS

- I. **Factors Driving The Transition to Impressions from Ratings**
- II. **The Impact of the Impending Methodology Change of Including Broadband Only Homes In Local TV Measurement**
- III. **Potential Positive and Negative Impacts Associated with the Transition to Impressions**

# I. Factors Driving The Transition to Impressions from Ratings



# ADVANTAGES OF USING IMPRESSIONS

 Impressions based measurement ensures attribution of all viewers.

 Impression measurement will be a common standard across all video viewing platforms. Stations will be able to easily package linear TV, OTT, APPS and Digital Channels using the impressions as a metric, making the buying and selling process easier.

 Impressions as the standard metric enables cross platform comparisons, packaging and ease of execution in transacting buys.

 Impressions allow for audience (Rtg) that was previously 'below minimum' to be counted and aggregated, creating valuable sales inventory or creating areas for under delivery and make good weight.

# THE IMPACT OF ROUNDING RATINGS

Rounding of ratings in a fragmented TV universe can compromise the true representation & value of the audience delivery.

## Example in a 10,000 HH Universe with a report .8 Rating

<b>HH Rating Range of .8</b>	.745	.8	.844
<b>Rtg Expressed as Impression</b>	7,450	8,000	8,440
<b>CPM \$</b>	\$20	\$20	\$20
<b>Avg Spot Cost</b>	\$149	\$160	\$169

# IMPRESSIONS VS. RATINGS

The difference in price per spot for a rounded rating vs. an impression can vary.

A Rating Points delivery value is dramatically different based on the market size, but an impression is a consistent value across markets and platforms.

Agencies conducting business that require a minimum rating threshold regardless of market size is a misleading indicator.

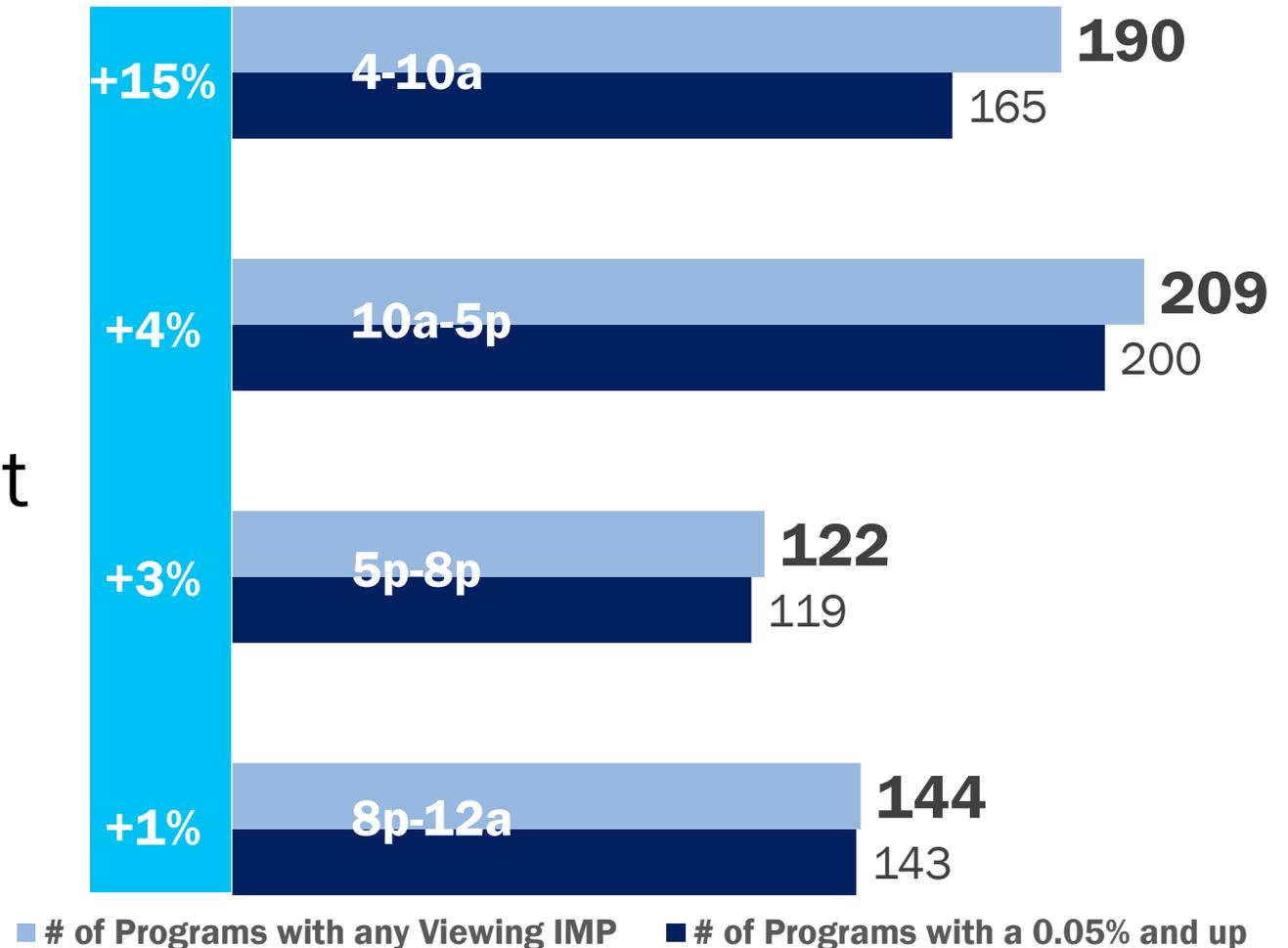
## The audience delivery of a 0.3 HH rating value difference by market

Rank	Market	HH Universe	# HH an 0.3 Rtg Represents
8	Houston	2,330,180	6991
14	Detroit	1,737,170	5212
18	Orlando	1,492,640	4478
31	San Antonio	916,970	2751
41	Jacksonville	690,400	2071
69	Roanoke-Lynchburg	384,120	1152

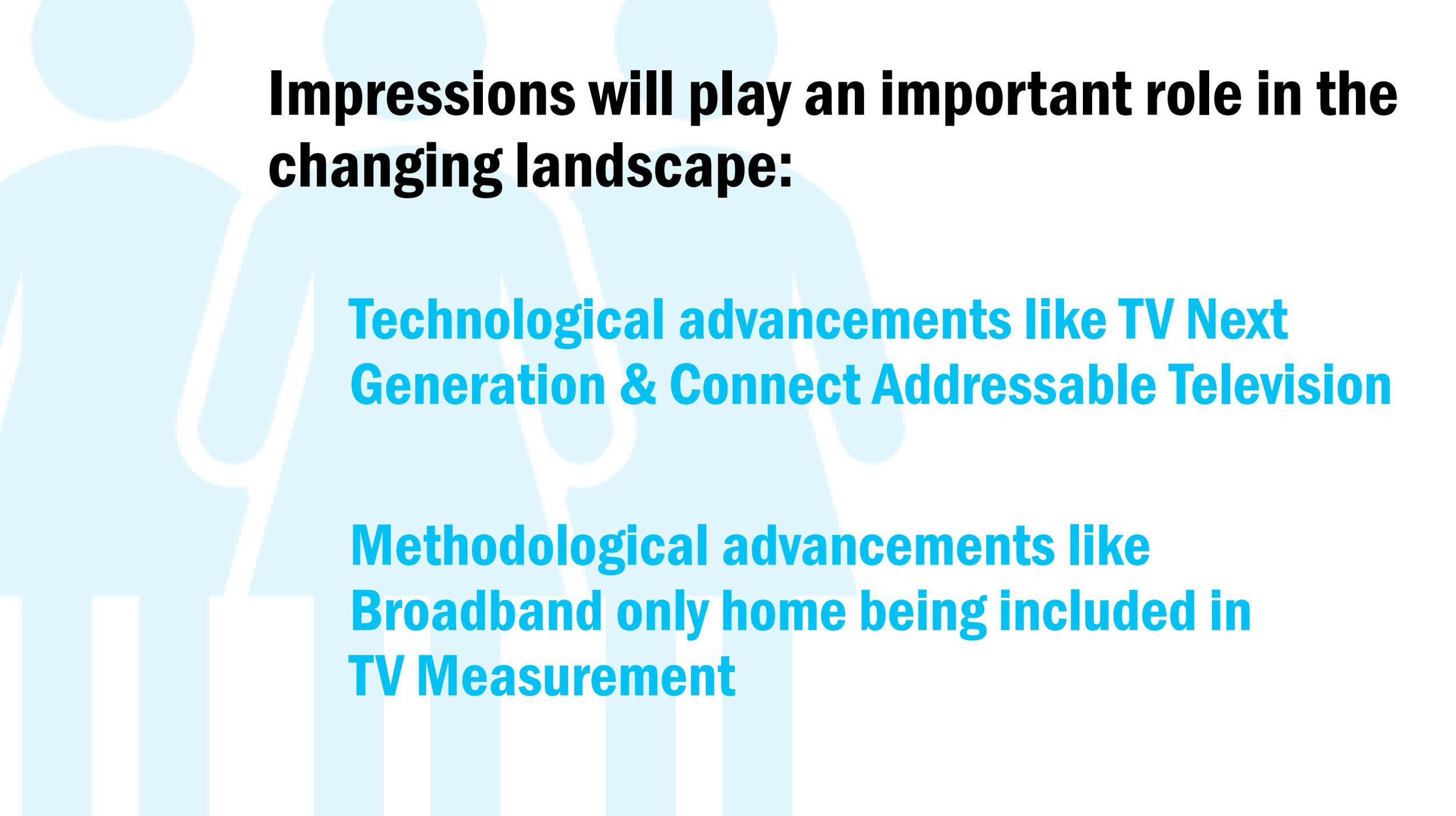
# Available Programs - Ratings vs IMP

Varying by time of day, you can get more sellable programs when using impressions vs a rounded tenth of a rating point ( $\geq 0.05$ )

M-Su Programs in NY DMA for Major English Broadcast  
July 2019



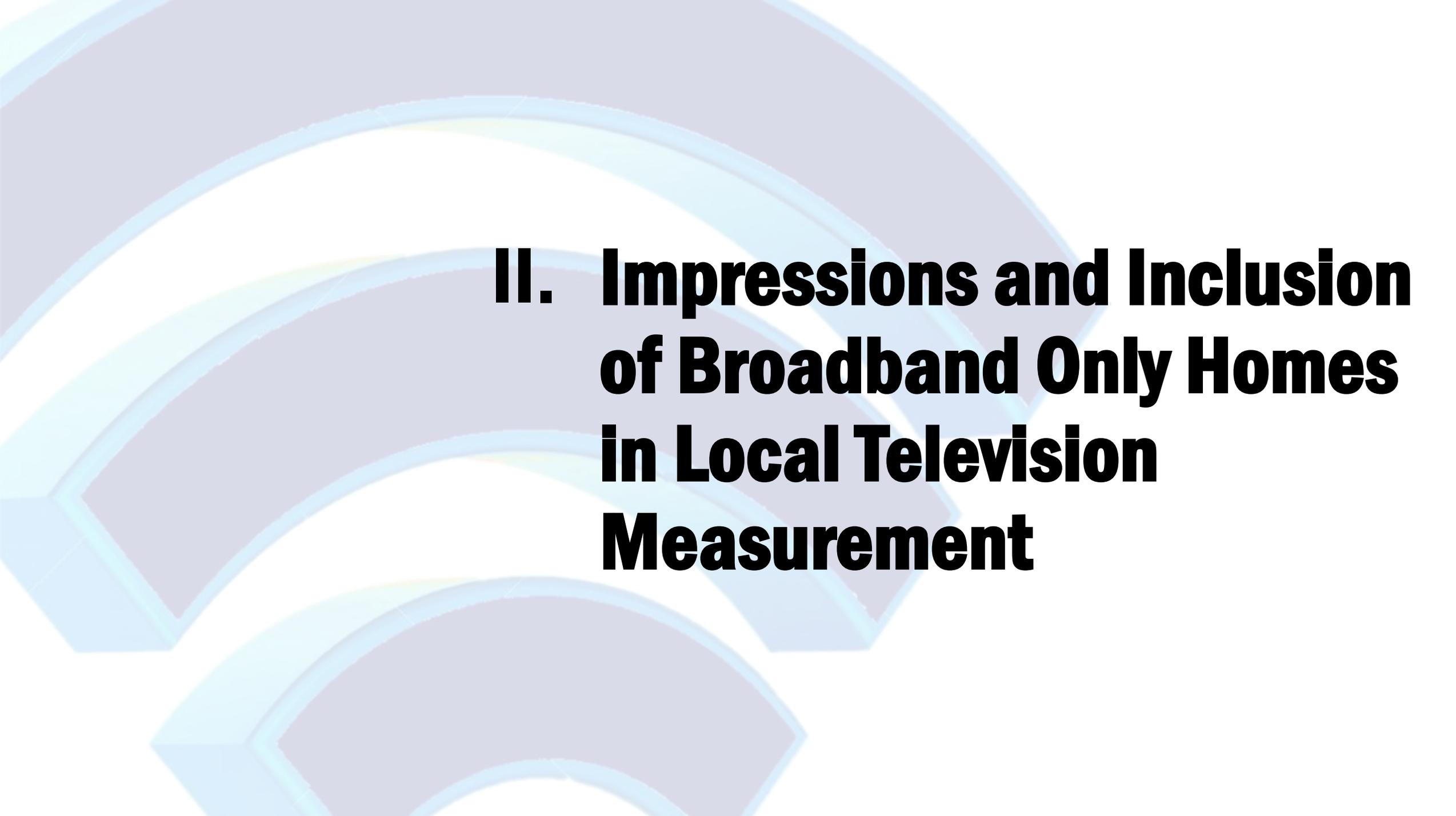
Source: Nielsen Local TV View, LPM+PPM data, English Broadcast  
= WABC, WCBS, WNBC, WNYW (FOX), WPIX (CW), WPXN (ION)



**Impressions will play an important role in the changing landscape:**

**Technological advancements like TV Next Generation & Connect Addressable Television**

**Methodological advancements like Broadband only home being included in TV Measurement**



## **II. Impressions and Inclusion of Broadband Only Homes in Local Television Measurement**

# IMPORTANCE OF TRANSITIONING

It is important to adopt Impression selling/buying now before the inclusion.



In January 2021 Nielsen will begin inclusion of broadband only homes in measuring local television markets.

BBO inclusion will raise the size of the local market's television universe. Each rating point in the market will represent a larger number of HH/Persons. But if a station maintained its delivery of impressions with the new BBO homes added to the methodology the stations ratings would decrease because the universe increased.



# BROADBAND ONLY HOMES



## Illustration:

A Station Delivers 1,000 HH in a market with a TV HH Universe of 100,000 would be represented by a 1 HH Rating

If BBO homes increased the TV Universe by 10% to 110,000 TV HH and the station continued to deliver 1,000 HH the rating would be reported as a 0.9.

In the illustration the advertiser is still getting 1,000 HH and on a CPM basis would pay the same rate.

But if this was a rating based buy the stations CPP would make the unit rate -10%

Due to sample weighing some programs will report lower viewing impressions despite the universe increase.

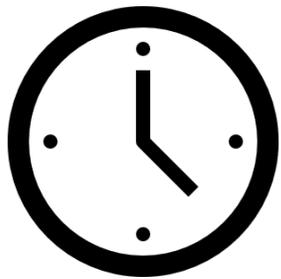


### **III. Positive and Negatives of the Transition to Impressions**

# TRANSITION TO IMPRESSIONS

Getting Ahead Of Possible Downside

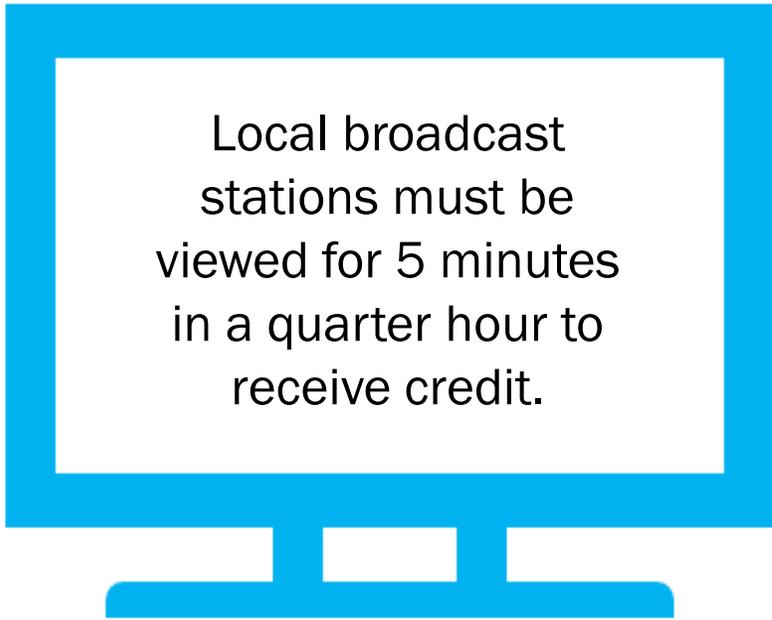
For broadcasters it is important to transition to the acceptance of impression-based buying and selling prior to the BBO add-in or stations could experience advertisers lowering unit rates because of lower ratings but the advertiser is still reaching the same number of impressions because the size of the universe increased.



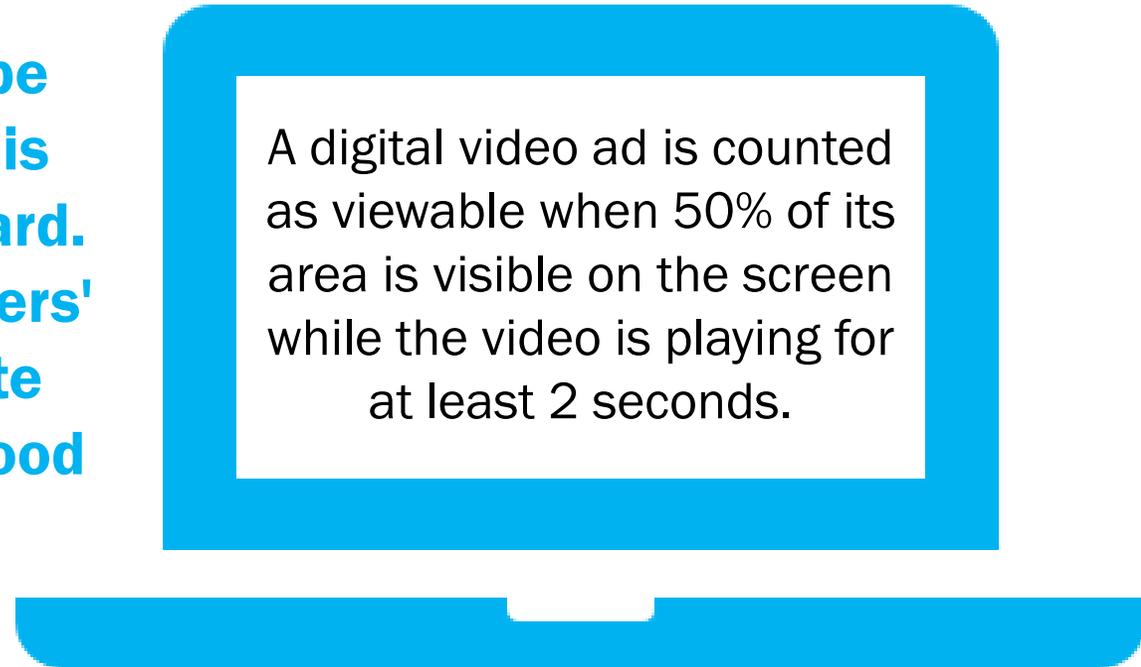
BBO inclusion could increase the competition for Ad dollars. Including BBO will enable lesser viewed ad-supported video sources to be reported and the possibility of aggregating viewers to participate for Ad dollars when they currently are not a consideration because of their minimal audience.

# CROSS MEDIA VIEWABILITY & VALUE STANDARDS

The switch to impressions balances the viewership comparison across platforms but the crediting for duration and viewability of video consumption standards remains different.



**There needs to be correction for this imbalance standard. But for broadcasters' minute by minute ratings is not a good answer.**



Additionally, broadcaster audience transactions value varies by daypart – CPM/CPA by daypart.

Broadcasters currently post schedules on a weekly basis.

Digital is not held to daypart CPM standards.

Digital campaigns monitor daily almost to the point of real time which allows adjustments keeping the delivery equal over the flight.

# SUMMARY

Impression measurement will be a common standard across all video viewing platforms. Stations will be able to easily package linear TV, OTT, APPS and Digital Channels using the impressions as a metric, making the buying and selling process easier.

Implementation and adoption of impressions-based buying/selling needs to be adopted now

When Broadband only HH's are included in the local market sample the TV universe will increase in size. The profile of the BBO HH is younger, larger and not surprisingly under-index in viewing broadcast. It is important to have the conversion and adoption of Impression based transactions prior to Broadband Only Homes being included in the NSI Local Market Universe

Impressions based measurement ensures attribution of all viewers allowing for audience (Rtg) that was previously 'below minimum' to be counted and aggregated, creating valuable sales inventory or creating areas for under delivery and make-good weight.

Work needs to be done to even the measurement playing field and CPM standards between Broadcast and Digital

# MEDIA FINANCE FOCUS 2020

## THE MOVE TO IMPRESSIONS-BASED SELLING

- Session CPE Code
  - 22MIB
- Link to session survey
  - <https://www.surveymonkey.com/r/2TN6763>

If you need assistance, please contact:

[Jamie.grande@mediafinance.org](mailto:Jamie.grande@mediafinance.org)