

Consumer Viewing, Measurement and Monetization

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ASI

November 3, 2011

The Nielsen logo is positioned in the bottom right corner of the slide. It consists of the word "nielsen" in a lowercase, sans-serif font, with a horizontal line of seven dots underneath it. The logo is contained within a white circular shape that overlaps the blue background and the grey footer area.

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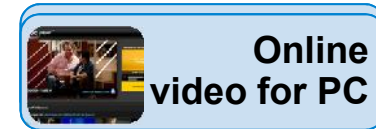
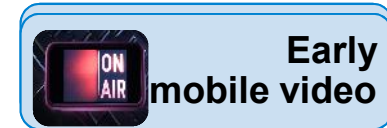
Categorizing the viewing landscape



Where we are today

Moving quickly...and only getting faster

The last 5 years



The last 10 years



The first 50 years



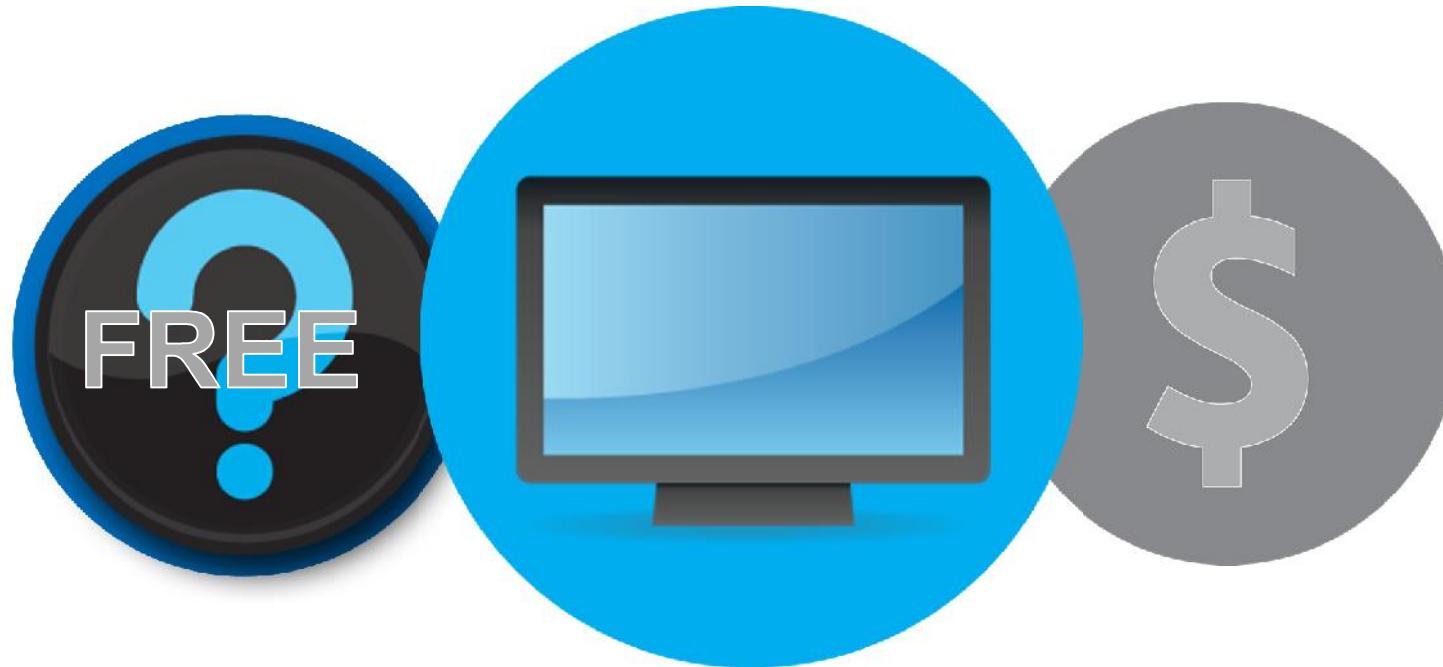
How to monetize content?

- 1 Media properties want fair market value for their content
- 2 MSO and MPVDs want payment for distribution
- 3 How to assess the value of a property
- 4 Measure all content whether it is ad supported or not.

Need maximum flexibility for measuring both programming and commercials to reflect consumers who watch wherever, however, and whenever.

4

How consumers access content



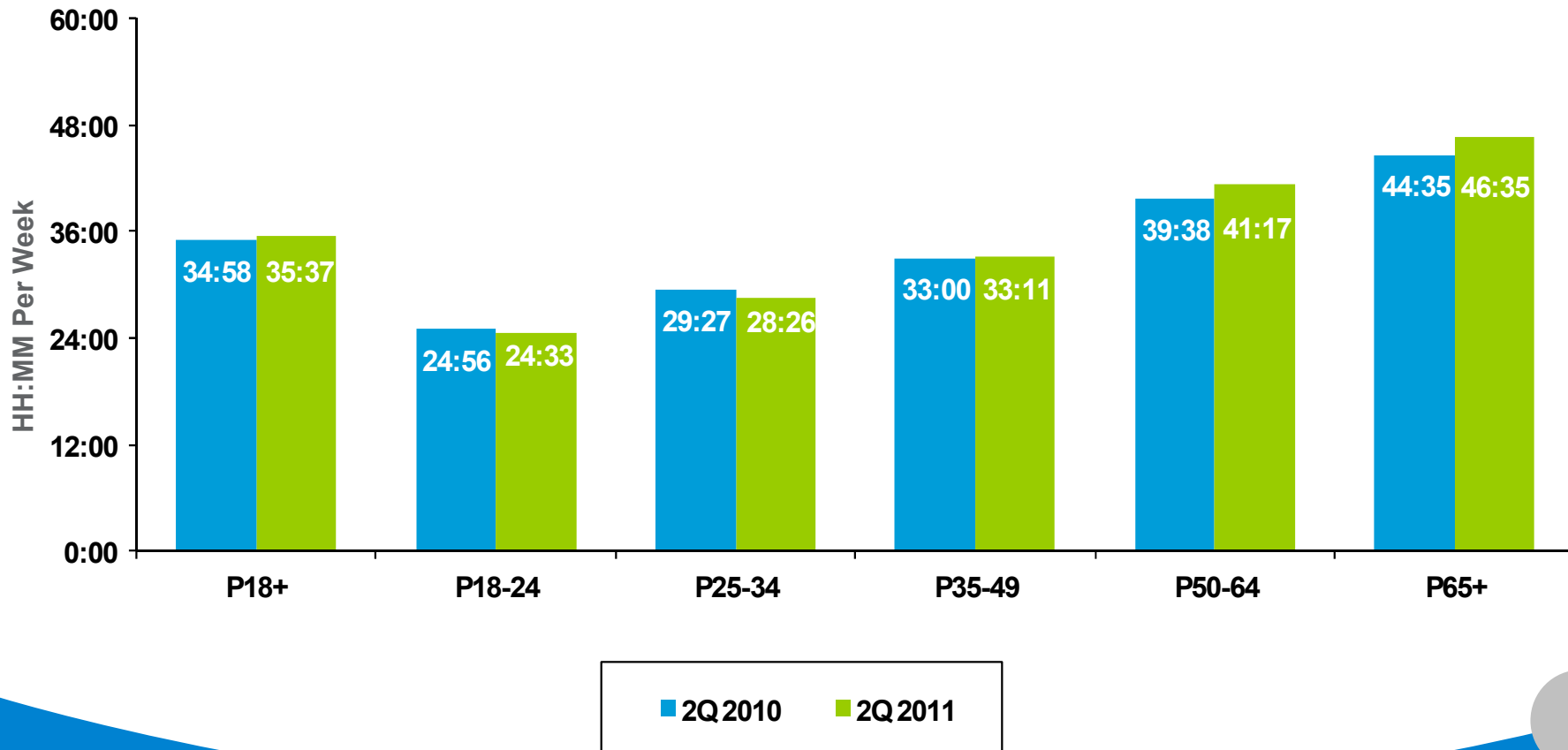
Debunk some myths about consumer viewing.

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Is the Internet killing TV in the U.S ? No!

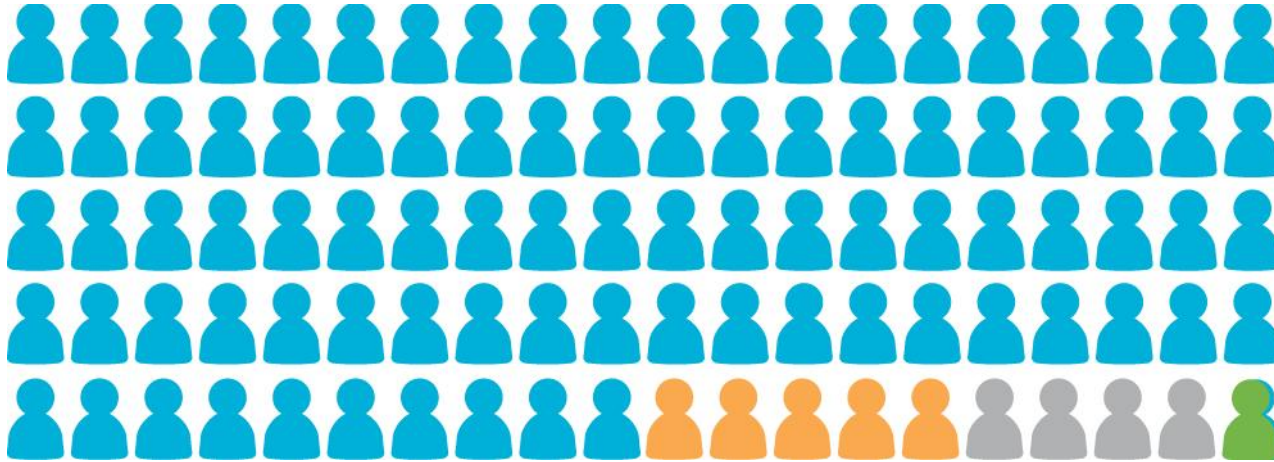
During 2Q 2011, P18+ are viewing 40 additional minutes of TV a week compared to last year



Are people cutting the cord in the U.S.? No!

More than 91% of TV households pay for a TV Subscription

<1% of TV households are cutting the cord



● 89.4% No change
● 6.4% Swapped cords

● 3.3% Dropped Broadband
● 0.9% Cut the cord

Cable Homes with Broadband in the Nielsen National People Meter sample: comparing September 2010 and September 2011

Viewing across screens, measurement & monetization



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What's driving TV growth?



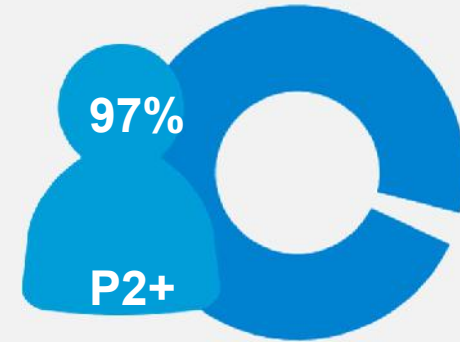
Monthly Time Spent in Hours:Minutes

Watching TV
in the Home

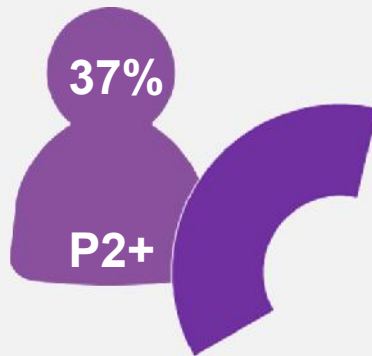
2Q11 146:20

2Q10 143:37

Y-O-Y +2:43



Monthly Time Spent in Hours:Minutes



2Q11 10:30

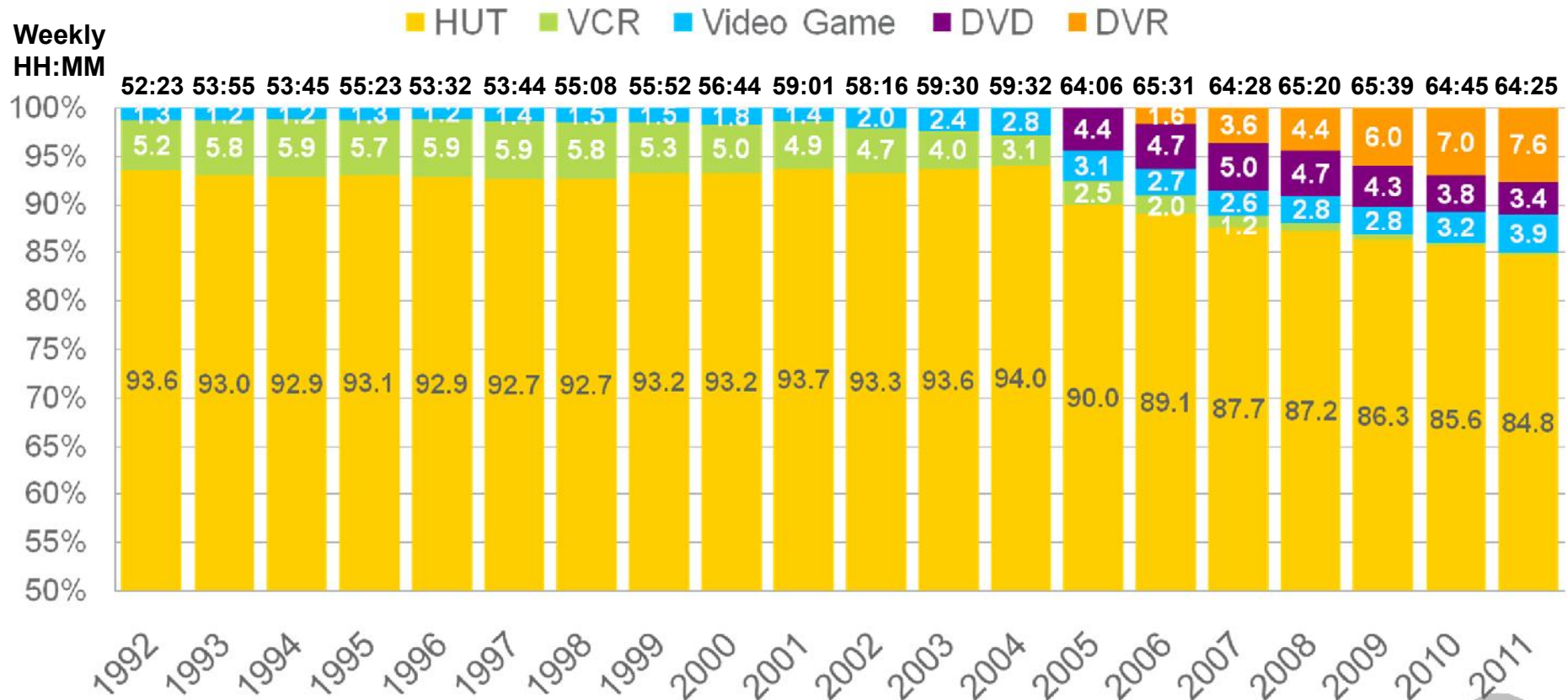
2Q10 9:27

Y-O-Y +1:03

Watching
Timeshifted TV
(All TV Homes)

Total use of TV over time - Households

Distribution % of Total Minutes across Total Day
First Four Weeks of the Broadcast Season





Video On Demand:

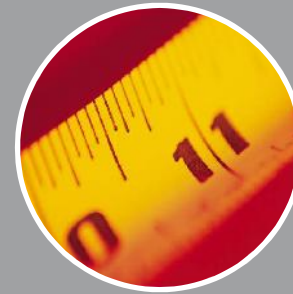
Untapped revenue opportunity



Different
delivery
mechanism



Different
monetization
model



Different
measurement
requirements

Key Issue: Blending into currency

What is Over The Top?



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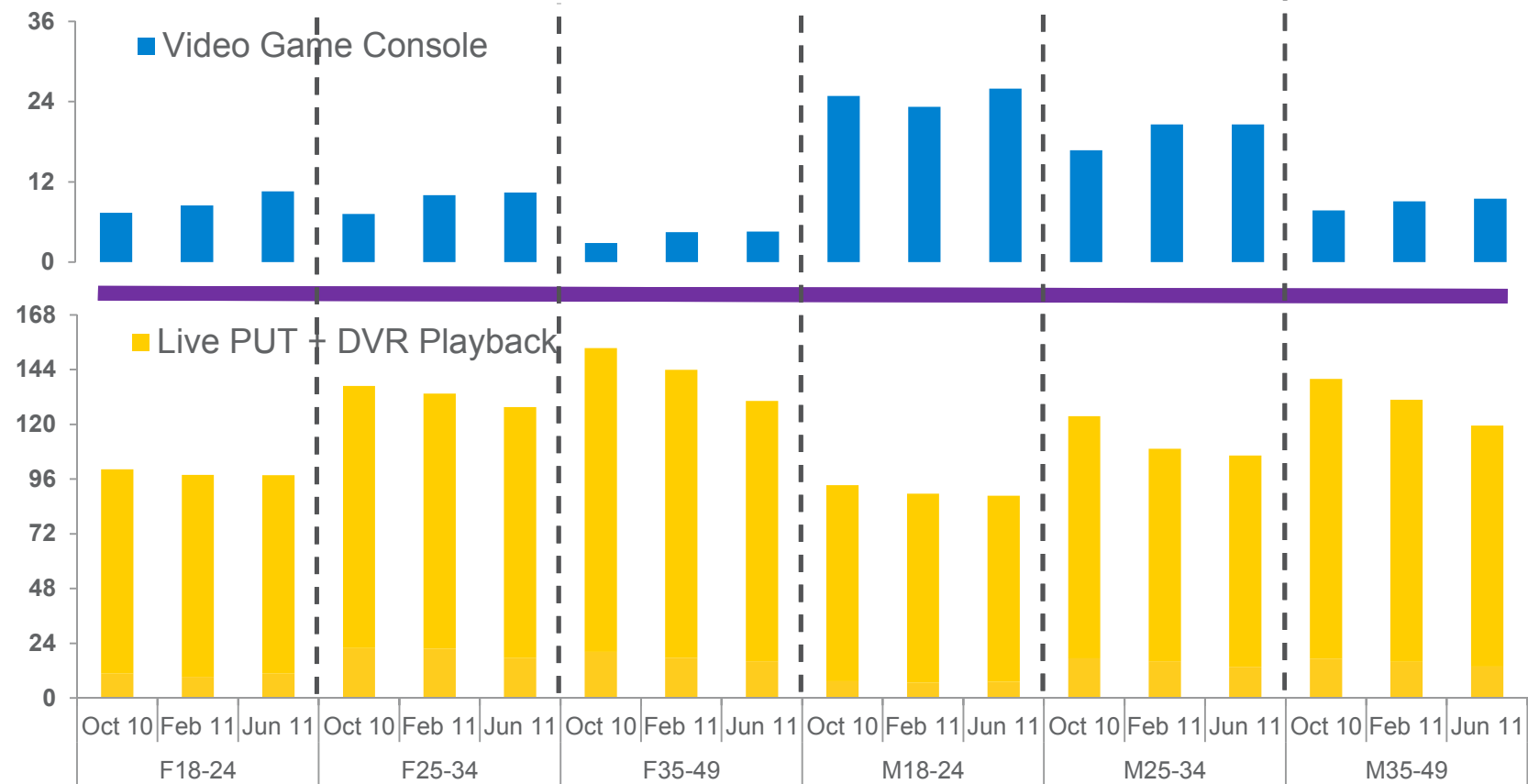
What is Over The Top (OTT)?





Are you playing a game?

Avg hours per Month among Persons with Console that Can Stream



Two current business model evolutions



INTRODUCING
huluPLUS

More wherever. More whenever. Than ever.

- + More of your favorite shows.
- + Now on the iPhone, iPad, TV, and more
- + In HD

All for \$9.99/month

Requires Premium Service

16

How is Netflix impacting content?



Impact on Ratings

"When you add Netflix into the mix," he said, "**ratings become less important** because we have a new revenue stream that enables us to make more high-quality programming."

Leslie Moonves **CBS Chief Executive**

Impact On Content Valuation

"For us, the focus has been, **how do we maximize the value** of serialized dramas, which had limited value in the distribution system that existed before Netflix"

Bruce Rosenblum, President, Warner Bros

Impact on Pricing

"Under the new CW deal, Netflix could **pay** anywhere from \$150,000 to slightly more than \$700,000 an episode for series, **depending on a show's popularity and how long it has been on the air**"

WSJ.com

What about mobile & Tablets?

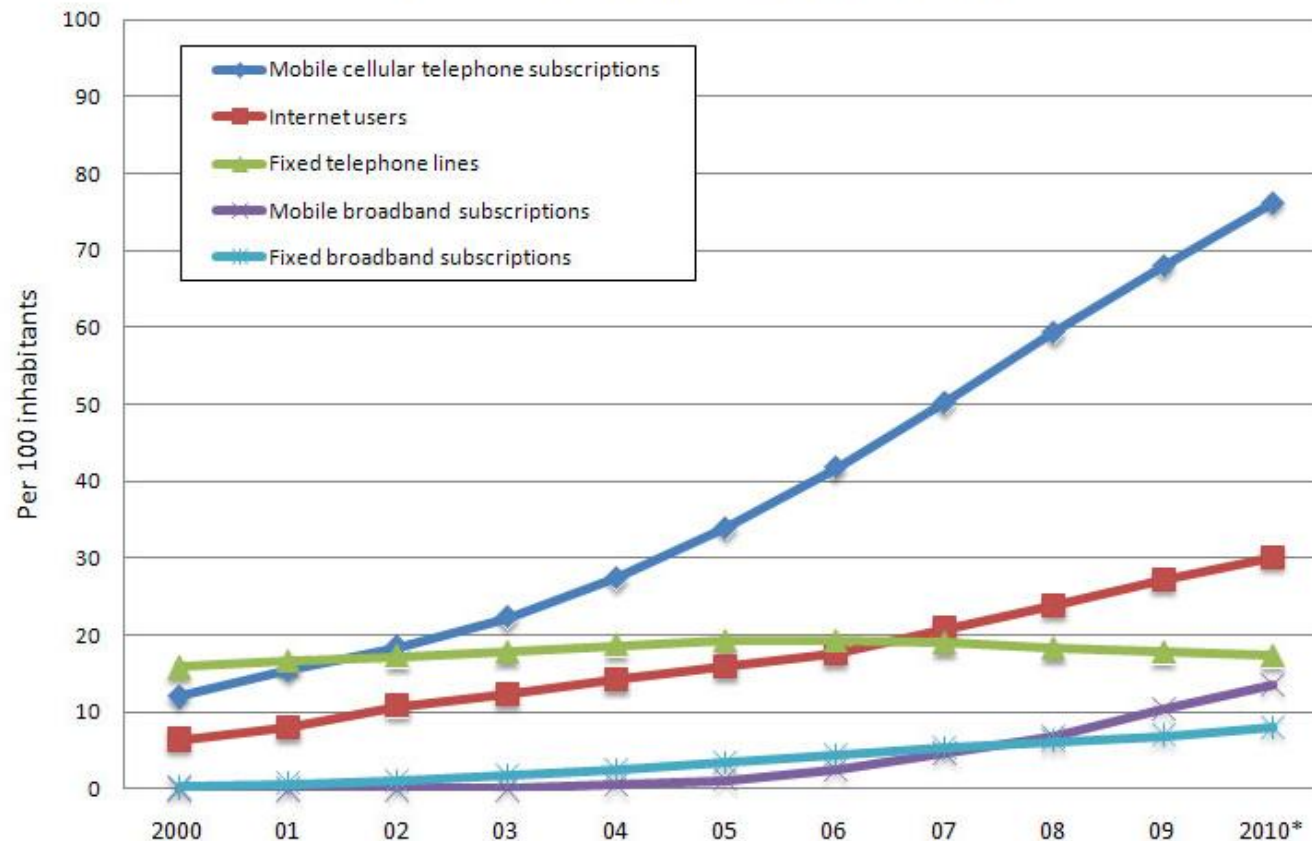


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Mobile is the fastest growing technology in history

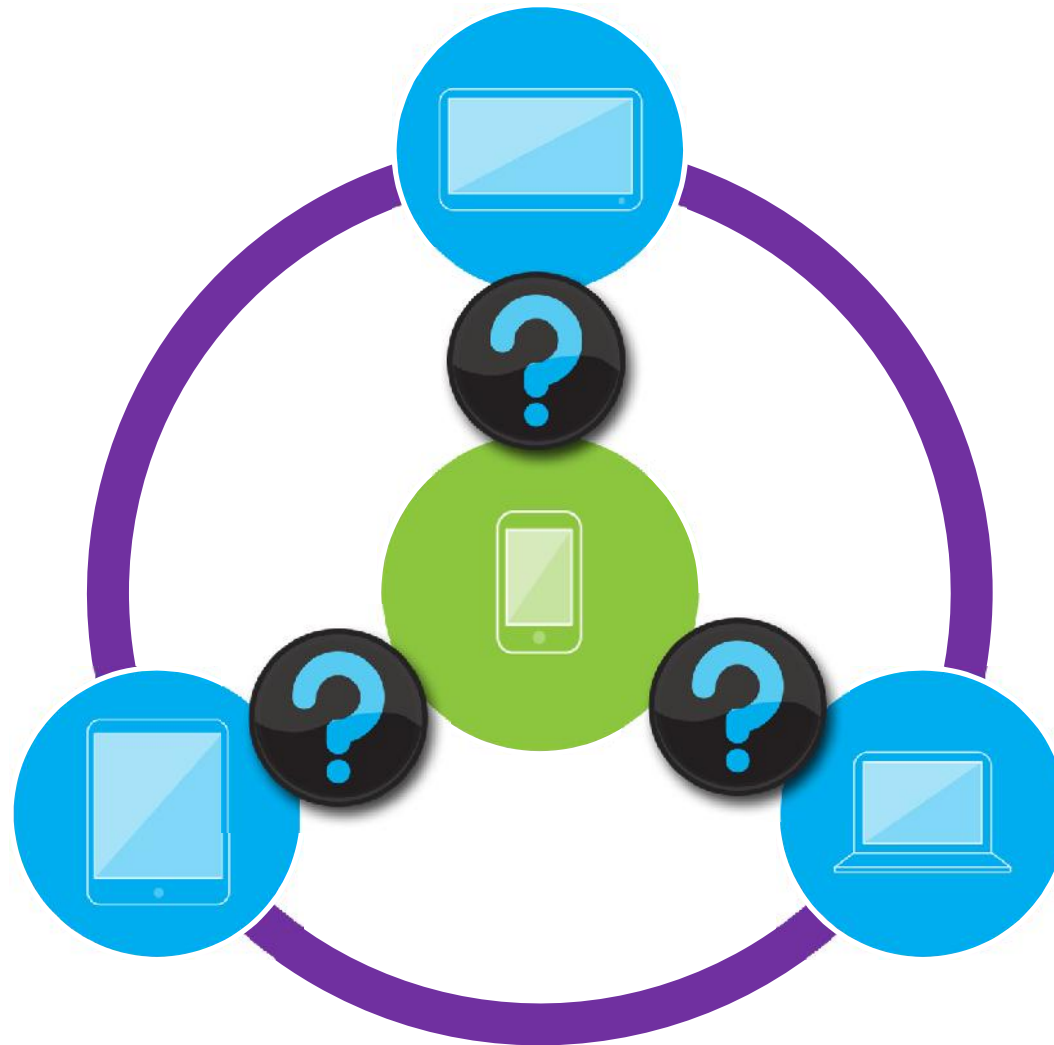


Global ICT development, 2000-2010



*Estimates
Source: ITU World Telecommunication /ICT Indicators database

Monetization of Mobile



Monetization of Tablets



5.9%



4.8%

Tablet penetration based on penetration
National People Meter 10/18/11

Summary

- Consumers are continually looking for new options BUT, they are willing to pay for Content
- Flexible measurement & cross platform commercial identification
- Media companies & Content distributors have value & negotiation challenges
- Convenience is King
 - DVR, Video Game Consoles, APPs, VOD

Summary

- How Many Guides?
 - Live TV, DVR, VOD, Netflix, Hulu, Gaming Online and Off...
- Best Screen Still Matters!