

Nielsen announces major changes to improve TV audience measurement

Article

The news: Nielsen announced yesterday it would overhaul its measurement process to focus on providing audience estimates based on individual ads rather than overall commercial minutes.

- The goal is to enable more granular measurements across linear TV, making it easier for advertisers to compare performance across linear and digital platforms.

- The news comes as Nielsen attempts to regain **Media Rating Council (MRC)** accreditation and win back the trust—and business—of the television industry, as well as **launch** its cross-platform measurement service, **Nielsen One**.
- The company will begin making changes in 2022 and aims to have the new system fully in place by fall 2024.

How it works: Nielsen's Individual Commercial Metrics allow the company to measure linear TV at a subminute level, bringing it more in line with standards for measuring digital performance.

- The company is expanding its partnership with **Extreme Reach**, a creative logistics company, to find efficient ways to add Nielsen codes to most national linear TV ads.
- Beginning in early 2022, Nielsen plans to introduce processes for collecting and crediting watermarks, which would allow the company to detect them more frequently in shorter amounts of time and enable more accurate viewing measurement.

How we got here: TV networks have consistently complained that Nielsen undercounts their viewers, but with the shift to streaming, their protests have gotten louder. In particular, networks are frustrated with what they perceive to be out-of-date measurement methodologies that don't take into account the new ways people are consuming content.

- The pandemic proved to be the breaking point. In May, Nielsen conceded it had underestimated audiences by up to 6%, confirming networks' fears and intensifying calls for change.
- In the fallout, Nielsen was stripped of its MRC accreditation, while networks are increasingly enlisting the **services of competitors** like **Comscore** and **VideoAmp Metrics**.

What this means: Nielsen's loss of accreditation created a vacuum in the TV measurement space that numerous companies are jockeying to fill. At the same time, networks have come to feel there are dangers in relying on a single measurement system.

- NBCUniversal is in the midst of developing a **new measurement framework** that will incorporate solutions from multiple companies, including potentially Nielsen, and enable a holistic understanding of viewing behaviors across multiple channels.
- However, Nielsen has been the industry standard for decades, allowing networks to see how they stacked up against one another.

- Without a single agreed-upon currency for measurement, it will be more difficult for advertisers to decide where to spend their budgets—and for networks to prove their worth.

US Advertisers Who Are Confident in the Measurement Provided by Media Suppliers, by Media Type, April 2021

% of respondents

	Media partners	Ad tech partners	Equally confident in both
Linear TV	30%	23%	47%
Paid social	29%	19%	52%
Paid search	24%	25%	51%
Digital display	23%	32%	45%
Digital audio	20%	27%	53%
Digital video	17%	27%	56%
Streaming TV	17%	25%	58%

Source: Advertiser Perceptions, "Measurement Report 2021," Sep 9, 2021

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