

3 new things in TV marketing: Troubles at Nielsen, NBCUniversal's big move, and an Olympics disappointment

Article

1. Nielsen's troubles could open the door for new methods of TV measurement

The news: Nielsen is on shaky ground with the **Media Rating Council (MRC)** and may soon lose its accreditation, per Ad Exchanger. An MRC review found that Nielsen undercounted viewers in the crucial **18–49 demographic by 2% to 6% in February**, and debate has emerged over whether the firm's decision to not send technicians to Nielsen family homes during the pandemic has further damaged its reporting.

Why it matters:

- Overall, TV is largely viewed as a declining medium. While time spent watching TV is expected to continue to plummet, **rival mediums like digital video will increase viewing time by 4.1% and 3.4% over the next two years.**
- However, if Nielsen gets the boot, it could open the door for alternative TV measurement methods to emerge—which has the potential to completely upend the existing business models and advertising structures of network television.
- That said, a new metric for TV engagement also has the potential to change the course of TV's perceived downward trend and bring back lost advertisers.

2. What NBCUniversal's declaration of independence means for the future of TV measurement

The news: **NBCUniversal** announced Monday it is partnering with “a broad network of trusted partners” to create “a full suite of interoperable measurement solutions” in light of what it views as a failure of legacy measurement currencies to measure changing viewing habits.

The bigger picture: As alternatives crop up, **a centralized standard like Nielsen may never exist again.**

eMarketer principal analyst at Insider Intelligence Paul Verna says:

- “As TV viewing becomes more fragmented, the ad inventory that supports it is also expanding to multiple stakeholders with different business agendas, including TV networks and their affiliated streaming services, cable/satellite operators and their digital counterparts, smart TV manufacturers, and aggregators such as Roku and Amazon. Coming up with a currency everyone can agree on in such a fragmented market is a tall order, but NBCUniversal's efforts are a step in the right direction.”

3. Tokyo Olympics' viewer numbers disappoint

The news: The 2020 Tokyo Olympics netted the smallest audience for NBCUniversal since it began its coverage of the games back in 1988.

The problem:

- Viewing was down **42%** from the Rio de Janeiro games in 2016, which attracted an average of **26.7 million viewers**, **per** The New York Times. The 2012 London games had an average of **31.1 million**.
- This year's games averaged **15.5 million** viewers nightly across NBC's prime-time and digital offerings for the duration of the games. In total, **150 million** Americans tuned in. The event experienced hurdles from the beginning, starting with no foreign attendees allowed and ending with very few in-person spectators on account of the rise in COVID-19 cases.
- Cord-cutting, the 13-hour time difference, and a difficult-to-follow schedule between the NBC app and the website may have contributed to low viewership as well.

The bigger picture: Despite the issues, NBCUniversal managed to turn a profit on its Olympics coverage.

- Its ad sales were over **\$1.2 billion**, though **it did have to comp ad space to some advertisers** who were underwhelmed by the audience provided.
- The company paid over **\$1 billion** for the exclusive US coverage rights to the Tokyo Games as part of an agreement that extends through the 2032 games.

What's the catch?

- Though NBC managed to turn a profit this time, given the fragmentation of audiences, the company could find it difficult to continue to do so for the next few Olympics.