

TAMWISE

Issue # 02/2006



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GLOBALTAM

A Global Perspective of AGB Nielsen Media Research

Successful annual AGB Nielsen Media Research **TAM WorkShop** held at end of May 2006: Some 240 international delegates from 35 countries attended 3 day TAM WorkShop. Held in Bürgenstock Hotels and Resort, Switzerland.

Responding to the allegations against its **Greek** subsidiary, Dr Alberto Colussi, Chairman of the Executive Management Board of AGB Nielsen Media Research said that he was both surprised and shocked by the announcement to start a formal prosecution. In response an **audit team** has been appointed, lead by international and Greek experts.

With the introduction of a new digital satellite provider (DigiTV) and the increasing UPC digital subscribers, AGB Nielsen Media Research **Hungary** upgrading metering technology and expect that some 30 – 40 HHs installed with **UNITAM** will be in production as of 3Q06.

AGB Nielsen Media Research **Italy** is making good progress in upgrading the current Auditel TAM panel with the deployment of **UNITAM**. It is expected that by the end of this year, some 1,380 HHs will have been installed.

The **Irish** MOC Steering Committee continues to evaluate a number of key recommendations made by the external auditor, Dr Heikki Kasari, including a possible increase in the actual reporting panel size, an increase in both size and frequency of the establishment survey and providing respondent level data to all clients.

Once panel increase agreement signed with **Turkish JIC**

(TIAK) current AGB Nielsen Media Research contract to be extended by one year with contract now expiring at the end of 2010. **Panel expansion** completed in 1H06, now 2,200 HH. The expansion also sees the inclusion of DigiTurk homes on the panel. DigiTurk a digital satellite Pay TV provider with about 3.9% national penetration.

Barb is extending its ratings measurement system to include DVD recorders and PVR devices other than Sky+, with the introduction of the AGB Nielsen Media Research proprietary **UNITAM** peplemeter. Anticipated that UNITAM will be deployed in up to 600 of Barb panel homes by the end of 2006. In time UNITAM is expected also to offer measurement potential for other new types of viewing such as broadcast content on demand.

Barb in 2Q06 started field tests of a new 'visual barcode technique offering the potential to expand the measurement to include **interactive TV** services. Currently interactive applications are only identifiable if they constitute a separate broadcast stream on the digital satellite platform. Technique conceived by BBC Technology Group and has been developed, over last 2 years, with input from BARB and AGB Nielsen Media Research. Visual bar-coding technique aims to provide measurement within and across platforms, enabling an assessment of reach of viewers using interactive content and time spend in these services. Technique has passed a number of tests already on the DTT and digital satellite platforms and BARB hopes the technique will also be possible on the digital cable platform. Expecting that if all goes according to plan, that BARB may be able to begin formal reporting of data by mid 2007.

New regional market (W. **Australia**) will be included in regional panel later in 2006, following the official data release of the 100 HHs panel later this year. Regional TAM committee is also currently evaluating the upgrade of the existing panel to incorporate the measurement of DTT.

Steady progress continues in **China** with AGB Nielsen Media Research's US\$35m effort to **include rural viewers** from China's most populous regions into its ratings for the country's TV market. Ratings would comprise 17,000 HHs representing 900 million Chinese from 15 provinces and regions by end 2007, giving advertisers new information on viewer habits in rural areas. TV ratings companies have previously focused on viewers only in the large urban centres. AGB Nielsen Media Research has already begun including rural residents in its ratings for Beijing, Shanghai and the provinces of Guangdong and Zhejiang. The installation of monitoring equipment in 17,000 sample households to be finished by end 2007. Dr Alberto Colussi, commented that the company is not expecting to see the investment made into expanding the ratings to pay off quickly, given the very low spending on such ratings data. In China, 0.1% of spending on TV advertising went on ratings (US: 1.5%, Europe: 0.8%).

AGB Nielsen Media Research signs multi-year deal with GroupM for Chinese ad research. As part of the WPP Group, GroupM has become **China's** largest advertising and integrated communication services company, with clients including IBM, Motorola, Kimberley-Clark and Unilever.

The **Philippines** operation has opted to proceed with a national urban expansion instead of a re-constitution of its key city panels. Plan foresees phased approach to rollout.

New Zealand market is currently debating the benefits of moving from ¼ hour data to minute by minute level data.

South African Advertising Research Foundation (SAARF) to launch **overnight** TAM audience figures in mid-July 2006. The shift from weekly to overnight reporting heralds the arrival of a new model for buying and selling of TV ad space. There will be a parallel-run period to evaluate the data and to give agencies and media owners the opportunity to install the required systems. Progress continues with the panel expansion to include the rural areas, and is expected to be completed by Oct 2006.

TAMTECH

Update on AGB Nielsen Media Research Proprietary TAM System

Arianna 6

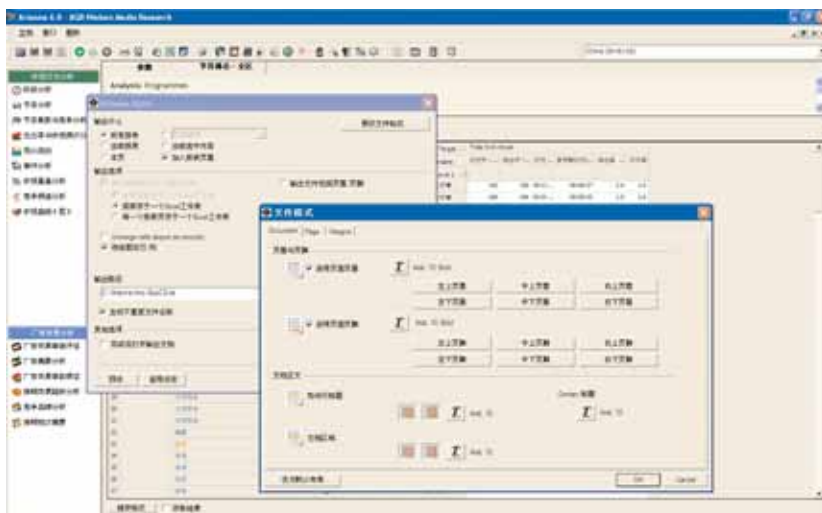
Arianna keeps evolving with version 6, to be released later this year. Based on the feedback, collected from Arianna users worldwide, numerous new features will be implemented in this version. Here are a few highlights.



Arianna Look & Feel - The Eastern Flavour

Our clients in China and Taiwan will be able to take full advantage of the interface available in Simplified or Traditional Chinese characters.

The adaptation is no longer limited to the Parameters window and now covers all the areas of the application, such as reporting and the user dialogues.

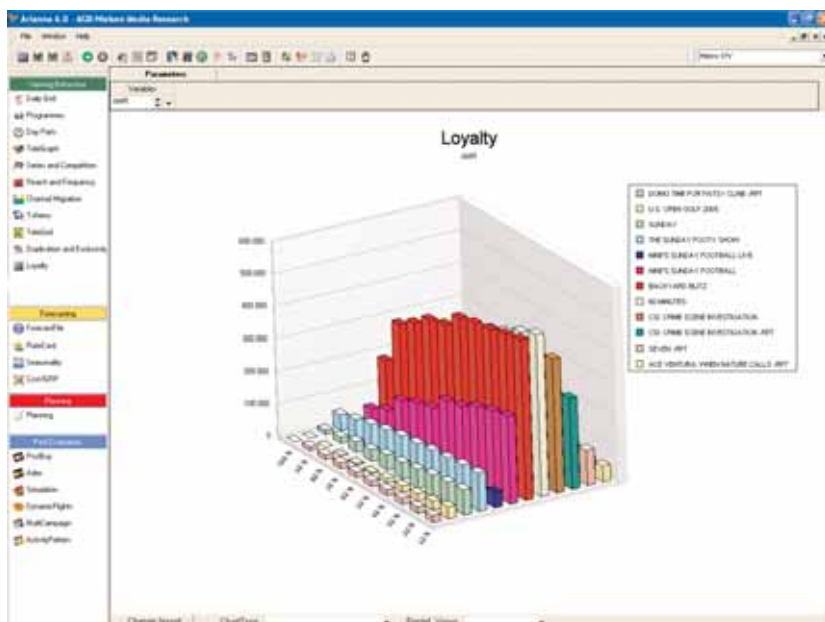


How Loyal are the viewers?

The new Loyalty module allows the analysis of any user-defined group of programs and dayparts according to the length of viewing of each individual.

This module has been enhanced by the inclusion of several features, such as custom thresholds, which were not previously available.

The charting module of Arianna is an ideal complement to the Loyalty analysis.

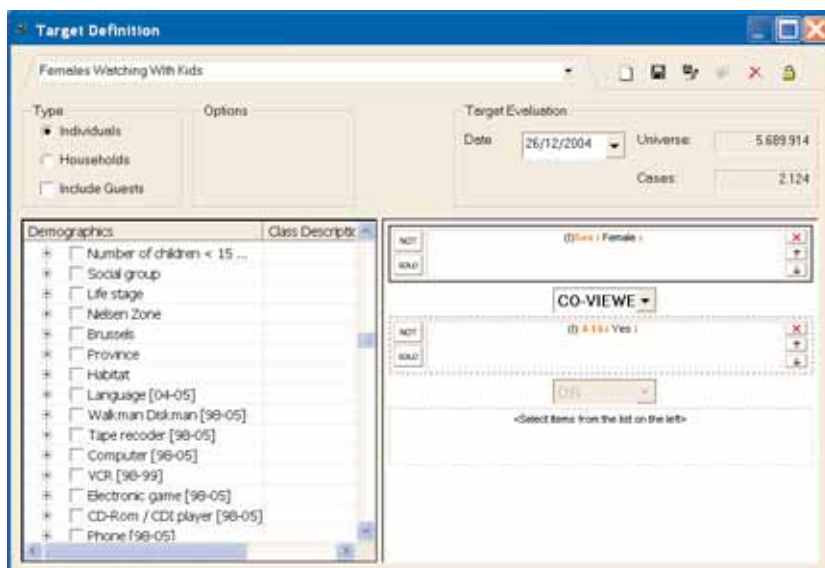


Who's watching with whom?

Co-viewing and solo-viewing analyses will be a reality in Arianna. The Target definition form has been enhanced to isolate individuals according to whether or not there are additional viewers.

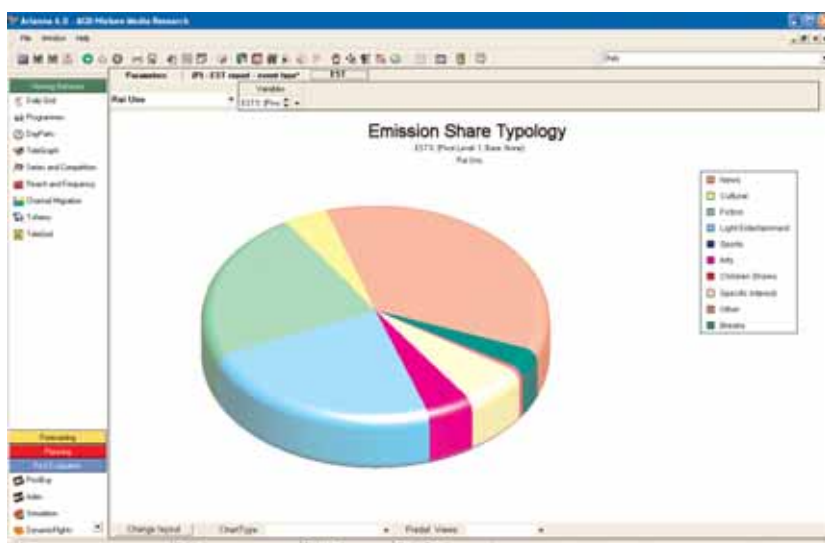
Users will be able to customise the composition of a target according to the following viewing categories:

- Individuals watching alone
- Individuals watching with other family members & guests
- Individuals watching with someone belonging (or not) to specific demographics (e.g. Females with Children)



Broadcasting time by Genre

Arianna 6.0 will give the possibility to analyse the broadcast time of a channel by Genre, using a variable called Emission Share Typology. This is particularly useful to monitor the amount of advertising, which is regulated in several of our operating countries, as well as the quota of specific genres, which are often the subject of local broadcasting rules and guidelines.



In addition to the above features, Arianna 6.0 will include other enhancements such as Reach Curves, Advanced Money Area, and new objectives for the Spot Optimiser. The full list of new features will be available closer to the release of the new version.

GLOBAL

Recent application at US Patent and Trademark Office from Royal Philips Electronics for a technology that could let **broadcasters freeze a channel during a commercial**. Within pending patent, applications could be implemented on a program-by-program basis and can be carried on either the STB or TV set.

Ipsos Insight: One in seven customers said would **prefer embedded ads** in digital downloads of TV shows, provided that the downloads are free.

Multimedia Research Group: Global **IPTV Subscribers** to hit 36 million by 2009 (2005: 4.3 million). Europe to lead growth with successful deployments from France Telecom, Telefonica in Spain, FastWeb in Italy and a number of Scandinavian platforms. Europe strongest IPTV market by 2009, followed by Asia.

Orb enables **global access to media anywhere, anytime**. Orb Networks' media transportability solution, enables Users to view material from their own homes, anywhere on the web or on a mobile device - without the need for another box. Also adding streaming video mail to the mix. Orb is said to be a free Windows software that lets you enjoy all of your content everywhere, wherever you want it, whatever device you have, wherever you have the web. Orb Networks provides free software that plugs into Windows and allows users to access locally stored media from anywhere on the web, on a personal computer, handheld device, and now even on a mobile phone.

NeuLion is expanding possibilities of **IPTV, going beyond the desktop media player**; straight from internet to TV. An end-to-end solution, uses public internet to stream multimedia content to any TV or PC, from a common library. The result is DVD-quality streaming video - in real-time - to any device.

ASIA PACIFIC

Parks Associates: Taiwan and Korea At the Forefront Of **Digital Living, Asia is pioneering** the making of digital homes, with Taiwan and Korea being the most advanced, followed by the U.S., Canada, Japan, and Australia. UK, Germany, France, Spain and Italy came in sixth to eleventh place. China and India in the last two positions. Innovation on the consumer products side coming from Japan and Korea, whereas connectivity on the PC front is coming from Taiwan and the US.

Seven and Nine networks take rivalry online: Seven already announced trails of its TV shows (shows will be available free of charge for downloading from site) likely to take place this year given sufficient broadband speeds.

Foxtel to broaden distribution platform, with complete conversion of all its 1.22 million subscribers to digital services. New features to include

1. Delivery of a Foxtel service to mobile phones
2. Launch of a VOD service via Foxtel iQ by end 2006.
3. Foxtel iQ, which enables viewers to record and store shows, also to go portable this year together with launch of iQ2Go handheld device.
4. iQ subscribers to have facility to remotely programme PVR using any mobile phone.

IceTV launched PIMP service to enable Australian users to remotely record TV programmes from outside the home. PIMP (Personal Interactive Media Planner) allows Media Center PCs Users with an IceTV subscription to use their mobile phones to start recording video content on their PCs. Service to be extended to subscribers using IceTV to DVR devices within the coming months.

Digital TV in China: Changeover has been disappointing for many industry players and even government officials with subscriber growth falling short of expectation. The State Administration of Radio, Film and TV (SARFT) had hoped that broadcasters could sign up 30 million digital cable TV subscribers by 2005 but the number reached only 4.1 million, according to Beijing-based data tracking firm CCW Research. A strong debate has also developed over whether a national digital TV standard or a foreign one should be adopted.

National digital rollout following successful 3 year trial.

- DTH digital broadcasts by satellite are scheduled to begin in 2006, in order to serve the HHs (predominately in rural areas) not having cable TV (most popular format in the Asia Pacific region). Existing cable viewers require only STB, with no need to upgrade cable circuits. (Cable homes account for about 126 million of the 900 million Chinese TV viewers). Upgrade to be finalised by 2015.
- The upgrade to digital in the cities of Qingdao, Hangzhou, Shenzhen have been completed – with the work in provinces and municipalities including Shanghai, Tianjin, Guangdong and Sichuan on going.
- CCTV, China's state broadcaster, to launch digital pay TV in Beijing by end 2006.

The **Hong Kong** Commerce, Industry and Technology Bureau has set up working groups with Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) to ensure timely and smooth **launch of digital services in 2007**. According to the blueprint, ATV and TVB will start broadcasting their existing services in both analogue and digital format and launch new digital service on the respective additional frequency channel assigned to them by 2007. They will extend coverage of their digital networks to at least 75% of Hong Kong by 2008. If the mainland has not promulgated a national standard by the end of 2006, ATV and TVB will adopt the European DVB-T standard.

Astro, Malaysia's leading pay TV operator, allowed to broadcast in **Indonesia** after the two nations signed a reciprocity agreement. TelkomVision, Indonesian communications provider, to launch **IPTV service** in 2007. Service will compete with the DTH platform launched by Astro

With launch of **mobile DTT service** in Apr 2006, mobile phone users in **Japan's** major cities are now able to watch TV on their handsets.

Astro to launch in 2H06 **Malaysia's** first DVR decoder, **Astro MAX**. To be officially launched in Jul 2006.

New Zealand has moved closer to launching **DTT** after the country's three largest broadcasters reached a deal to deliver a free-to-air satellite based digital TV service. New Zealand to launch its own Freeview DTT service in 2007, based on the successful UK model. FreeView will be distributed via DTT to major towns and cities. Satellite transmission will be used to reach 25% of the population outside those areas.

Sky Network TV, New Zealand DTH operator, reportedly in negotiations to distribute its service via **IPTV**.

ABS-CBN Broadcasting Corp. applying for license to provide **DTT** services in **Philippines**.

Singapore first country in south-east Asia to transmit **HDTV** services on the DTT platform. Trials coincided with the start of the FIFA World Cup, operated by the broadcaster MediaCorp.

Nationwide DMB service due in 2Q06. Duel between satellite and terrestrial DMB set to heat up in the following months, with **Korea's** two DMB providers trying to beat each other in the domestic market. Korea Broadcasting System (KBS), a broadcaster of terrestrial DMB (DMB-T), plans to expand coverage of the go-anywhere TV from the current small service areas in and around Seoul to the whole nation by 2Q06. This DMB-T

service is a first of its kind in the world. TU Media, in charge of satellite DMB (DMB-S), seeks to counter by airing adult contents after the country's broadcasting authorities gave the green light to such a plan last week.

KBS's free mobile TV service, has seen its subscriber base pass the 1 million mark. SK Telecom backed TU Media, has some 595,000 subscribers.

The Asia-Pacific **pay TV** industry is anticipating renewed **growth in Taiwan**, already one of the region's biggest TV markets, after the territory's new TV regulator unveiled plans to relax rules on investment and foreign-owned channels.

Hong Kong telco PCCW, operator of IPTV service Now Broadband, is continuing activities in IPTV markets internationally after it completed the installation of **Thai** telco True's **IPTV** service. Competing with phone provider TT&T's offer, with collaboration with provincial cable TV providers.

Amino, leading IPTV set-top box supplier selected by Siemens for the first **IPTV** deployment in **Thailand**.

EUROPE

GfK has been commissioned by the AGF (representing **Germany's** ARD, ProSiebenSat.1, RTL and ZDF TV stations) to replace its existing TAM metering technology from mid-2007 onwards. The agreement supplements GfK's audience research contract with the AGF and runs from 2005 to 2011 with an extension option until 2013 and is now worth about EUR 100 million. New metering device (TeleControl Score) currently being developed and produced by Telecontrol/GfK. It comprises a centralised terminal which stores all measured data and several additional metering modules that can be added as required.

Apr 2006, EET (Greek JIC) issued statement of confidence in continuing self-regulation for Greek TV audience measuring system.

Digita and Nokia have signed world's **first commercial DVB-H mobile TV platform supply contract**: Nokia will deliver to Digita its service management (MBS 3.0) solution for DVB-H services. MBS supports broadcasting of live TV, radio, and video clips over DVB-H networks to mobile devices. Network will reach 29% of the **Finnish** population by end 2006.

French government announces **ASO** in 2011 with phased regional approach to begin in 2007. Next phase of DTT rollout should see 70% of the population able to access DTT services by end 1Q07.

Together with the announcement of the rollout of the long-awaited pilot testing for DTT, according to the Minister for Communications, Marine and Natural Resources, Noel Dempsey. **Ireland** should aim for the EU deadline of 2012 for a complete **switchover to digital TV**. During 2Q06 Ireland was in the process of seeking applications from parties interested in participating in the country's **DTT pilot**, operational by mid-Aug 2006.

RTÉ, BT and RadioScape have teamed up to bring live digital TV signals to mobile phone users, with a technical trial of DAB-IP in the Greater Dublin and North-East areas.

Sky Italia launched **HDTV** services 2Q06.

Telecom Italia, to launch Europe's first **DVB-H mobile TV service**, plans to make the service available for free during the first few months of operation. 3 Italia launches its "Walk TV" services 2Q06.

TNS announced its withdrawal from the LAA-JIC tender for TAM in **Latvia**, covering 2007-2012, criticising the process in not being 'transparent, open and fair'. Renewed its Baltics Viasat contract. Agreement includes the provision of TAM services in the three Baltic States Estonia, Latvia and Lithuania for another three years, covering both audience data and Advertising Expenditure (AdEx) estimates. Viasat is the leading broadcaster in the Baltics through its main channel TV3.

Netherlands to **switchoff** analogue terrestrial TV transmitters by 4Q06. After Oct 2006, DTT will be available across the country, making it the first country in Europe to completely switch from analogue to digital for terrestrial TV reception.

Norwegian government awarded NTV with **DTT** licence. DTT services likely to begin in summer 2007. NTV, an organisation set up by NRK, TV2 and Telenor, had been the only contender for the available DTT licence.

Cyfra+, **Polish** satellite pay TV platform, dismissed threat posed by entrance of a new digital TV player in the country - insisting it will remain the biggest DTH platform in Poland. ITI Holdings, the Polish media group which owns the country's leading commercial broadcaster TVN, is to launch a digital satellite platform in 3Q06.

Romanian DigiTV to launch pay-per-view and VOD services in a bid to head-off growing satellite competition.

Russia to launch **DTT** services by 2015.

In **Sweden**, analogue TV transmitters in Uppsala, Västerås, and Örebro were switched off at beginning of Apr 2006,

as Sweden continues to move to DTT. Pay DTT service provider, Boxer, announced increase of 38,000 subscribers in 1Q06, compared to End 2005.

DVB-H trials in Sweden to be carried out in Stockholm and Gothenburg by Nokia and TeliaSonera Sweden, from early Aug until the end of 2006. Trial partners include ATG, Boxer, Nokia, Sveriges Radio, Sveriges Television/UR, Telenor and Teracom. The 400 users will be able to access 14 television and 4 radio programme services with a Nokia N92 DVB-H receiver.

Informa Telecoms & Media: **Turkey** and Gulf states such as Saudi Arabia likely to become leader of pay TV industry in the Middle East and North Africa. Beyond these areas growth forecasts for the next five years in the region largely stagnant.

DigiTurk selected the Irdeto Digital TV PVR & Push VOD solution for launch to its customers starting 1Q07.

Ukraine to launch DTT services by end 2006.

Ofcom's **Digital Progress Report** 1Q06: **UK** take-up of digital TV is growing faster than expected

- An extra 1.7 million homes would take-up digital television in 2006.
- In 1st quarter 2006, digital TV was viewed by 72.5% (18.2 million) UK television households (end 2005: 69.5%).
- Freeview has for the first time overtaken traditional analogue TV on primary sets in the home.

BARB: UK **Sky+** households mainly watch live TV. In an eight-week period in March/Apr 2006, **time-shifted viewing** accounted for 13.8% of all viewing by individuals in Sky+ homes (including guests). Approximately 40% of Sky+ individuals' time-shift viewing took place on the same day as the original broadcast. Peak-time programming was subject to a greater degree of time-shift than the all-day average. Variation across demographic groups not particularly marked. Use of Sky+ across individual viewers varies widely: 8% of viewers used their PVR to time-shift 50% or more of all their TV viewing, and 28% time-shifted 20% or more of their viewing.

Most TV viewing in households with PVR's like Sky+ is still live and "traditional scheduled TV will be around for a long time yet", according to new research. Also, viewers still paid attention to adverts even when they fast-forwarded through them, the study found. Patrick Barwise of the London Business School: "These results show the importance of measuring actual, rather than claimed, behaviour." The consortium behind the study consisted of research consultancy ACB, the London Business School, Initiative, Ofcom, ITV, Channel 4 and Channel Five.

BARB Announces A Joint **R&D Initiative With RAJAR**
Start to operate in Jan 2007. BARB has committed to involvement for one year, with the option to continue. Panel of 500 reporting adults will be recruited for R&D purposes, within the M25 area. Exploratory exercise intended to give BARB a more rounded understanding of the potential for portable meters for TV measurement and the issues involved in detection, identification, processing and reporting. Panel will be recruited, installed and operated by TNS utilising Arbitron's PPM devices. Will deliver weekly data for more than 50 national and local radio stations and TV channels across four platforms: Analogue, Digital Radio, digital TV and the Internet. Not part of BARB's offering of data to the industry but should help to determine whether such techniques could be expected to deliver any benefits in the future. The initiative said not a prelude to cross-media measurement of TV & Radio. RAJAR's research director Paul Kennedy said that RAJAR remains open to devices - and software - other than Arbitron's PPM. And, this is only a test. GfK/Eurisko's Media Monitor and Ipsos Smart Cell Phone remain under consideration.

Ofcom given go ahead to British DTT platform Freeview to begin carrying **subscription-only channels**.

UK and Korea show viability of **DAB for Mobile TV**: Both countries have joined forces to announce details of the trial that will show how two enhancements of the DAB platform can be used to broadcast TV and other multimedia applications to mobile devices using existing spectrum. UK: Broadcasters including the BBC and ITV will supply content for the technical trial of mobile TV broadcast via DAB spectrum involving two approaches: Terrestrial Digital Multimedia Broadcasting (T-DMB) and Internet Protocol over DAB (DAB-IP). DAB's big advantage over DVB-H, the standard trialled by Virgin's mobile rival O2 and transmission group Arqiva in Oxford last year, is that spectrum is already available via digital radio whereas DVB-H requires an allocation from Ofcom - and that could have to wait for the switching off of analogue television signals between 2008 and 2012.

Freeview, to launch a **PVR** brand (Freeview Playback) designed to raise consumer awareness and boost sales. Aim to have product in stores for Christmas 2006.

ITV joining the BBC, Channel 4 and Channel Five for a trial this summer allowing DTT viewers in London to get a taste of **HDTV**. Major unresolved issue for HD broadcasters on DTT, or Freeview, is that there is not likely to be enough bandwidth to support permanent services in the enhanced picture quality format until after digital switchover in 2012 - and maybe not even then.

TNS selected by major broadcasters (BBC, ITV, Channel 4 and five) for Digital HDTV research. TNS to recruit and monitor a panel of 450 HHs to trial the latest HD

technology on DTT services. TNS will offer insight into the panellists' thoughts and opinions through the use of online questionnaires and an interactive forum.

Some **results** from **BBC's trial** of its **Integrated Media Player**: Among computer users who took part in the trial, on average 6% of the total consumption of BBC output came via the iMP, which allows TV and radio programmes to be downloaded and watched for seven days after their initial broadcast. Most viewing took place between 10pm and 11pm, whereas the traditional peak time for viewing of linear TV channels is between 7pm and 10pm. Trialists consistently watched on average two programmes a week via the iMP, the equivalent of an hour's viewing a week, according to the BBC. Half of the programme downloaded were not watched - 70% of users blamed the seven-day viewing limit.

Channel 4 is in talks with the measurement body (BARB) following the launch of advertising-free **VOD services** by the broadcaster for two of its biggest shows. Without an established advertising currency, its commercial team is limited to subscription and sponsorship funding

Channel 4 to be first terrestrial broadcaster in the UK to stream a live version of its schedule on broadband. However, the service will not include acquired commercials and films at launch because of complications in securing digital distribution rights.

Sky offers new **remote record** option for **Sky+** PVR's, allowing subscribers to set recordings remotely anytime, anywhere, either online or using their mobile phone. Although no official launch date understood to be soon.

Sling Media announced **Slingbox** now available for purchase in UK. Europe version tailored for the UK market. Features an integrated PAL analogue/digital tuner with DVB-T support, giving customers access to Freeview programming from their aerial streamed to a laptop or desktop computer. It also controls a wide range of Freeview, digital cable and satellite set top boxes that are available in the UK market including those from Sky, Homechoice, NTL and Telewest.

Thinkbox bids to measure brand **engagement** on TV. First results of two-part study to be available in Autumn 2006. Aim to reveal the depth of brand engagement achievable by TV advertising. Qualitative research: To look beyond straightforward brand exposure to determine the quality of exposures. This will give agencies and advertisers an insight into the elements of engagement that they can affect, enabling them to get the most from their TV advertising in the future. Findings are set to measure a range of factors which could influence a consumer: from the effects of the programme and viewing environment to the influence of the ad break content, the length of ads and the impact of sponsorship.

Impact of appreciation of a TV show on advertisement within it. Question will be re-examined by GfK on behalf of Britain's ITV via an online panel similar to one it has been using to measure appreciation of ad-free BBC programmes.

Mobile TV more popular with use: Final results of a six-month trial of mobile TV in Oxford by O2 and Arqiva, shows the 375 triallists spent an average of four hours watching TV, an hour more than was reported when O2 unveiled initial results from the trial at its half-way stage.

THE AMERICAS

BBM **Canada** and NMR have reached final agreement on terms for the joint venture TV ratings service which is under discussion since 2004. **BBM Nielsen Media Research** expected to begin supplying data in time for the 2006/07 TV season. Under the agreement, Nielsen peplemeters will be used in Vancouver, Calgary, Toronto, the Ontario region and nationally, while BBM will provide all data about Quebec. Two additional markets may be added.

Nielsen Media Research announces their Anytime Anywhere Media Measurement (A2/M2) initiative whereby Nielsen will provide integrated, all-electronic ratings for TV regardless of the platform on which it is viewed. Nielsen committed to continuously develop and deploy technology to measure the new ways consumers are watching TV, such as on the Internet, outside the home, and via cell phones, iPods and other personal mobile devices. Developed in close consultation with clients, A2/M2 reflects the transformation of the US television industry into a multi-platform business. Key components include:

- A continued focus on providing the most accurate measurement of in-home television viewing through state-of-the-art Active/Passive (A/P) metering technology
- Measurement of online streaming video as well as the addition of Internet measurement in Nielsen's Peplemeter samples
- The addition of Out-of-Home measurement in Nielsen's Peplemeter samples
- The introduction of electronic measurement in all local markets, targeted for 2011
- The development of new meters to measure video viewed on portable media devices
- The creation of new research for measuring viewer "engagement" in TV programming

Nielsen to Furnish **Commercials Ratings**. Ratings for the commercials within the shows will be available to the broadcast networks this fall, showing the average ratings for the national commercials within a program. The data they get will be based on live viewing plus delayed viewing for seven days on DVR's.

Nielsen Media Research clients such as Mediaedge:cia requested that NMR begin offering on a test basis this fall to all clients (not just the networks) a cumulative rating per TV show for just commercials, with the hope that if the test goes smoothly, it could become the new currency on which ad buys are based beginning with the 2007-2008 upfront. Under their proposal, Nielsen would continue to measure total program ratings as it does now, but would also issue, on a daily basis, ratings broken out for just commercials, and for just program content. The latter would ensure that the networks would still be able to know the viewing levels of shows, while giving the ad community a more specific measure of eyeballs viewing advertising. "We can put an average commercial rating per show together ourselves using Nielsen data, but it would only be usable for our own agency," Schwartz said. "If Nielsen can do it and offer it to everyone, it can become an industry standard and be used as a negotiating tool."

Council for Research Excellence (CRE) – a client forum funded by Nielsen Media Research in the US – to begin a study into the **quality of Nielsen's TV ratings samples**. Will assess differences in viewing behaviour between people who agree and those who refuse to participate in national and local peplemeter and diary samples. Council wants to know whether these differences have any material impact on reported ratings and if there is a genuine need to employ new methods of panel recruitment. The \$1m project is expected to take two years to complete.

Networks back off on **DVR Ratings** fight meaning advertisers might not have to pay for additional ratings generated by TSV this year: One of the most contentious issues in the seasons **upfront** has been that the networks wanted ratings generated by time shifted viewing be included in the negotiations, whereas buyers demanded deals be based only on 'live' ratings.

Millward Brown: DVR viewing unlikely to kill the TV spot anytime soon. Many industry observers have been focusing on the ratings impact of the DVR. Millward Brown's recent study reports that the research findings indicate quite clearly, that there is no significant impact on ad recall and ad recognition among DVR users compared to nonusers. This is the finding of a recent study by Millward Brown. What would explain these results? After all, one of the DVR's main selling points is its ability to let you zip through ads, right? Well, a couple of things: First, even among DVR owners, most viewing - 61% in Millward Brown's study - is live. Second, the vast majority of DVR homes have a single DVR but many TV sets. So a great deal of viewing takes place where ad-skipping is not even an option. Furthermore - and some find this tough to believe but the data confirms it - not everyone watching on a DVR skips all the commercials all the time. A recent publication of a British study arrives at the same conclusions. It found the impact of the DVR to

be far less than anticipated because viewers don't time-shift as often as they say they do, and when they do fast-forward, DVR users pay increased attention to commercials. Millward Brown concluded that the threat of the DVR to the economics of broadcast television has been vastly overstated. Commercial avoidance has been part of the TV business as long as people have felt the need to get off the couch and head to the kitchen. In fact, an analysis of Nielsen ratings shows that the commercial ratings impact from "surfing" in non-DVR households-who watch only "live" TV -is actually greater than in DVR homes.

Comcast sees **greater use of network DVRs**. New device would allow viewers to retrieve recorded shows from the company's system, rather than from a hard drive. Comcast Corp., the largest cable TV company in the USA, predicted that the cable industry would move toward adopting a networking technology that could significantly increase the use of DVR's. The new system would allow cable users to retrieve recorded shows from the cable company's system, rather than from a hard drive installed on a special set-top cable box. Cablevision said its new service called RS-DVR (remote-storage digital video recorder) would help cut costs, which includes installing DVR boxes in cable homes. Already now, Comcast's On Demand service already gives customers some DVR functionality - customers can play, fast-forward, rewind, pause, and restart programming for up to 24 hours after purchase. Time Warner also has a similar new service with DVR functions - Start Over, which is running in some test markets. Time Warner's Cartoon Network and CNN are suing Cablevision Systems in an attempt to block the company from pursuing plans to roll out a network-based DVR service. This follows several cable networks and Hollywood studios seeking an injunction that would prevent the company from continuing with plans to launch a network-DVR service in Long Island in 3Q06.

TiVo launches Product Watch, a service offering **on-demand ads** to its subscribers. TiVo already signed up about 70 advertisers. The marketers won't run traditional 30-second TV commercials, instead they will offer longer ads that attempt to be more informative than typical commercials. In a separate communication TiVo also announced their **TiVoCast** service; whereby turning Web video into TV by bringing top broadband content currently only available on the PC now also to the TV set.

Nielsen Media Research released report in 2Q06, suggesting that **VOD Ratings Small, And Levelling Off**. Found that as VOD penetration grows, its relative contribution to TV viewing appears to have levelled off and may even be declining, according to report released in Apr 2006. VOD users tend to watch more TV overall: In 2H05, weekly VOD users averaged nearly 84 hours of linear use (59 hours for homes not using VOD).

NBC Universal joined CBS in becoming the second network to agree to have its programs air on Comcast's On Demand VOD service. NBC Universal shows will be available on Comcast's On Demand after midnight of their regular TV airings. NBC's prime-time shows will be available for 99 cents. Shows will include commercials from their TV airings. This is similar to CBS's deal.

In the first two weeks since the launch of the free service, viewers have watched ABC **television shows available online** about 3 million times. ABC began a two-month Internet trial early May 2006, allowing viewers to watch four of its programmes, including blockbuster hits "Desperate Housewives" and "Lost," on the Web with commercials.

Walt Disney to make top TV programmes available free on the internet. Two-month trial, started 2Q06. Programmes, containing ads which cannot be skipped, can be downloaded over broadband internet connection following network premieres. They have models that use subscription and models that provide the content for free and will investigate which one works more effectively

TNS launches Set-Top TV Ratings: 3Q06 TNS will begin providing a commercialised ratings service based on anonymous viewing data aggregated from Charter Communications' 55,000 subscribers in the Los Angeles area. TNS will process the aggregated data and allow for next day analysis through InfoSys software.

Telephia to track **mobile TV viewer habits** First audience measurement panel for mobile TV launched by Telephia, the US provider of syndicated performance evaluation data for the converging communications and entertainment industries. Providing measurement of the attitudes and behaviours among mobile TV audience. The research panel - set to expand to include subscribers of multicast mobile TV networks from late 2006 - currently building its presence in US and UK and will extend coverage to the rest of Europe and parts of Asia in 2007. Clients particularly interested using audience measurement data to target advertising and interactive commerce.

Frank Maggio unveiled a plan to bring the cable TV industry in as a partner. Maggio said he is taking the new track because it now looks like he has little or no chance at making an offer to acquire Nielsen - at least not for the next 18-months due to a "no-shop" clause that was an element of the sale of Nielsen parent VNU to a group of private equity firms. Maggio wants to raise cable industry support for erinMedia by making cable operators stakeholders in the service. The plan is different than rival TNS, which has begun working with cable operators to manage and model their set-top data into useable TV ratings, and to potentially "commercialise" them to the TV advertising marketplace. TNS' approach is to act as a third-party processor of the data, which would be owned and controlled by individual operators.

Current 9 year TAM service contract, between IARB (Israel JIC) and TNS Teleseker, up for renewal. Prequalification investigation process to be completed by the end of 2006.

First phase of **DTT** transmission in **Saudi Arabia** launched in middle of Jun 2006 in the main cities of Riyadh, Jeddah and Dammam, the southern city of Abha and the central city of Buraidah. By Feb 2007, the DTT system will cover not less than 23 cities that account for more than 70% of the population.

South African Broadcasting Corporation (SABC) reviewing its reliance on advertising. SABC revenues: 85% from advertising, 12% from TV licence fees. Remaining 3% from government subsidies and rights sales. Detailed funding structure will be unveiled in Aug 2006 together with SABC financial results.

Multichoice, South Africa's satellite pay TV has enjoyed strong take-up for its recently launched DVR.

- BARB:** *Joint industry committee responsible for TAM data supply in the United Kingdom*
- DAB:** *Digital Audio Broadcasting*
- DMB:** *Digital mobile broadcasting*
- DTH:** *TV transmissions via satellite intended for 'direct to home' reception in HH equipped with parabolic dish antennae.*
- DTT:** *Digital Terrestrial Television*
- DVB-H:** *Digital Video Broadcasting to handheld wireless devices*
- DVB-S:** *Digital Video Broadcasting via satellite*
- DVB-T:** *Digital Video Broadcasting via terrestrial radio frequencies.*
- DVR:** *Digital Video Recorder*
- HDTV:** *High Definition Television*
- iMP:** *Interactive Media Player*
- IPTV:** *Television over Internet Protocol*
- JIC:** *Joint Industry Committee*
- OFCOM:** *The independent regulator and competition authority for the UK communications industries, with responsibilities across television, radio, telecommunications and wireless communications services.*
- OTH:** *Opportunity to hear*
- OTS:** *Opportunity to see*
- PPM:** *Arbitron's portable personal meter device.*
- PVR:** *Personal Video Recorder*
- RAJAR:** *Joint industry committee responsible for Radio data supply in the United Kingdom*
- STB:** *Set top box*
- TAM:** *Television Audience Measurement*
- T-DMB:** *Terrestrial Digital Multimedia Broadcasting*
- VOD:** *Video on Demand*

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