

Special Report: Audience Measurement

Little Progress In Feud Over Local TV Ratings

By Janet Stilson

TVNewsCheck, December 14, 2011 6:11 AM EST

A proposal to resolve the controversy over the most appropriate local TV ratings currency from TVB President and CEO Steve Lanzano is on the rocks. And broadcasters and media agencies are largely back to square one, although there is a glimmer of hope that the agencies may be ready to give a little.

The two-year-old dispute centers on local broadcasters' desire to get some credit for viewing of programming recorded on DVRs.

While they would prefer live-plus-three-day ratings or live-plus-seven-day ratings, broadcasters would settle for live-plus-same-day. And in 2009, they thought they had it when Nielsen announced that it was moving exclusively to live-plus-same-day local ratings in 2010.

But the media agencies dug in their heels, arguing that there was no way of knowing how many ads were being watched in recorded programming and asserting that they would accept only live-only ratings.

Caught between their clients, Nielsen opted to supply both forms of data, leaving media buyers and station sales people to work it out among themselves which was most appropriate.

In an attempt to resolve the impasse, Lanzano floated the idea of a currency based on half the difference between the live-only and live-plus-three ratings for a given program. So, if the live-only rating is a 3 and the live-plus-three rating is a 4, the relevant rating for the marketplace would be 3.5.

[The idea surfaced in a *MediaPost* article last October.](#) Lanzano said that since agencies don't want to pay for skipped ads, "take an adjustment factor of 50% for time shifting." He said that adjusted ratings are "frighteningly close to C3 ratings."

C3 ratings, which are based on measurement of actual commercials viewed live plus three days of playback, are considered the optimum form of TV measurement. They are used by the broadcast networks, but Nielsen has no intention of deploying them for local TV because of the cost.

Lanzano's idea appears to have gotten no traction. Agency executives contacted for this story said they hadn't had any conversations with Lanzano about the idea, and broadcasters seem to have rebuffed the concept as well.

"No debate followed [the article]; there's no meat there," said Mitch Oscar, EVP of televisual applications at the Havas agency MPG. He suggested that the TVB conduct some research to show that it has merit.

Lanzano declined to comment for this story.

The idea of discounting playback numbers is a knotty issue, according to research executives at both Petry Television and Katz Media Group.

"It's more complicated than picking a number between live and live-plus-three," said Michael Steinberg, director of research at Katz. He notes that each data stream — live, live-plus-same-day, live-plus-three — can contain markedly different demo information in LPM markets, as different types of people watch the show over the course of its playback time span. And that can make finding a happy middle ground complex.

What's more, "how do you plant that formula into computers so everyone can begin to use it or agree on the same thing? Now you're not only taking the data that Nielsen is providing, but you have to adjust it according to this formula," Steinberg said.

Both Steinberg and Alan Picozzi, VP, director of research at Petry, note that there's not that much DVR usage in shows outside of primetime or for certain genres, like sports. So the difference between live and live-plus-three-days for a daytime show can be a small fraction of a rating point.

Since 80% of a station's revenue comes outside of prime, "are stations really going to generate the revenue that's worth these measurement gymnastics?" Picozzi asks. And what happens if new data shows commercial skipping has become 47% instead of 50%? Does the formula change, and how often?

"Live-plus-same-day seems to be a happy compromise," said Picozzi. "In the past, it's tracked reasonably close to C3."

[In a Monday interview with TVNewsCheck](#), Billy McDowell, chairman of the Media Ratings Council and head of research at Raycom Media, said he has no interest in anything less than unadulterated live-plus-same-day ratings.

"I think we will continue to demonstrate over time how effective the live-plus-same-day ratings are as a proxy [for C3], and I think people will really understand after they've seen enough data," he said.

Nielsen is trying to help. In October, Nielsen's president of media product leadership, Steve Hasker, said that the company would be providing updated third-quarter data "to show people what the relationship is between live and live-plus-same-day and how that compares to C3."

At the time, he said he expected Nielsen to release the information in the fourth quarter. But as of today, it is still unavailable.

Most broadcasters share McDowell's view that live-plus-same-day is the best possible C3 alternative, although they maintain that live-plus-three-day would be a truer reflection of actual viewing. Like others, Petry CEO Val Napolitano considers live-plus-same-day "a stepping stone."

There is some evidence that the broadcasters' insistence on some credit for recorded viewing is having an effect on the buy-side of the marketplace.

Contrary to most agency executives, Oscar is on the live-plus-same-day bandwagon. "When people fast forward through commercials, they will rewind [if a given commercial] is meaningful to them."

In those instances, “we think they’re paying more attention to commercials than ever before,” Oscar added.

Kevin Gallagher, EVP and local activation director at Starcom USA, conceded that live-only wasn't adequate. “Changing what we currently do makes sense to me.

"I'm not exactly sure what the proposal needs to be right now. Traditionally where our industry has been is everybody uses the same numbers and the same currency. And I see the industry in a little bit of a transition where there are different forms of data available."

Like MPG's Oscar, Petry's Picozzi feels more research is needed if the broadcasters want to go beyond live-plus-same-day.

“In this business, there are 8,700 committees,” Picozzi said. “What we need is for some group to coalesce and ultimately establish what the appropriate currency is. You’d think the minds at the agencies and the local broadcasters could work together to establish that.”