

Five *Fast* Facts



What you need to know about new & emerging trends, platforms or technology

Behind Billions of Lost TV Impressions



What is the issue?

In late December of 2021 Nielsen acknowledged that an error/malfunction had caused them to **undercount TV audiences for the previous SIXTEEN months** (from Sept. 2020 thru Dec. 2021)

DEADLINE December 22, 2021
Nielsen Reveals 16-Month-Old “Error” In Out-Of-Home Measurement Of Sports And Other Live Event Viewing

AdAge December 22, 2021
NIELSEN REVEALS ERROR IN OUT-OF-HOME TV RATINGS

Hollywood REPORTER December 22, 2021
Nielsen Says It Undercounted Out of Home Viewers for More Than a Year

ADWEEK December 22, 2021
Nielsen’s TV Measurement Woes Continue As It Admits OOH Undercounting Since 2020

MediaPost December 22, 2021
Nielsen Understated OOH TV Viewing Since Sept. 2020

Broadcasting+Cable December 22, 2021
In New Error, Nielsen Admits It Left Out Some Out-of-Home Viewing

What was the error and what ad assets were most impacted?

What was the error?

- In September 2020, Nielsen began including out-of-home (outside primary residence) viewing in its national TV ratings
- Nielsen reported on 12/22/21 that due to an internal error, OOH viewing for broadband-only homes had never been included in national TV audience estimates (Sept. '20 – Dec. '21)

What ad assets were most impacted?

- Out-of-home viewing is a portion of nearly ALL TV programming
- However, this error had a disproportionate effect on:
 - Live sports, news and high-profile “can’t miss” programs, “tent-pole” events and specials

Why is the industry talking about this?

- The sheer “size” of this error in Nielsen TV currency data is so much more than what Nielsen admitted to in their Dec 22nd notice:

“...out-of-home viewing estimates may be understated... little to no impact to most telecasts..”

When in fact - the scale of this Nielsen error is *unprecedented*; with half the re-processed data analyzed, we already know: **billions of impressions** were not counted & **hundreds of millions** of ad dollars could not be activated by marketers

- This mistake compounds Nielsen’s first admitted 2021 error of undercounting TV audiences during Covid (March 2020 – at least May 2021)

Why does this matter to you?

- Billions of impressions were needlessly taken out of the ‘21/‘22 Upfront, and all 4 quarters of 2021, **reducing the supply of TV ad inventory and distorting the perception of TV’s overall 2021 health**
- With half of the 16 months of re-processed Nielsen TV audience data completed, **significantly worse** undercounting is being seen across high-profile TV assets, and among many high-priority consumer groups
- With two major, *foundational* errors in 2021, there is **cause for concern about Nielsen’s core competency**, and their ability to implement complicated cross-platform products using that same foundation

How do we grasp and quantify the impact of this error?



We analyzed the “lift” in audience based on the revised viewing data, and quantified the dollar impact of lost ad inventory - 8 of 16 months of data (half) was available to date on impressions and 7 of 16 months (44%) was available on ad dollars:

- We pulled **175+** pre-reprocessed and “reprocessed” Nielsen runs in NPower
 - “Reprocessed” data is revised numbers to account for the ‘missing’ OOH TV viewership
- Analyzed ad revenue, impressions, average audience and ratings across **six demos**
 - Including dayparts, genres and major programming
 - Ad revenue sourced from Nielsen Ad Intel and calculated based on the monthly audience lifts across each major genre (Sports, Entertainment, News, General)
 - Note: December ad spend is not currently available in Nielsen Ad Intel, also December “reprocessed” NPower data goes thru 12/21 only

5 Fast Stats You Should Know about the Nielsen TV Out-of-Home Ratings Undercounting:

Quantifying Half of the 'Error': 8-Month Overview of Total 16-Month 'Undercounting' Time Period

1

Almost 30 billion ad impressions went uncounted with only half of the months reported thus far

30 billion is 50% of 16-month total

(P2+ Total Day, May-Dec '21)

2

Over \$350 million in TV ads could not be bought or sold between May-Nov '21

\$350MM is 44% of 16-month total

(Dec '21 \$\$\$ not available yet)

3

Nearly 400K people were not counted in the Primetime ratings every night from May – Dec '21

(on average across broadcast & cable, May-Dec '21)

4

Over 10.5 billion 18-34 ad impressions disappeared

10.5 billion is 50% of 16-month total

(P18-34, Total Day, May-Dec '21)

5

Almost 7.0 billion Black ad impressions and over 5.5 billion Hispanic ad impressions disappeared

(Black & Hispanic P2+, Total Day, May-Dec'21)

1

Over three and a half billion national TV impressions were not counted each month, almost one billion of which were in prime time (on average)

30+ networks accounted for a majority of the 3.7 billion 'lost' impressions, illustrating the wide and deep effect this error had on TV campaigns

Estimated 'Undercounted' P2+ Impressions Based on Reprocessing Lift*

aggregated across ad-supported broadcast & cable TV
Live + Same Day

	8-Month Time Period May '21 – Dec '21 (4/26/21 – 12/21/21)	
	Monthly Avg % Lift	Total IMPEs (MM) Lift
Total Day	0.76%	29,781.4
Monthly Avg # of TV Networks w/ more than a 1% Lift	33	
Monthly Avg P2+ IMPs Lift	3.7 Billion	

	Monthly Avg % Lift	Total IMPEs (MM) Lift
Prime Time	0.72%	7,199.8
Monthly Avg # of TV Networks w/ more than a 1% Lift	29	
Monthly Avg P2+ IMPs Lift	900 Million	

***Reprocessing lift = increase in average audience based on revised viewing estimates for each month**

Source: % Lift- Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+. Time periods reflect: May '21 – Dec '21 broadcast months (4/26/21 – 12/21/21). *Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH – Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample; OOH reprocessing data goes through 12/21/21. AA = average audience. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD, P2+, equalized impressions, % lift was applied to the reported national TV impressions during each time period by daypart to establish an estimate of total monthly impressions undercounted.

2

One and a half billion impressions weren't counted in 20 marquee events and programs, resulting in a \$57 million loss in ad inventory, and the inability to properly evaluate the results of a premium investment for both publishers and marketers

Major Programs: Estimated 'Undercounted' Impressions Based on Reprocessing Lift

8-Month Time Period: 4/26/21- 12/21/21 (Live + Same Day)

Programming	Network	P2+ IMPEs (MM) Lift	P2 + % Lift	P18-34 % Lift	P18-49 % Lift	P25-54 % Lift	Black P2+ % Diff	Hispanic P2+ % Lift
NFL Sunday (National Game)	FOX	327.3	2.3%	7.2%	4.7%	3.6%	3.1%	4.2%
NFL Sunday (National Game)	CBS	320.6	2.3%	7.2%	4.9%	3.6%	2.7%	4.5%
NFL Sunday Night Football	NBC	280.2	1.4%	4.4%	2.7%	2.0%	1.9%	3.2%
NCAA Saturday Night Football	ABC	103.9	1.9%	7.6%	4.3%	3.3%	1.8%	4.4%
NFL Regular Season	ESPN	93.9	1.0%	2.7%	1.8%	1.4%	1.2%	2.3%
ABC World News Tonight	ABC	89.6	0.5%	4.6%	2.1%	1.4%	0.9%	0.9%
Thursday Night Football	NFLN	77.3	2.0%	4.7%	3.5%	2.8%	2.1%	4.2%
NBA Playoffs – Conference Finals	TNT	51.3	2.5%	5.2%	4.1%	3.0%	1.9%	5.0%
The Bachelorette	ABC	35.3	1.1%	4.5%	2.8%	2.0%	2.0%	2.4%
60 Minutes	CBS	20.7	0.6%	4.1%	2.4%	1.7%	1.1%	1.8%
Summer Olympics – Opening Ceremony	NBC	13.3	1.6%	4.6%	3.5%	2.6%	3.6%	2.0%
Celebrity Family Feud	ABC	13.2	0.9%	6.0%	3.4%	2.2%	0.9%	1.5%
The Masked Singer	FOX	13.1	0.7%	2.7%	1.7%	1.2%	1.2%	2.3%
Saturday Night Live	NBC	12.9	1.0%	6.4%	2.8%	1.8%	1.3%	1.8%
Grey's Anatomy	ABC	10.0	0.7%	3.6%	2.2%	1.3%	1.2%	1.0%
Kentucky Derby	NBC	8.9	2.5%	11.9%	8.2%	5.9%	1.7%	7.3%
Magnum P.I.	CBS	8.7	0.7%	5.4%	3.2%	2.0%	1.0%	2.4%
CBS Weekend News (Sunday)	CBS	7.0	1.1%	9.4%	5.0%	3.3%	1.3%	2.7%
Pro Bull Riding	CBS	6.7	2.7%	14.4%	7.5%	5.0%	3.9%	3.9%
The Simpsons	FOX	5.0	1.2%	3.0%	2.1%	1.6%	2.0%	2.0%
20 Program Avg % Lift		74.9	1.4%	6.0%	3.6%	2.6%	1.8%	3.0%

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+, P18-34, P18-49, P25-54, Black P2+, Hispanic P2+. *Reprocessing Lift reflects increase in average audience based on the reported difference between the 'National OOH – Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample (AA Proj (000)); OOH reprocessing data goes through 12/21/21. The 20-program avg % lift reflects the average % lift based on the difference in AA % between 'National OOH – Pre-Reprocessing' & 'National' samples for each demo across programs. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD, equalized impressions, % lift was applied to the reported national TV impressions for each program during the time period to establish an estimate of total monthly impressions undercounted. December '21 ad revenues are estimated based on reported historical average costs from prior telecasts.

3

Live sports was the most effected genre with the top 5 programs resulting in a loss of \$50 million in ads that could not be bought or sold between May – December 2021

Programs that were affected include:

- Sports:
 - NFL Football (multi-networks)
 - Summer Olympics on NBCU nets
 - Copa America & UEFA Champions League on TUDN
- News:
 - 60 Minutes on CBS
 - ABC World News Tonight
- Entertainment
 - The Simpsons on Fox
 - Grey's Anatomy on ABC

Major Genres: Estimated 'Undercounted' Impressions Based on Reprocessing Lift

aggregated across ad-supported broadcast & cable TV
Live + Same Day

8-Month Time Period: May '21 – Dec '21 (4/26/21 – 12/21/21)						
	Sports		News		Entertainment	
Demo	Monthly Avg % Lift	Total IMPEs (MM) Lift	Monthly Avg % Lift	Total IMPEs (MM) Lift	Monthly Avg % Lift	Total IMPEs (MM) Lift
P2+	1.8%	7,176.5	0.8%	5,300.5	0.6%	12,182.0
P18-34	5.6%	2,885.2	4.4%	1,085.7	2.6%	4,707.4
P18-49	3.7%	4,921.4	2.5%	2,384.2	1.6%	8,324.8
P25-54	2.9%	4,355.6	1.8%	2,537.6	1.1%	7,458.2

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+, P18-34, P18-49, P25-54. Genres: sports = sports events; news = news & news documentary; entertainment = audience participation, award ceremonies, comedy variety, concert music, conversations, colloquies, daytime drama, evening animation, feature film, general drama, general variety, instruction/advice, musical drama, participation variety, popular music, quiz give away, quiz panel, situation comedy, suspense/mystery. Time periods reflect: May '21 – Dec '21 broadcast months (4/26/21 – 12/21/21). *Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH – Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample (AA Proj (000)); OOH reprocessing data goes through 12/21/21. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD, P2+, P18-34, P18-49, P25-54, equalized impressions, % lift was applied to the reported national TV impressions during the time period by genre to establish an estimate of total monthly impressions undercounted. The subgenres in Ad Intel were aligned with the subgenres in NPower to develop estimates for each genre.

4

With the error occurring in the Broadband-only portion of the sample which skews younger, the **highly coveted, elusive 18-34** audience experienced the highest undercount of any demo

Examples of programs that were affected include:

- Catfish: The TV Show on MTV
- WWE Friday Night Smackdown on Fox
- NBA Playoffs on ABC & TNT
- Space Ghost Coast to Coast on Adult Swim
- Liga MX on TUDN
- Real Housewives of Atlanta on Bravo

Major Demos: Estimated 'Undercounted' Impressions Based on Reprocessing Lift

aggregated across ad-supported broadcast & cable TV
Live + Same Day

8-Month Time Period May '21 – Dec '21 (4/26/21 – 12/21/21)		
Total Day	Monthly Avg % Lift	Total IMPEs (MM) Lift
P18-34	3.4%	10,678.6
P18-49	2.1%	19,666.3
P25-54	1.5%	17,528.0

Prime Time	Monthly Avg % Lift	Total IMPEs (MM) Lift
P18-34	2.9%	2,483.4
P18-49	1.8%	4,549.9
P25-54	1.3%	4,159.6

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P18-34, P18-49, P25-54. Time periods reflect: May '21 – Dec '21 broadcast months (4/26/21 – 12/21/21). *Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH – Pre-Republishing (9/20-12/21)' and revised 'National' Sample (AA Proj (000)); OOH reprocessing data goes through 12/21/21. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD, P18-34, P18-49, P25-54, equivalized impressions, % lift was applied to the reported national TV impressions during each time period by daypart and demographic to establish an estimate of total monthly impressions undercounted. Note: P18-34, P18-49, P25-54 December total day impressions are higher than P2+ total day imps, from a total audience perspective these impressions are partially offset by a slight decline in P50+ total day impressions based on the reprocessed data.

5

Black and Hispanic audiences were also more likely to be undercounted, further exacerbating long-standing challenges with properly counting these segments

- Programs that were affected include:
- BET Hip Hop Awards
 - Real Husbands of Hollywood on BET
 - Tyler Perry's Sistas on BET / BET Her
 - Copa America on TUDN
 - UEFA Champions League on TUDN
 - Malverde: El Santo Patron on Telemundo
 - La rosa de Guadalupe on Univision
 - Hoy on Univision
 - La Casa de los Famosos on Telemundo

Ethnicities:
Estimated 'Undercounted' Impressions Based on Reprocessing Lift
 aggregated across ad-supported broadcast & cable TV

	8-Month Time Period May '21 – Dec '21 (4/26/21 – 12/21/21)	
Total Day	Monthly Avg % Lift	Total IMPEs (MM) Lift
Total P2+	0.8%	29,781.4
Black P2+	1.0%	6,975.4
Hispanic P2+	1.4%	5,719.8

Prime Time	Monthly Avg % Lift	Total IMPEs (MM) Lift
Total P2+	0.7%	7,199.8
Black P2+	0.9%	1,364.9
Hispanic P2+	1.3%	1,559.5

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+, total composite, Black, Hispanic. Time periods reflect: May '21 – Dec '21 broadcast months (4/26/21 – 12/21/21). *Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH – Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample (AA %); OOH reprocessing data goes through 12/21/21. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD (P2+) & Live+7 (L+SD is not available for the Black and Hispanic demos), P2+, equalized impressions, % lift was applied to the reported national TV impressions during each time period by ethnicity to establish an estimate of total monthly impressions undercounted.

Estimated impressions and ad dollar loss from Nielsen's two recent admitted undercounting errors is **staggering**:

May '21

5/10: MRC confirms COVID-related undercounting due to panel maintenance issues. issues first-ever adjustment factor

Dec '21

12/22: Nielsen confirms exclusion of OOH TV viewing from BBO homes

Time period of error: March 2020 – May 2021

Adjustment factor (P18-49): 1-5%

Impressions lost (P18-49): 17-86 Billion

\$ Value of lost ads: \$468 MM - \$2.3 Billion


Time period of error: September 2020 – December 2021
(analysis time period: May - Dec '21)

Error range (P18-49): 1.5 - 3.2%
(May-Dec. '21)

Impressions lost (P18-49): 19.7 Billion
(May-Dec. '21)

\$ Value of lost ads: \$350 Million
(May-Nov. '21)

Reflects only 7 months of the 16-month error;
total value of lost ad inventory could exceed **\$700 million**



**A more granular look at the start
of the 2021-2022 broadcast season**
(Oct – Dec '21)

1

As the new upfront broadcast season kicked off, the **highest rate of undercounting occurred in November** with 51 networks being the most affected.

This was driven primarily by a strong slate of NFL games, Thanksgiving weekend and related holiday specials.

Estimated 'Undercounted' P2+ Impressions Based on Reprocessing Lift*

aggregated across ad-supported broadcast & cable TV
Live + Same Day

	<u>Oct '21</u>		<u>Nov '21</u>		<u>Dec '21</u>	
	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift
Total Day	0.91%	5,296.5	1.22%	5,963.3	0.23%	899.1
# of TV Networks w/ More than a 1% Lift	33		51		20	
Monthly Avg P2+ IMPs Lift	4.1 Billion					

Prime Time	0.76%	1,193.7	0.85%	1,074.0	0.74%	774.5
# of TV Networks w/ More than a 1% Lift	29		43		32	
Monthly Avg P2+ IMPs Lift	1.0 Billion					

***Reprocessing lift = increase in average audience based on revised viewing estimates for each month**

Source: % Lift- Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+. Time periods reflect: Oct '21 (9/27/21-10/31/21), Nov '21 (11/1/21-11/28/21), Dec '21 (11/29/21-12/21/21).
*Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH - Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample; OOH reprocessing data goes through 12/21/21. AA = average audience. **IMPEs (MM) Lift** - Nielsen Ad Intel, Live+SD, P2+, equalized impressions, % lift was applied to the reported national TV impressions during each time period by daypart to establish an estimate of total monthly impressions undercounted.

2

Almost one billion impressions weren't counted in 20 marquee events and programs during the first three months of the broadcast season, resulting in a loss of nearly \$43 million in ad inventory (Oct-Dec '21).

For Upfront TV advertisers, audiences were specifically undercounted in spots airing during live sports, Thanksgiving weekend programming, high-profile news shows and entertainment events.

Major Programs: Estimated 'Undercounted' Impressions Based on Reprocessing Lift

Time Period: 9/20/21- 12/21/21 (Live + Same Day)

Programming	Network	P2+ IMPEs (MM) Lift	P2 + % Lift	P18-34 % Lift	P18-49 % Lift	P25-54 % Lift	Black P2+ % Diff	Hisp P2+ % Lift
NFL Sunday (National Game)	FOX	256.4	2.3%	7.3%	4.8%	3.6%	3.0%	4.5%
NFL Sunday Night Football	NBC	223.2	1.4%	4.5%	2.7%	2.0%	1.8%	3.2%
NFL Thanksgiving	CBS	221.9	7.8%	21.6%	15.1%	12.4%	8.4%	13.0%
MLB Divisional Series	TBS	50.7	1.9%	5.6%	3.7%	2.8%	2.5%	3.7%
Macy's Thanksgiving Parade	NBC	40.3	2.4%	10.3%	5.7%	4.4%	3.5%	4.6%
NCAAF SEC Championship	CBS	31.6	2.5%	7.9%	5.5%	4.2%	3.8%	9.8%
MLB World Series Game 4	FOX	24.5	2.6%	10.5%	6.6%	5.1%	3.5%	7.8%
National Dog Show	NBC	17.4	3.3%	12.1%	7.5%	6.4%	4.9%	8.4%
60 Minutes	CBS	15.3	0.6%	3.6%	2.3%	1.6%	0.9%	1.8%
Dancing With The Stars	ABC	14.6	0.7%	4.5%	2.1%	1.3%	0.9%	0.7%
Saturday Night Live	NBC	8.6	0.9%	6.0%	2.6%	1.7%	0.9%	1.2%
NCAAF Independence Bowl	ABC	7.3	2.5%	11.0%	7.0%	4.7%	2.7%	5.6%
CBS Weekend News (Saturday)	CBS	3.2	1.4%	10.8%	5.8%	3.1%	1.9%	3.0%
Adele One Night Only	CBS	2.8	0.6%	2.3%	1.8%	1.2%	1.3%	1.5%
Miss Universe Pageant	FOX	2.7	1.5%	9.8%	5.0%	3.4%	1.7%	2.1%
Young Sheldon Thanksgiving	CBS	2.5	2.7%	10.1%	6.5%	4.6%	2.1%	4.0%
MLS Western Conference Semifinals	FOX	2.2	4.4%	12.6%	8.5%	6.2%	4.2%	16.3%
Live in Front of a Studio Audience	ABC	1.2	0.7%	6.5%	1.8%	0.7%	0.4%	1.6%
Nightly News (11/25)	NBC	1.1	1.8%	14.1%	7.8%	5.9%	1.2%	1.2%
UFC Fight Night Prelims	ESPN2	1.0	4.6%	16.2%	5.5%	4.0%	3.0%	6.9%
20 Program Avg % Lift		46.4	2.3%	9.4%	5.4%	4.0%	2.6%	5.0%

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+, P18-34, P18-49, P25-54, Black P2+, Hispanic P2+. *Reprocessing Lift reflects increase in average audience based on the reported difference between the 'National OOH - Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample (AA Proj (000)); OOH reprocessing data goes through 12/21/21. The 20-program avg % lift reflects the average % lift based on the difference in AA % between 'National OOH - Pre-Reprocessing' & 'National' samples for each demo across programs. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD, equalized impressions, % lift was applied to the reported national TV impressions for each program during the time period to establish an estimate of total monthly impressions undercounted. December '21 ad revenues are estimated based on reported historical costs from prior telecasts.

3

With the return of NFL and college football, 40% of effected impressions were in live sports, resulting in a loss of nearly \$40 million in the top 5 sports programs alone

Programs that were affected include:

- Sports:
 - NFL Football (multi-networks)
 - World Series on Fox
 - USMNT vs. Mexico soccer on Unimas
- News:
 - 60 Minutes on CBS
 - NBC Saturday Nightly News
- Entertainment
 - Dancing with the Stars on ABC
 - The Masked Singer on Fox

Major Genres:

Estimated 'Undercounted' Impressions Based on Reprocessing Lift

aggregated across ad-supported broadcast & cable TV

Live + Same Day

Time Period: 9/20/21 – 12/21/21

Demo	Sports		News		Entertainment	
	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift
P2+	2.5%	4,701.9	0.7%	1,833.1	0.7%	5,419.5
P18-34	8.2%	1,932.9	5.7%	493.8	3.5%	2,212.0
P18-49	5.3%	3,276.6	3.0%	1,048.4	1.9%	3,668.9
P25-54	4.0%	2,867.5	2.1%	1,068.3	1.3%	3,147.9

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+, P18-34, P18-49, P25-54. Genres: sports = sports events; news = news & news documentary; entertainment = audience participation, award ceremonies, comedy variety, concert music, conversations, colloquies, daytime drama, evening animation, feature film, general drama, general variety, instruction/advice, musical drama, participation variety, popular music, quiz give away, quiz panel, situation comedy, suspense/mystery. Time period reflect: 9/20/21 – 12/21/21. *Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH – Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample (AA Proj (000)); OOH reprocessing data goes through 12/21/21. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD, P2+, P18-34, P18-49, P25-54, equalized impressions, % lift was applied to the reported national TV impressions during the time period by genre to establish an estimate of total monthly impressions undercounted. The subgenres in Ad Intel were aligned with the subgenres in NPower to develop estimates for each genre. Time period for Ad Intel data: 9/27/21–12/21/21.

4

The highly coveted, elusive 18-34 audience experienced an even greater 'loss' of impressions as they gathered with friends and family for the return of football, the start of a new broadcast season and the Thanksgiving holiday weekend

Examples of programs that were affected include:

- Catfish: The TV Show on MTV
- WWE NXT on USA Network
- Space Ghost Coast to Coast on Adult Swim
- Real Housewives of Atlanta on Bravo

Major Demos: Estimated 'Undercounted' Impressions Based on Reprocessing Lift

aggregated across ad-supported broadcast & cable TV
Live + Same Day

	<u>Oct '21</u>		<u>Nov '21</u>		<u>Dec '21</u>	
Total Day	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift
P18-34	3.8%	1,747.5	5.5%	2,112.7	3.2%	974.4
P18-49	2.3%	3,162.1	3.2%	3,761.3	1.7%	1,571.1
P25-54	1.8%	3,110.2	2.3%	3,381.5	1.0%	1,159.2

	<u>Oct '21</u>		<u>Nov '21</u>		<u>Dec '21</u>	
Prime Time	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift
P18-34	3.1%	405.3	3.8%	388.5	3.4%	293.5
P18-49	1.9%	737.6	2.2%	690.5	2.0%	520.8
P25-54	1.4%	679.0	1.6%	628.6	1.4%	453.4

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P18-34, P18-49, P25-54. Time periods reflect: Oct '21 (9/27/21-10/31/21), Nov '21 (11/1/21-11/28/21), Dec '21 (11/29/21-12/21/21). *Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH - Pre-Reprocessing (9/20-12/21)' and revised 'National Sample (AA Proj (000))': OOH reprocessing data goes through 12/21/21. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD, P18-34, P18-49, P25-54, equalized impressions, % lift was applied to the reported national TV impressions during each time period by daypart and demographic to establish an estimate of total monthly impressions undercounted. Note: P18-34, P18-49, P25-54 December total day impressions are higher than P2+ total day imps, from a total audience perspective these impressions are partially offset by a slight decline in P50+ total day impressions based on the reprocessed data.

5

Black and Hispanic audiences continued to be undercounted at a higher level than the total population throughout the fourth quarter

Programs that were affected include:

- BET Hip Hop Awards
- Real Husbands of Hollywood on BET
- Hoy on Univision
- La Casa de los Famosos on Telemundo

Ethnicities:

Estimated 'Undercounted' Impressions Based on Reprocessing Lift

aggregated across ad-supported broadcast & cable TV

Total Day	Oct '21		Nov '21		Dec '21	
	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift
Total P2+	0.9%	5,296.5	1.2%	5,963.3	0.2%	899.1
Black P2+	1.1%	1,145.4	1.3%	1,134.0	0.7%	510.4
Hispanic P2+	1.7%	1,046.3	2.1%	1,057.9	0.8%	262.5

Prime Time	Oct '21		Nov '21		Dec '21	
	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift	% Lift	IMPEs (MM) Lift
Total P2+	0.8%	1,193.7	0.9%	1,074.0	0.7%	774.5
Black P2+	0.9%	209.2	1.0%	188.3	0.8%	125.8
Hispanic P2+	1.4%	271.7	1.6%	248.1	1.4%	140.7

Source: % Lift - Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+, total composite, Black, Hispanic. Time periods reflect: Oct '21 (9/27/21-10/31/21), Nov '21 (11/1/21-11/28/21), Dec '21 (11/29/21-12/21/21). *Reprocessing Lift reflects increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH - Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample (AA %); OOH reprocessing data goes through 12/21/21. IMPEs (MM) Lift - Nielsen Ad Intel, Live+SD (P2+) & Live+7 (L+SD is not available for the Black and Hispanic demos), P2+, equalized impressions, % lift was applied to the reported national TV impressions during each time period by ethnicity to establish an estimate of total monthly impressions undercounted.

What does this mean for marketers?

- ▶ As ad video technology and consumer behaviors rapidly evolve, more measurement companies are striving to ensure that all viewing is accurately captured and measured, across all devices, locations and occasions
- ▶ Ever-Increasing competition in the ad video audience measurement sector is pushing the imperatives of transparency, accuracy and **accountability progressively forward as “must-haves”** for the full buy/sell ad marketplace; more choices *has to* result in **less mistakes**



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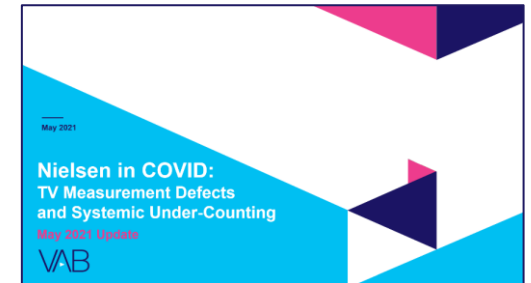
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Nearly half a million people were not counted in the primetime national TV ratings

30+ networks, the most dependent on live viewing, lost more than 500K viewers

The revised viewing data translated to an average P2+ audience increase of:

- Total Day: 312K (monthly avg)
- Prime Time: 464K (monthly avg)

In order to analyze the impact of this measurement error, Nielsen created a new sample in NPOWER that includes a snapshot of National TV estimates prior to the reprocessing of data which can be accessed by selecting 'National OOH – Pre-Reprocessing (9/20-12/21)' in the sample dropdown Ratings Analysis Program Report or PowerPlay Program Report.

You can also reach out to your Nielsen client service representative to learn more about how your campaign may have been affected by the reprocessing.

P2+ Average Audience Reprocessing Lift* on Live + Same Day
aggregated across ad-supported broadcast & cable TV

	<u>Oct '21</u>		<u>Nov '21</u>		<u>Dec '21</u>	
	(000) Lift	% Lift	(000) Lift	% Lift	(000) Lift	% Lift
Total Day	354	0.91%	491	1.22%	90	0.23%
# of TV Networks w/ More than a 1% Lift	33		51		20	
Monthly Avg P2+ AA Lift (000)	312K					

Prime Time	460	0.76%	494	0.85%	439	0.74%
# of TV Networks w/ More than a 1% Lift	29		43		32	
Monthly Avg P2+ AA Lift (000)	464K					

***Reprocessing lift = increase in average audience based on revised viewing estimates for each month**

Source: Nielsen NPower, Ratings Analysis Program Report, Live+SD, P2+. Time periods reflect: Oct '21 (9/27/21-10/31/21), Nov '21 (11/1/21-11/28/21), Dec '21 (11/29/21-12/21/21). *Lift reflect increase in aggregated average audience across ad-supported broadcast & cable TV based on the reported difference between the 'National OOH – Pre-Reprocessing (9/20-12/21)' and revised 'National' Sample; OOH reprocessing data goes through 12/21/21. AA = average audience. Note: monthly average P2+ AA Lift for 8-month time period (May – Dec '21), Total Day = 273K, Prime Time = 394K.

This latest undercount comes after the widely publicized underrepresentation of TV audiences during the first year of COVID when the MRC established TUT / PUT adjustment factors, which ultimately led to Nielsen's loss of accreditation

An independent analysis performed by MRC, overseen by E&Y, of Nielsen's February 2021 data confirmed the TV audience was undercounted due to the instability of the sample. Based on this one-month time period, MRC recommended utilizing adjustment factors for this data:

TUT rating changes*

- P2+: 1% - 4%
- P18-49: 2% - 6%
- P25-54: 1% - 5%

PUT rating changes*

- P2+: 1% - 3%
- **P18-49: 1% - 5%**
- P25-54: 1% - 4%

The analysis to the right is based on the PUT adjustment factor for P18-49

Estimated Nat'l TV P18-49 IMPs (equiv)			
Feb 2021 Nat'l TV P18-49 IMPs Estimate	Range of TV Adjustment Factors	Theoretical 1-Month Loss due to Undercounted Audience	Theoretical 12-Month Loss due to Undercounted Audience
142.9 B	+1.0%	1.4 B	17.2 B
142.9 B	+3.5%	5.0 B	60.0 B
142.9 B	+5.0%	7.1 B	85.8 B

Estimated Nat'l TV Spend			
Feb 2021 Nat'l TV Ad Spend Estimate	Range of TV Adjustment Factors	Theoretical 1-Month Loss due to Undercounted Audience	Theoretical 12-Month Loss due to Undercounted Audience
\$3.9 B	+1.0%	\$39 MM	\$468 MM
\$3.9 B	+3.5%	\$137 MM	\$1.6 B
\$3.9 B	+5.0%	\$195 MM	\$2.3 B

Theoretically, **between March 2020 – February 2021**, the undercounting of TV audiences due to continuing panel maintenance issues may have cost the national TV marketplace:

- Between **17 – 86 billion in P18-49 ad impressions** (estimated)
- Between **\$468 MM - \$2.3 billion in ad spend** (estimated)

Source: Nielsen Ad Intel, February 2021, broadcast months. Cable TV, Network TV (broadcast), Spanish language cable TV, Spanish language network TV (broadcast), includes all dayparts, excludes promos and PSAs. Impressions are P18-49 equivalized, Live +7 and includes Spanish language networks, excludes promos and PSAs. 12-month estimation based on 1-month theoretical estimate x 12.

*The adjustment factors are based on only one month of data (February 2021), however the MRC believes the undercounting could be higher during the affected measurement period: March '20 – March '21.