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Media & Marketing

News Corp. Opposes New Local-TV Rating System

By Brooks Barnes

5 April 2004

The Wall Street Journal

As criticism mounts from politicians over whether a new local-TV ratings system undercounts African-American viewers, News Corp. has emerged as the only TV broadcaster to voice strong opposition.

News Corp. appears to have the most to lose from the new system because the company owns several stations that carry the UPN network, which is popular with black viewers. In a test of the new system in February, ratings for some of UPN's shows, such as "One on One" and "The Parkers," fell by as much as 62%.

The ratings help set prices for local TV advertising, so lower counts of viewers can mean lower ad revenue.

Nielsen Media Research, a unit of VNU NV that collates TV ratings figures, is replacing paper diaries filled out by a sample of viewers with "people meters" that automatically track viewing as people push buttons on a remote control. The new system will allow Nielsen to identify the age, race and sex of viewers on a nightly basis, whereas until now local demographics have been available only four times a year.

Nielsen started using people meters in its national ratings in 1987, but it is now introducing the system for local ratings, measuring different samples of viewers in local TV markets. The new system starts in New York on Thursday.

News Corp. kicked off an opposition campaign on March 22 when it publicly called for an audit of the "seriously flawed" system. The company has also thrown lobbying power in Washington behind the effort. News Corp. owns several media outlets that give it influence in Washington, including the New York Post, Fox network and Fox News Channel.

"It's irresponsible to move forward until this ratings disparity is fully explained," a News Corp. spokesman said.

News Corp.'s campaign appeared to help galvanize opposition. Over the past week, groups such as the National Minority Business Council and politicians including New York Democratic Sen. Hillary Clinton have decried Nielsen's new system as flawed.

Ratings of some shows not particularly targeted to African-Americans have also dropped sharply, such as ABC's "The Practice," whose ratings fell 51% in tests of the new system. But ABC and other broadcasters are generally supportive of the New York rollout, saying the ratings fluctuations are due to changes in the local sample.

"Frankly I would be concerned if the numbers were the same," says Michael Mellon, head of research of Walt Disney Co.'s ABC. "Anytime you're drawing data from two different sample bases, the numbers are not going to match up."

Part of the problem appears to be the tiny numbers in the local sample. Nielsen says about 800 homes are in the new sample in New York. While that is larger than the old sample by a couple of hundred homes, it is still small enough that a shift in the people in the sample can show sharply different viewing habits.

Not even the UPN network, which like the CBS network is owned by Viacom Inc., is quibbling with Nielsen's new system. David Poltrack, who oversees research at CBS and UPN, says "We think Nielsen's minority sampling in New York is actually very good." He notes that 21.6% of African-Americans are being measured under the new rating method, more than the 19% in the old system.

Nielsen spokesman Jack Loftus yesterday said the local people meters are "a much better system" and that Chief Executive Officer Susan Whiting has started meeting with critics about why the ratings change under the new system. Mr. Loftus cites the sample change as a reason for the drop, and says the new system shows younger viewers are actually watching more cable than reflected under the old measuring method.

Nielsen said it has delayed the rollout of local people meters in Los Angeles and Chicago due to other sorts of sampling problems in those cities.



UPDATE 1-Nielsen bows to pressure, delays 'people meters'.

By Kenneth Li
6 April 2004
21:00

NEW YORK, April 6 (Reuters) - Nielsen Media Research on Tuesday postponed the launch of its "people meter" viewer-tracking system, bowing to intense political pressure and what it said were threats from global media conglomerate News Corp. (NCP.AX) (NWS.N).

The launch of the electronic system to monitor local TV watching had been set for this week, but Nielsen said it would delay the rollout until June 3 and in the meantime would seek to address concerns that the system undercounts minority audiences.

Nielsen, a New York-based unit of Dutch market research company VNU (VNUN.AS), is introducing the new method of measuring viewership in local TV markets to replace its traditional method of having viewers keep a paper diary of the shows they watch.

News Corp., which controls Fox Television Stations, DirecTV satellite service and 20th Century Fox movie studio, complained in March that the new system would undercount minorities. One of Fox TV's strengths is a lineup of programs that attract black and urban audiences.

Early results from tests in February of a smaller sample of homes showed staggering drops for some shows popular with black viewers. "The Parkers" on the UPN network, which is carried by Fox-owned stations, fell by 62 percent.

In a top media market like New York City, a disparity of that size could mean millions of dollars of lost advertising.

As part of its campaign against Nielsen, News Corp. launched a full-fledged lobbying effort in Washington.

"They told us they would do everything they could do to discredit us, raise hell in the marketplace and go to the Hispanic and African-American communities," said Nielsen spokesman Jack Loftus, referring to a meeting in March. That meeting was attended by Nielsen executives and News Corp. Deputy Chief Operating Officer Lachlan Murdoch, who is a son of News Corp. Chairman and CEO Rupert Murdoch.

Several calls to News Corp. and Fox Television Stations seeking comment were not returned.

STRANGE BEDFELLOWS

Several sources familiar with Nielsen's arguments said Fox executives had threatened to organize protests among minority groups and launch a massive telemarketing campaign. Fox News CEO Roger Ailes, once an adviser to former President Richard Nixon, also met with Congressional Black Caucus members about the issue, these sources said. Officials of the cable news channel could not be reached for comment.

Fox, despite its traditional conservative affiliations, elicited the support of high-powered Democratic lobbying firms, the sources said.

The lobbying groups include The Glover Park Group and Dewey Square Group, both of which employ former Clinton administration officials. Both groups declined to comment. By the end of March, a coalition of black and Hispanic organizations was speaking out against Nielsen's plans under the banner of a group called Don't Count Us Out Inc. Its campaign included full-page ads in News Corp.'s New York Post as well as some other major newspapers.

Politicians such as Adriano Espaillat, the chair of the New York State Black, Puerto Rican and Hispanic Legislative Caucus, issued statements questioning Nielsen's new system.

New York Congressman Charles Rangel, whose district includes Harlem, will help Nielsen form a task force from a "broad section of respected industry and community leaders" to look into the new system, he told reporters on Tuesday.

An electronic system employing small boxes connected to TVs has been used to gauge national TV viewership since 1987, measuring by number, age, gender and ethnicity. But it has not been used to monitor local viewership.

For decades the more detailed demographic information that local television stations rely on to set advertising rates came from paper diaries, which Nielsen processed four times a year.

Nielsen defended its new system. "I'm absolutely convinced it's a more accurate system," Susan Whiting, CEO and president of Nielsen, told reporters on Tuesday.

ROLL CALL

Minority Members Help Nix Nielsen Change

April 7, 2004

By Brody Mullins,
Roll Call Staff

Under pressure from black and Hispanic lawmakers, Nielsen Media Research announced Tuesday that it has postponed a controversial, but some say more accurate, new television ratings system for New York City that the lawmakers charged would undercount the number of minority television viewers.

Nielsen's retreat, which comes a day before the plan was to take effect, is a significant victory for the minority lawmakers. In the past week, dozens of members of the Congressional Black Caucus and the Congressional Hispanic Caucus urged Nielsen to hold off on the new television ratings system.

But the lawmakers' victory would not have been possible without the behind-the-scenes help from an unlikely ally: News Corp., the broadcast network founded by Rupert Murdoch, run by Ronald Reagan's former media consultant Roger Ailes and known for the conservative rants of Fox News commentator Bill O'Reilly.

Jack Loftus, a spokesman for Nielsen, blamed the News Corp.-led coalition for forcing Nielsen to delay the rollout.

Fearing the loss of millions of dollars in advertising revenue under the new ratings system, News Corp. quietly rallied black and Hispanic lawmakers in Washington to take on Nielsen.

With the help of its own set of unusual partners, News Corp. lined up dozens of minority groups to oppose Nielsen, helped start a newspaper advertising campaign on Capitol Hill and in New York and persuaded dozens of members of the CBC and CHC to sign letters to Nielsen opposing the changes.

"There was no secret that there was a huge political campaign to get us to delay. There was a lot of heat," Loftus said. Fox "told us at the get-go when they met with us that they would go after us and undermine us and go after our credibility. They told us they would try to destroy us and they were good on their word."

News Corp. lobbyists declined to comment on their campaign against Nielsen other than to say that the company is "actively urging members to sign letters."

One New York Democrat, Rep. Edolphus Towns, was so gripped by the network's pitch that he signed a letter to Nielsen President and CEO Susan Whiting that was sent to him by News Corp.'s own lobbying team after making just a few changes.

“Nielsen must take the immediate step of delaying the introduction of [the new ratings system] until it can answer fundamental questions about their accuracy in counting minority viewers,” said the letter that Towns signed.

On Tuesday, Nielsen announced that it would delay its new ratings system until June and would appoint a committee run in part by New York Democratic Rep. Charlie Rangel to make sure that the new system does not undercount minorities.

News Corp.’s victory over Nielsen was not the first time that the Fox News parent has used Washington to score a victory in the marketplace.

But the tactics used by the network during its battle with Nielsen offer interesting insights into how one of the nation’s most influential corporations can use its power on Capitol Hill to help its bottom line on Wall Street.

At issue is a plan by Nielsen Media Research to roll out a new television ratings plan for local markets that it says more accurately captures what programs viewers are watching.

The new system uses an electronic system, rather than a paper diary, to measure television viewership. Members of a household press a button on a device provided by Nielsen when they are watching television, rather than writing down what they watch.

Nielsen says the “Local People Meter,” which has been used for national ratings for more than a decade, is “the gold standard for television audience measurements around the world.”

The issue is important because television ratings help determine how much advertisers pay for television ads.

But News Corp. and minority groups say that the Local People Meters undercount the number of minority viewers in local television markets by as much as 50 percent, although the reasons for that belief were unclear.

“Nielsen ratings from this past February in New York City contained inexplicable discrepancies between the new LPM ratings collected and ratings from current techniques,” members of the Congressional Black Caucus wrote to Nielsen last week.

Nielsen counters that the new system increases ratings for black and Hispanic households.

Regardless, minority lawmakers called on Nielsen to postpone the rollout in New York City “given the many unanswered questions,” according to their letter.

Likewise, News Corp. argued that the new Nielsen ratings system would cost its New York affiliate millions of dollars a year in local advertising revenue by undercutting the number of minorities watching Fox shows tailored to minority audiences, as well as its national sports coverage.

And that could have been just the beginning. Nielsen planned to roll out the new ratings system in other television markets, putting millions of dollars in ad revenue for Fox in jeopardy.

Though other networks such as UPN could be hurt by the ratings system, “Fox has been the most lathered by it,” said a lobbyist for a rival network. “You can lose your ass if your ratings are down 40 or 50 points.”

As a result, News Corp. began organizing a coalition in Washington earlier this year to take on Nielsen.

To solidify its political support in New York, News Corp. hired former Sen. Alfonse D’Amato (R-N.Y.) and his New York-based lobbying firm.

In Washington, News Corp. relied on a host of prominent Democratic strategists to help stir up the minority community, including two of former President Bill Clinton’s spokesmen; a top political adviser to former Vice President Al Gore; a chief strategist for the presidential campaign of Sen. John Kerry (D-Mass.); and a founder of the shadow Democratic group that hopes to spend up to \$80 million to defeat President Bush this fall.

News Corp. first began reaching out to black and Hispanic lawmakers at the end of March, less than two weeks before Nielsen planned to implement its new system.

But the network did not get much traction until a week ago, when it teamed up with Democratic strategist Minyon Moore to organize a meeting of CBC and CHC members to discuss the issue in the Rayburn House Office Building.

Moore, a consultant with the Dewey Square Group, is also a former Democratic National Committee official who last year helped create the anti-Bush group America Coming Together.

During the March 31 session, Rick Ramirez of Fox Entertainment News told the minorities that the new system could cut in half minority ratings for some shows.

The next day, the CHC wrote a letter to Nielsen to “express our concerns about the potential impact that the implementation of Local People Meters would have on ratings for minority-focused television programs.”

A day after the letter from the Hispanic lawmakers was delivered, 17 members of the CBC sent their own letter to Nielsen charging that the new ratings system would “disproportionately undercount minority viewers” and lead to the “wholesale cancellation of minority programming.”

They added: “The economic, social and cultural impact could be extremely severe.”

Separately, News Corp. helped a set of minority groups organize an anti-Nielsen coalition — called “Don’t Count Us Out” — that ran newspaper advertisements in Capitol Hill publications.

Another coalition ad that ran this week in The New York Times was signed by a host of minority and civil rights leaders, including the Hispanic Federation, the Congressional Hispanic Caucus Institute and the National Puerto Rican Coalition.

The advertisement blasted Nielsen and directed readers to a Web site set up by Grassroots Enterprise, an organization run by former Clinton spokesman Mike McCurry.

News Corp.'s campaign drafted another former Clinton press secretary, Joe Lockhart.

Political consultants at Lockhart's Glover Park Group contacted the offices of minority lawmakers to ask them to write letters to Nielsen complaining about the People Meters.

The Glover Park Group also provided the lawmakers with samples to help Congressional aides draft letters that hit all of the key points.

One of the letters drafted by the News Corp. consultants was signed by Towns, who made only minor edits to the sample letter.

"As a member of the Telecommunications and Internet Subcommittee of the House Energy and Commerce Committee, I believe that this problem may deserve Congressional attention if it cannot be addressed by your company," said the letter that Towns signed.



Real Media Riffs

Tuesday, Apr 7, 2004

THEY DISTORT? YOU DECIDE - If this is the way News Corp. behaves now that it's a U.S. corporate citizen, we'd just as soon they pack up and move back Down Under. At least that way we could take some solace by continuing to refer to them as "those guys" not "one of us." One thing is clear though, whatever their citizenship, those guys have certainly curried some political favor in the States. Enough to sway an important advertising marketplace issue that virtually everyone else had signed off on, but which News Corp. had vowed to disrupt because it would disproportionately hurt its Fox broadcasting operations. But the thing that really surprises us is the relative lack of outrage from Madison Avenue, which has taken News Corp.'s campaign to impede Nielsen's rollout of local people meters with relative indifference.

Sure, we understand that News Corp.'s decision to play the race card will only delay the inevitable, buying a three-month reprieve before the New York people meters are deployed and shave millions of dollars off of Fox's New York market share, but that three-month extension has another political implication: It coincides with a period that is expected to reap a windfall in political ad spending in the nation's largest market, including the build-up to the Republican National Convention in New York. If only News Corp. can figure out a way of derailing the effort indefinitely, or at least through the Nov. 2 election.

Actually, that's a real possibility given the disruption News Corp.'s marketing efforts have had on the New York DMA. The heavy marketing blitz waged by News Corp. is already causing fallout with Nielsen's people meter sample recruitment in the Big Apple and even though Nielsen chief Susan Whiting made nice with U.S. Rep. Charles Rangel in Harlem on Tuesday, there's no reason to believe that the disruptions won't continue. Without naming names, Nielsen said it already is looking into taking "action" against those behind the effort, especially a direct mail campaign designed to discourage minorities from participating in the people meter sample. How ironic. And how insidious. That move, in particular, has been cited by the influential Media Ratings Council as something that could actually hurt the representation of people of color in Nielsen's people meter sample, not help it. And if it hurts it enough, we imagine, Nielsen might have difficulty receiving accreditation from the MRC, which even now is auditing the new service. Coincidence? Come on.

But the biggest irony of all in News Corp.'s anti-people meter effort isn't the transparent, self-serving nature of its political maneuvering, it's the fact that they've actually convinced influential politicians and minority groups that the New York people meters will somehow damage the representation of Hispanics and African Americans in Nielsen's ratings. The reality is, they will improve them. And that's what really has Fox worried. Because the reality will show that Fox doesn't capture the sizeable shares of minority viewers - or of viewers of any kind - that the current TV set-meter/diary system reports. People meters may not be the Holy Grail of audience measurement, but they've been proven to be light years ahead of diaries for measuring how people watch TV. And if any self-respecting media planner or buyer doesn't see right through Fox's ploy and mentally adjust for that ratings overstatement in their heads, then they're not doing their jobs.

But in case they haven't been paying attention, let's state a few facts.

Fact: People meters are a more accurate methodology than diaries.

Fact: Diaries likely overstate viewing to certain programming sources due to a so-called "halo effect" - people don't recall everything they've watched, so they just fill in generally what they think they watched.

Fact: The New York people meter sample had one of Nielsen's best cooperation rates.

Fact: When Nielsen detected difficulties with the representation of minorities in its Los Angeles people meter sample, it elected to delay the rollout on its own accord.

Fact: The rollout of local people meters in major TV markets over the next 18 months will make Nielsen's national TV ratings sample far more representative of minorities - especially African Americans and Hispanics, which are now under-represented in the national ratings sample.

Fact: That move has been supported by major non-white programmers, including Univision and Telemundo.

Fact: Nielsen will begin weighing its national TV ratings sample for English- and Spanish-language household preferences beginning this fall, despite continuing heavy pressure from Anglo programming networks.

Fact: Fox has a lot to gain from delaying the rollout of people meters.

Hey, if you don't like the facts don't blame us. We're just reporting them. You decide.

FOX NEWS SAYS THEY DON'T LIKE THE RIFF AND THAT ROGER AILES HAD NOTHING TO DO WITH THE CAMPAIGN AGAINST NIELSEN'S NEW YORK PEOPLE METERS - Speaking of Fox's New York people meter disinformation campaign, we are once again impressed by the organization's brilliant command of media spin, but we're also a bit confused about how they manage to pull it off. Especially, when their press department is so evasive, unhelpful and even surly to the press. When the Riff called Tuesday to speak to Fox News Channel chief Roger Ailes, an old political spinmeister and the person some Nielsen insiders believe was behind the anti-people meter campaign, we never expected to actually get Ailes on the phone. We knew that Ailes prefers to work in the shadows, but we placed the call anyway, because that's what the Riff is supposed to do. So we weren't surprised when Fox News Channel press aide Irena Briganti called the Riff back after Tuesday's column has appeared, complaining, "There's not even one thing in here that's remotely true. Roger has nothing to do with this."

At the risk of being redundant, we'll say it again: We report. You decide.

TV Ratings Worry Minorities; Nielsen Delays System For Counting Viewers

Frank Ahrens
7 April 2004

An attempt to more accurately determine what local television viewers are watching has spurred opposition from a host of groups, led by a major television network, that fear the new method may undercount minority viewers and shave ratings points that could translate into millions of lost advertising dollars.

The groups fear that a precipitous ratings drop for shows with minority casts could chase away advertisers and cause their cancellation, leading to a lack of diversity on the airwaves.

Nielsen Media Research, the television ratings firm, argues that its new system would help advertisers better target minority viewers -- and help broadcasters tailor their shows for those audiences. But the company yesterday agreed to postpone the launch of its new "local people meter" after protests from the groups and Rupert Murdoch's News Corp., owner of the Fox television network and a number of local stations. Use of the system was to have begun tomorrow.

The people meter is designed to record what channels are being watched at any time. It allows individual family members to identify who was watching a particular show by punching a button on a remote control. Nielsen already uses the system to tally national network viewing habits. It wanted to extend the system to determine how shows fare in local markets, replacing a practice that relies on viewers who write their selections in paper diaries.

Nielsen said the diary system takes more effort and depends on viewers remembering what they watched. In an ongoing side-by-side test between the new device and diaries conducted by Nielsen, several shows featuring black casts, such as "Girlfriends," "Eve," "Half & Half" and "The Parkers," showed ratings drops when viewership was recorded by the people meters. The drop-off in February ranged from 27 percent to 62 percent.

Some popular shows that feature predominantly white casts and are not geared toward black audiences, such as "Alias" and "The Practice," also experienced drop-offs. Overall minority viewership was up for some parts of the day and down for others, Nielsen reported.

Many of the affected shows typically air on Monday and Tuesday nights on UPN affiliates, many of which are owned by News Corp., including WWOR in New York, one of the cities targeted for rollout of the new devices tomorrow. News Corp. argues that the drop-off was Nielsen's fault, saying the devices are flawed and that minority viewers are under-represented.

"We're very suspicious. We have some concerns about the methodology," said Michael Regan, News Corp.'s senior vice president for government relations. "We just haven't had an opportunity to adequately understand how the new system works."

Nielsen's explanation: Fewer people are watching those shows than the diaries showed.

"They don't accept that," said Nielsen spokesman Jack Loftus. "You can't tell me my baby's ugly."

Nielsen said yesterday that it would delay the New York, Chicago and Los Angeles launches of the new system until June 3 and set up a task force to work with opponents to explain the device's technology and sampling methodology, though it would alter neither. News Corp. also owns UPN affiliates in Chicago, Los Angeles, Houston, Minneapolis, Orlando, Phoenix and Washington (WDCA-20), part of its 35-station Fox and UPN group.

Nielsen introduced the local people meters in Boston in 2002 and plans to roll them out in the nation's 10 largest cities by 2006. Initial ratings differences between paper diaries and people meters in Boston closed over time.

Loftus said News Corp. has opposed the devices for some time.

"They told us they were going to come after us in Washington and they were going to discredit us unless we totally shut it down," Loftus said, describing meetings between Nielsen and Lachlan Murdoch, son of News Corp. chief executive Rupert Murdoch and chairman of the company's television group. "And they did."

Regan declined to comment on Loftus's assertion.

News Corp. was joined in opposition by more than 40 members of Congress and a newly formed group, "Don't Count Us Out," which includes New York City and state black and Hispanic lawmakers and advocacy groups, such as the NAACP, the Hispanic Federation, the National Hispanic Media Coalition and 100 Black Men of New York.

"We are glad to see Nielsen respond to community concerns regarding the accuracy of their new system," said Lorraine A. Cortes-Vazquez, Hispanic Federation president.

The opposition group's Web site, www.dontcountusout.org, was registered by Grassroots Enterprise, a nonprofit group run by Mike McCurry, who was White House press secretary in the Clinton administration.

The group has taken out ads in newspapers, including The Washington Post, created by the Glover Park Group, the Washington advertising and political strategy firm largely staffed by members of the Clinton White House, including Joe Lockhart, another former press secretary, and Michael Feldman, who was a senior adviser to Al Gore.

Undercounting minorities has been a problem in the past. Both Nielsen and Arbitron Inc., which determines radio listenership, have had difficulty persuading blacks, Hispanics and young men -- of any ethnicity -- to take part in their surveys.

To encourage their participation, people in those demographic groups are paid more than white listeners and older viewers to participate in Arbitron and Nielsen ratings surveys. Further, Arbitron and Nielsen "oversample" within minority groups -- recruit more potential participants than within white and older viewer groups -- to ensure sufficient sample size.

Arbitron, which also relies on paper diaries, is testing what it calls a "personal people meter" worn by participants that records what radio shows they listen to. In Philadelphia tests, the meters have shown that people listened to about the same amount of radio as they wrote in their diaries. However, where their diaries reported they listened most frequently to an average of three stations per week, the meters reported that number of stations was six.

Viacom Inc., which owns the UPN network and could lose advertising revenue if the ratings of shows on its network drop, also has concerns with the new Nielsen devices, but does not believe the problem is undercounting minorities, said David F. Poltrack, vice president for research and planning at UPN and CBS, which is also owned by Viacom. "We can't find anything to explain it at this time," Poltrack said, referring to the ratings discrepancy between the paper diaries and the people meters. Poltrack acknowledged that the meters may be more accurate and the affected shows may simply be unpopular.

"It certainly is possible," he said.

At a New York news conference called yesterday by Rep. Charles B. Rangel (D-N.Y.), who opposes the devices, Nielsen chief executive Susan D. Whiting defended the people meters but said the "widespread concern" about their use led the company to push back the New York rollout.

"The task force will review the people meter technology, the methodology used to measure usage, the recruitment of Nielsen families of color and other issues related to our participation in determining local television ratings," Rangel said in a prepared statement.

DAILY NEWS

Meters didn't rate with Fox

Thursday, April 8th, 2004

"Nailing Nielsen," blared the headline in yesterday's New York Post.

The story announced that "the powerful Nielsen television rating system" had buckled under pressure from "minority leaders" worried that African-American and Latino viewers in New York would be undercounted by electronic People Meters.

Nielsen postponed today's scheduled deployment of the devices to replace the traditional handwritten logs.

But Rupert Murdoch's newspaper neglected to mention a fascinating fact:

Nielsen's grudging assent to delay Local People Meters until June 3 - and submit the issue to a task force being organized by powerful Harlem Democratic Rep. Charles Rangel - came after a fierce PR and lobbying blitzkrieg mounted by well-connected Democratic consulting firms that were handsomely paid by Murdoch's News Corp.

News Corp. was ready to spend hundreds of thousands of dollars on the campaign because Fox 5, the Murdoch-owned station in New York, suffered a huge minority viewer dropoff in a dry-run of Local People Meters during the February ratings sweep - by which local stations set their advertising rates.

"The Fox people went completely nuts - they said, 'This will not stand,'" a Nielsen exec told me yesterday.

I hear that during a meeting at Nielsen corporate headquarters in late February, News Corp. execs led by Lachlan Murdoch and Peter Chernin demanded a delay of People Meters until they received a satisfactory explanation for the dropoff.

I'm told that Murdoch and Chernin also warned Nielsen CEO Susan Whiting that if a delay was not forthcoming, they would use every weapon in the Murdoch empire's arsenal - including filing lawsuits, organizing protests among minority groups and starting a rival company to break Nielsen's monopoly in the ratings business.

Whiting and her execs were stunned.

Sen. Hillary Clinton was among more than 50 members of Congress who sent letters to Whiting supporting a delay. Clinton's letter was drafted, I'm told, from talking points prepared by Murdoch consultant Mike Feldman of the high-powered Washington firm The Glover Park Group.

"Sen. Clinton was proud to join with the NAACP, more than a dozen New York community groups, members of the New York delegation and over 50 lawmakers, to send a letter based on the merits of the issue," her press secretary, Philippe Reines, said yesterday. "She is extremely pleased that Nielsen is acting on those concerns by agreeing to the call to delay the implementation of the new ratings system in New York."

The Glover Park Group boasts former Clinton White House press secretary Joe Lockhart, Democratic media wizard Carter Eskew and, until last week when he moved to John Kerry's presidential campaign, Clinton's close adviser Howard Wolfson.

I hear that Murdoch-paid Democratic consultants also included The Dewey Square Group's Minyon Moore and Esther Aguilera - who coordinated the Congressional Black Caucus and the Congressional Hispanic Caucus, respectively.

Former Clinton White House press secretary Mike McCurry ginned up a "grassroots" telephone campaign that flooded the switchboard in Whiting's office, along with an E-mail campaign that clogged the CEO's computer.

Covering its bases, News Corp. also employed Republicans. Former Sen. Al D'Amato, of the consulting firm Park Strategies LLC, was on the Murdoch payroll in the war against Nielsen.

A News Corp. spokesman told me from Australia that the People Meter delay was sought "on the merits, because there are real questions that need to be answered. ... You're being played."

The spokesman, who asked not to be named, added: "We know Local People Meters are coming. But we have some questions about them. Nielsen could have avoided all this if they had dealt with our questions seriously. But instead they blew us off."

The Nielsen exec told me that electronically metered measurements - which have been introduced locally only in Boston so far - have long been the basis for the national ratings, and that Murdoch's Fox Television is fine with that.

The exec added that People Meters are far more accurate than handwritten diaries, which are subject to human error. But the New York market will have to wait, the exec conceded.

"We're still going through the stages of grief - anger, then denial, and finally acceptance."

TV PICKS

Nielsen beratings Politicians and networks are ripping the company's new ratings method

Verne Gay
8 April 2004

Not much seems to go on inside Nielsen's world headquarters high above the tumult of Park Avenue, which would lead one to believe that counting the nation's TV viewers is about as routine as picking up the day's mail.

A nice illusion: In reality, Nielsen Media Research (once known as the A.C. Nielsen Company) has been periodically slugged by networks and advertisers over its methods and ratings for about 50 years now. It has almost become an industry blood sport, and in response, Nielsen has cultivated a culture of stiff-upper-lip resolve that seems to say, "we are above it all."

So much for the lip. On Tuesday, the company postponed its so-called "local people meter" service in New York City until this summer, bowing to pressure from politicians, notably Rep. Charles Rangel (D-NY), and Hispanic and African-American interest groups who argued that the new service would undercount minorities here and therefore needed more tweaking. The culture of resolve may not have helped much in anticipating this backlash, but why didn't Nielsen anticipate the industry firestorm, too?

People meters, after all, are only a seismic development in New York television, and someone was bound to get bent out of shape when the newfangled gizmos started to reveal viewer declines and inconsistencies versus the oldfangled household meter and diary system.

Which - surprise - an ongoing test of the new system did. Viacom (owner of WCBS/2), Univision (owner of WXTV/41), Tribune (owner of WPIX/11 and Newsday) and - especially Fox (WNYW/5) - said the move to local people meters, which would have gone into effect today, was too hasty. Up until Tuesday though, Nielsen's response: Take a hike.

In part, the flap over people meters is the oldest story in TV research. TV hates the bearer of bad news but embraces the bearer of good. Tellingly, the city's two powerhouse stations, WABC/7 and WNBC/4 - which would have continued their dominance under the new system - have remained publicly silent on the controversy. The less dominant are not so sanguine. Fox/5, in particular, would have been whacked, leading some observers to say privately that the station lit a fire under the community activists.

Lew Leone, president of Ch. 2, said last week, "I still have a lot of questions surrounding the disparity in some of the ratings" that are provided by an ongoing people meter test here and the regular meter ratings system, which was to have been phased out today. "I don't know what the ratings are that I'm looking at. They're so different and by a magnitude of 10. With some programs, you pick up three rating points, and some you lose three ... I don't know whether to pat my people on the back or fire them."

Confusion has been rampant, along with fear. Advertisers spend about \$1.5 billion on advertising in New York, and the new people meter theoretically could re-order how that pie will be split up. And people meter ratings for some black-themed shows or Spanish language ones also appeared to be lower than ratings supplied by the soon-to-be-obsolete old system, stoking the fear that advertisers would scale back commercials directed to both. Programmers would then presumably follow, prompting Montana Republican Conrad Burns (chairman of the Senate's communication subcommittee) to recently send a letter to Nielsen asking for a delay.

Meanwhile, the pitched battle between "Good Morning America" and "Today" appeared poised for a major upset: "GMA," the ratings leader in New York under the old system, would have instantly been dumped to second place this morning under the new one. Notice how Katie Couric and Matt Lauer weren't their usual giddy selves this morning?

Nielsen, as always, got mixed signals from stations that pay for the service. Founded in 1923, the company started collecting radio ratings in 1936, and has done the same for TV since 1950. Its "people" data (specifically who in a house is watching) has been collected with so-called paper diaries. Those are considered hugely unreliable and so stations urged Nielsen to automate the whole process. It complied, and expected to have about 800 "people meters" up and running today.

These require only the push of a button by someone sitting in front of the tube, but critics say the wrong people may be doing the pushing. For a variety of reasons, they argue that Nielsen's sample of blacks and Hispanics was flawed, leading to the skewed numbers.

"There's no evidence that the people meter undercounts any audience segment," a company spokesman said. That was last week. The line this week: "We are rescheduling the launch in New York City," Nielsen president Susan Whiting said, "so that we can fully answer all [the critics'] inquiries."

Yes, it will be a long hot summer.

1) ABC PHOTO/Ida Mae Astute - "Good Morning America," with Diane Sawyer, left, is New York's morning champ under the old Nielsens. 2) NBC PHOTO - Katie Couric's "Today" may benefit from the new method.



Racism Without Racists, II

8 April 2004

To hear the concerns being aired over a new television rating system that was scheduled to be rolled out in New York this month, you'd think it was some kind of racist plot. "Severely undercounting minorities...Disenfranchisement of viewers on a massive scale," complained an advertisement in the New York Post. The new system could "harm minority empowerment," and "set back the cause of equal representation," warned Reps. Gregory Meeks, Edolphus Towns, Major Owens, Jose Serrano, and Nydia Velazquez, all Democrats of New York. Senator Clinton and the speaker of the New York City Council, Gifford Miller, got into the act with their own complaints. Rep. Rangel of Harlem also took to the airwaves to complain.

We're talking about an electronic device that taps into your television and monitors what program you are watching. It's an inanimate object. It's hard to see how a box made of nuts and bolts and silicon chips can be racist. The complaint doesn't seem to be about who gets the devices - Nielsen says it over samples minorities - but about the measuring machine itself.

What is going on is that the new electronic system actually counts who is watching more accurately than the old one, which relied on written diaries. One of our acquaintances was once part of a Nielsen family, and he recalls that the way the system worked, one was paid for returning the diary, which one was supposed to keep on an hourly basis. The way it actually worked was that, having ignored the diary for a week, the family sat down at the kitchen table, thought of shows they liked and marked them down as having been "watched," regardless of whether they actually had been. This is market research, not court-sworn testimony, after all.

Nielsen, in an abundance of caution, has now reportedly delayed the rollout of the "local people meters" here in New York. For now, that leaves advertisers here with an old and probably less accurate way of measuring who their commercials are reaching. The new system, yet to be implemented, has also been called into doubt, however groundlessly.



FANFARE

In all fairness and accuracy

MARVIN KITMAN

944 words

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I have been watching with growing fascination the ratings dispute in the New York market caused by the Nielsen decision to replace so-called paper diaries with the high-tech Local People Meters (LPM) in the name of increasing "the preciseness and accuracy" of local ratings.

Under a barrage of full-page ads and the pressure from politicians demanding that Nielsen stay the planned April 8 rollout, Nielsen caved in moderately, postponing the LPM starting date to June 3.

While nobody has been more anti-Nielsen - in general, Nielsen ratings are the most destructive thing to happen to the art of TV programming since the invention of the commercial - I say Nielsen is right in this case. If you believe in precise and accurate ratings.

Some people and institutions do not want precise and accurate information about who is watching what. They are happy with the current numbers, which, presumably, Nielsen is conceding are imprecise and inaccurate.

The protest groups argue that with the LPMs - black, paperback-size boxes placed on or near each TV set - African-American and Latino programs will get lower ratings. This may well be. In preliminary tryouts of the LPMs in February, for example, the audience for "The Parkers" on UPN was down 56 percent.

How could this be?

The way ratings work for the country at large: 5,000 families are selected as representatives of the 99 million TV households. This means that if one Nielsen family goes out to Aunt Tessie's for a baked ziti dinner Friday night, 19,800 families are going to their Aunt Tessie's.

But the people meter is rocket science compared to diary science.

Paper diaries are sent at random to sample homes during the so-called sweeps months in local markets. Lucky households are instructed to write down what they watch and who is watching every quarter hour every day for one week. For this important labor, they are paid from \$2 to \$5 a week.

What happens when the diaries are filled in?

The idea is that people chosen as our representatives are going to faithfully record everything they watch with precision and accuracy.

This may have been possible back when there were seven channels in our local market, but now, it not only strains credulity but gives it a hernia in the age of 212 channels or 1,000 options with satellite.

In the old days, maybe, we had appointment viewing: You could set your clocks by what programs we watched on what nights. But now, programs are moved around like checker pieces.

The problems of accuracy in recording are compounded by the tendency to graze. Since there is not enough on TV to occupy the human mind, some of us get our thrills by going around the dial.

Who is keeping score?

If Nielsen is lucky, there may be a member of the family who is a stickler for jotting down every press of the remote-control gizmo for every member of the family.

There are some nights, though, when special impediments may come up. Like a party. While six packs of brewskis or glasses of martoonis are going down, while charades is being played, the TV set is on.

Amid the frivolity, who is marking up which family member is watching which channel? Is there a designated diary writer?

Suppose a diary keeper had a grudge, say, against Fox for canceling "Wonderfalls" or didn't approve of "American Idol" balloting? Or a diary keeper subconsciously still resented CBS for canceling "Dr. Quinn"?

Are diary people chosen because they are the most honest and responsible people in the community who understand the obligation to tell the truth, attesting to the accuracy of their reporting by swearing on a stack of TV Guides?

The worst problem is the all too-human tendency not to keep the diary up to date, filling in the diary at the end of the day or week. Doing it at the last minute, like homework.

In fact, what people often do is write in the kind of programming they want to see on the air rather than what they actually watched.

Some people, for example, are ashamed to reveal their taste for trashy programming. They might list all the documentaries, PBS-quality dramas, interrupted only by the nightly viewing of "The Jim Lehrer News Hour," when in truth they watched "Wheel of Fortune," but only to check Vanna White's spelling.

Likewise, people who are in favor of more African-American and Latino shows could simply write in that they watch every one, thus inflating their Nielsen ratings.

And that's the way it goes. That's the way it has always been since Nielsen started using diaries in the 1950's.

I think Nielsen should be hailed for its courage now. What Nielsen is finally admitting after all these years, in effect, is that paper diaries are not as accurate and precise as Nielsen implied the last half century. It is now spending millions to install technology to correct this shortcoming.

This should be some consolation for all the fine programs that were canceled because of inaccurate diary ratings.

To all the protest groups, I say don't shoot the messengers. The real villain is not Nielsen and its new, improved ratings, but the station executives who have been using the numbers whether they were accurate or not. There is no reason "Girlfriends" or "My Wife and Kids" shouldn't be on regardless of the LPM numbers. Niensens should be one tool in a station manager's decision-making, not the whole tool belt.

THE SMALL SCREEN

By JOE FLINT

News Corp.'s Nielsen Beef Looks Like a Red Herring

April 13, 2004 6:10 p.m.

Imagine running a business in which the amount of money you made depended on accurately canvassing consumer opinion. You would want your information-gathering technique to be accurate, right?

Now imagine that for a business involving millions of New York City consumers, you sent surveys to 500 customers and only half were returned. Would you want to use that sketchy information to make million-dollar decisions? Probably not, but for more than 50 years Nielsen Media Research has measured local television ratings in this way.

For years, both television-industry executives and advertisers who buy commercial time based on those numbers have been clamoring for more reliable information about local markets. In a long overdue move, Nielsen is trying to fix the problem by replacing its old "diary" system used to measure local ratings, in which viewers write down from memory what they watch, with a more sophisticated electronic "people meter" system. People meters, which have been used to gather ratings at the national level since 1987, automatically record what programs are being viewed and feed the data back to Nielsen. Although far from perfect, they are much more dependable than diaries.

One of the problems of relying on voluntary viewer diaries is that Nielsen only gathers demographic information about television audiences three times a year, during the so-called sweeps months of November, February and May. At those times, Nielsen, a unit of VNU NV, measures not just how many people are watching television in a given city, but who those viewers are.

Local people meters would provide television stations and advertisers who buy Nielsen data with daily demographic input, doing away with the need for the sweeps frenzy, and, with it, the incentive for local stations to run news stories about hooker housewives and dirty restaurants, and for the networks to rearrange schedules and immediately pre-empt shows that don't get great ratings.

A Media Giant Objects

So what's wrong with people meters? In the view of one big corporation, a lot, apparently. The effort to launch the updated ratings-gathering method in New York has been delayed through an aggressive and over-the-top campaign orchestrated by Rupert

Murdoch's News Corp., the parent of the Fox network as well as the owner of several affiliates of the United Paramount Network, including WWOR New York.

News Corp. complained that the new meters might be undercounting minority viewers who watch UPN and Fox. Calling the system "seriously flawed," News Corp. recruited local activists and national politicians to pressure Nielsen into rethinking its introduction in New York. Even Sen. Hillary Clinton, long a nemesis of the News Corp.-owned New York Post, got involved, criticizing Nielsen for potentially ignoring the viewing habits of African-American and Hispanic audiences.

And in fact, the trial runs of local people meters in New York did show that ratings for some programs catering to African-American viewers fell using electronic measurements. For example, in March, an episode of UPN sitcom "All of Us" scored a diary rating of 6.3 but a meter rating of only 3.2, a 49% decline.

But shows aimed at African-Americans weren't the only ones to yield sharply different readings. ABC spy drama "Alias" saw its ratings fall by 46% under the new system. Conversely, ABC's "My Wife and Kids" gained 8% and "The Practice" rose 2%. Cable networks including VH1 and Cartoon Network, both of which offer programming targeting black audiences, have shown gains in New York using people meters.

To be sure, the numbers being generated using people meters differ enough from viewer diaries to warrant a second look. But the contention that Nielsen's meters are undercounting minority viewers is false.

What the people-meter numbers do show is that minority viewers in New York, like all viewers across the U.S., are watching less broadcast television. And that scares the heck out of News Corp.

The problem with voluntary diaries is that they favor programs, and channels, that are well-established. Viewers are more likely to record having seen a show on a network channel that advertises heavily elsewhere in the media than a syndicated version of the same show. By force of habit, viewers might note that they were watching one of the big networks rather than a cable channel that didn't exist a few years ago.

For example, under the existing diary system, black viewership of cable in New York accounted for 44% of African-Americans' total TV viewing hours. But when measured by meters, it jumped to 50.8%. A similar picture emerged for Hispanic viewers, whose share of cable viewing went from 35.8% to 43.7%. That trend, by the way, is reflected among all viewers.

As for charge that the existing Nielsen sample doesn't accurately reflect the black and Hispanic populations in New York -- well, News Corp. and advocacy groups are right -- they are overrepresented in the Nielsen sample. Although blacks comprise 17.3% of New York City television homes, they make up 21.27% of all homes Nielsen measures in the

metropolitan area. Latino viewers make up 16.8% of the Nielsen sample, compared with 16.1% of television households.

Persuading someone to agree even for one week to keep track of all his television viewing habits, which is how the diary system works, isn't easy. A Nielsen spokesman says that on average, only 50% of the diaries Nielsen issues to measure local ratings actually can be used. Many participants either don't bother to fill them in, or do so incorrectly. This occurs nationwide across all demographic groups. The Nielsen viewers who do fill in diaries often do so by memory at the end of the week. Can you remember everything you watched seven days later?

Meters, by contrast, are much easier to use. A viewer simply turns on the meter when turning on the television and pushes a button on the meter's remote to indicate who is watching. In other words, Mom has a button; Dad has a button, and so do the kids. If adopted across the board, more viewers would likely be willing to participate in the Nielsen sample audience.

Growing Market Share

Advertisers and cable companies think News Corp. is trying to create a smokescreen to distract the industry from the fact that the declines of broadcast television are even greater than suspected. Merrill Lynch analyst Jessica Reif projects that as local people meters roll out to more big cities over the next several years, cable's share of local advertising could jump by more than 20%.

"This is far superior to diary information, and everyone knows it," says Jonathan Sims, vice president of research at Comcast Corp., the cable giant, which has systems that serve the New York City area. In Boston, where local people meters were launched two years ago, Comcast saw big viewership gains and was able to dramatically improve its ad sales.

"Individual television stations are resistant to it because their ratings tend to be lower, which is what we saw in Boston," says Nina Kanter, director of communications analysis for Havas MPG, a firm that buys advertising time. While she acknowledges that local people meters are far from perfect, they are "a lot better than what we currently have."

Far be it for me to defend Nielsen. Its samples, both national and local, seem too small to determine what is a hit and what is a flop. It has no competitors in the ratings game, and gets prickly when it is challenged. But in this case, it is trying to put in place a system that could provide more accurate research. None of the other big networks have sided with News Corp. David Poltrack, the well-regarded head of research for Viacom Inc.'s CBS, which also owns UPN, says claims have been made during this spat that can't be substantiated, and that his network continues to support the use of people meters in local markets.

The controversy, which became fodder for the New York tabloids and local stations, has many fearing that future Nielsen samples will be tainted. "What they did was a great disservice to research," says Comcast's Mr. Sims.

Because of the pressure, Nielsen has agreed to delay the official rollout of local people meters in New York until June, after the crucial May sweeps, which stations will use to set ad rates for the next six months. There is nothing wrong with making sure there are no kinks in the system. But if no problems are discovered, News Corp. should stop blaming the messenger and focus on creating programming that might stop its viewers from fleeing to other sources of entertainment.



Agencies Speak Off Record on LPM
Ad Execs Avoid Heat of N.Y. Dispute but Privately Lament Rollout Delay, Say Meters
Are Better Methodology

By Joe Mandese

During the weeks leading up to Nielsen's decision to delay the rollout of Local People Meters as the official TV ratings system for the New York market, broadcast TV executives, minority group organizers and advocacy groups and some of the most influential political leaders made their views known.

But Madison Avenue-which will depend on People Meters for placing more than \$1 billion in local TV advertising buys in the market-was strangely silent during the political struggle that ultimately pressured Nielsen to postpone the local New York People Meters to June 3 from April 8.

While agency executives have long been public in their support of the move to People Meters, many say the New York debate became too politically charged for them to step in, especially after some pressure groups began making more of an issue about the representation of Hispanic and African Americans than about the best research methodology.

Off the record, Madison Avenue insiders said that the former was a nonissue, and if anything, the People Meter sample was more representative of minority groups than the existing set-meter/diary system.

"If the political people had talked to any one of the agency people, they would have heard that this is a step forward, not a step backward. Is it perfect? No. But it's better and we like better," said the top research executive of one of the top media buying shops, who asked to remain anonymous. "We'd love some issues to come to the head, but the race issue is not one of them. It's just not something we want to be out in front of."

The executive went on to point out that the Media Rating Council was already conducting an audit of Nielsen's New York People Meter system, and that if there were any problems with its representation, it would have been made clear by that.

"The MRC will pore over this with a fine-toothed comb. It should be the last word on the subject," the executive said.

Ironically, the MRC issued a rare public statement about the advocacy marketing campaign that was lodged against Nielsen, particularly a direct-mail campaign targeted at minority households in the New York area.

The MRC statement, which was followed by a similar statement from the National Association of Broadcasters, asserted that such efforts could actually corrupt the process they were seeking to fix to improve the representation of Hispanics and African Americans.

Nielsen executives have argued that the direct-mail effort constitutes sample tampering and that they are exploring legal action. Jonathan Sims, VP of research at Comcast Spotlight, said the company is also watching the situation closely and said the local cable sales organization would take whatever steps necessary to protect its business interests.

Ironically, the delay of the New York People Meters will hurt the representation of minorities in yet another way. Nielsen plans to use the rollout of Local People Meters in the major markets to expand its national TV ratings sample from 5,500 currently to an effective sample of 10,000 in 2006.

The expansion of the national sample will increase the representation of both Hispanics and African Americans in the national People Meter sample, enabling Spanish-language networks to be measured in the same sample alongside Anglo networks and boosting the sample size of African Americans enough to enable media planners to create extremely discrete demographic analyses for even relatively low-rated shows viewed by blacks.

"It's a double whammy," said another agency researcher. "It's not only about New York. It's now going to affect the rollout of NTI, which we were looking forward to being completed by the end of 2006. The bottom line is that anything that delays a substantially proven and better measurement is a great tragedy."

To date, Nielsen has maintained that the New York People Meter delay, assuming it isn't extended beyond June 3, won't appreciably impact the expansion of its national TV ratings sample. Don't Count Us Out, the advocacy group that has been targeting the New York People Meters, continues to run advertising to generate awareness of the issue.

In an effort to counterbalance those attacks, Nielsen is readying its own campaign with ads planned for the major minority newspapers in the New York region.

But while the advocacy group and Nielsen continue to battle over the New York People Meters, the issues are not so black and white within advertising agencies.

While the media research groups are unanimously in favor of the Local People Meter rollout, local TV buying groups are a bit more torn, for a variety of reasons, not the least of which is the fact that the meters will create more work for local TV buyers, who are already struggling with workload issues.

For the moment planners seem to be caught somewhere between the researchers on the one end and the buying groups on the other. The research groups are charged with evaluating the validity of research and setting policy for how it is used by others in the agency, including planners and buyers. But buyers say that despite the endorsement of their research teams, they are contractually obligated to continue using diary-based demographic ratings data until Nielsen officially makes the switch.

"For us, at the moment, everything remains business as usual," said Phyllis Maguire, executive VP, managing director, and head of the local TV buying operations at media agency MPG. "We have no choice in the matter, because we are contractually committed to use the official ratings data."

As messy as that might seem, Ms. Maguire said it is further complicated by the fact that some of the buys agencies are negotiating in April and May will have to be posted off of the diary data on which they were negotiated, even if portions of those buys extend past June 3 when People Meters become the official ratings system. "For a while, we will be working with two sets of books," she noted.

Beyond that, she said, People Meters will create more work for local TV buying groups on an ongoing basis, because instead of creating posts and cost-per-point analyses based on quarterly Nielsen sweeps data, local buying groups will have to do it on a monthly basis.

Agency researchers don't agree. "We all know that People Meters are better than diaries. We've been using People Meters nationally for 15 years and we've been relying on an inferior method for spot for the past 15 years," said Rob Frydlewicz, VP of research at Carat Insight, the research division of media agency Carat. "We know that nirvana is within our reach. It's only two months away in New York."

DAILY NEWS



Real Media Riffs

Wednesday, Apr 28, 2004

APPARENTLY, THEY DON'T WANT NIELSEN TO COUNT THEM IN, EITHER -- After complaining that Nielsen's local New York people meter system under-represented viewers of color - that's African Americans and Hispanic Americans, not necessarily people who use a color TV - Don't Count Us Out is taking a new tack. Claiming that Nielsen's plans to add "more people to the system will not fix the problem," Paul Williams, president of 100 Black Men of New York went on to assert, "It's a further indication that Nielsen has no clue how to accurately measure African-American television viewership." The statement didn't offer any indications of what steps Nielsen should actually take, or why adding people to the sample would not make the ratings of African Americans or Hispanic Americans more representative other than to say the people meter system "unfairly undercounts people of color." That seems to be a shift in the DCUO position from sample representation issue to the people meter's methodology. And that could be the group's Achilles heel, given the fact that people meters have already been proven through numerous independent studies, across a wide cross-section of cultures and people of a variety of colors across the entire planet to be a vastly superior method than the set-meter/diary system they would be replacing. If that's true, then it seems DCUO is not really concerned about the inaccuracy of people meters, but their accuracy, and the fact that they tend to report significantly lower levels of viewing among some minorities, even though that may be what's really going on.

None of this stopped Williams from invoking a civil rights theme to the entire issue. "I was raised to think that issues of justice and fairness always mattered in this country," he said. Obviously, Williams completely misunderstands how Nielsen operates. But the significant injustices and unfairnesses perpetrated by Nielsen have nothing to do with the accurate counting of people of color. They have to do with how the monopolistic researcher leverages its market position. How it operates with apparent disregard for what its customers often want. How it fixes prices in a market where it is the sole supplier. How it deftly blocks potential competition, as it seems to be doing through an ingenious joint venture dodge with Arbitron over the development of a portable people meter system that Nielsen has no intention of ever letting see the light of day.

The reality is that Nielsen often operates unfairly and with injustice, just not when it comes to measuring television audiences. The other reality is that DCUO is going to continue to lavish any and all political pressure on Nielsen in an effort to slow or curtail

the rollout of local market people meters for two big reasons: It's backers - chiefly News Corp. - have deep pockets and lots of incentive; and it is proving to be highly effective. The Riff even hears that DCUO is preparing big media blitzes in other imminent people meter markets, Los Angeles and Chicago, with ads created by a major ad shop, all in an effort to create the same kind of disruption and dissention that has proven so effective in New York. What we don't understand, is whether the civil rights leaders that have become DCUO's public faces actually understand the nuances of media audience measurement, or whether they have been duped by the same kind of anti- Nielsen spin that has gotten political leaders on the local people meter bandwagon. If they do understand the issues and they're pursuing this agenda anyway, then they are actually the ones who are being unfair and unjust, and they are being that way to the very same groups they claim to represent, because without an accurate representation of the viewing habits of African Americans and Hispanic Americans, television programmers cannot properly develop the types of programming that will cater to their interests, and Madison Avenue would be in no position to support it.

And while we doubt there's any direct connection between Williams' Nielsen people meter bashing and his connections to News Corp., we can't help but wonder. After all, it was News Corp.'s very own New York Post, which reported Nov. 5, 2003 that News Corp. had donated \$100,000 to 100 Black Men of New York City.

WEEKEND JOURNAL

Taste: Count Them In

By Mark Lasswell

30 April 2004

New York -- "The Honeymooners" checked out of Brooklyn long ago. "Seinfeld" no longer hangs out on the Upper West Side. The end of "Friends" next month closes another chapter in the history of sitcoms set in New York. But television still has at least one terrific comedy based here. It's being produced by Fox television, but you won't find it in any programming guide.

Fox, and its parent, Rupert Murdoch's News Corp., are angry over a change in the way Nielsen Media Research totes up the number of couch potatoes watching TV in local markets. Fair enough: Whenever Nielsen refines its audience measurements, a clearer picture of how cable TV is siphoning viewers from the broadcast networks emerges, and Fox understandably is alarmed. Ratings are directly tied to millions of advertising dollars. That the Murdoch crowd has now resolved to fight the tide of TV history is amusing enough, but the way they're doing it is pure comedy gold.

How else to describe a scenario that has News Corp., owner of the liberal-repellent Fox News Channel and New York Post, shamelessly lifting a page from the Jesse Jackson playbook and using preposterous racial intimidation against a major company as camouflage for a simple cash grab? Anytime you've got Hillary Clinton carrying water for Rupert Murdoch by moaning about disenfranchised minority TV viewers, there is no need for a laugh track.

At issue is the disparity between the ratings numbers reported by the old-fashioned method of periodically recording local viewing habits in a handwritten log and those automatically collected by a little device that Nielsen calls the "people meter." The diary system might have worked well enough back when there were only three networks to watch and viewers had to get off the sofa to change channels, but scribbling down everything you see while trolling through 200 channels with a remote control is a bit like trying to run Mission Control with an Etch A Sketch.

Distrusting the diary stats, ad agencies lobbied Nielsen for years to use people meters -- which only require viewers to punch a button indicating they're in front of the TV -- in local markets, just as they have been employed to establish national ratings since 1987. Two years ago, Nielsen began a project to switch 10 major markets from the diaries by

2006, doubling its people-metered audience to about 10,000. Boston's move to LPMs (local people meters) in 2002 was decidedly noncontroversial.

But then this winter, as Nielsen ramped up to an April 8 launch in New York, News Corp. got a look at the difference between the ratings reported by diary-keepers and the preliminary numbers coming in from the LPMs. Predictably, the ratings for broadcast stations dipped and cable numbers rose -- reflecting the tendency of diarists, dimly trying to recall what they watched yesterday or the day before, just to write down the names of popular network shows that they generally try to catch. Less predictably, News Corp. discovered that, in addition to reduced ratings for some general-interest programs, the numbers for shows targeted at minority audiences also fell. An extreme example: On the UPN affiliate in New York, which is owned by Fox, ratings for the black-oriented sitcom "The Parkers" dropped 62%.

Bingo! In very short order, a "controversy" erupted over Nielsen's supposedly systematic undercounting of minority viewers. Not having a direct pipeline to the sort of interest groups that leap at the slightest suggestion of diversity-insensitivity, News Corp. enlisted a slew of ex-Clinton administration footsoldiers, including former press secretaries Joe Lockhart and Mike McCurry, to help stoke outrage over Nielsen's methodology.

A coalition of grievance specialists gathered under the umbrella Don't Count Us Out and began attacking Nielsen. The Congressional Black Caucus and Congressional Hispanic Caucus demanded that the company put off use of the people meters. And Hillary Clinton sent a robustly publicized letter urging a delay.

It was a jolly free-for-all of righteous ire and sanctimonious handwringing, undamped by a couple of inconvenient facts. As Nielsen likes to note, the LPMs do indeed misrepresent minorities in its New York City numbers: Blacks are 17.3% of the city's population but 21.2% of the Nielsen sample; Latino overrepresentation clocks in at 16.1/16.8%. That makes the insinuations of Nielsen's institutional racism risible, but the laugh-out-loud punchline came on Friday, when the company's number-crunchers determined that those evil local people meters in New York, during the dress-rehearsal phase last month, recorded a 180% rise in the ratings among viewers 18 and over for the cable channel Black Entertainment Television (BET). Will this news persuade Don't Count Us Out to fold its tents? Don't count on it.

The facts notwithstanding, Nielsen sensed a few weeks ago which way the PC wind was blowing and announced it was delaying the LPM debut in New York until early June. That must have mollified News Corp. a bit, because now it can rely on higher diary-produced ratings during the May "sweeps" when setting advertising rates.

Which brings us to the genuinely noteworthy point about the advent of local people meters. They almost certainly spell the end of ratings sweeps periods. The TV industry and advertisers now take the pulse of the local diary-keepers four times a year to peg prices for local advertising. (Since people meters constantly monitor national ratings, there's no need for sweeps to establish national ad rates.) Networks tailor their

programming to produce the biggest ratings bumps during sweeps, thus sweetening the ad rates at the stations they own and operate, and keeping their affiliates happy.

The ritual had already begun to fade with the decline of the sweeps-friendly blockbuster miniseries and the advent of anytime, anywhere short-run programming such as "Survivor." The prospect of another sweeps month, though, still quickens a TV exec's pulse. Which is why this May will bring us the "Friends" and "Frasier" departures, a "Dick Van Dyke Show" reunion and, just for old times' sake, an earthquake-disaster miniseries. Local news shows will follow their custom of whipping themselves into an even greater frenzy of leering sensationalism and fearmongering. Sweeps are sweeps.

But the end is, if not nigh, then nighish. David Poltrack, head of research and planning at CBS Television, predicts that within six years local people meters will be so widely installed -- 20 local markets should do the trick, he thinks -- that "sweeps will be diminished enough so that we won't have this dislocation of scheduling." Alan Wurtzel, president of research at NBC, can't wait for sweeps to be swept away. "It's going to reward the marathoner and not the sprinter," he says. "I don't know where stories like 'The most dangerous fast-food restaurant you've ever seen' and 'Animals who eat their young' are going to go."

Certainly not to Fox. Oh, the network that brought us "When Animals Attack" might have been interested until recently -- but not now, not when there's social injustice to fight.

Mr. Lasswell is a writer in New York.

CHICAGO SUN-TIMES

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New ratings prompt political grandstanding

May 11, 2004

BY ROBERT FEDER SUN-TIMES COLUMNIST

It was hard to keep a straight face at the press conference Monday as politician after politician rose to denounce what one of them called "a great injustice" and another called "a matter of fairness and equality."

Among the more than 20 public officials competing for face time in front of the cameras were two U.S. congressmen, one county board president and assorted state legislators, Chicago aldermen and other leaders of the African-American and Latino communities. What was the issue of grave concern that brought them together? The Nielsen television ratings.

Funny, but I always understood that the purpose of ratings was to measure audiences in order to set advertising rates: The bigger the audience for a particular show, the more a network or station could charge for commercials.

To hear the politicians under the banner of the "Don't Count Us Out Coalition" tell it, you'd think the future of all programs aimed at minorities -- and vast segments of the entertainment industry -- were suddenly at risk. All because of a change in the way Nielsen Media Research plans to gather ratings data.

Specifically, they're out to delay or derail implementation of Nielsen's "people meter" system, set for launch here in August. Designed to replace the antiquated paper-diary method of tracking viewership, people meters will bring local markets in line with the technology already used for the national ratings.

In addition to measuring viewership more accurately, people meters could bring a bonus to viewers. Since the meters will provide detailed demographic data 365 days a year, stations will have no reason to waste time and resources on ratings stunts during the sweeps months of February, May and November. For all practical purposes, sweeps will become obsolete.

No one at the press conference mentioned that a driving force behind the Don't Count Us Out Coalition nationwide is News Corp., parent company of Fox Broadcasting. In fact, the trade publication Television Week called Fox the "deep-pocketed puppet master" of the coalition.

As the owner of Fox and UPN affiliates in Chicago and other major markets, News Corp. has a vested interest in delaying the meters as long as possible. That's because preliminary tests of the meters have shown declines in viewership for some of the networks' most popular programs.

Nielsen officials have acknowledged the importance of selecting survey samples that accurately reflect the ethnic and racial makeup of each market. In Chicago, about 800 households are expected to be recruited by the time the meters are fully operational.

Instead of arguing against the use of a superior technology, politicians would be better off encouraging their constituents to participate enthusiastically when Nielsen comes calling.



Tuesday, May 11, 2004, 6:24pm PT

Fox gives Nielsen, politicians a lesson in hardball

By **BRIAN LOWRY**

LACHLAN MURDOCH is demonstrating that the apple doesn't fall far from the tree -- establishing himself as one of the most adept puppet-masters since Geppetto, while leaving a host of elected officials and minority activists doing News Corp.'s bidding and dancing to its tune.

There's considerable irony in the strange bedfellows behind Don't Count Us Out, a Fox-orchestrated campaign to keep Nielsen Media Research from adopting peoplemeter technology in major cities -- thus casting an arcane business dispute as a civil rights issue and doing a disservice to the legitimate pursuit of such goals.

Put plainly, liberal politicians characterizing the ruckus as a question of racial equality have been snookered -- and by a studio well-known for backing conservative causes, no less, as well as the proprietor of Fox News Channel.

In a nutshell, Fox is understandably concerned that the peoplemeter shift will negatively impact ratings for its TV stations -- now under the aegis of Rupert Murdoch's son Lachlan, deputy chief operating officer of News Corp. and chairman of Fox's TV station group -- in markets like New York, L.A. and Chicago. So with an assist from stories in the News Corp.-owned New York Post, the company has manipulated politicians, among them Sen. Hillary Rodham Clinton and the Rev. Al Sharpton, into carrying its water by pressing for a postponement of Nielsen's rollout.

Given the public's lack of sophistication about how Nielsen methodology works, "It was relatively easy for Fox to shape the story to suit its purposes," concluded an analysis by the media research firm Carat Insight, under the headline "Fox Fights Dirty."

SHAME ON FOX, you might say, for employing hardball tactics, though if the younger Murdoch is auditioning to eventually segue into dad's gig, he's certainly exhibited a can-do attitude and creative flair.

The real embarrassment here, though, belongs with public servants and so-called community leaders that labeled this a "terrible injustice" first and seem willing to sort out the details later. Indeed, once couched in racial terms, politicians pounced on the issue the way the Soprano clan goes after a baked ziti.

Alex Nogales, CEO of the National Hispanic Media Coalition, took pains during a press conference Monday to say Fox didn't prompt the campaign even though they share the same objective. Those joining him included Los Angeles City Council members Jan Perry and Bernard Parks as well as Rep. Hilda Solis (D-Cal.), whose comments were loaded with indignation but mostly incomprehensible.

Grasping for evidence of a possible conspiracy, Parks pointed out that he had never met a Nielsen family, which is sort of like saying you've never met anyone who was called by the Gallup Poll. Big country out there, y'know? (The event was such a snooze Fox-owned KTTV's 90-second piece on "the McDonald's model who's turning heads" was three times as long as its report about the protest.)

I don't doubt that these folks sincerely wish to further minority opportunities in media. Charges of racial inequity, however, should never be leveled lightly and only promise to undermine activists' credibility when they next engage the entertainment industry, whose track record in promoting diversity doesn't need to be misrepresented to appear less-than stellar.

Perhaps forgivably blindsided by the initial attacks, Nielsen has since mounted a counter-offensive citing Fox's role in using surrogates to push its agenda -- a point mainstream media outlets have appeared to note reluctantly. "I was surprised that they were able to succeed in turning this into a political issue," Nielsen rep Jack Loftus conceded.

TRUTH BE TOLD, the particulars of Nielsen ratings remain a mystery even to most people working in Hollywood. Still, the fluctuation likely to occur in switching from diaries (where people have to remember and write down what they watched) to peplemeters in order to gather detailed demographic data has as much to do with racial politics as "Van Helsing" does with the state of Red Cross blood supplies.

Murdoch the younger was traveling and unavailable for comment, but a News Corp. spokesman denied that the company has stage-managed the controversy. As for the political response, "It's not artificial. It's a natural expression of outrage," he said, adding, when asked if Fox views the ruckus as a civil rights matter, "We see this as an accuracy issue."

In other words, let the politicians thunder away and pay no attention to that man behind the curtain -- a budding wizard, it seems, working his magic at a company from Oz.

The New York Times

ON THE WEB

Nielsen Offers Results Of Ratings Test

By Stuart Elliott

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Nielsen Media Research, responding to critics of its plans to change the way it measures television ratings in New York, released results yesterday of the most recent test of the new system. The company said the results showed increased viewership for many programs popular with blacks and Hispanics.

The release of the results was intended to counter complaints that by adopting the electronic system, known as local people meters, Nielsen will undercount the viewership for programs watched by blacks and Hispanics. That is a particular concern of the News Corporation, which owns two stations in New York with large minority audiences, WNYW Channel 5 and WWOR Channel 9.

The News Corporation's Fox Television Stations Group has been supporting the effort by the critics, who have formed an organization called the Don't Count Us Out Coalition, to prevent Nielsen from adopting the local people meters.

The data from the test of the local people meters in March "in no way suggest that African-Americans or Latinos are undercounted," said Susan D. Whiting, president and chief executive at Nielsen, part of VNU. Rather, she added, the data showed they were watching a more diverse range of programming -- not only broadcast stations like Channels 5 and 9 but cable networks like BET, Telefutera and Telemundo.

In tests of the local people meters in January and February, Nielsen reported similar changes in viewership patterns, which the company attributed to a more precise ability to measure channel-switching compared with the current system. Currently, viewers in New York record the programs they watch in paper diaries.

After the coalition enlisted members of Congress to complain about the proposed shift to local people meters, Nielsen postponed the change to June 3, from April 8. The critics are also contesting Nielsen plans to shift to local people meters from paper diaries in Chicago and Los Angeles.

Nielsen defends new ratings: New method not racist

James G. Muhammad
Contributing writer

The debate about the Nielsen Media Research company's plan to change the way it counts viewers turned up a notch Wednesday, with the company's African American communications counsel saying allegations that the new method will undercount minority viewers is baseless.

"Nothing could be further from the truth," said Eddie Arnold, who has been with Nielsen for eight years and once worked as an aide to former Chicago Congresswoman Cardiss Collins.

"Nielsen has been publishing a weekly list of African American prime time TV viewing. It shows that our audience is diverse. The concern has always been the sample size. "The irony is that if you look at the people talking about these things, you don't see the stakeholders (producers and actors). This charge is not being led by those people at all."

Nielsen plans to implement Local People Meters (LPMs) to monitor television viewing habits. LPMs are electronic devices that attach to the television set and transmit a signal to Nielsen via a telephone line. Viewers type in a code to note who is watching at the time the signal is transmitted.

Citing news articles from various publications, Arnold said opposition to LPMs first emerged from News Corp, the FOX television network parents company, whose UPN network showed significant declines in their programming, including African American shows.

In a news report last month, *Reuters* cited sources saying Fox executives had threatened to organize minority groups in opposition to Nielsen's plan and launch a telemarketing campaign.

No one was available to respond to questions by the *Defender* at News Corp headquarters in New York at press time.

Arnold said the effort to increase the sample size of the African American community, which has been complained about by Black leaders, results in a more diverse pattern of viewership. Cable channels such as TV One, BET and ESPN showed significant increases, he said.

“We measure viewers and are constantly trying to improve, but we don’t make programming decisions,” Arnold told the *Defender*, speaking from his office in Washington. “The LPM will give us an accurate measurement. It will also give us a demographic profile – who’s watching, their age, their income. We’re watching more than just network stations,” he said.

While working with Rep, Collins, Arnold assembled a task force to address issues concerning Nielsen’s rating of African American audiences. At that time he worked with such people as Don Cornelius of “Soul Train” and the late Vince Cullers, who headed a prominent Chicago ad agency.

Prior to implementing the current plan for LPMs in major markets, Arnold said he sent information to Black leaders and ad agencies announcing the doubling of the African American sample size and the use of LPMs as a more accurate measure of viewing habits.

“They’re saying that Nielsen will make Black programming disappear, and that’s simply not true. We have a lot of people who’ve been misinformed,” Arnold said.

Gary Holmes, a Nielsen spokesman, told the *Defender* that the “Don’t Count Us Out” coalition, which recently held a press conference in Chicago voicing concerns about LPMs, is working with people affiliated with New Corp.

“Fox is misleading people into thinking that Nielsen undercounts people of color when LPMs are actually a more accurate and reliable measure of viewers.

Ad agency owner R.J. Dale said he hopes the concerns are worked out, but the bottom line is there is an accurate count of minorities. In the larger scheme of things, he said, Black-oriented ad agencies ultimately will have to diversify their clientele to include more of the general market.

“It’s not that the African American market will be diminishing. But advertisers will say there’s one place they can go to find the Black viewer.”



BET Supports Nielsen ‘Local People Meters’

By Linda Moss -- 5/18/2004 5:25:00 PM

In a surprising move Tuesday, in contrast to the recent outcry from Hispanic groups, Black Entertainment Television has come out in favor of the rollout of “Local People Meters” by Nielsen Media Research.

The planned deployment of the LPMs in New York, Los Angeles and Chicago has created a firestorm of controversy, with the loudest critics being News Corp., Hispanic groups and politicians. The brouhaha over the meters earlier this week prompted the Rev. Al Sharpton to stage a protest at Nielsen’s Manhattan headquarters.

So BET’s defense of the meters, as providing more accurate ratings and overall viewership information, was unexpected.

“We have always been concerned that the paper diary system for gathering local ratings was vulnerable to substantial inaccuracies and that African-American households were underrepresented in Nielsen’s paper diary sample,” BET president Debra Lee said in a prepared statement.

“Nielsen already measures national ratings via the use of the People Meter technology,” she added. “It makes sense to use modern methodology like LPMs to accurately measure viewership at the local level.”

Hispanic groups have claimed that the LPMs underrepresent Latino audiences. That’s because ratings for some broadcast shows popular with blacks and Hispanics have lost viewership when measured by the new meters.

But Lee said that drop-off reflects the fact that in reality, some of this viewership is going to cable networks like BET.

“Quite frankly, we don’t understand why some broadcasters would oppose any method of truthfully tracking what viewers are and are not watching, regardless of their ethnic background,” Lee said. “Networks like BET could certainly benefit from information that depicts the true viewing patterns of African-American consumers.”

Lee also noted that Nielsen is doubling the size of its national sample panel, and that African-American households will increase by 79%.

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